

**MINUTES OF THE REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
DECEMBER 20, 2010**

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 20, 2010, at 5:00 p.m. local time; the date, hour and place duly established for the holding of said meeting.

CALL TO ORDER

President 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 Zoning Administrator/Rehab Officer Joseph Siegel.

APPROVAL OF MINUTES

The Chair entertained a motion for approval of the minutes of the regular meeting of November 8, 2010.

A motion to approve the minutes was made by Ms. Kaser. The motion was seconded by Mr. Kienitz.

President Behrendt noted an error on page 4 – “\$28,000” should read “\$28,000,000”.

A motion to approve the minutes as corrected was made by Ms. Kaser. The motion was seconded by Mr. Kienitz, with voice 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 minutes were unanimously APPROVED as corrected.

CLAIMS

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

REDEVELOPMENT COMMISSION

DECEMBER 20, 2010

Payroll

Staff Salaries	11/19/10	4,081.66
	12/03/10	4,081.67
	12/13/10	779.98
	12/17/10	<u>4,081.67</u>
		13,024.98

Claims (Regular)

Michael Bergerson	Legal retainer Dec 2010	300.00
Lenore Gregory	Acctg services - Oct, Nov 2010	<u>500.00</u>
		800.00

Claims (N TIF)

Abonmarche	TC marina relocation study	10,119.66
News Dispatch	Notice - Brownfield mtg	19.47
Environmental Inc	Proj mgement - Weber property	13,533.00
Haas & Assoc	Final - Franklin Sq repairs	3,895.00
Environmental Inc	Phase I, II - 101 Chicago Street	4,500.00
Michael Bergerson	Legal services N TIF	<u>1,575.00</u>
		33,642.13

Claims (S TIF)

US Bank	Debt service fee 2007 bond	177,063.78
Beam Longest & Neff	Eng - Towne Center Dr	<u>2,489.77</u>
		179,553.55

The Chair entertained a motion for approval of the claims.

A motion to approve the claims was made by Mr. Bigda. The motion was seconded by Mr. Kniola, with voice 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 claims were unanimously APPROVED.

FINANCIAL REPORT

Mr. Pugh reviewed the financial report ended 10/31/10.

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 Mr. Kienitz, with voice 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 financial report was unanimously APPROVED.

President Behrendt changed the order of the agenda and asked Mr. Rompola and Mr. Semler to make their presentation first to allow them to leave if they wish due to the inclement weather.

ELSTON GROVE TIF BOND RESOLUTION 3-10

Randy Rompola from Baker & Daniels came forward to address the Commission. He explained that what is before the Commission is a resolution on Elston Grove. It is a reimbursement resolution and is the initial step to take in the project. Mr. Rompola reviewed the project description and explained it is expected that bonds be issued in an amount not to exceed \$5 million. It is also expected that the bond financing will use the Redevelopment Authority and there will be a lease between the Redevelopment Commission and the Redevelopment Authority. Mr. Rompola stated that this resolution begins the initial action tonight and they will come back to the Commission in January for approval of the form of lease, to follow with approvals by the Common Council and Redevelopment Authority.

Attorney Bergerson recommended approval of the resolution by the Commission based on the fact that this is the same process utilized by the Commission in the past.

The Chair entertained a motion for approval of the resolution.

A motion was made by Ms. Kaser to approve RESOLUTION 3-10 OF THE MICHIGAN CITY REDEVELOPMENT COMMISSION ESTABLISHING ITS INTENT THAT CERTAIN PRELIMINARY REDEVELOPMENT COSTS BE REIMBURSED FROM THE PROCEEDS OF THE MICHIGAN CITY REDEVELOPMENT AUTHORITY LEASE RENTAL REVENUE BONDS (ELSTON GROVE HISTORIC DISTRICT RECONSTRUCTION PROJECT). The motion was seconded by Mr. Kniola, with voice 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, Resolution 3-10 was unanimously APPROVED.

REFUNDING OF CLEVELAND AVENUE TIF BONDS RESOLUTION 4-10

Mr. Rompola explained that bonds were issued by the Redevelopment Authority in 1999 for the Cleveland Avenue road extension project on the south side and a lease was entered into with the Redevelopment Commission. Those bonds have been outstanding since 1999 and Umbaugh has indicated the time is right to look at refunding those bonds to provide a savings to the Redevelopment Commission. Mr. Rompola stated that this resolution provides for 1) approval by the Commission for the refunding; and 2) reaffirm the action that the Redevelopment Commission took in 1999 with respect to all the funds and accounts in place for the existing bonds and that they would be carried forward with the refunding bonds. Mr. Rompola reviewed the terms of the new bonds in that the maximum amount of the bonds would not exceed \$2.3 million, the interest rate would not exceed 5%, and the refunding would not happen if the net savings was not greater than \$100,000.

Jason Semler of Umbaugh spoke to the Commission regarding the savings. He indicated that the annual savings is between \$60,000-\$70,000, with a total gross savings of over \$700,000. The length of maturity will not be extended and will mature in February 2021; but when the savings is discounted back, there is \$200,000 further of net value savings.

Mr. Rompola added that the Redevelopment Authority met earlier in the day and adopted a resolution to proceed with the bond refunding pending the Redevelopment Commission's action to do the same.

Attorney Bergerson recommended approval of the resolution by the Commission.

The Chair entertained a motion for approval of the resolution.

A motion was made by Ms. Kaser to approve RESOLUTION 4-10 OF THE MICHIGAN CITY REDEVELOPMENT COMMISSION CONTINUING CERTAIN FUNDS AND ACCOUNTS IN CONNECTION WITH THE LEASE DATED AS OF JULY 1, 1998, AS AMENDED BY AN ADDENDUM TO LEASE DATED AS OF SEPTEMBER 27, 1999, AS FURTHER AMENDED BY A SECOND ADDENDUM TO LEASE DATED AS OF NOVEMBER 4, 1999, BETWEEN THE MICHIGAN CITY REDEVELOPMENT COMMISSION AND THE MICHIGAN CITY REDEVELOPMENT AUTHORITY FOR THE CLEVELAND AVENUE EXTENSION PROJECT. The motion was seconded by Mr. Kniola, with voice 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, Resolution 4-10 was unanimously APPROVED.

ELSTON GROVE CONTRACT FOR ENGINEERING

Tim Haas, Haas & Associates, LLC, 526 Franklin Square, Michigan City, came forward to address the Commission. He stated that he has worked with John Pugh and Attorney Bergerson to prepare the agreement which is before the Commission. The agreement is for engineering services for designing street and infrastructure improvements within the Elston Grove area, specifically Spring Street from 4th – 11th; Cedar Street from 5th – 11th; Lafayette Street from 8th – 11th; and to look at the potential 9th Street conversion to 2-way from Pine Street to Michigan Boulevard. Mr. Haas stated that the project schedule would be to have the validation stage, public input and cost estimates completed by mid-February, then narrow down the scope of the project to fit the \$3 million budget for construction. Once they obtain approval from the Commission to go forward with the final design, they will work on design from mid-February with the intent of accepting contractor's bids for construction in June and begin construction shortly after and wrap up construction one year later in June of 2012.

Attorney Bergerson recommended approval by the Commission to engage the professional services of a local engineering firm.

Mr. Pugh agreed and noted that Mr. Haas worked on the original Elston Grove study in 2007 and this represents a continued effort with Mr. Haas as well as bringing his knowledge of the project to the Commission.

Mr. Kniola asked the amount of the design fee.

Mr. Haas responded that the construction budget is \$3 million, and the validation process, topographic survey, and design fee is \$300,000.

Mr. Kniola asked if the Commission is approving the design fee or the whole contract.

President Behrendt replied that the Commission would be approving the contract.

The Chair entertained a motion.

A motion was made by Ms. Kaser to approve the contract with Haas & Associates for the Elston Grove project. The motion was seconded by Mr. Bigda, with voice 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 contract was unanimously APPROVED.

PROPOSAL BY ENVIRONMENTAL, INC. – 101 CHICAGO STREET

Tom Stevenson, Environmental, Inc., came forward to address the Commission. He stated that about six weeks ago his firm conducted an environmental site investigation at City owned property located at 101 Chicago Street. There was a gas station on this property from 1925 to 1962 and there is storage tanks located on the property. Soil samples indicate soil contamination above IDEM clean up levels, but the groundwater samples indicated contamination was not above IDEM clean up levels.

Mr. Stevenson explained that the proposal includes the removal of up to three tanks, decommission and disposal of the tanks, removal and disposal of 150 tons of contaminated soils, backfill of the property with clean fill, and sampling and reporting as required by the State, for a total cost of \$25,900.

Attorney Bergerson stated that he was questioned if this was within the boundaries of the Redevelopment Commission.

Mr. Pugh replied that it is. He added that this is part of a continued effort to clean up environmentally contaminated property. This property was donated to the City, not acquired by the City. Mr. Pugh recommended approval.

The Chair entertained a motion for approval of the proposal.

A motion was made by Ms. Kaser to approve the proposal with Environmental, Inc. in the amount of \$25,900. The motion was seconded by Mr. Kniola, with voice 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 proposal was unanimously APPROVED.

UPDATE ON RFQ STATUS

Mr. Hunden could not be present but provided a written update which Mr. Pugh read. Mr. Hunden indicated that there were a total of seven responses to the RFQ. The groups that responded were: Lohan Anderson, Dobbins, CCA, Armstrong, KUD, DCR, and Garfield Traub. Hunden will compare them in a summary which will be provided to an interview committee. Hunden recommends the next steps include forming a committee to conduct interviews; Hunden will provide the committee with evaluation of submittals; Hunden will provide the committee with follow-up questions; set interview times.

Mr. Kienitz asked what happened to the RFQ from the Weston Group.

Mr. Pugh responded that they were included with CCA.

Mr. Bigda asked who will make the final decision.

Mr. Pugh replied that the committee will conduct the interviews and make a recommendation to the full Commission.

President Behrendt asked Mr. Pugh to work with Hunden on the interview dates. He appointed Mr. Kniola to serve on the committee along with himself. The committee will also include Mr. Pugh and Attorney Bergerson.

REPORT BY LEGAL COUNSEL

Attorney Bergerson reported that he closed on the purchase of property owned by DeVries in the amount of \$65,000. He continues discussions with other property owners in the area. Discussion is also ongoing with the owner of property at 8th/Michigan for possible acquisition. Ongoing negotiations with Blocksom revolve around Hartmarx and their bankruptcy process and getting their trustee approval of the potential sale of that property. He said the process is slow but moving forward and the lines of communication are open.

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.

REPORT BY DIRECTOR

Mr. Pugh stated that in January discussion will begin regarding landscaping needs and requirements for the pods and planters located in the North End other than Franklin Square. The Franklin Square contract is in place and includes 2011. An inventory of the pods and planters is being done and will be provided to the Commission.

PUBLIC COMMENT

John Vail questioned the proposed widening of 9th Street and why it stops at Pine instead of going to Franklin. He asked if it has to be a separate contract because it is not in the Elston Grove district.

Mr. Pugh replied that is essentially correct. Pine Street is the beginning of the Elston Grove Neighborhood. He said it is envisioned to extend it to Franklin, but that would be a Board of Works contract. 9th Street is envisioned to be converted to 2-way traffic, not widened.

Mr. Vail asked Mr. Pugh if it would be his opinion it should go over to Washington Street.

Mr. Pugh replied “Probably, but right now it makes sense to take it at least to Franklin.” “By taking it to Franklin there would not be a lot of intersection improvements.”

Mr. Vail commented that it would be logical to work on making it 2-way all the way to Washington Street.

President Behrendt noted that Mr. Kienitz chose not to be reappointed to the Commission. He thanked him for his service to the Commission and stated that he appreciated his insight and input and will be missed.

NEXT MEETING DATE

The next regular Redevelopment Commission meeting is scheduled for January 10, 2011.

ADJOURNMENT

The Chair entertained a motion to adjourn.

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

The Chair declared the meeting adjourned at 5:37 p.m.

/s/ Lynne Kaser, Secretary