

**MINUTES OF THE REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
DECEMBER 10, 2007**

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, December 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 5:00 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, Zoning Adm/Rehab Officer Joseph Siegel, and Secretary Debbie Wilson. Also present was Court Reporter Marilyn Jones.

APPROVAL OF MINUTES

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

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

The Chair entertained a motion for approval of the Lohan Anderson Conference Memorandum dated 11/20/2007 which includes their highlights from the Trail Creek Plan final presentation held 11/08/2007.

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

CLAIMS

Mr. Pugh distributed and reviewed the claims list:

Payroll

Staff Salaries	11/21/07	2,242.32
	12/07/07	<u>2,252.30</u>
		4,494.62

Claims (Regular)

Lenore Gregory	Acctg services 10/07	250.00
Michael Bergerson	Legal retainer 12/07	<u>300.00</u>
		550.00

Claims (N TIF)

Baker & Daniels	Legal services - Sobowiak	67,409.48
Michael Bergerson	Legal services N TIF	1,912.50
News Dispatch	Not of public hrg - Redev Plan	<u>57.20</u>
		69,379.18

Claims (S TIF)

Rieth Riley	Reconstruction 400 N	225,971.47
US Bank	Lease payment - Cleveland Ave	164,000.00
US Bank	Adm fees - Cleveland Ave	<u>1,500.00</u>
		391,471.47

The Chair entertained a motion for approval of the claims.

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

FINANCIAL REPORT

Mr. Pugh submitted and reviewed the financial report ended 10/31/2007.

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

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

FINAL APPROVAL BY JOHN ZIOLA FOR ICE CREAM PARLOR ON NORTH FRANKLIN STREET

Mr. Ziola came forward requesting final approval of his project. He presented renderings and noted that he acquired the cherub, tables and chairs in Italy.

Mr. Pugh asked Mr. Ziola when he anticipates completion of his project.

Mr. Ziola stated that he hopes to be completed in June 2008.

Mr. Pugh gave a brief history stating that the Commission gave preliminary approval of the project in August 2004, which enabled Mr. Ziola to get detailed drawings and plan review from the State of Indiana. Mr. Ziola has acquired a local building permit and is currently doing the underground construction on the foundation. Previously submitted were elevation drawings of the building, the site plan and the plot plan. Mr. Pugh recommended final approval to proceed.

There were no comments from the public or the Commission. The Chair entertained a motion for final approval of the ice cream store on N. Franklin Street as submitted by John Ziola.

Mr. Bigda made a motion for final approval of the project – seconded by Mrs. Kaser and unanimously approved.

PUBLIC HEARING REGARDING LOHAN ANDERSON PLAN FOR RE-USE OF PROPERTIES UNDER THE JURISDICTION OF THE REDEVELOPMENT COMMISSION

Attorney Bergerson explained that this is a scheduled public hearing for the proposed resolution amending Redevelopment Plan 1A-97, which would adopt the Lohan Anderson Re-use Plan. For the record, Attorney Bergerson submitted proof of publication for the public hearing as well as the return receipt requested from the Elston Grove Neighborhood Association for notice of the public hearing.

Attorney Bergerson stated that the hearing would consider the resolution entitled **RESOLUTION 4-07 OF THE MICHIGAN CITY REDEVELOPMENT COMMISSION AMENDING REDEVELOPMENT PLAN 1A-97 AND ADOPTING THE LOHAN ANDERSON RE-USE PLAN.** Attorney Bergerson read said resolution into the record.

Attorney Bergerson stated that at this time it would be appropriate to open the public hearing and have the plan presented by a representative of Lohan Anderson.

Joel Stauber and Basil Souder were present from Lohan Anderson. Mr. Stauber came forward to make his presentation. He did note that the plan was presented fully at the last meeting, so he just summarized key elements of the plan.

Assuming the resolution is adopted, Attorney Bergerson stated that the overall plan as contained in the brochure should be adopted and made a part of the record.

Mr. Stauber briefly summarized the process and outcomes for the Trail Creek plan. He explained that Lohan Anderson began the process by holding stakeholder meetings where the public was invited to attend and give input as to key elements, opportunities and concerns they had. They melded that input with plans they researched from other locations to show what the waterfront could look like. They also analyzed the 50 acres of property the Redevelopment Commission has been acquiring along Trail Creek. From that they learned the nature of Trail Creek, the proximity of Blue Chip Casino along with its expansion plans, the desire for additional marina space, the challenge of a large casino boat with a blank side facing the site, and the need for connecting this site with the rest of the city and the Elston Grove community.

Mr. Stauber continued stating that currently Michigan Boulevard is 80' of pavement and is a very wide barrier. They met with the City and understand the City's plans for creating a boulevard. That was fully integrated with the plan. The creek was one of the key challenges and they proposed several steps to transform the creek character into one from being kind of a "back water" into being a really high class amenity that would support new development along the creek. There were three portions to that – in the northern part near Route 12 (the basin that currently exists next to the casino and hotel) would have additional marina boat slips; the portion of the creek where the casino currently is, they propose a large jumbotron screen on the side of the boat as a way of taking something that is not too attractive and making it an entertainment venue and provide an open space across the creek to view entertainment; further south toward the "E" Street Bridge there would be a nature preserve. All of that would become the backdrop for the development of the 50 acres, which would contain around 1,000 units of housing and 50,000 square feet of retail space. The housing would be broken into single-family housing, townhomes, low and high rise apartments.

Mr. Stauber stated that other infrastructure improvements would include a tramway which would access the redevelopment site to Washington Park. They also recognize the importance of 6th Street and connecting this site to Lighthouse Place Mall. They believe the synergy from the combination of Lighthouse Place Mall, Blue Chip Casino, Washington Park, and this redevelopment site as a whole will be greater than the parts and could have a significant positive impact on both Elston Grove and Franklin Street areas.

Attorney Bergerson asked Mr. Stauber how they see their plan as it relates to the overall Comprehensive Plan of the city.

Mr. Stauber replied that they began with taking a visioning statement produced by an earlier effort from the North End and incorporated that as a key part of their plan. Mr. Stauber read that statement: "A dynamic Cultural and Civic Center with a thriving retail corridor, surrounded by friendly, historic neighborhoods with easy access to beautiful Lake Michigan, Trail Creek and Washington Park." Mr. Stauber stated they have striven to achieve these goals as part of their plan. He said the site would support retail and they feel this redevelopment would be a catalyst for Franklin Street for development of retail as well as Lighthouse Mall and Blue Chip Casino. The revitalization will have an impact on the Elston Grove Neighborhood.

Attorney Bergerson asked if Mr. Stauber feels this plan is consistent with the Comprehensive Plan.

Mr. Stauber replied "yes it is".

Attorney Bergerson asked how the tram would be funded.

Mr. Stauber stated that the tramway is a special feature and he discussed how it fits with this particular type of application. He said that there is not an easy way to get from this part of Trail Creek to the lake. Taxi boats would have difficulty because the bridge has to open every time a taxi goes by. The tram would provide an interesting visual opportunity by providing spectacular views of Michigan City and perhaps Chicago on clear nights. It could be lit so Michigan City could be seen at night. Regarding the funding, Mr. Stauber stated that it is possible to charge a fee for the use of the tramway which could cover the cost of operation and perhaps carry part of the debt service. This would be one of those infrastructure improvements that goes beyond its value as a tourist ride – it serves a larger purpose in promoting Michigan City.

Attorney Bergerson questioned the change of zoning required under this plan.

Mr. Stauber explained that there are currently three zoning districts within the Trail Creek planning boundaries – R4, M2 and B5. Their recommendation is to simplify it and rezone the whole area R-4 with a PUD. They believe this would accommodate the proposed density. It has the advantage that new zoning text is not being created and an existing zoning category is being used to do this. He noted that another study by Andrews University is looking at other ideas for zoning. They may be consistent with R-4 if there are some types of zoning that restrict form base code development and are not necessarily inconsistent with R-4 zoning – it could be an overlay.

Attorney Bergerson asked if their proposal is to move onto the Plan Commission and City Council for the change in zoning.

Mr. Stauber stated that a full Master Plan with a market study (confirming that it is a viable development) is needed before moving forward. When the Master Plan is complete it would go to the Plan Commission and City Council.

Mr. Stauber noted that the concept Plan being created to date is intended to be a set of guide posts of what direction to move forward. It will help in the next process of selecting a master developer. Whoever does that needs to look at the financials and market to make sure it will work in its entirety.

Attorney Bergerson stated that it raises the point he wanted to make about the proposal that has been drafted and filed, and that it is a living document and these concepts are not etched in stone.

Mr. Stauber stated that their original assignment was to create a document that would have a vision and yet be one that would help attract the right kind of developer and set the bar at the right stage to optimize taking advantage of the opportunity of this site location and district.

There were no other comments or questions from the Board; therefore, the Chair opened the hearing for public comments.

Councilman Phil Jankowski, 410 Duneland Drive, stated that the revised plan consists of a significant amount of Park property. He asked if it is the Redevelopment Commission's goal to purchase the Park property and sell it to a private developer.

Mr. Stauber explained that at the northern end of the site is land previously owned by HUD and there are restrictions related to public use of that property. He stated that park land is consistent with that use. The park in the center of the development is opposite the casino boat and they see it as a central gathering area and viewing area. It would serve more than just the development since there are not a lot parks in Elston Grove. He stated that park land creates an enhanced value for adjacent development.

Councilman Jankowski stated that he was specifically addressing Washington Park as the Council has taken the position expressing concerns with privatization of the Park.

Mr. Stauber explained that while the tramway would eventually connect with Washington Park, there is coordination that would need to happen with the Master Plan for Washington Park. He stated that they have not addressed it, but have put forward an idea.

Mr. Pugh added that this is a very specific project area along Trail Creek and the former Memorial Hospital property. Washington Park was not specifically addressed. The parks mentioned in the plan are proposed new parks. Mr. Pugh stated that with the

tram, he would anticipate further negotiation and joint cooperation. At this point, this Plan does not address Washington Park.

Councilman Jankowski stated that the legal description does include Washington Park.

Attorney Bergerson explained that the Redevelopment area does include Washington Park; but from a legal point of view that was the original area encompassed under the jurisdiction of the Redevelopment Commission which was adopted in 1997 when the Redevelopment area was expanded. For the purposes of amending that resolution, the statute required the original description of the Redevelopment area. This plan does not affect any portion of any development area previously adopted by this Commission or the Common Council in 1997.

Councilman Jankowski made note to Lohan Anderson's response to the Andrews University study. He asked if there would be any reason to delay adoption of this Plan until the results of the Andrews University study are available in January.

Mr. Pugh stated that this is the first step with the Redevelopment Commission. In the first quarter of 2008 it will go to the Plan Commission and the City Council and then it will come back to the Redevelopment Commission. With regard to Andrews University, Mr. Pugh stated that there will be a public hearing on January 17th. The Commission will review it and take it under advisement. He stated that Lohan Anderson did have discussions with Andrews University and it will end up a compilation of the two. He said that it is alright for the Commission to adopt this Plan, or at least continue this process with the idea of coming back and doing amendments.

Mr. Stauber added that this Plan is a living document and it will evolve. Even if it is adopted as is, it is with the understanding that over time there will be other parts in process.

Neil Kienitz, 423 E 10th Street, read a letter into the record from the Elston Grove Neighborhood Association supporting the adoption of the Lohan Anderson Plan.

Ken Fryar, 413 E Coolspring Avenue, stated that Lohan Anderson has brought to the planning process an understanding that we never had before. He stated he hopes the Commission will adopt this Plan tonight.

Roger Miller, 307 Garden Trail, stated that this plan is a compilation of many things already discussed in the past years in Michigan City; and now five years later it is being discussed again. He said it is time to move forward and take the step to adopt the Lohan Anderson Plan now and adopt portions of the Andrews University Plan as amendments at a later time. He said the Lohan Anderson Plan should be adopted and the process started this evening so we can get on track to bring people back into the core of Michigan City and start to bring Michigan City back to where it is a viable, livable

city in the next 20 years, and also to provide in this Plan a mix of housing for seniors, people with normal income, and people who desire higher end housing.

Councilwoman Patricia Boy, 218 Southwood Drive, stated that she liked the Plan, but as she mentioned in an earlier meeting, she would like to see scattered affordable housing incorporated into the Plan. She stated that affordable housing should be included in all areas in Michigan City in building.

Mr. Stauber stated that they took note to her earlier comments and stated that it does have validity. He has seen this done successfully in Chicago where Cabrini-Green has been removed and affordable housing has been mixed with market rate, privately owned with some subsidy to accommodate the affordable. He said it is something worth continuing to consider.

There were no further comments. The Chair closed the public portion of the hearing.

The Chair entertained a motion.

Mr. Bigda made a motion to approve Resolution 4-07 Amending Redevelopment Plan 1A-97 and Adopting the Lohan Anderson Re-Use Plan – seconded by Mrs. Kaser and unanimously approved.

REPORT BY LEGAL COUNSEL

Attorney Bergerson reported that the Commission received a favorable decision from Judge Baldoni who found that the action taken by the Redevelopment Commission on April 10, 2006 was entirely reasonable and fair, and that the placement of properties in the jurisdiction of the Redevelopment Commission located at 8th and Michigan Boulevard, primarily the property owned by Sobkowiak's, Weber's, and former Erincraft property was reasonable. Attorney Bergerson stated that there still are several days for the remonstrators to appeal the decision. He noted that one of the provisions of the resolution adopted by the Commission in April 2006 was to authorize our office to acquire those properties by eminent domain. If the Commission sees fit, he asked that they reaffirm their decision. In the event no appeal is filed, the Commission would be authorized to proceed with the filing of suit to condemn those properties and acquire them, pursuant to the earlier resolution.

Mr. Bigda made a motion reaffirming the Commission's previous approval to continue to proceed to acquire the Weber and Sobkowiak property under eminent domain – seconded by Mr. Espar and unanimously approved.

In addition, Attorney Bergerson reported that the Michigan Township Trustee's Office previously acquired is in the process of being demolished.

Regarding other acquisitions, Attorney Bergerson reported that the Negotiating Committee met with representatives of Blocksom last week. He stated that there appears to be significant evidence of cooperation and desire to resolve any outstanding issues. They are still in the process of determining costs for their relocation and new equipment. Those costs should be determined by mid to late January. The next meeting will be scheduled sometime in mid January when that information is available.

With regard to the litigation involving Lakeside Station, Attorney Bergerson stated that we are still waiting for a special judge to be appointed. There should be a hearing in January or February for the motion filed by the Commission.

REPORT BY DIRECTOR

Mr. Pugh reported that the Kieffer Road widening project is underway. It is currently at 3.84% complete. The intent is to work throughout the winter, weather permitting. They are working on the underground and started grading. They will be ready to go full force in the spring.

PUBLIC COMMENT

None

NEXT MEETING DATE

Chairman Behrendt noted that the next meeting will be January 14, 2008. He thanked Mr. Espar for his service to the Commission as he is moving onto the position of 2nd Ward Councilman.

For the record, Attorney Bergerson stated that at the Executive Session the only topics discussed were the topics on the agenda; that being pending litigation and acquisition of real estate. No other topics were discussed and no votes taken.

ADJOURNMENT

The meeting adjourned at 5:45 p.m.

Kenneth H. Behrendt, President