

**MINUTES OF THE REGULAR MEETING OF THE  
MICHIGAN CITY REDEVELOPMENT COMMISSION  
JANUARY 10, 2011**

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 January 10, 2011, 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.

Hesham Khalil was welcomed as a new Board member.

**ROLL CALL**

The following members were noted present for the record: Ken Behrendt, Ed Bigda, Lynne Kaser, Hesham Khalil, and Michael Kniola. (5 present – 0 absent) Staff in attendance: Executive Director John Pugh, Attorney Michael Bergerson, Zoning Administrator/Rehab Officer Joseph Siegel, and Secretary Debbie Wilson.

**ELECTION OF OFFICERS**

Mr. Pugh presided over the meeting and opened the floor for nomination of officers.

***A motion was made by Mr. Bigda to retain the same officers for 2011 as in 2010, those being Ken Behrendt, President; Ed Bigda, Vice-President; Lynne Kaser, Secretary; and John Pugh, Acting Secretary. The motion was seconded by Mr. Kniola.***

There were no other nominations. Mr. Pugh closed the nominations and called for a vote on the nominations.

***Voice vote on the motion was as follows: (Ayes): Ken Behrendt, Ed Bigda, Lynne Kaser, Hesham Khalil, Michael Kniola (Nays): None***

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

Officers for 2011 are: Ken Behrendt, President; Ed Bigda, Vice-President; Lynne Kaser, Secretary; and John Pugh, Acting Secretary.

Mr. Pugh turned the meeting over to President Ken Behrendt.

**APPROVAL OF MINUTES**

The Chair entertained a motion for approval of the minutes of the regular meeting of December 20, 2010.

***A motion to approve the minutes as submitted was made by Ms. Kaser. The motion was seconded by Mr. Kniola, with voice vote as follows: (Ayes): Ken Behrendt, Ed Bigda, Lynne Kaser, Michael Kniola (Nays): None (Abstain): Hesham Khalil***

***With a vote of 4 ayes, 0 nays, and 1 abstention, the minutes were APPROVED.***

**CLAIMS**

Mr. Pugh distributed and reviewed the claims for January:

**Payroll**

Staff Salaries	12/30/10	<u>4,102.75</u>
		<b>4,102.75</b>

**Claims (Regular)**

Michael Bergerson	Legal retainer Jan 2011	<u>300.00</u>
		<b>300.00</b>

**Claims (N TIF)**

Environmental Inc	Proj mgement - E 8th, Jernegan's Hill	6,803.32
City of Michigan City	Reimb land acq 516 Cedar	19,380.62
City of Michigan City	Reimb land acq 515 E Michigan	46,416.79
Michael Bergerson	Legal services N TIF	<u>3,337.50</u>
		<b>75,938.23</b>

**Claims (S TIF)**

US Bank	Semiannual lease pay 1999 bond	<u>164,000.00</u>
		<b>164,000.00</b>

The Chair entertained a motion for approval of the claims.

***A motion to approve the claims as submitted was made by Mr. Kniola. The motion was seconded by Ms. Kaser, with the vote as follows: (Ayes): Ken Behrendt, Ed Bigda, Lynne Kaser, Hesham Khalil, Michael Kniola (Nays): None***

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

**FINANCIAL REPORT**

Mr. Pugh submitted and reviewed the financial report ended 11/30/10.

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. Bigda, with voice vote as follows: (Ayes): Ken Behrendt, Ed Bigda, Lynne Kaser, Hesham Khalil, Michael Kniola (Nays): None***

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

**UPDATE ON RFQ STATUS BY ROB HUNDEN**

Mr. Pugh updated the Commission. He stated that he would prepare a notice of Executive Sessions of the Special Committee of the Commission to evaluate Master Developers and their responses. The Executive Sessions will be on January 18<sup>th</sup> and 19<sup>th</sup>. After the interviews, the Committee will report back to the full Commission.

**DISCUSSION – 12 ON THE LAKE, LLC**

President Behrendt advised that the principals of 12 on the Lake are under the weather and have asked to postpone their presentation until February.

**RESOLUTION 1-11 APPROVING A PROPOSED LEASE**

Randy Rompola of Baker and Daniels came forward to address the Commission. He distributed copies of the resolution with new language and noted it as Resolution 11-1. Mr. Rompola stated that this resolution relates to the Elston Grove project. He advised that the second whereas clause is where the additional changes were made to broaden the scope of the project and includes "installation of sewer improvements on Cedar Street and Spring Street; renovation, construction and installation of various street improvements on Lafayette Street, 7<sup>th</sup> Street, 8<sup>th</sup> Street, and 10<sup>th</sup> Street; renovation of 9<sup>th</sup> Street to allow for two-way traffic and other related improvements". This resolution is the initial action to start the approval of the lease process, sets the public hearing on the lease on February 14<sup>th</sup>, approves the preliminary plans and specs for the project, indicates the Commission's intent to use tax increment revenue to pay for the bonds issued to finance the project, and also makes a finding that the project is not a controlled project. This would be payable from the TIF revenues generated from the area and no other source.

Mr. Rompola explained that if the Commission adopts the resolution today, a notice of public hearing will be published to be held February 14<sup>th</sup>. After the public hearing, the

next step would be Council approval. The Redevelopment Authority will be meeting on January 24<sup>th</sup> to consider a similar resolution to approve the form of a lease and proceed with the project and the financing of it.

Mr. Pugh recommended adoption of the resolution.

The Chair entertained a motion.

***A motion was made by Mr. Kniola to approve RESOLUTION 11-1 OF THE MICHIGAN CITY REDEVELOPMENT COMMISSION APPROVING A PROPOSED LEASE BETWEEN THE REDEVELOPMENT COMMISSION FOR CERTAIN LAND AND PUBLIC IMPROVEMENTS FOR THE ELSTON GROVE HISTORIC DISTRICT RECONSTRUCTION PROJECT, APPROVING PRELIMINARY PLANS, SPECIFICATIONS AND COST ESTIMATES, SETTING A PUBLIC HEARING ON THE PROPOSED LEASE PURSUANT TO IC-36-7-14-25.2, AND AUTHORIZING PUBLICATION OF NOTICE OF THE PUBLIC HEARING. The motion was seconded by Ms. Kaser.***

Ms. Kaser questioned the two resolutions before them, one being Resolution 1-11 and one being Resolution 11-1.

Mr. Rompola explained that Resolution 11-1 has the new expanded language and Resolution 1-11 should be disregarded.

Mr. Khalil asked the length of the lease.

Mr. Rompola replied that the length is not to exceed 20 years. It would be between the Redevelopment Commission and the Redevelopment Authority for public improvements. The annual lease rental is set not to exceed \$500,000. Following the conclusion of the bond sale, the lease would be reduced so the debt service on the bonds matches the lease rentals exactly.

President Behrendt commented that this project has been on the table for four years. There were delays with the initial sewer project. He said that it is now complete and it is time to move forward with this project. Mr. Behrendt added that the planning is in place and there was a good validation meeting to begin the process, so it is appropriate to continue.

***With a motion and second on the floor, the Chair called for voice vote: (Ayes): Ken Behrendt, Ed Bigda, Lynne Kaser, Hesham Khalil, Michael Kniola (Nays): None***

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

Mr. Rompola updated the Commission on the bond refinancing. He stated that they anticipate submitting the disclosure document and official statement to rating agencies. They are scheduled to price on January 19<sup>th</sup> and close on February 3<sup>rd</sup>. He noted that the interest rates spiked at Christmas time, came down after New Year's, and came down a little more last week. He added that they look like they are trending in the right direction and stated they would not proceed with the bond sale unless they met the savings target set out in the resolution.

**REPORT BY LEGAL COUNSEL**

Attorney Bergerson reported that closing was held last Friday for acquisition of 741 E. Michigan Boulevard. He stated that this property has been long sought after and serves as an important gateway parcel for the Elston Grove improvements.

Attorney Bergerson disclosed 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.

**REPORTY BY DIRECTOR**

Mr. Pugh had nothing further to report.

**PUBLIC COMMENT**

None

**NEXT MEETING DATE**

The next regular Commission meeting is scheduled for February 14, 2011.

**ADJOURNMENT**

The Chair entertained a motion to adjourn.

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

The Chair declared the meeting adjourned at 5:18 p.m.

/s/ Lynne Kaser, Secretary