

**MINUTES OF THE REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
AUGUST 18, 2008**

The Michigan City Redevelopment Commission met in a regular meeting in the Common Council Chambers, City Hall Building, 100 East Michigan Boulevard, Michigan City, Indiana, on Monday, August 18, 2008, 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 5:05 p.m.

ROLL CALL

The following members were noted present for the record: Ken Behrendt, Ed Bigda, Lynne Kaser, James Kintzele and Michael Kniola. Cranston Harris was absent. (5 present – 1 absent) Staff in attendance: Executive Director John Pugh, Attorney Michael Bergerson, Zoning Administrator/Rehab Officer Joseph Siegel and Secretary Debbie Wilson.

Public in attendance: Councilman Richard Murphy; Neil Kienitz; News Dispatch reporter Laurie Wink; Fred Larmore from Beam, Longest & Neff; Bob Bailey; WE-FM reporter Ron Miller; Dan Radtke; Jason Greenbaum.

APPROVAL OF MINUTES

The Chair entertained a motion for approval of the minutes of the regular meeting of July 14, 2008.

A motion to approve was made by Ms. Kaser – seconded by Mr. Kniola. Upon voice vote the minutes were unanimously approved.

CLAIMS

Mr. Pugh distributed and reviewed the claims list for August:

Payroll

Staff Salaries	07/18/08	3,134.21
	08/01/08	2,783.81

08/15/08	<u>2,783.81</u>
	8,701.83

Claims (Regular)

Lenore Gregory	Acctg services - June 08	250.00
Michael Bergerson	Legal retainer - August 08	<u>300.00</u>
		550.00

Claims (N TIF)

Haas & Assoc	Eng - Fr Sq 2-way traffic	8,141.50
Tracy Cross	Partial pay market assessment	32,500.00
Environmental Inc	Remediation 8th/Michigan/TC	27,703.45
LP Cty Appraisal	Appraisal - E Michigan	400.00
Andy Salat	Demolition 316 E 6th	8,500.00
Michael Bergerson	Legal services N TIF	3,565.00
IDEM	Remediation - Benz	747.50
Umbaugh	Prof services N TIF	<u>28,307.79</u>
		109,865.24

Claims (S TIF)

Beam, Longest & Neff	400 N Engineering	21,211.57
Beam, Longest & Neff	Towne Center Dr - Engineering	347.44
Rieth-Riley	400 N Construction	1,013,215.08
Umbaugh	Prof services S TIF	5,500.00
US Bank	Debt services 2007 bond	104,063.78
J F New	Franklin Square planting	<u>5,563.20</u>
		1,149,901.07

The Chair entertained a motion for approval of the claims.

A motion to approve was made by Mr. Bigda – seconded by Mr. Kniola. Upon voice vote the claims were unanimously approved as submitted.

FINANCIAL REPORT

Mr. Pugh submitted and reviewed the financial report ended June 30, 2008.

The Chair entertained a motion for approval.

A motion to approve was made by Mr. Bigda – seconded by Mr. Kniola. Upon voice vote the financial report was unanimously approved.

DISCUSSION REGARDING DESIGN ENGINEERING FOR US HIGHWAY 35

Mr. Pugh explained that there is an agreement with the State/INDOT to relinquish Michigan Boulevard to the City. There is a resolution before the Common Council tomorrow. The Mayor and administration have been working on this. In lieu of expectation of receiving all approvals, the next step would be to start design engineering to reconstruct Michigan Boulevard consistent with the Commission's plans. To that end, the Mayor has asked that the Redevelopment Commission commit up to \$350,000 for the design engineering portion. Mr. Pugh recommended approval by the Commission.

Mr. Pugh continued that it will be a Board of Works project, not a Redevelopment Commission project. The Commission would pay for a portion of the engineering. Plans would be developed and approved by the Board of Works.

Ms. Kaser asked Mr. Pugh what he thinks the total cost of engineering would be.

Mr. Pugh stated that \$350,000 would be approximately half of the total cost. He noted the Commission has looked at preliminary drawings by Lohan Anderson and Andrew's University. The next step is to hire an engineering firm through the Board of Works and design the specifics so the City can go out for bids early next year.

Ms. Kaser inquired into what Mr. Pugh is asking the Commission to do.

Mr. Pugh stated that he is acting on a request of the Mayor and he is recommending the Redevelopment Commission commit from North End TIF funds in an amount up to \$350,000 to do the design engineering phase of actually turning Michigan Boulevard into a boulevard.

Mr. Bigda asked if the Commission has the funds available.

Mr. Pugh replied that given the amount of money in the North End TIF account, the funds are available. The project is consistent with the Commission's goals.

The Chair entertained a motion.

A motion was made by Mr. Bigda authorizing the Redevelopment Commission to commit up to \$350,000 for the design engineering of Michigan Boulevard – the motion was seconded by Mr. Kniola.

Mr. Bigda asked if the Commission's approval is based on the fact that the Council also has to approve it.

Mr. Pugh stated that there will be a resolution before the Council tomorrow. He believes it is before the Council in good faith and they will support it as does the Mayor. The agreement is not signed and sealed yet, but if it is approved the Commission will be ready to pay a portion of the design engineering.

Chairman Behrendt commented that this is a very important project and one of the linchpins as far as the redevelopment of the North End. Money spent on the design engineering of the boulevard is money very well spent.

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

REPORT BY LEGAL COUNSEL

Attorney Bergerson reported on the status of litigation on the Sobkowiak/Weber property. He stated that last week he appeared before Judge Calvin Hawkins for purposes of a status conference called at the Commission's request to move the case along. Attorney Bergerson believes the Commission is in the final chapters of the acquisition phase of this litigation. Parties agreed on a schedule that includes a trial date in the first week of January 2009 for a hearing on property valuation and damages which would ultimately end the litigation and acquisition of those parcels by the City. The court also scheduled, by agreement of the parties, mediation on September 22nd. Attorney Bergerson stated that the litigation could ultimately be concluded on September 22nd should the parties agree on valuations and other outstanding issues. If a resolution cannot be met by mediation a hearing is scheduled for October 9th on a rule to show cause on the acquisition of property as well as the appointment of court appointed appraisers.

Attorney Bergerson recommended and requested authorization by the Commission to hire Baker & Daniels as co-counsel in this litigation case.

The Chair entertained a motion.

A motion authorizing Baker & Daniels to be brought in as co-counsel on this case was made by Ms. Kaser – seconded by Mr. Bigda. Upon voice vote the motion was unanimously approved.

With regard to Blocksom, Attorney Bergerson stated that significant progress has been made in discussions. He has scheduled a meeting with the negotiating committee for August 25th.

Attorney Bergerson continues to be in contact with representatives of owners of property on 6th Street.

Attorney Bergerson has been contacted by a Mr. Mitchell who owns property on the south side of 8th Street across from the Weber/Sobkowiak property who has expressed his interest and willingness to sell. Attorney Bergerson asked Board members to look at this property and let him know if it fits in with their redevelopment plans so he can proceed as necessary.

Attorney Bergerson made note that an Executive Session was held prior to this meeting and discussion was limited to the items on the agenda, no votes were taken and there was no discussion of any other item.

REPORT BY DIRECTOR

Mr. Pugh introduced Fred Larmore from Beam, Longest & Neff, Project Engineer for the 400 N road construction project. Mr. Pugh noted that they are making great progress on the project. Mr. Larmore will speak about the possibility of a traffic signal at Cleveland Avenue and 400 N.

Mr. Larmore provided the Commission with an agreement for their consideration to develop construction plans and specs for the signal at a fee of \$7,000 with 50% being paid by LaPorte County. He explained that the project could be complete by mid-October with the surface coat being put down by early October. He said it would be good to get the foundations down for the pedestal bases and the looping in the pavement before the final surface coat is on. Mr. Larmore asked for the Commission's consideration of adding this into the project scope by change order.

Mr. Pugh recommended approval as a change order. He said it would be critical to do it at this time so the pavement does not have to be cut into again.

The Chair entertained a motion.

Mr. Bigda made motion to approve the agreement in the amount of \$7,000 (\$3,500 paid by Michigan City Redevelopment Commission - \$3,500 paid by LaPorte County) – seconded by Ms. Kaser. Upon voice vote the motion was unanimously approved.

Mr. Bigda commented that he received a phone call from John Chalikian, Chalikian Jewelers, 609 Franklin Square, complaining about no parking in front of his store. Mr. Bigda said Mr. Chalikian has a legitimate complaint since a school is located in that same block.

Mr. Bigda also commented that he is still confused about the plants that were planted on Franklin Square. He said that it looks like they are dead and he hopes they will resurrect next year. He stated that if the downtown is beautified, people might forget about some of the other things.

With regard to the parking situation, Mr. Pugh stated that Haas & Associates gave the Commission a parking survey which indicates adequate parking.

Regarding the plants, Mr. Pugh stated that J F New planted 330 native species at a cost of \$5,500. They need to be watered once a week. Shoots were planted, not full-size plants. J F New has indicated that if the native species are kept alive this winter, next spring and summer they will begin to grow and spread out. As they become hardy, they will expand and fill the areas.

Mr. Kniola asked the status of the ice cream parlor that is to be built on the North End.

Mr. Pugh replied that they have a valid building permit and the City will continue to monitor the situation.

Mr. Kniola asked the timeframe for completion.

Mr. Pugh did not recall dates, but noted the permit would probably run through the end of the year.

PUBLIC COMMENT

Dan Radtke, Pioneer Pier, encouraged the Commission when hiring an engineer for Michigan Boulevard, to get engineers other than the ones that did the Blue Chip entrance because at the busiest point traffic converges into one lane. He asked that the Commission do checks and balances and get a good plan for the \$350,000.

ADJOURNMENT

Mr. Pugh noted the next regular meeting will be Monday, September 8, 2008.

With all business being met, the Chair declared the meeting adjourned at 5:35 p.m.

/s/ Lynne Kaser, Secretary