MINUTES OF A SPECIAL MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
APRIL 30, 2019

The Michigan City Redevelopment Commission met in a special meeting in the Common Council Chambers, City Hall Building, 100 East Michigan Boulevard, Michigan City, Indiana, on Tuesday, April 30, 2019, at 5:00 p.m. local time; the date, hour, and place duly established for the holding of said meeting.

CALL TO ORDER

President Don Babcock called the meeting to order at approximately 5:00 p.m.

ROLL CALL

Commissioners present:
Don Babcock, Mayor Ron Meer, John Sheets, Non-voting Commissioner Theresa Edwards

Commissioners absent:
Pat Kowalski, Charles Oberlie

Staff present:
Executive Director Craig Phillips, Assistant Planner Skyler York, Attorney Alan Sirinek, Administrative Assistant Debbie Wilson

Staff absent:
None

REQUEST FOR INCENTIVES – FLUID COFFEE
President Babcock acknowledged owners of Fluid Coffee (Chuck and Alison Scates) being present along with the 518 Franklin Street building owner (Dr. Heather Nath). The Scates’ distributed project folders to Commissioners. President Babcock recognized the good work of Clarence Hulse from the EDC for bringing these types of new and exciting leads forward to the city.

Alison Scates introduced herself and her husband Chuck, stating that they own Fluid Coffee Bar in Downtown Valparaiso at 159 Lincolnway.

Dr. Heather Nath introduced herself stating that she is an investor of property in Michigan City. She bought what is commonly known as the Eagle building located at 518-522 Franklin Street from Bob Lake earlier this year. Dr. Nath pointed out that this is
such a significant stretch of Franklin Street, so she is looking to maximize what it does for the city by making sure that what goes into the space is something which will bring foot traffic to the area and not just be another business that is a destination. She acknowledged having other opportunities suitable for the space, but nothing that would drive business, traffic, interest, or enthusiasm for Michigan City. She mentioned that she initially invested over $1 million in cash in Michigan City in residential properties and bringing them up to a better standard, and this is her next phase to bring a business in which will bring a new dimension to Franklin Street by being a destination where people will come in the morning and early evening hours. Dr. Nath expressed her enthusiasm for the opportunity to work with Fluid.

Chuck Scates stated that their first location is in Valparaiso, Indiana which is more of a traditional coffee bar with light café fare. He explained that this endeavor is to expand that into a coffee roastery with production cold brew as well. He pointed out the popularity of cold brewed coffee is extremely popular, so they plan to expand on that. Mr. Scates stated that they currently roast a small portion of their coffee for their café, otherwise they use roasters out of Chicago like Dark Matter and Intelligentsia. Once they move into the Michigan City location they will use their vintage Probat roaster.

Alison Scates added that they plan to bring community to their café, like what they do in Valpo. They have open mic nights and art openings with local art being changed every month. They have worked with Valpo NEXT, the mayor, and the Chamber to try to get events that work for the City of Valpo. Ms. Scates said they have had their eye on Michigan City for a while. They both grew up in Merrillville, have been married for 28 years, and they love the feeling of Michigan City with the beach. She said there is a little bit more diversity, grit, and more going on. They want more street art, more diversity in open mic night, poetry, fashion pop-ups, and vegan pop-ups. She stated that the type of business they will be is a destination; coffee roasters are kind of like a craft brewery being a part of the craft industry. Ms. Scates stated that when people are traveling through Michigan City to stop at Zorn Brewery, Burn ‘Em Brewing, Shoreline Brewery, and going up to Greenbush Brewery, it will be a good fit for that type of clientele to stop and see them as well. They will be open until 7:00 p.m. on weekdays and later on weekends.

Commissioner Babcock referred to statistics provided by the Scates’ noting that there will be up to 10 new jobs; a $350,000 annual payroll; an investment in equipment of $183,000; a request from the Redevelopment Commission for $35,000; have 10,000 social media followers; anticipate bringing 15,000 new clients to Michigan City at $75/person totaling over $1 million in new revenue to the city; anticipate 2,000 kegs of cold brew coffee produced annually; anticipate roasting over 30,000 lbs. of coffee; and the target is to be in service by no later than fall of 2019. Mr. Babcock asked them to describe how this place is different from a routine coffee shop.
Mr. Scates explained that there are waves of coffee; the first wave being the coffee from a can, the second wave is the introduction of expresso-based drinks to the United States by vendors like Starbucks, the third wave is that you know the farm where your coffee comes from. He said it might possibly get to the point of being able to go to those farms and purchase the coffee directly instead of going through an importer or exporter. He noted that there is also the difference in the quality of the coffee with the standard café or gas station coffee versus specialty coffee (which they do) but is different than gourmet coffee which is better coffee with additional flavoring added to it. Mr. Scates stated that they do fine direct trade single origin coffees from Ethiopia, Guatemala, or Kenya. Some of their suppliers are direct trade who go to Nicaragua or Guatemala to buy the coffee and bring it back to them. He said there is a technique in roasting to get this modern tasting coffee.

Ms. Scates commented that they also have regular drip coffee for $2.50 with a refill, so there is coffee for everyone. She said there is a large scope of people coming into Fluid – from the regular drip coffee to the high-end single origin Ethiopian or a drink adding CBD or local maple syrup.

Commissioner Babcock asked if they are aware of any other roasters in Northwest Indiana.

Ms. Scates said there are a few – a couple in Crown Point, one in Dyer, a smaller one in Valpo, and Maple City Roasters in Michigan City (more of the gourmet roaster). Although, she said there is nothing on the scale they want to do; modeling themselves after people in Chicago and bigger cities.

Mr. Phillips explained that from the standpoint of their request, the easiest thing for the Redevelopment Commission to consider getting involved in would be the actual build-out of the space necessary for the production, such as the costs associated with the various trades who will prepare the actual space for the production to occur. The Commission could also get involved in things like exterior improvements including signage. The $35,000 in improvements would be in the form of three-way agreement between the Scates', Dr. Nath, and the Redevelopment Commission. Mr. Phillips summarized that the request would be for the Commission to pay up to $35,000 of improvements in the form of construction necessary to provide the production space for the business (plumbing, electrical, etc. as well as exterior improvements including signage).

Mr. Phillips added that bringing this type of tenant into this space is a great anchor for the Uptown Arts District with things like connection to arts being a great fit. He said this will bring something unique that does not already exist in our community.

Dr. Nath commented that as part of her overall investment in Michigan City, she has requested $0 and zero favors from Michigan City. She stated that everyone she has
worked with has been extraordinarily nice. Regarding this investment, Dr. Nath pointed out that she is giving a 3-month rent abatement with an overall reduced rate lease for the first year and a significantly reduced rate for years two and three, and she will also pay $4,000 worth of demolition, for an overall investment of $10,000 in this process. Dr. Nath said she would love to see this go forward.

Commissioner Sheets asked if there will be any type of food served.

Ms. Scates replied that they will do café fare to include breakfast sandwiches, oatmeal bowls, and smoothie bowls continued through lunch. They cater to the vegan diet, paleo diet, keto diet, and have regular bagel sandwiches.

Commissioner Sheets commented that he was born and raised here, and he has seen the highs and lows of this area. He feels the city is going in the right direction now and that this is something sorely needed to bring life back to the area. He wished the Scates’ good luck.

Commissioner Edwards acknowledged the hours being 7:00 a.m. to 7:00 p.m. and asked if that would be 7 days a week or just on the weekend.

Ms. Scates replied that those are the hours on weekdays. Weekends they are usually opened 7:00 a.m. to 8:00 p.m. or 9:00 p.m. on Fridays and Saturdays depending on the events. Sundays they close between 6:00 p.m. and 8:00 p.m. She said the hours are changed quarterly depending on the numbers, trying to keep the payroll tight but also give the people what they want at the same time.

Commissioner Edwards wished them luck as well.

Commissioner Babcock asked if they would hire local.

Ms. Scates replied affirmatively stating that they try to work with not only hiring local people for the café and to roast, but they also employ three different women to bake for them who use nearby commercial kitchens. She stated that they have superfood bowls which are made in Northwest Indiana, they work with Valpo Velvet to carry gluten-free bread for sandwiches, and they shake hands with the people that sell them CBD. They try to put those dollars back into Northwest Indiana with anything they do. Ms. Scates added that they use metal straws in the café from a company located in Northwest Indiana, and they are collaborating with a lavender farm in LaPorte who delivers the lavender that they handpick.

Commissioner Meer thanked Dr. Nath for her investment in Michigan City and the fact that she is accommodating the Scates’ investment with incentives that will pay off in the long run. He thanked the Scates’ for the unique job creation for Michigan City. He was pleased to hear the hours especially on weekends, as he sometimes hears from the
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Millennials that they want something that stays open later where they can relax and talk. He said appreciates the uniqueness of that in the Downtown area, stating that it has been revitalized but could use a little extra burst.

Clarence Hulse (EDC Director) stated that this is what is called a “marquee tenant” who will bring a lot of people to Michigan City. They have a great following and will be an attraction to other restaurants and businesses in the city creating an atmosphere where people will possibly want to live and work.

The chair entertained a motion.

*Motion by Commissioner Meer – seconded by Commissioner Sheets authorizing up to $35,000 through a three-way agreement between Dr. Nath, the Scates’, and the Redevelopment Commission for Fluid Coffee’s production space located at 518 Franklin Street. Voice vote was as follows: (Ayes) Don Babcock, Mayor Ron Meer, John Sheets – 3; (Nays) None – 0. By a vote of 3 ayes and 0 nays, the MOTION CARRIED.*

REPORT BY LEGAL COUNSEL
Attorney Sirinek noted for the record 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.

REPORT BY DIRECTOR
(No report)

PUBLIC COMMENTS
(No comments)

COMMISSIONER COMMENTS
(No comments)

ADJOURNMENT
The chair entertained a motion to adjourn.

Motion to adjourn by Commissioner Meer – seconded by Commissioner Sheets and unanimously approved. The chair declared the meeting adjourned at approximately 5:30 p.m.

John Sheets, Secretary