

**MINUTES OF A REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
JUNE 8, 2020**

The Michigan City Redevelopment Commission convened in a regular meeting via Zoom and streaming live on My Michigan City, Indiana Facebook, on Monday, June 8, 2020, at 5:00 p.m. local time; the date, hour, and place duly established for the holding of said meeting. The meeting was hosted by City IT staff (Kaleb Goodwin, Application Program Developer).

CALL TO ORDER

President Behrendt called the meeting to order at approximately 5:05 p.m.

ROLL CALL

Commissioners in attendance:

Ken Behrendt, Chris Chatfield, John Hendricks, Pat Kowalski, John Sheets

Also present were non-voting adviser Theresa Edwards and City Council liaison Angie Nelson Deutch

Commissioners absent:

None

Staff in attendance:

Executive Director Skyler York, Attorney Alan Sirinek, Administrative Assistant Debbie Wilson

Staff absent:

None

MINUTES

The chair entertained a motion for approval of the minutes of the 3/9/20 executive session, the 3/9/20 regular meeting, and the 4/16/20 special meeting.

Motion made by Commissioner Chatfield – seconded by Commissioner Sheets approving the minutes of the 3/9/20 executive session, the 3/9/20 regular meeting, and the 4/16/20 special meeting. Upon voice vote the minutes were unanimously approved.

CLAIMS

Claims dated 4/16/20, 5/11/20, and 6/8/20 were presented. By advice of counsel, the Commission must specifically approve the claims list for each month, but Mr. York would only need to read the most recent claims list from 6/8/20 into the record.

Mr. York reviewed the claims list dated June 8, 2020 noting that payroll for May totaled \$9,248.30. Mr. York read aloud all claims listed. In summary, June claims totaled: (Operating) \$343.95; (North TIF) \$83,188.70; (South TIF) \$83,283.67; (US Bank – Ohio Street) \$156,444.21.

The chair entertained a motion.

Motion made by Commissioner Sheets – seconded by Commissioner Kowalski approving the claims list dated 6/8/20. Upon voice vote the claims list was unanimously approved.

Motion made by Commissioner Hendricks – seconded by Commissioner Sheets approving the claims list dated 5/11/20. Upon voice vote the claims list was unanimously approved.

Motion made by Commissioner Chatfield – seconded by Commissioner Hendricks approving the claims list dated 4/16/20. Upon voice vote the claims list was unanimously approved.

FINANCIAL REPORTS

Financial reports dated 2/29/20, 3/31/20, and 4/30/20 were presented. Again, by advice of counsel, the Commission must specifically approve the financial reports for each month, but Mr. York would only need to read the most recent financial report from 4/30/20 into the record.

Mr. York reviewed the financial report dated 04/30/20 summarizing the cash balances as follows: Operating Account \$138,348.99; South Side TIF Account \$5,409,155.53; South Side TIF Debt Reserve Account \$336,229.42; South Side TIF Capital Account \$17,446.06; North End TIF Account \$3,636,071.60; Wabash Street Streetscape Construction \$122,208.07; Wabash Street Streetscape Debt Reserve \$215,974.69; Northeast TIF Account \$136,098.36; for total cash of \$10,011,532.72. Loans Receivable include a loan to the Eastside TIF from the Operating Account in the amount of \$21,028.49, and the County Business Loan Fund in the amount of \$133,333.00, for a total of \$154,361.49, bringing total assets to \$10,165,894.21.

The chair entertained a motion.

Motion made Commissioner Sheets – seconded by Commissioner Hendricks approving the financial report dated 04/30/20. Upon voice vote the financial report was unanimously approved.

Motion made by Commissioner Chatfield – seconded by Commissioner Sheets approving the financial report dated 03/31/20. Upon voice vote the financial report was unanimously approved.

Motion made by Commissioner Sheets – seconded by Commissioner Hendricks approving the financial report dated 02/29/20. Upon voice vote the financial report was unanimously approved.

LANDSCAPING CONTRACTS

Mr. York recalled the Commission previously giving him some authority for executive power to enter into contracts. He informed the Commission that because the Redevelopment-owned lots were becoming overgrown, he went ahead and re-entered into basically the same contracts as last year with P.R.'s Lawn Care for landscape maintenance, although having weed and feed removed from certain lots, just keeping them mowed. He added that the contracts are a per mowing cost, not a lump sum as each lot is a different size and has a different cost.

The chair entertained a motion.

Motion made by Commissioner Sheets – seconded by Commissioner Kowalski approving the 2020 landscape maintenance contracts with P.R.'s Lawn Care for Redevelopment-owned property. Upon voice vote the contracts were unanimously approved.

FAÇADE GRANTS

Mr. York noted that the Commission previously approved façade grants for Carol Spreitzer, 622 Franklin Street and Dan Radtke of Wake Robin, 425 E. 2nd Street. Because COVID-related issues have affected their businesses, they have requested a one-year extension of time to complete facade improvements to their buildings. Mr. Radtke submitted a letter requesting an extension; Ms. Spreitzer verbally requested an extension.

Commissioner Behrendt asked Mr. York if the Commission has granted extensions before.

Mr. York replied that they have, citing an example.

The chair entertained a motion for 425 E. 2nd Street.

Motion made Commissioner Kowalski – seconded by Commissioner Sheets approving a one-year extension to the façade grant at 425 E. 2nd Street. Upon voice vote the motion was unanimously approved.

The chair entertained a motion for 622 Franklin Street.

Motion made by Commissioner Chatfield – seconded by Commissioner Hendricks approving a one-year extension to the façade grant at 622 Franklin Street. Upon voice vote the motion was unanimously approved.

RESOLUTION 2-20

Attorney Sirinek opened discussion stating that this resolution piggybacks on a presentation made at the Commission's March meeting by Michael Kuss of the Michigan City Sanitary District relating to the Cheney Run project located in the Northeast GAF TIF District. At that meeting the Commission approved \$300,000 and the concept of borrowing from the South TIF because the Northeast TIF currently does not have that amount of money in it. The statute allows the transfer of funds to another fund account for cash flow purposes but requires repayment within the same fiscal year in which the transfer occurred, and if that is not possible, a six-month extension to that. The Northeast TIF has two payments left; one in July 2020 and the other in January 2021. After that time the collections will fully go into that account and there should be enough funds to repay the South TIF within the time required by the statute (June 30, 2021). The resolution outlines the transfer of money and the repayment plan.

Commissioner Edwards asked Attorney Sirinek if the amount is \$300,000 or \$330,000.

Attorney Sirinek explained that the Commission approved \$30,000 in October 2019 which was also requested by the Michigan City Sanitary District for matching grant funds for the Cheney Run project. That money has not yet been invoiced by the Sanitary District and has not been paid out yet. The total amount requested for transfer is \$330,000. Between now and July the Sanitary District will invoice the Redevelopment Commission for \$30,000 plus \$168,066 with remaining funds of \$131,934 for future requests.

The chair entertained a motion.

Motion made by Commissioner Sheets – seconded by Commissioner Hendricks approving RESOLUTION 2-20 OF THE MICHIGAN CITY REDEVELOPMENT COMMISSION APPROVAL OF AN INTERFUND TRANSFER BETWEEN TAX INCREMENT FINANCE UNITS (regarding the NE TIF Cheney Run project). Upon voice vote the resolution was unanimously approved.

CLEVELAND AVENUE PROPERTY

Attorney Sirinek reviewed the history of the Cleveland Avenue parcel, conversations had with the FOP, and where the Commission is at this point. He emphasized that no decision had ever been made, but rather simply discussions of various options. In August 2015 the Redevelopment Commission purchased 6000 Cleveland Avenue (west side) from the City for \$250,000. In 2018, following statute, there was an inquiry by the FOP to purchase that property. No dollar amount was stated, and nothing was done at that point. Statute 36-7-14-22 requires a process in which there must be two appraisals

done of the property and a notice of an offer sheet published and made open for a period of 60 days, with a minimum bid of the mean point of the two appraisals (which in this case was \$298,500). If the Commission had received an offer for \$298,500 or more, then they would have been obligated to accept that and proceed with conveyance of the property. If no amount was reached or received for that amount, then the Commission could either accept the lower amount or reject all offers. The deadline to receive those offers was May 10, 2019. The only offer was from the FOP in the amount of \$50,000. The Commission rejected that offer. Statute allows for the governmental entity to go forth with negotiating a sale if they so choose. Part of that has happened, but there have been several other options with the FOP as well as other investigations with respect to how this Cleveland Avenue property, specifically the wetlands and wetland mitigation, could have a positive impact on other potential developments that may be occurring in the future in which there are wetland mitigation obligations required by IDEM.

Attorney Sirinek stated that he, along with Mr. York and Mr. Hendricks, have looked further into wetland mitigation in conjunction with Haas & Associates. If the Commission wants to go in that direction for future development and use off-site wetland mitigation at the Cleveland Avenue property, then the wetlands would need to be carved out by virtue of a new survey and the Commission retain ownership of that. If the Commission wants to go forth with selling the remainder of the Cleveland Avenue property they would have to go through the same process as they did in 2019 by putting out a notice for the sale, have new appraisals done of the parcel identified for sale, and a new legal description written.

In April 2020, the Commission received an offer from the FOP for the purchase of that entire property (including wetlands) for \$20,000; that offer pending. He advised that the Commission should act on the offer to purchase.

Commissioner Hendricks spoke specifically as it relates to wetland mitigation and what it means in terms of dollars-and-cents and why it would be beneficial for the Commission to look at that. He stated that the parcel is roughly 7 ½ acres. The wetlands have been delineated and are close to 2 acres in size, but it cannot be used as mitigation for another project because it is already wetlands. Of the 7 ½ acres, taking out the 1.8 acres that is already wetlands, there are good soils in there that can be converted to wetland. For the projects the Commission is looking at in the South TIF, they would need 2 ½ acres of wetland. There is an In-Lieu Fee program to purchase mitigated wetland, which currently is around \$95,000 an acre. If 2 ½ acres are carved out of that property and kept for this other project, it would be like having the funds already in the account and could be used for mitigation purposes for that other project. That equates to about \$225,000 for wetland value needed. If the Commission carves out a piece of the property to put back up for sale again, it would just be a smaller piece.

Councilwoman Angie Nelson Deutch asked if the \$20,000 offer was for the entire parcel or a piece of it.

Attorney Sirinek replied that it is \$20,000 for the entire parcel as it currently exists, including the wetlands.

Councilwoman Nelson Deutch noted that the offer went down from their \$50,000 bid last year.

Attorney Sirinek replied that was correct.

Commissioner Chatfield stated that he would be in favor of a making a motion to deny the offer with due respect to the purchaser recognizing that the Commission would like to look at other options of subdividing the property for some of the Commissions' purposes. He made an additional comment stating that the world has changed in how everyone gets together and communicates, so it is harder to have open dialogue, and he feels a big piece of this is because they haven't been able to get together and have these discussions.

Motion made by Commissioner Chatfield – seconded by Commissioner Sheets to reject the offer, with the understanding that the Commission would like to look at subdividing the property for the Commissions' future ability of wetland mitigation.

Councilwoman Nelson Deutch stated that she understands the Commission wants to reject it because of the price presented, but she also wanted to make sure that she shared several comments/concerns that came in from the public and Larry Silvestri who was previously on the Commission. She said she has received emails and there are posts on Facebook with concerns about the FOP, and there are people at City Hall protesting it. When looking at the TIF district, she said Mr. Silvestri brought some very pointed questions about the utilization of the land and valuation and how typically that is used to increase the tax base, etc. Ms. Nelson Deutch questioned if the Commission would have put the purchase offer out there last year if the FOP had not reached out to them first. She said one of the things that struck her from a meeting she attended was that Mr. Doyle said the land wasn't valuable for development. She said that comment sat wrong with her because the Commission spent \$250,000 for the land, so somebody thought it was valuable, then it was appraised even higher.

President Behrendt commented that he hoped people did not think this was a done deal because all of that was being taken into consideration, at least by himself and a couple other commissioners.

Commissioner Chatfield asked when this property was purchased.

Attorney Sirinek replied that it was purchased in August 2015.

Mr. York added that at that time a wetland delineation was not done. Looking on Beacon, the wetlands show up as a green area. He stated that it is not untypical for a developer to buy a piece of land with wetlands on it. If a private developer came to him, he would suggest to them to have a wetland delineation to find out how much land they have to build on. Usually there is some type of doable space they mitigate through IDEM or Army Corp of Engineers depending on what type of wetland it is. At that point IDEM or Army Corp establishes the rules of where the land can be built on, etc.

Commissioner Chatfield asked the initial reason for the purchase in 2015.

Mr. York stated that he believes it was just to influx the money for a City project, but he did not know the specifics of why it was done at that point in time. He said it was a residual piece of property when Cleveland Avenue was put through and there was also a piece carved out for the new fire station on the east side.

Commissioner Chatfield confirmed that the Commission purchased the property from the City.

Mr. York stated that was correct.

With a motion and second on the floor, the motion was unanimously approved by voice vote to reject the offer by the FOP and engage in exploring the aspects of integrating mitigation of the wetlands.

WASTE INC OVERSIGHT CONTRACT

Mr. York explained that last year there was an agreement with the Board of Works as Owner of this Superfund site. The EPA is the caretaker and has oversight of it. Singing Sands Phase II is hugging the edge of the Waste, Inc. site. It goes up at Peanut Bridge at the Sanitary District, goes onto the Waste, Inc. site, and then goes around the base of mound (cap). They are getting ready to start construction of a trail with a raised platform as part of the trail along with a fence to keep people off the cap. The Commission has entered into an agreement to pay for the oversight. Superior is building the trail. The Commission is responsible for hiring an inspector to oversee Superior's Construction. The EPA and consultants would like the Commission to hire Arcadis to oversee this work. They have programmed in about 22 weeks of construction, but it is anticipated that it won't take that long. The worst case scenario of 22 weeks would cost about \$80,000 for oversight, but Superior anticipates 15-16 weeks. This oversight contract could cost between \$40,000-\$80,000. Mr. York asked the Commission to approve a not-to-exceed amount of \$83,160, although he believes it would cost in the range of \$40,000-\$60,000. The oversight would include making sure whatever Superior is putting into the ground is not puncturing the rubber cap over the mound which holds in all the methane gas.

Attorney Sirinek advised that he reviewed the contract and felt for the most part it is fine. He asked Mr. York to make sure they get the Commission a copy of their insurance policy before they start.

Commissioner Hendricks asked if the EPA requires any reporting.

Mr. York stated that there may be at the end of the project, but he was not aware of any at this time. He believes they are reporting back to the EPA to make sure they don't have questions of where things are being put into the ground. The EPA and Superior have been in contact with the City negotiating a fence height.

The chair entertained a motion.

Motion by Commissioner Chatfield – seconded by Commissioner Sheets to approve the contract with Arcadis for oversight of the Singing Sands Phase II trail construction at the Waste Inc. site in an amount not-to-exceed \$83,160. Upon voice vote the motion was unanimously approved.

ANTERO GROUP WASTE INC WORKPLAN

Mr. York explained that Antero Group has helped throughout these negotiations with the EPA for the Waste, Inc. site in general, and with this specific contract in reviewing the Butler Fairman Seufert plans to make sure it is not affecting the remedy (cap). Last year the Commission approved a \$10,000 addendum to that contract knowing that Singing Sands Phase II was going to start this year. Their latest invoice was due to a change of design which had to be re-reviewed by Antero. Mr. York requested an additional \$1,317.50 to pay this final invoice of \$1,680.

The chair entertained a motion.

Motion made by Commissioner Chatfield – seconded by Commissioner Sheets approving an additional \$1,317.50 overage to pay the Waste, Inc. invoice. Upon voice vote the motion was unanimously approved.

RECONFIRM ANNUAL TAXING UNIT LETTERS

Attorney Sirinek explained that money is received during the year from the TIF Districts. In the event there was a situation where the money was not already committed to a redevelopment project, the Commission would make those taxing units aware that money was not committed, although he pointed out that has never been the case. The Commission has a cash flow analysis done every year to show that the money is committed to certain redevelopment projects. The statute requires that these letters go out to the taxing units saying that the Commission has analyzed their cash flow and there is no excess money that is not already committed to a specific project.

Mr. York stated that these letters have already been sent out, so the June 15th deadline was not missed. He asked the Commission for reconfirmation of sending the letters out. Mr. York also noted that there must be a public meeting for Baker Tilly to go through the financial analysis in a public forum, which will hopefully take place next month.

Attorney Sirinek added that Baker Tilly gives a cash flow analysis every year. The Commission is required to do that on an annual basis to back up the letters.

The chair entertained a motion.

Motion by Commissioner Chatfield – seconded by Commissioner Sheets reconfirming the mailing of the annual TIF letters to the taxing units. Upon voice vote the motion was unanimously approved.

REPORT BY LEGAL COUNSEL

Attorney Sirinek noted that an executive session was held prior to this meeting. No decisions were made, and nothing was discussed other than what is permitted by Open Door Law.

Attorney Sirinek reported on the station block/double track project informing the Commission that every two weeks there is a joint meeting between NICTD, and the various players involved on the Michigan City side just to make sure everyone is on the same page. Michigan City is responsible for the station block which encompasses Franklin Street east and west, Pine Street east and west, 11th Street and 10th Street north and south. There are roughly ten different parcels, six of which are owned by somebody other than NICTD or the City. The Commission hired Beam Longest & Neff (BL&N) who has a specialized ability to look at various types of appraisals and do appraisals consistent with Federal Relocation Act requirements. They have done those appraisals and provided them. Those have been sent back to them and they have been asked to put a few more things in there and complete a specific analysis on various types of the parcels the Commission is buying. Once the Commission gives the sign off on the appraisals, they then become public record and part of the negotiations that BL&N does on behalf of the Commission for the actual acquisition of those parcels. The big hang up is the environmental factor and the influence of the environmental contaminants that are present in the station block and the analysis as it relates to the actual appraised value of the property.

Attorney Sirinek noted that he sent Commissioners a copy of a change order for \$5,000 from August Mack, explaining that it has to do with requirements the Commission must undertake regarding acquiring the parcels and demolishing the buildings. It is already known from the Phase I of 1002 Franklin Street that there are underground storage tanks, and possibly underground storage tanks in other parts of the station block. Those underground tanks require oversight by the EPA on how they get removed. Also, lead contamination has been identified within the station block which needs to be

eradicated as part of the demolition process, as well as the general overall demolition of structures which must be done within environmental regulations.

Attorney Sirinek requested the Commission approve the change order for August Mack in the amount of \$5,000 for items he described.

The chair entertained a motion.

Motion by Commissioner Chatfield – seconded by Commissioner Sheets approving a change order to August Mack in the amount of \$5,000. Upon voice vote the motion was unanimously approved.

Attorney Sirinek gave an update on the Bosak Honda project on Highway 20 reporting that the project has been completed. They issued a final completion notice but it was not on the form the City requires. He also advised that the Commission needs to terminate the license agreement they have with Bosak so they will no longer have an interest in the property that the work was being done on. He will bring those two items before the Commission at next month's meeting.

REPORT BY DIRECTOR

Mr. York commented that the City is working out details of getting back to in-person meetings. He hopes to provide those details soon.

Mr. York gave an update on the US 12 Bridge over Trail Creek reporting that Chris Murphy from Structurepoint indicated that because the decorative elements for the railings are an attachment, it is not a pressing issue from the standpoint that the bridge can be built and then the Commission can come back at a later time and decide on the number and placement of the decorative elements. Regarding actual construction, the northern lane has been poured; they are working on the railing system; they are stamping the concrete to give it the appearance of stone. Once that is complete and the railings are up, they will shift lanes and start working on the southern lane.

Mr. York gave an update on the plaza stating he felt it would be worthwhile to revisit that in the near future. Staff met on site before things shut down due to COVID and went over minimal things that would make it a functional space. He felt that the Commission should still try to move forward with some functionality to make it a usable space.

PUBLIC COMMENTS

None.

COMMISSIONER COMMENTS

Councilwoman Nelson Deutch mentioned that she previously talked to Mr. York about a demolition in the TIF District. She asked if that was still on his radar. She feels the house is unsafe.

Mr. York replied that it is on his radar. He said he would get back to her; he believes there is money allocated from TIF for demolitions.

Councilwoman Nelson Deutch said she would also like this on radar if we have a second phase of COVID in the fall. She said she sent Mr. York and others information asking about the small businesses. Right now, it is tabled indefinitely with the City Council, but she asked about matching funds for a small business program if we go through the COVID situation again. She said she would send the information again.

President Behrendt stated that the Commission's attorney researched the matter and unfortunately, they statutorily cannot do that.

Attorney Sirinek confirmed that was correct.

Commissioner Chatfield commented that these are trying times and there are many interesting things going on in our world, our life, and in our communities. He said the Commission really needs to reflect on what they are doing day to day and understand where everyone is headed. They need to have good discourse on what's going on in the community, recognize that everybody has an opinion, and they need to listen.

NEXT MEETING DATE

President Behrendt announced the next scheduled meeting is July 13, 2020. There could be a special executive session prior to that.

ADJOURN

The chair called for a motion to adjourn.

Motion to adjourn by Commissioner Hendricks – seconded by Commissioner Sheets and unanimously approved. The chair declared the meeting adjourned at approximately 6:13 p.m.



John Sheets, Secretary