

**MINUTES OF THE REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
OCTOBER 19, 2009**

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, October 19, 2009, 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 5:00 p.m.

ROLL CALL

The following members were noted present for the record: Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz, and Michael Kniola. (5 present – 0 absent) Staff in attendance: Executive Director John Pugh, Attorney Michael Bergerson, and Secretary Debbie Wilson.

APPROVAL OF MINUTES

The Chair entertained a motion for approval of the minutes of the regular meeting of September 14, 2009.

Mr. Bigda made the motion and amended it to include the approval of the minutes of the special meeting of October 5, 2009 as well as the regular meeting of September 14, 2009. The motion was seconded by Ms. Kaser, with the vote as follows: (AYES): Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz, Michael Kniola (NAYS): None

With a vote of 5 ayes and 0 nays, the motion was unanimously APPROVED.

CLAIMS

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

Payroll

Staff Salaries	09/11/09	2,381.06
	09/25/09	2,875.10
	10/09/09	<u>3,314.48</u>
		8,570.64

Claims (Regular)

Lenore Gregory	Acct services - Aug 2009	250.00
Michael Bergerson	Legal retainer - Oct 2009	300.00
Russ Hatfield	Reimb - keys Weber gate	<u>4.78</u>
		554.78

Claims (N TIF)

Michael Bergerson	Legal services N TIF	4,547.00
Haas & Assoc	Franklin Sq streetscape repairs	4,874.45
Environmental Inc	Phase I environ - News Dispatch	2,000.00
Amereco	Environ services - 6th Street	8,070.00
News Dispatch	Notice to bidders - Brownfields	50.73
Baker & Daniels	Legal services - Sobkowiak	81,245.26
Bechstein	Final payment demo Ice House	6,665.00
News Dispatch	Public hrg notice - acq real estate	<u>12.95</u>
		107,465.39

Claims (S TIF)

Beam, Longest & Neff	Engineering - 400 N	527.88
Beam, Longest & Neff	Engineering - Towne Center Drive	376.74
US Bank	Admin fees 2007 bond	500.00
Rieth Riley	Release retainage	<u>695,014.77</u>
		696,419.39

Mr. Pugh made note of the release of retainage to Rieth-Riley in the amount of \$695,014.77 for the Kieffer Road/400 N project.

The Chair entertained a motion for approval of the claims.

A motion to approve the claims was made by Mr. Kniola. The motion was seconded by Ms. Kaser, with the vote as follows: (AYES): Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz, Michael Kniola (NAYS): None

With a vote of 5 ayes and 0 nays, the motion was unanimously APPROVED.

FINANCIAL REPORT

Mr. Pugh reviewed the financial report ended August 31, 2009.

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

A motion to approve the financial report was made by Mr. Kniola. The motion was seconded by Ms. Kaser, with the vote as follows: (AYES): Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz, Michael Kniola (NAYS): None

With a vote of 5 ayes and 0 nays, the motion was unanimously APPROVED.

BID OPENING & AWARD FOR SOILS CLEANUP – 8th St/Michigan Blvd

Mr. Pugh explained that Tom Stevenson, Environmental Inc., has issued an addendum for that project. Part of that addendum is to meet additional federal requirements. Therefore the bids have been postponed and will be opened at the December 14, 2009 meeting.

REPORT BY LEGAL COUNSEL

Attorney Bergerson announced that for the first time in a long time, there is no litigation pending. All litigation has been resolved, primarily the Sobkowiak's and Weber's, with a settlement reached. Within the next several days, the Commission will be making payment of the judgment entered, which will conclude that litigation.

With respect to acquisition, Attorney Bergerson reported that negotiations with the owner of 404 E Sixth Street have concluded. He has reached the limit of his authority provided by the Commission in connection with attempting to purchase it in good faith. They were unable to reach an agreement despite the fact that demolition equipment was on the site for adjacent properties being demolished. The contractor had to remove his equipment for a job elsewhere. Attorney Bergerson indicated to the owners that once the equipment was removed, the offers would no longer be outstanding. He also explained to the owners that this matter would be referred to the Board of Works and the Code Enforcement Officer for demolition of the building through the condemnation process. That process will be initiated within the next several weeks and the building ultimately demolished as it is an eyesore. Once demolished, a lien will be placed against the property and the owners will end up paying for the demolition costs regardless.

Attorney Bergerson stated that he has also been involved in discussions with representatives of Maple City Ventures and Park Place Investment in providing them with requested information relating to recent purchases in that area. Their attorney will

report back on their interest in selling those vacant lots to the Commission. There are four vacant parcels between Michigan and Pine and Fifth and Sixth Streets.

Attorney Bergerson is also discussing purchases with Mr. Fred DeVries who owns three vacant parcels in the same vicinity.

With respect to the purchase of the News Dispatch, Attorney Bergerson reported that environmental testing was conducted pursuant to a phase II assessment last week. Soil samples were taken as identified during the phase I assessment and are being analyzed. A report should be received within the next 7-10 days. If there is no need for further corrective action, the Commission can proceed with the purchase. If corrective action is needed, the extent of the remediation would have to be assessed.

In another matter, Attorney Bergerson recommended the Commission undertake the appraisal of property at the southeast corner of Highway 12 and Cook Street (former A&W Root Beer Stand and car lot). He said this property has been vacant for a long time. This property is near the entrance to Michigan City and acquisition and demolition of the building would be of some beautification by just removing the building. The building is on the demolition list, but the owner is interested in selling at this point. This property could possibly fit in with future plans to widen and extend Lake Avenue to US 12 and widening of US 12 as well. Attorney Bergerson recommended obtaining appraisals for the purpose of acquisition.

The Chair entertained a motion.

A motion authorizing Attorney Bergerson to obtain appraisals of the property at the southeast corner of Highway 12 and Cook Street for the purpose of acquisition. The motion was seconded by Mr. Kniola, with the vote as follows: (AYES): Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz, Michael Kniola (NAYS): None

With a vote of 5 ayes and 0 nays, the motion was unanimously APPROVED.

Attorney Bergerson certified 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.

Mr. Behrendt asked if the agreement for Harbor Grille was received.

Attorney Bergerson replied that he received the agreement and it is retroactive to the date in April when the Commission approved it.

REPORT BY DIRECTOR

Mr. Pugh stated that a workshop has been scheduled with Hunden Partners for Wednesday, October 28, 2009, at 6:00 p.m., in the Planning Department Conference Room. This workshop will be two-fold with an update on finding a Master Developer and providing the Commission with ideas and feedback on the extension of Franklin Street.

At the Commission's last meeting, Mr. Behrendt stated there was a request to look into the deed restrictions in the Beachway area. He asked for an update on the status.

Mr. Pugh replied that he did a spot check and found covenants. The covenants at that time appear to expire in 2014 at the same time the Plan expires. The covenants are that the property be developed in a timely manner and consistent with the purchase of the property from the Redevelopment Commission. Mr. Pugh stated that the Commission should rely on their counsel to do more in depth research.

Chairman Behrendt asked that the information be provided by the time of the workshop.

Chairman Behrendt questioned the status of the Franklin Square project.

Mr. Pugh responded that there was a pre-construction meeting this morning. The contracts are signed and the contractor is ready to go.

PUBLIC COMMENT

None

NEXT MEETING DATE

There will be a presentation on the South Shore project on Monday, October 26th, at 6:30 p.m.

The workshop with Hunden Partners will be on Wednesday, October 28th, at 6:00 p.m.

The next regular Commission meeting will be on Monday, November 9th, at 5:00 p.m.

ADJOURNMENT

The Chair entertained a motion to adjourn.

A motion was made by Ms. Kaser – seconded by Mr. Kniola and unanimously approved.

The Chair declared the meeting adjourned at 5:17 p.m.

/s/ Lynne Kaser, Secretary