

**MINUTES OF THE REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
SEPTEMBER 10, 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, September 10, 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 5:15 p.m.

ROLL CALL

Upon roll call the following Commission members were noted present: Ken Behrendt, Ed Bigda, Marc Espar, Lynne Kaser, and Joie Winski. (5 present, 0 absent) Staff in attendance: Executive Director John Pugh, Attorney Michael Bergerson, and Secretary Debbie Wilson.

Guests in attendance: CDBG Director Judy Pinkston; Randy Rompola from Baker & Daniels; Ron Miller from WE-FM; Jason Miller from the News Dispatch; Tom Stevenson from Environmental Inc.; Stu Franzen from JJR; Tom Phillips and Eric Shelton from Oposo Landscaping; Richard Murphy; Councilman Phil Jankowski; Tim Haas from Haas & Associates; Bob Schaefer from Community Dynamics; Jason Greenbaum, and others not identified.

APPROVAL OF MINUTES

The Chair entertained a motion for approval of the minutes of the regular meeting of August 13, 2007.

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

CLAIMS

Mr. Pugh submitted and reviewed the claims list:

Payroll

Staff Salaries	08/17/07	<u>2,252.30</u>
		2,252.30

Claims (Regular)

Ind Assoc Cities	07-08 membership dues	100.00
Lenore Gregory	Accounting services - July 2007	250.00
Michael Bergerson	Legal retainer - Sept 2007	<u>300.00</u>
		650.00

Claims (N TIF)

Stress Analysis	Blocksom	600.00
Baker & Daniels	Legal services - Blocksom	1,041.00
Baker & Daniels	Legal services - Sobkowiak	13,562.76
Lohan Anderson	Re-use Plan	12,263.92
Michael Bergerson	Legal services - N TIF	1,125.00
Michigan Trustee	Reimb relocation expenses	5,000.00
JJR	Elston Grove	<u>10,100.40</u>
		43,693.08

Claims (S TIF)

Beam Longest & Neff	Engineering - Towne Center Dr	197.71
Beam Longest & Neff	Engineering - 400 N	<u>5,560.51</u>
		5,758.22

The Chair entertained a motion for approval of the claims.

A motion to approve was made by Mr. Bigda – seconded by Mr. Espar and unanimously approved.

FINANCIAL REPORT

Mr. Pugh submitted and reviewed the financial report ended July 31, 2007.

Mrs. Winski asked when the CDBG funds come in.

Ms. Pinkston explained that HUD has the funds. As the invoices come in she draws down the funds. The Controller approves the draw downs and does an electronic transfer of funds.

Mrs. Winski noted her concern with CDBG funds being mixed in with the Redevelopment Commission funds. She said in 2005 the Commission voted on the grants but nothing has been brought to them to vote on for two years. She questioned if the Commission still has authority over the funds and if not, she asked if this should be a separate fund.

Attorney Bergerson stated that the Redevelopment Commission agreed to administer the grant.

Mr. Behrendt stated that it is already a separate line item as the CDBG grant. He said it is being administered the way it should be.

Ms. Pinkston advised that it is identified as a grant with its own number.

The Chair entertained a motion for approval of the financial report ended July 31, 2007.

A motion to approve was made by Mr. Bigda – seconded by Mrs. Kaser and unanimously approved.

CDBG UPDATE

CDBG Director Judy Pinkston updated the Commission on activities. She reported that the CDBG for 2007 is \$739,937. A draft Action Plan has been submitted to HUD and is awaiting approval. The Action Plan and program year begins October 1, 2007. Once the Action Plan is approved by HUD (end of September) the funds will be available to be drawn down and spent.

The 2007 projects include the continuation of the homeowner rehabilitation program. That program is for income eligible homeowners for anything related to the health and safety of the occupants; i.e. roof repair, furnace, electrical. Priority is given to the elderly, disabled, and people with children under the age of 5. There will be a new program this year specifically for the elderly and disabled. They would be eligible for less than \$1,000 for minor repairs and maintenance. It will be administered by the Retired Seniors Volunteer Program. Housing Opportunities will be a prerequisite. In order to receive any rehab funds it will be mandatory to get counseling regarding financing, predatory lending, and identity theft so they are not taken advantage of.

There is \$110,000 in the public service program. Those are social service agencies that receive the funds. Most of them have to do with rental assistance, emergency one month rental assistance and counseling to prevent homelessness. A new agency being

funded this year is the Stepping Stone Shelter. Also being funded is Citizens Concerned for the Homeless who recently acquired a donated shelter.

Public facility projects amounted to \$271,950. Agencies funded were Citizens Concerned for the Homeless – add on to their facility for the 24-hour staff; Pleasant Hill Baptist Church – rehabilitation of the soup kitchen; Social and Learning Institute – rehabilitation of the handicap accessibility in their new building; Michigan City Housing Authority – renovation of playground and public areas.

Mrs. Winski commented that the Commission has not given approval of the grants for two years and she asked why the Commission is not doing it anymore.

Mr. Pugh explained that Ms. Pinkston was not with the department at that time. It was a new program and the Commission was used every step of the way. When Ms. Pinkston was hired, the Citizens Advisory Committee (CAC) took a more active role and the final projects are run by the Mayor. It is still under the umbrella of the Commission. The Commission has not been asked to vote on the grants for the past two years because the CAC has been used and it has worked very well. He has no objection to running it by the Commission again.

Ms. Pinkston responded that CDBG and HUD allows for great flexibility. If this is something the Redevelopment Commission wants, she would just need to work it in the overall process. She was not aware it had been done that way in the past.

Mrs. Winski asked why the Redevelopment Commission even started out as the agency.

Mr. Behrendt stated that the Commission was “sailing some uncharted waters” and wanted to make sure everything was done appropriately. Ms. Pinkston was hired and with her experience the committee found out it did not need the approval process from the Commission. Mr. Behrendt has no objection bringing the approval process back to the Commission, but noted it does lengthen the process.

Mr. Pugh added that the original thought for using the Commission was that they already had an attorney and accountant. Money was on hand and had to be spent up front to receive the funding from HUD. It seemed logical to get the Commission involved at that time. Once Ms. Pinkston was hired and the role of the CAC expanded, it seemed everything was moving along fine.

Since the CDBG program is still under the authority of the Commission, Mrs. Winski said that she would like to see a report from Ms. Pinkston once or twice a year. She would like to know where the funds are going and exactly what they are being spent on.

Ms. Pinkston stated that there are two times a year when it would be appropriate to report to the Commission.

Chairman Behrendt asked Ms. Pinkston to let staff know when those two times are so the matter can be put on the agenda.

ELSTON GROVE STREETScape

Stu Franzen from JJR distributed their report “Embracing History for the Future – Elston Grove Historic District Streetscape Design Guidelines”. He introduced Tim Haas from the engineering firm used for the study.

Mr. Franzen stated that they are working with three different clients – the Redevelopment Commission, the City administration (Engineering Dept), and the Elston Grove Association. The vision came from the homeowners in the area and also from meetings with the City. Some of the things they tried to establish were the secondary streets and the bicycle way using Pine Street and Eighth Street. They promoted the use of gateways to the neighborhood and made recommendations for existing streets and proposed streets. Mr. Franzen made note to the various street widths throughout the neighborhood. They looked at enhancing the intersections to create a crosswalk area throughout the neighborhood. Recommendations were made for street furniture, lighting, pavers, and fencing. They worked with the Forester on different species of street trees, and from that, recommended trees in keeping with the historic nature of the neighborhood. Also recommended were pocket parks throughout the neighborhood.

Mr. Franzen stated that the interaction with the neighborhood association was a very positive experience for both his firm as well as for the association. They hope to have one more meeting next week to provide closure for the association.

Richard Murphy, Elston Grove Association, stated that from a neighborhood association perspective, this is about as exciting as it gets. It was a positive experience for them. They want to thank the Mayor and the Redevelopment Commission for investing in their neighborhood. The new buyer interest and rehabbing that is already happening in the neighborhood will only be enhanced by this investment. Even more exciting is that a funding source for the project has been identified. He said the City can count on 100% support and participation from the association through implementation of the plan.

Mrs. Winski asked the timeline for starting.

Mr. Pugh stated that identifying streets and areas to work on could begin in 2008.

Mrs. Winski asked if the Commission would be coordinating with the Sanitary District.

Mr. Pugh replied affirmatively.

FRANKLIN SQUARE LANDSCAPING STATUS

Tom Phillips, Oposo Landscaping, addressed the Commission. He introduced his partner, Eric Shelton. Mr. Phillips stated that the butterflies have been installed and it has been a success. \$800 has been donated to Dunebrook and tripled with their match.

Mr. Phillips reported that flowers were installed on July 5th. Mr. Pugh had him focus on the north/south streets and upper planters of Franklin, Wabash, and Washington instead of the east/west streets. A majority of those planters received a variety of 10-15 plantings. Mr. Phillips pointed out that there was a watering issue with the City and the flowers died. They cut down what was dead instead of leaving it look bad. By leaving the root system in place there is a chance the plants will come back next year. He also noted they assisted in the clean up after the storm even though it was not in their scope of work. He mentioned that the butterfly project has been extended to November 1st. When the butterflies are removed, he will be plugging those holes with dune grass since it is the most drought resistant.

Mr. Phillips asked the Commission how they would like him to spend the remaining additional services money and which areas (specific planters) to focus on. He reminded the Commission he is on contract until March.

Mr. Bigda stated that he does not believe it looks as good as it should for what the Commission is paying. He also pointed out there are weeds that need to be pulled. Mr. Bigda asked Mr. Phillips to take him and show him what has been done.

Mr. Phillips understands Mr. Bigda's frustration and he thinks it would look better if the plantings would have been watered and maintained. He said if there is an area or planter that does not look good, he will have his crew take care of it.

Mr. Behrendt asked if watering will be an issue for the rest of the season.

Mr. Phillips stated that whatever gets planted will need to be watered. It will be an ongoing issue.

Chairman Behrendt said that it is the Commission's responsibility and the issue will be addressed.

Mr. Pugh told Mr. Phillips that it is important to use as many native species and dune grasses as possible.

Commission members agreed that the focus should be on north/south "bookend" planters.

CLOSURE REPORT ON BENSZ CLEANUP

Tom Stevenson, Environmental, Inc., addressed the Commission and introduced Bob Schaefer from Community Dynamics who is working on the community outreach program for the project. Mr. Stevenson stated that his presentation is two-fold. One is the closure report for the EPA Brownfield clean up project for the Benz property and the other is the announcement of four additional grant proposals for three clean up projects and one additional assessment project.

Mr. Stevenson distributed a handout of his presentation, which is a requirement of the grant process. He stated that in 2005 Michigan City received a \$200,000 EPA cleanup grant and a \$40,000 grant from the Indiana Finance Authority for the cleanup of contaminated soil at the former Benz facility located at the southwest corner of "E" Street and Trail Creek. The project was coordinated through the Michigan City Redevelopment Commission.

Mr. Stevenson continued with his presentation explaining that Brownfields are abandoned, idled or under used industrial/commercial facilities where redevelopment/reuse is complicated by real or perceived environmental contamination.

The property is currently owned by the City of Michigan City and was formerly owned by Benz Enterprises who utilized the site for boat storage with boat slips situated along Trail Creek. From 1976 back to at least 1921, the property was part of several adjacent parcels owned by the Joseph W. Hays Corporation, a manufacturer of power plant/scientific instruments.

As a result of environmental assessments conducted at the site, it was found that soils were impacted with contaminants (semi-VOC: benzo(a)pyrene; heavy metals: arsenic, chromium, copper, lead and mercury) above the IDEM's Risk Integrated System of Closure (RISC) Policy's residential default closure levels (RDCL). Approximately 3,100 cubic yards (4,200 tons) of impacted soils were identified at the site exceeding the IDEM RISC Policy's RDCLs. Groundwater in the vicinity of the site was impacted with several chlorinated solvents (tetrachloroethene (PCE), trichloroethene (TCE) and vinyl chloride) above the IDEM RISC Policy's industrial default closure levels.

The project goal is to cleanup contaminated site soils below the IDEM RISC Policy's RDCLs. Grant funding was used to develop a community relations plan to keep the Michigan City community informed of site cleanup activities and involved throughout the planning process for this project; develop work plans for the cleanup of contaminated soils at the site; conduct soil cleanup activities at the site; and preparation of the Interim Measure Soil Remediation Completion Report.

The administrative record for this cleanup project is located at the Michigan City Planning and Redevelopment Department in City Hall and includes: Cooperative

Agreement between Michigan City and the US EPA; Grant Matching Funds Agreement between Michigan City and the IFA; environmental assessment reports; IDEM's Voluntary Remediation Program Application and acceptance letter; quarterly progress reports; Analysis of Brownfields Cleanup Alternatives (ABCA); Interim Measure Soil Remediation Work Plan (RWP); and Interim Measure Soil Remediation Completion Report (end of September). Draft copies of the ABCA and RWP were made available for public review and comment prior to finalization of these projects.

Soil cleanup activities included excavation of 4,077 tons of contaminates soils from the site and disposed of in an off-site landfill; collection of soil samples to confirm that contaminated soils have been removed from the site; and excavation was backfilled with clean fill material and seeded.

The Michigan City Redevelopment Commission is in the process of preparing proposals for the US EPA Brownfield Cleanup Grants for three environmentally impaired properties at the northern corner of East Michigan Boulevard and 8th Street – former Hoosier Ice & Coal Company Facility; former Erincraft Facility; and former Norfolk & Western Railroad.

In addition, the Commission is preparing a proposal for a US EPA Brownfields Assessment Grant for the former Josam Foundry, 1302 US Highway 12 in Michigan City. The maximum funding available is \$200,000 for each property.

Draft copies of the proposals can be reviewed at City Hall Planning Office from October 1 through October 5, 2007. The public may comment on the proposals until the end of the business day on October 8, 2007. The final proposals are to be submitted to the US EPA by October 12, 2007.

Mr. Stevenson stated that these grant proposals are being done at his own cost.

Attorney Bergerson asked if there is any particular reason the property by Weber Sign is not included.

Mr. Stevenson stated that only three grants are allowed and the Weber Sign property was not eligible because they are a potential responsibility party for contamination.

REPORT BY LEGAL COUNSEL

Attorney Bergerson asked Randy Rompola from Baker & Daniels to give the Commission an update on the bond sale for the South Side TIF District.

Mr. Rompola stated that the financials from Umbaugh did provide for the bond sale and the closing is scheduled for September 17th. The interest rate was very good at 4.59%.

He submitted documents that need to be signed before the closing and also a resolution for approval.

Regarding the resolution, he explained that when the preliminary official statement was put together there was reference to a debt service reserve fund which they did not contemplate when the original bond resolution was adopted in 2005. It is included now by amending the resolution in two areas – the bond form, which now makes reference to the debt service reserve fund and also in the flow of funds. The reserve will be funded out of the proceeds of the bond, so at closing there will be no additional funds required to pay for the reserve and it will always be on deposit. It will only be needed in the flow of funds if for some reason the reserve needed to be drawn upon, then the following year the resolution now provides the reserve will be cash flowed. Given all that is happening with taxes in Indiana and how they have affected TIF, it made sense to include the debt service reserve fund.

Attorney Bergerson recommended approval of **RESOLUTION 3-07 OF THE MICHIGAN CITY REDEVELOPMENT COMMISSION AMENDING RESOLUTION NO. 6-05 WHICH AUTHORIZED THE ISSUANCE OF REDEVELOPMENT DISTRICT SPECIAL TAXING DISTRICT BONDS.**

The Chair entertained a motion for approval of Resolution 3-07.

A motion to approve was made by Mr. Bigda – seconded by Mrs. Winski and unanimously approved.

In other business, Attorney Bergerson reported that a hearing for Weber is scheduled for August 31st and November 1st. Discovery will be conducted between now and then.

The Trustee's Office is now in the Commission's possession and Mr. Pugh is in process of soliciting bids for demolition.

With regard to Blocksom, the consultants continue to pursue negotiations related to replacements of equipment versus removal and/or purchase of new equipment.

Attorney Bergerson wanted to make the Commission aware that there is a potential issue on the assessment at Blue Chip Casino. Legislation was passed in the latest session of the General Assembly that attempts to restrict the assessment methodology to cost (as compared to other measures such as sales and/or income valuations). Attorney Bergerson feels that such legislation may be unconstitutional. Attorney Bergerson recommended the Commission authorize him to further investigate and

follow up on a potential challenge to that legislation in court if need be, and determine if that legislation is going to adversely affect the Commission's ability to collect TIF revenue, and in essence affect the City's overall tax revenue collection.

The Chair entertained a motion authorizing Attorney Bergerson to follow-up, monitor and investigate the legislation.

A motion to approve was made by Mr. Bigda – seconded by Mrs. Kaser.

Due to a conflict of interest, Mrs. Winski abstained from voting as she is the President of the Property Tax Appeal Board.

With a motion and second on the floor, the motion carried by a vote of 4 ayes, 0 nays, and 1 abstention.

REPORT BY DIRECTOR

Mr. Pugh advised the Commission that beginning Monday, September 17th, and continuing for 10 days, the City will host a team of students from Andrews University School of Architecture and Planning. They will be using City Hall as their studio and performing a charrette of the city. They will hold public meetings, meet with interest groups and property owners, all in an effort to get a students view as an exercise of what the North End should look like. The Commission has been dealing with specific subjects such as Elston Grove and Trail Creek, but this will give a broader overall view. It could also generate new ideas. The first public meeting is Tuesday, September 18th, at 6:30 p.m., in the City Hall Council Chambers. Mr. Pugh encouraged everyone to participate in this exercise.

PUBLIC COMMENT

Richard Murphy stated that he had a chance to meet Professor Andrew von Maur and the students. He was very impressed. They mentioned the key to their success will be to getting the residential and business community to participate in the charrette. He has been doing his best to get the word out. Their website is andrewsurbandesign.org.

NEXT MEETING DATE

Due to City Hall being closed for the Columbus Day holiday on October 8th, the next regular Commission meeting will be held on Tuesday, October 9th.

ADJOURNMENT

The meeting was adjourned at 6:20 p.m.

Kenneth Behrendt, President