

**MINUTES OF A REGULAR MEETING OF THE  
MICHIGAN CITY REDEVELOPMENT COMMISSION  
AUGUST 10, 2020**

The Michigan City Redevelopment Commission met in a regular meeting via Zoom and streaming live on My Michigan City, Indiana Facebook, on Monday, August 10, 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.

**CALL TO ORDER**

President Behrendt called the meeting to order at approximately 5:03 p.m.

**ROLL CALL**

**Commissioners in attendance:**

Ken Behrendt, Chris Chatfield, John Hendricks, John Sheets

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

**Commissioners absent:**

Pat Kowalski

**Staff in attendance:**

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

**Staff absent:**

Lilliana Rosado

**MINUTES**

The chair entertained a motion for approval of the minutes of the 7/13/20 executive session and the 7/13/20 regular meeting.

***Motion made by Commissioner Chatfield – seconded by Commissioner Hendricks approving the minutes of the 7/13/20 executive session and the 7/13/20 regular meeting. Voice vote was as follows: (Ayes) Commissioners Behrendt, Chatfield, Hendricks, Sheets – 4; (Nays) None – 0. By a vote of 4 ayes and 0 nays, the MOTION CARRIED.***

**CLAIMS**

Mr. York reviewed the claims list dated August 10, 2020 noting that payroll for July totaled \$13,631.66. Mr. York read claims listed into the record. In summary, August claims totaled: (Operating) \$343.95; (North TIF) \$109,881.07; (South TIF) \$2,362.50.

The chair entertained a motion.

***Motion made by Commissioner Sheets – seconded by Commissioner Hendricks approving the claims list dated 08/10/20. Voice vote was as follows: (Ayes) Commissioners Behrendt, Chatfield, Hendricks, Sheets – 4; (Nays) None – 0. By a vote of 4 ayes and 0 nays, the MOTION CARRIED.***

### **FINANCIAL REPORT**

Mr. York reviewed the financial report dated 06/30/20. Cash balances are summarized as follows: Operating Account \$134,724.46; South Side TIF Account \$6,194,070.71; South Side TIF Debt Reserve Account \$336,211.44; South Side TIF Capital Account \$17,397.15; North End TIF Account \$5,348,239.61; Wabash Street Streetscape Construction \$122,178.25; Wabash Street Streetscape Debt Reserve \$215,952.69; Northeast TIF Account \$268,049.48; for total cash of \$12,636,823.79. 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 \$12,791,185.28.

The chair entertained a motion.

***Motion made by Commissioner Hendricks – seconded by Commissioner Sheets approving the financial report dated 06/30/20. Voice vote was as follows: (Ayes) Commissioners Behrendt, Chatfield, Hendricks, Sheets – 4; (Nays) None – 0. By a vote of 4 ayes and 0 nays, the MOTION CARRIED.***

### **UPPER STORY GRANT**

In the absence of Lilliana Rosado, Skyler York gave a brief history explaining that this Upper Story Grant was approved by the Redevelopment Commission in October of 2019 for 3 upper story residential units. He stated he toured the units, commenting that they are quality units.

At 5:10 p.m. the Commission paused for the tornado sirens.

The meeting resumed at 5:15 p.m.

Anastacia Fratto thanked the Redevelopment Commission, stating that they received their Certificate of Occupancy a few weeks ago. The Barrelhouse (6,000 square foot event space) and the 3 lofts are fully completed. They had a couple of weddings in the event space on the first floor and all the units are leased. Ms. Fratto reiterated the fact that the renovation of this building would not have been possible without the City support and the grants they received for both the Façade and Upper Story Programs. She said there is hopefully more opportunities for them in Michigan City with the different programs available to developers. She offered an invitation for anyone on the

Commission to tour the building. They will have an open house the second week of September.

Commissioner Behrendt commented that he also toured the building, stating that they did a great job.

Commissioner Chatfield commented that he walked through the building a couple different times. He said this is the kind of development needed in Michigan City and they need people like Anastacia and Rob to step up and take risk with public and private partnership; he said they are good operators who have insight and vision into what they can do. Mr. Chatfield said he is excited about the project and envious that he is not able to be in one of those apartments. He stated that he is for this project, appreciative of what they have done for the city, and the Commission wants to partner with people like them in the future. Mr. Chatfield pointed out that they took risk but there is reward on their side of it too; everyone benefits.

Mr. York stated that he likes projects like this because it is all nice and neatly packaged; he thanked Ms. Fratto. He recalled that they asked for and were eligible for \$45,000. They spent a total of about \$750,000 on this building.

It was noted that the final drawdown of \$45,000 was approved earlier in the claims docket for the 113 York Street Upper Story project.

#### **EDA GRANT FOR INCUBATOR STUDY**

Mr. York recalled that the Commission talked about this at their July meeting and he handed out a proposal at that time for the Commission to review.

Clarence Hulse (Executive Director of EDCMC) pointed out that 30-40 years ago there were several companies in Michigan City, some of which have grown to be large corporations, but there has been a 20-year gap in small companies starting and getting big in Michigan City. He said in the last five years he has talked about how to get locals to startup companies in Michigan City by finding them resources, grants, and training to make this happen; he said the best way to have companies grow is to find locals who want to invest in their hometown. Mr. Hulse stated that part of what he is trying to do is 1) find out if this is something that is feasible to start working on in Michigan City, and 2) the US government through the EDA has over a billion dollars they are trying to invest back in the United States, with the Chicago region having over \$250 million that they are trying to figure out how to invest in projects. Mr. Hulse said his goal is to 1) do a feasibility study to see if this makes sense for Michigan City, and if it does, then 2) next year find a way to use the funds to buy, rent, or build a building to house these programs within Michigan City.

Mr. Hulse stated that he wants to make sure Michigan City can apply, but before applying, a feasibility study must be done to show that it is feasible to do within the

community. He said he has been talking to several consultants and found this one (Greenwood Consulting Group, Inc.) through a colleague who was able to get about \$7 million for their community. They are requesting up to \$25,000 over four months to start this project.

Commissioner Chatfield commented that in today's world with all the things that have happened with this pandemic and what we are starting to see with small companies, and the fact that companies who have rental space are looking at longevity, he feels that an incubator program in Michigan City is terribly needed. He said he is a huge small business advocate, believing in small business. He said whatever can be done from the business community, the Redevelopment Commission, or wherever we can make this happen, he is on board with that. Mr. Chatfield stated that when starting to look at an incubator, the other part to look at is shared space. He said in discussing this with business owners over the last 2-3 months, they are talking about in the next 2-3 years ramping down their space needed to 40-50% of what they have today, so they will need other shared space because their employees can either work from home or in a shared space.

Commissioner Behrendt stated that he is for this project but wanted to remind everyone that Michigan City did have an incubator program years ago and it died out because of a lack of occupants. Going forward, Mr. Behrendt asked Mr. Hulse if they would be looking for local matching grants.

Mr. Hulse replied that at this point he does not know but noted that part of the study is to look at if this is feasible or not. He said then the question becomes as to how much of the funds we can get from the government. Mr. Hulse pointed out that this is more than just a regular incubator like in the past; it is shared space, training, and university programs. It has changed a lot since then.

Commissioner Hendricks asked if the funds for the feasibility study could be reimbursed when going after additional funds for the actual incubator – if the \$25,000 paid for the study could be put back into a grant later.

Mr. Hulse replied that he did not know; he would have to ask the question.

Mr. York asked if it can be used for match.

Mr. Hulse replied that it possibly could.

Commissioner Behrendt again reminded Commissioners that although he is for this project, with the South Shore project they are tight on funds and need to watch their budget.

The chair entertained a motion.

***Motion by Commissioner Chatfield – seconded by Commissioner Sheets approving a proposal by Greenwood Consulting Group, Inc. in an amount of up to \$25,000 for a Feasibility Study for a Business Incubator/Coworking Space/Regional Hub Center for Michigan City, Indiana. Voice vote was as follows: (Ayes) Commissioners Behrendt, Chatfield, Hendricks, Sheets – 4; (Nays) None – 0. By a vote of 4 ayes and 0 nays, the MOTION CARRIED.***

### **DOUBLE TRACK BETTERMENTS**

Mr. York recalled from the last meeting a committee being established to discuss the betterments (John Hendricks, Chris Chatfield, Skyler York, and Mayor Parry).

Joel Baldin (Hitchcock Design Group) gave a shared screen presentation, recalling giving a summary of the schematic design report at the Commission's last meeting. From that meeting came a list of next steps and the urgency of moving quick on this project to meet the 90% construction document deadline of July 31<sup>st</sup> and August 7<sup>th</sup>. The list of betterments needed to be decided on. Funding does not need to be approved yet but needs to be discussed and outlined. A MOA between the City and South Shore needs to be developed.

Mr. Baldin stated that the list of betterments they recommended a month ago were broken up into two categories. One, was improvements (hardscape) that needed to happen right away and be part of the double track project. Those improvements included 1) Improvements to Wabash, Washington, and Franklin intersections; 2) Improvements to York Street cul de sac; 3) Installation of ornamental fencing along the north side of double track in place of chain link fence; 4) Installation of ornamental fencing on top of guardrail in place of chain link fence; 5) Improve concrete guardrail with brick form liner; 6) Install special paving around parking garage; and 7) Install special curbs and decorative rail in planters along 10<sup>th</sup> north of the garage.

Mr. Baldin stated that also discussed were other betterments that could happen but were not as critical as far as the schedule and could come in at a later date. Those included 1) Temporary improvement to the 40' setback between Franklin and the garage (for future TOD development); 2) Additional trees throughout the corridor; 3) Install landscape improvements (bollards, fencing, walls, raingardens) at the end of the cul de sacs; 4) Improve intersection along Chicago Street, Amtrak, and the double track; 5) Consider art, banners, gateways, etc. within the corridor.

Mr. Baldin stated that the committee took the schematic design report and made it black and white and identified graphically the list of betterments. He reviewed the proposed cross sections and reviewed the concept details of the project from west moving east. He showed images of similar betterments to be used and he talked about the paver patterns and colors that would be used throughout the project.

Commissioner Behrendt asked if the pavers are similar to the ones used for the original improvements.

Mr. Baldin replied that they are similar in color and from the same company (Unilock) but a little bit larger paver, more appropriate for this use.

Mr. Baldin stated they prepared preliminary costs for the betterment improvements broken into two categories, one for 90% improvements as part of the double track project and the other for 100% improvements at a later date, both being about \$1 million each. They expect to go out for bid later this year.

Mr. York added that the 7 items for the 90% improvements are included in the MOA because they must be built now as they are part of the actual double track project. The other betterments (100%) can be put in later.

Commissioner Behrendt made Commissioners aware that the betterments for 90% improvements to be done right away with the soft costs, contingencies, and design are estimated at \$1.328 million.

Mr. York added that tonight they will work on the MOA. He noted that funding does not need to be in place until November.

Commissioner Hendricks recalled the committee discussing some of the intersections and if they would be paid for by NICTD, the City, or Redevelopment. He asked if that has been decided yet.

Mr. Baldin stated that would be a question for Mr. York or Mr. Noland, although he pointed out that currently they are including them in the betterment cost assuming they are being paid for by Michigan City.

Mr. York added it is his understanding that the base bid is pavement. If the City wants to add a decorative element back in it, those intersections would be on the City to put back. He said that there is brick there right now and the City looked at salvaging that brick but it very difficult to salvage because it is laid in asphalt and as it is salvaged it becomes more expensive to clean it, stack it, and palletize it. Mr. York stated that at this time he believes the intersections would be on the City to do. He advised that basically, the base is asphalt and concrete and anything more than that is the betterment.

Commissioner Chatfield commented that these betterments are terribly important for the City of Michigan City. They transpire this project to be a positive view of what we are about and what we are thinking about moving forward. He said it is a very small amount of money the City is putting forward to an overall project that is so important.

Commissioner Behrendt noted that this presentation was for informational purposes.

Mr. York confirmed that was correct, adding that this project is moving quickly so we need to be ready to put this project out to bid to get prices.

**AMENDMENT TO CONTRACT WITH HITCHCOCK DESIGN GROUP**

Mr. York recalled that Mr. Baldin/Hitchcock Design Group (HDG) started this project in November 2017. At this point in time, the Commission has an open contract with HDG. Mr. Baldin has put forth a proposal to amend their contract to keep moving forward and get the 90% drawings paid for and into NICTD's hands for review, and so we can move to the 100% drawings and get those in. NICTD was going to front the Commission the money on this cost, but it would require drafting a new contract which becomes cumbersome and would stall out this process. Mr. Baldin has proposed an amendment to supplement his existing contract. Mr. York pointed out that one way or another the Commission will have to pay this, so it would make sense to just pay it as we go now rather than reimbursing NICTD for the money later.

Attorney Sirinek agreed that it makes more sense to do the addendum to the Commission's original agreement with HDG than to any of the other alternatives given the fact that the Commission will ultimately be paying for it anyway.

Mr. York stated that the addendum is in the amount of \$61,700 broken out between the 90% and 100%.

The chair entertained a motion.

***Motion by Commissioner Chatfield – seconded by Commissioner Hendricks approving an amendment to the Hitchcock Design Group contract in the amount of \$61,700 subject to Attorney Sirinek's review. Voice vote was as follows: (Ayes) Commissioners Behrendt, Chatfield, Hendricks, Sheets – 4; (Nays) None – 0. By a vote of 4 ayes and 0 nays, the MOTION CARRIED.***

**MOA FOR BETTERMENTS**

Mr. York explained that the subject of this MOA includes the 7 items discussed earlier in the presentation which are the hardscape items that must go into the bid document now. The MOA will be between the Redevelopment Commission and NICTD. He explained that the Commission is committing to paying for the items, but they can choose to not do any of them. Since the 7 items get bid out as alternates to the bid package, if some come over or under, the Commission could remove and/or adjust an item.

Chuck Lukmann (NICTD's attorney) confirmed that Mr. York's explanation was accurate.

Mr. York stated that Attorney Sirinek has reviewed the MOA as well as the City Attorney, Amber Lapaich. The overall language appears to be reasonable, but both agree that there are still some insurance questions that must be answered. General Insurance is reviewing those now.

Attorney Sirinek talked about the MOA pointing out that language also included the contract indicates if they bid this out and the betterments were to come in under bid and under the original projections by NICTD, then NICTD will pay for them. He pointed out that the Commission must to pay attention to the deadlines after the bids are let. He noted that there is a lot of flexibility for the obligations the Commission has within this agreement in terms of where they go forward with the betterments as it relates to the bare basic design that NICTD is responsible for.

Mr. York stated that if the Commission chooses to move forward with the MOA, he would ask that it is approved pending review by Attorney's Sirinek, Lapaich, and Lukmann.

Attorney Sirinek noted that the bulk of the responsibility, timelines, and deadlines the Commission has is outlined on page 3, 4B of the MOU.

Commissioner Behrendt referred to the 7 items listed on the summary sheet, noting that one of those items (planter curb and design) is missing on the exhibit (page 12) to the MOA. Also, he asked if the other items need to be included as well.

Mr. York replied that they do not need to be included at this time; this MOA is only for the hardscape items. There is time to review the other items and those items are in the City right of way, not NICTD's right of way. He added that there might also be partnerships with different organizations to fund some of these things.

Commissioner Edwards referred to page 10 of the MOU and asked if it should be signed by the President of the Department of Redevelopment or Michigan City Redevelopment.

Mr. York said those are things in the MOA that will be cleaned up, and it would probably read as President of the Michigan City Redevelopment Commission.

The chair entertained a motion.

***Motion by Commissioner Chatfield – seconded by Commissioner Hendricks approving the MOA for the double track project betterments, subject to legal counsel review. Voice vote was as follows: (Ayes) Commissioners Behrendt, Chatfield, Hendricks, Sheets – 4; (Nays) None – 0. By a vote of 4 ayes and 0 nays, the MOTION CARRIED.***

**REPORT BY LEGAL COUNSEL**

Attorney Sirinek gave an update on the station block properties and appraisals. Pertaining to the properties that the appraisals were signed off on, Attorney Sirinek stated that they do not have language in there that this is subject to full Commission approval at a public meeting. He said that will need to be included in the language and he will address that with Beam Longest & Neff (BLN). Regarding the 1002 Franklin Street property, Attorney Sirinek said some progress has been made but he still does not think their latest appraisal is consistent with the FTA regulations. He will address that with BLN again as well.

Attorney Sirinek questioned if the Commission wants to go forth with the drafting and advertising for disposal of properties as discussed at their last meeting. Staff received one appraisal but is still waiting on another appraisal to be turned in.

Commissioner Behrendt asked if the appraised value must be stated in the bids.

Attorney Sirinek advised that the statute calls for two appraisals and implies that you would take the mean of the two appraisals consistent with all the other requirements that occur as it relates to the purchase of property and disposal of property as well.

Mr. York stated that he is following up on the status of the second appraisal and anticipates receiving it soon.

Commissioner Behrendt suggested that the Commission move forward by putting out the bid once the second appraisal is received.

Attorney Sirinek stated for the record that the Commission is talking about two different parcels; 1) the former Memorial Hospital site, and 2) the former Police Station/News Dispatch property. He added that the Commission is under no obligation to do anything with either one of them, but this gets the Commission to the point of seeing what kind of interest is out there. If there is interest, the Commission has the option to act on it; if the interest expressed is not sufficient enough or does not meet with the Commission's objectives, they can reject it. He advised that this is a requirement which the Commission must go through to dispose of any property.

The chair entertained a motion.

***Motion by Commissioner Hendricks – seconded by Commissioner Sheets approving going forth with a formal offering of parcels for the former Memorial Hospital property and the former Police Station/News Dispatch property, using the minimum offer to be received at the mean value of both appraisals. Voice vote was as follows: (Ayes) Commissioners Behrendt, Chatfield, Hendricks,***

***Sheets – 4; (Nays) None – 0. By a vote of 4 ayes and 0 nays, the MOTION CARRIED.***

### **REPORT BY DIRECTOR**

Mr. York reported on the Singing Sands Phase II project, explaining that in front of City Hall the contractor was putting in new curbing, but also left some of the old curbing. When bidding out the original Singing Sands Phase II project it bid out over budget and things had to be cut out. Mr. York stated that the curbing is in very bad shape along the north side of US 12; part is new now and part of it is falling apart and sinking. The engineers have submitted a change order in the amount of \$4,500 to replace about 120' of curbing along US 12. Mr. York noted that a lot of money has been invested in this trail and the Commission has also put a lot of money into it as well. He said now would be the time to do it rather than coming back later because the contractor is currently pouring concrete along Michigan and US 12.

Commissioner Behrendt agreed that it needs replacement. He highly recommended the Commission go along with this suggestion.

Mr. York recommended it as well because it is in very bad shape.

The chair entertained a motion.

***Motion by Commissioner Sheets – seconded by Commissioner Hendricks approving a change order in the amount of \$4,500 to replace the deteriorated portion of curbing along US 12 in front of City Hall for the Singing Sands Phase II Trail project. Voice vote was as follows: (Ayes) Commissioners Behrendt, Chatfield, Hendricks, Sheets – 4; (Nays) None – 0. By a vote of 4 ayes and 0 nays, the MOTION CARRIED.***

### **PUBLIC COMMENTS**

Mayor Duane Parry stated that he believes comments made by Commissioner Chatfield about summarizing the impact and the importance of this project (double track) to Michigan City could not have been stated more eloquently or accurately. He said he has watched this project evolve and he believes its moving toward being a project we can all feel very good about and be proud of when it is finished.

Mike Noland (General Manager of NICTD) thanked the Commission for all their hard work and support, thanked the Mayor for his comments, and complimented Mr. York and his team. He said they have done a great job and it has been a pleasure working with them. Mr. Noland stated that they are very excited about moving forward with this project and they appreciate the support they are getting from Michigan City.

**COMMISSIONER COMMENTS**

Commissioner Behrendt thanked Kaleb Goodwin for putting this ZOOM meeting together.

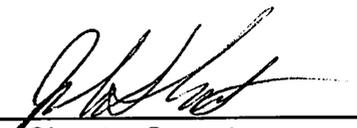
**NEXT MEETING DATE**

President Behrendt announced that the next scheduled meeting is September 14, 2020.

**ADJOURNMENT**

The chair called for a motion to adjourn.

Motion to adjourn by Commissioner Chatfield – seconded by Commissioner Hendricks and unanimously approved. The chair declared the meeting adjourned at approximately 6:20 p.m.

  
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John Sheets, Secretary