

**MINUTES OF THE REGULAR MEETING OF THE  
MICHIGAN CITY REDEVELOPMENT COMMISSION  
JUNE 11, 2007**

The Michigan City Redevelopment Commission met in a regular meeting in the Planning Department Conference Room, City Hall Building, 100 East Michigan Boulevard, Michigan City, Indiana, on Monday, June 11, 2007, at 5:00 p.m. local time; the date, hour, and place duly established for the holding of said meeting.

**CALL TO ORDER**

Chairman Ken Behrendt called the meeting to order at 5:10 p.m.

**ROLL CALL**

Upon roll call the following were noted present: Ken Behrendt, Ed Bigda, Marc Espar, and Joie Winski. Richard Richey was absent. (4 present, 1 absent) Staff in attendance: Executive Director John Pugh, Attorney Michael Bergerson, and Secretary Debbie Wilson. Public in attendance: TIF Financial Advisor Richard Treptow, Richard Murphy, Dan Radtke, Environmental Consultant Tom Stevenson, Ken Fryar, Tom Phillips from Oposo Landscaping, Ron Miller from WE-FM, and Joseph Jargella from Chem Check.

**APPROVAL OF MINUTES**

The Chair entertained a motion for approval of the minutes of the regular meeting of May 14, 2007.

***A motion to approve the minutes was made by Mr. Espar – seconded by Mrs. Winski and unanimously approved.***

**CLAIMS**

Mr. Pugh submitted and reviewed the claims list:

**Payroll**

Staff Salaries	05/25/07	2,269.44
	06/08/07	<u>2,252.30</u>
		<b>4,521.74</b>

**Claims (Regular)**

Lenore Gregory	Accounting services - Apr 07	250.00
Michael Bergerson	Legal retainer - June 07	<u>300.00</u>
		<b>550.00</b>

**Claims (N TIF)**

Michael Bergerson	Legal services - N TIF	2,100.00
News Dispatch	RFP - Benz	17.18
LP Cty Appraisal	Appraisal - 741 E Michigan	1,600.00
J & K Environmental	Asbestos insp - 531 E Michigan	225.00
Residential Cons	Demo - 742 E 8th	51,240.00
JJR	Elston Grove	16,833.00
Cavolick Consulting	Blocksom relocation	<u>687.50</u>
		<b>72,702.68</b>

**Claims (S TIF)**

Michael Bergerson	Legal services - S TIF	600.00
Beam Longest & Neff	Engineering - 400 N	6,761.49
Beam Longest & Neff	Engineering - Towne Center Drive	711.38
LP Recorder	Recording - 400 N	167.00
LP Auditor	Recording - 400 N	3.00
US Bank	Semi-annual lease	164,000.00
Owner (1)	400 N	<u>5,800.00</u>
		<b>178,042.87</b>

The Chair entertained a motion for approval of the claims.

***A motion to approve the claims was made by Mrs. Winski – seconded by Mr. Esper and unanimously approved.***

**FINANCIAL REPORT**

Mr. Pugh submitted and reviewed the financial report ended April 30, 2007.

The Chair entertained a motion for approval of the financial report.

***A motion to approve the financial report was made by Mr. Bigda – seconded by Mr. Esper and unanimously approved.***

**BID OPENING – FORMER B&E MARINE SITE**

Bid opening for proposal to remediate contaminated soil from former Bensch facility (B&E Marine) at the southwest corner of “E” Street and Trail Creek.

It was noted that proof of publication was submitted for the record.

Mr. Pugh opened and read bids as follows:

Integrated and Environmental Solutions of Gary, Indiana	\$231,897.00
Midwest Environmental, Inc. of Hammond, Indiana	242,256.00
Chem Check, Inc. of Hebron, Indiana	336,000.00

The Chair entertained a motion.

***A motion was made by Mrs. Winski to take the bids under advisement and refer them to Tom Stevenson, Environmental Consultant, to review – seconded by Mr. Espar.***

Mr. Stevenson stated that he would like to award the bid within one week.

Attorney Bergerson advised that a special meeting would have to be held.

***With a motion and second on the floor, the motion was unanimously approved.***

**STATUS OF RE-USE PLAN**

Mr. Pugh advised that the committee (Joie Winski, Ken Behrendt, and John Pugh) has met and interviewed the firm of Lohan Anderson to develop a Re-use Plan for those properties the Commission has acquired along the Trail Creek corridor and the Memorial Hospital property from Pine to Michigan. He explained it is a legal requirement that the Commission develop a Re-use Plan. This is a Re-use Plan in terms of land use and development standards. He noted that they also talked to them about marketing the land to a developer. Mr. Pugh stated that the committee selected Lohan Anderson and he noted there is a not-to-exceed fee of \$30,000. Mr. Pugh recommended approval for them to start immediately.

Mrs. Winski pointed out that Lohan Anderson is the same firm that helped Chicago with their museum campus. She stated that they are very impressive.

Mr. Behrendt concurred with Mrs. Winski. He said they have a very impressive portfolio. Their price was very reasonable compared to the other firms.

The Chair entertained a motion.

***Mrs. Winski made a motion authorizing engagement of the firm Lohan Anderson to develop the Re-use Plan at a cost not to exceed \$30,000 – seconded by Mr. Espar and unanimously approved.***

### **REPORT BY OPOSO LANDSCAPING**

Tom Phillips, Oposo Landscaping, put together a power point presentation updating the Commission on the status of the landscape maintenance and additional landscaping. He stated that they have completed three weeks of maintenance and would like to get feedback from the Commission on the future direction of the additional landscaping.

Mr. Phillips reported the following highlights from the last three weeks:

Pine Street: Reclaimed approximately 112 sq ft of overgrown and mud packed sidewalks on the east side; removed a large amount of low hanging tree growth; soil analysis was okay.

Franklin Street: Soil analysis indicated low nitrogen and toxins including oil, gas, tar, and a jug of antifreeze leaking in front of GIS; added 150 lbs of nitrogen based fertilizer to the planters; 600 cubic feet of cypress mulch was applied to all major and minor intersection planters; the rose bushes were cut back at the parking lot at 7<sup>th</sup> & Franklin.

Washington Street: Reclaimed approximately 55 sq ft of sidewalk space; the major focus continues to be the Farmers Market parking lot; removed over 500 lbs of dead and overgrown debris (grass and shrub cuttings and garbage).

Wabash Street: Removed significant debris from Works demolition and the recent fire at the church; reclaimed as much sidewalk space as possible without compromising the integrity; 6<sup>th</sup> to 8<sup>th</sup> on the west side is badly degraded – cut back as much as they could and removed debris without taking up chunks of sidewalk.

Fourth Street: Removed seven loads of overgrowth from the beds.

Mr. Phillips explained that the project area is now at a point where the Commission can start to discuss what they want and move forward. He suggested the following materials (three themes) to be added to the project area:

Dunescape theme: This would tie in with Michigan City's greatest asset (the beach). He recommended Zebra Grass, two types of ornamental grasses, and Chinese Elm Hedge. This theme would fill in the planters relatively quickly with greenery that would last all year round. However, it will look similar all year round. It would be relatively hardy and drought resistant.

Groundcover theme: This is similar to what is there now. He recommended Blue Ring Juniper; Plumbago, Purple Wintercreeper, and Lily of the Valley. What this offers that the dunescape theme doesn't is that it is a much lower lying, hardier set of plants that will grow in year after year to fill in the planters.

Flowering theme: This theme requires more work. Relatively hardy flowerings – Russian Sage, Red Prairie Mallow which will stay colorful year round; Black-Eyed Susan and White Bee will require some maintenance.

Mr. Phillips noted it is written into the proposal that he would either come back to the Commission or to the City to make a recommended watering schedule.

In addition to those themes, Mr. Phillips had one further suggestion – a sculpture series. He would like to feature a local area artist's work within the project area where businesses could sponsor the work entitling them to the piece after the seasonal run. For the spring and summer season, he suggested the art work of Ed Wedow. His butterflies are featured at Dunebrook. Mr. Phillips recommended between 10-15 pieces at no charge to the Commission. The butterflies would be securely placed into the planters on Franklin Street from 10<sup>th</sup> to 4<sup>th</sup> Street, with a few located on 4<sup>th</sup> Street and a few coming up Wabash Street. They would be securely channel welded to a 2" pole which would then be securely locked into a 3" pole. If the Commission so desires for the winter and fall season, there could be another installation from an artist of their choosing. He explained that this is part of his service to the Commission, but offers an \$800 sponsorship level of which \$500 would go to the artist and the remaining funds would go to the Dunebrook Child Abuse Prevention Center. That would entitle the sponsoring business to either have their name painted on the butterfly, or at a \$1000 sponsorship level, a consultation with a local area artist in which they could have the butterfly repainted with their company logo.

Mr. Behrendt asked the dimensions of the butterflies.

Mr. Phillips stated that they are approximately 3' across and 3 ½' tall.

Dan Radtke asked what they are made of.

Mr. Phillips replied that they are made of steel.

Mr. Pugh stated that it is a great innovative approach and urged the Commission to consider this.

Mrs. Winski agreed.

Mr. Behrendt noted his concern with a traffic visibility issue.

Mr. Phillips stated that they would be placed in the low lying planters, and therefore does not believe there will be a visibility issue. He would also suggest using the butterflies with openings in the wings.

Mr. Bigda pointed out that most of the ground cover currently in the planters has died. He asked Mr. Phillips why it has died.

Mr. Phillips replied that it is due to complete overgrowth. When they inspected the planters, the ground cover was not the dominant species – the dominant species was a variety of weeds. He said everything in there still has a chance to grow once the weeds are cleaned out.

Mr. Pugh made note that Mr. Phillips has already put mulch in but did not put any weed killer down because he was not sure what direction the Commission wanted to take.

Mr. Phillips stated that is correct. He said any type of weed killer has a residual effect and he did not want to put it down until the Commission decided what they wanted.

Mr. Pugh stated that Mr. Phillips' report was very encouraging and he is happy to see him get started. Mr. Pugh personally likes the butterfly idea. He would rely on Mr. Phillips to give a mixture of all three themes in the planters. Mr. Pugh asked Mr. Phillips' opinion on the condition of this area and if it could be brought back and look good again.

Mr. Phillips stated that it can. He said the infrastructure and what is there will now have a chance to thrive. He said the mixture will fill the planters very quickly. He is very excited on what effect the sculpture series will have on the downtown area.

Mr. Bigda asked if the price would be the same as in the quote.

Mr. Phillips stated that is correct - \$9,950 for a 12 month maintenance contract and \$10,000 for the additional landscaping.

Mrs. Winski questioned the bad sidewalks and if it is the Commission's responsibility to repair them.

Mr. Pugh stated that it is relevant but felt that the Commission's first priority is to get the landscaping going, then look at the sidewalks at a later date.

Mr. Bigda stated that there are some spots that don't have bricks and there are just weeds in there.

Mr. Phillips said that they could fill those areas in with bricks.

The Chair entertained a motion.

***Mrs. Winski made a motion authorizing Tom Phillips to use his best judgment as far as addressing the landscaping on Franklin Square and also authorize him to install the butterflies – seconded by Mr. Bigda and unanimously approved.***

Mr. Phillips asked who he should contact about the watering schedule.

Mr. Pugh stated that he could work through his office.

Mr. Pugh also mentioned that as a requirement, Mr. Phillips should obtain a City Arborist License since he is trimming trees.

Mr. Pugh recommended approval of the first invoice in the amount of \$8,000 - \$3,000 for April/May/June maintenance and \$5,000 for half of the landscaping.

The Chair entertained a motion.

***Mr. Bigda made a motion to approve the invoice in the amount of \$8,000 – seconded by Mr. Espar and unanimously approved.***

### **REPORT BY LEGAL COUNSEL**

Attorney Bergerson reported that he continues to negotiate with several land owners at 5<sup>th</sup>/Michigan and 8<sup>th</sup>/Michigan (Crown Liquors).

Regarding the Sobkowiak/Weber matter, Attorney Bergerson stated that there is a status conference scheduled for Wednesday morning at 10:00 in Judge Baldoni's court. The purpose of that conference is to set a calendar for deadlines and eventual trial date.

Attorney Bergerson continues to work with experts in terms of Blocksom and Co. They have reported to him on their site inspections and continue to prepare cost estimates for replacement and/or relocation of the facility. Once a final cost estimate is obtained, negotiations can conclude.

### **REPORT ON STATUS OF TIF**

Mr. Treptow distributed an analysis of the South Side bond issue for the 400 N Road Project. Regarding this years' pay '07, he said that the County still is not in the position of having those numbers yet. They are ready to start on Michigan City. As he reviewed the analysis, he pointed out the numbers are preliminary, but it would give the Commission an idea of how the financing will work for the joint project with the County.

Mr. Treptow outlined the funding. The Commission would need a bond issue of \$4,550,000, with the County's share of \$4,091,023, plus interest earnings of \$97,000, for total funding of \$8,738,023.

Mrs. Winski pointed out that the North TIF includes residential as well as commercial but the South TIF is just commercial.

Mr. Treptow clarified that the North TIF includes residential parcels and to the extent there is growth in residential valuation, it can be captured as revenue. The South TIF also includes residential parcels and it is okay to have those residential parcels in the TIF area because those parcels may become commercial through rezoning and then the increment would be captured. Residential increment may not be captured on the South TIF unless they become commercial.

Mr. Treptow noted one item to be corrected. The County has a new GIS mapping system. When they went back to the original resolution and traced the TIF areas on maps, an error occurred along the way. The existing Wal-Mart is in the tax data base and is not supposed to be. Mr. Treptow stated that in a next couple months, the Commission will be asked to pass a resolution deleting the existing Wal-Mart from the TIF area.

Mr. Pugh stated that the City is very close to acquiring all rights-of-way and will want to go to a bid. He asked Mr. Treptow to do whatever he could to move forward with the sale of the bond.

Mr. Treptow stated that the legal aspect is already taken care of as the Commission has already been authorized. Mr. Treptow will need the bids in hand to resize the issue. He will have to be in close contact with Mr. Pugh and staff so he knows exactly when the bids come in and then can go forward with the bond sale as soon as possible.

Mr. Treptow continued stating that the Commission will need to have all the legal resolutions as necessary, so Baker & Daniels will have to put together a timetable of actions to sell the bonds.

Mr. Treptow stated that he is ready to go and will start putting together a bond prospectus and official statement.

Mr. Behrendt noted his concern being right at the upper limit of the bond issue. He asked Mr. Treptow if there is a contingency plan in place.

Mr. Treptow explained that there are annual reassessments going on now. Along with the trending, there is a process called neutralization where the base value of the TIF area is adjusted every year and there is a limit of parameters in which they make sure

the Commission gets as much revenue next year as they got this year, plus any new growth. That is the backstop. He stated that \$4,550,000 is the most that can be sold. That much would not have to be sold if the bids come in lower.

Mr. Behrendt asked what would happen if they come in higher than \$4,550,000.

Mr. Pugh stated that there will be alternates in the bid process – things have been deleted, and the Water Department has agreed to pick up some of the costs.

Mr. Pugh stated that the Commission needs to authorize him to seek bids. Once the bids are received, Mr. Treptow can start the bond sale.

The Chair entertained a motion.

***Mrs. Winski made a motion authorizing Mr. Pugh to seek bids for the 400 North Widening Project – seconded by Mr. Espar and unanimously approved.***

### **REPORT BY DIRECTOR**

Mr. Pugh submitted two letters for the Commission's approval. He explained that these letters are done every year to the County Auditor regarding property taxes payable to both the North Side TIF and South Side TIF.

Mr. Treptow mentioned that a letter should also be prepared for the Northeast TIF area.

The Chair entertained a motion.

***Mr. Bigda made a motion approving the letters for forwarding to the County Auditor for the North Side TIF, the South Side TIF, as well as the Northeast TIF – seconded by Mr. Espar and unanimously approved.***

### **PUBLIC COMMENTS**

Ken Fryar addressed the Commission and commended them for hiring a high profile firm for the Re-use Plan.

Also, Mr. Fryar mentioned that a few months ago, one of the Commission members asked Mr. Bicek why, with all of his promises, he had not gone ahead with the purchase of the Brewery. Mr. Bicek's response was that there were encumbrances on the property that were giving him problems. Mr. Fryar stated that comment was printed in the paper twice and he had a developer ask him about that statement. Mr. Fryar had repercussions from that comment and wanted to clarify that not now nor have there ever been encumbrances on the Brewery causing a problem for a buyer to get clear title. He

said that was a statement made by Mr. Bicek as an excuse for not doing what he said he was going to do and it had no validity to it whatsoever.

Ron Miller asked the timetable for the demolition of Trustee's Office.

Mr. Pugh stated that he received and opened bids on May 21<sup>st</sup>. The Trustee is working with an architect on their new building and is not ready to move out yet. Mr. Pugh stated that he will hold the bids until they are ready to move and will then proceed with the low bid.

Mr. Miller asked if there is a portion of the old airport property that is still zoned residential.

Mr. Pugh stated that is correct – an area toward Cleveland Avenue is zoned multi-family R-3.

Rich Murphy asked the general boundaries of the Re-use Plan.

Mr. Pugh stated that it is referred to as the Trail Creek corridor which is basically from the "E" Street bridge along Trail Creek up to the Second Street bridge on the west; the Memorial Hospital property from Pine over to Michigan Boulevard between 5<sup>th</sup> and 6<sup>th</sup> Street.

### **ADJOURNMENT**

The meeting adjourned at 6:10 p.m.

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Richard Richey, Secretary