MINUTES OF THE REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
MAY 13, 2019

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, May 13, 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 5:00 p.m.

ROLL CALL
Commissioners present:
Don Babcock, Pat Kowalski, Mayor Ron Meer, Charles Oberlie, John Sheets, non-voting Commissioner Theresa Edwards

Commissioners absent:
None

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

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.

APPROVAL OF MINUTES
The chair entertained a motion for approval of the minutes of the executive session of 04/08/19, the regular meeting of 04/08/19, the executive session of 04/30/19, and the special meeting of 04/30/19.

Motion by Commissioner Sheets – seconded by Commissioner Meer approving the minutes of the executive session of 04/08/19, the regular meeting of 04/08/19, the executive session of 04/30/19, and the special meeting of 04/30/19 as submitted.

Attorney Sirinek asked for correction to the 4/8/19 regular meeting minutes, page 10 under Washington Park entry/traffic circle project. He said in some cases where the word “bid” is used it should be replaced with the word “quote”. Mr. Sirinek explained
that there are significant statutory requirements for bids that do not apply to quotes, so he did not want anyone to misinterpret it.

With a motion and second on the floor, voice vote was as follows for approval of the minutes with the correction to the 04/08/19 regular meeting minutes: (Ayes) Don Babcock, Pat Kowalski, Mayor Ron Meer, Charles Oberlie, John Sheets – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

CLAIMS
Mr. Phillips reviewed the claims docket dated May 13, 2019 as submitted noting that payroll for April totaled $11,559.12. Mr. Phillips read aloud all claims listed. In summary, May claims totaled: (Operating) $343.95; (North TIF) $440,909.52; (South TIF) $601,630.40; (US Bank – Ohio Street) $147,257.56; (NE TIF) $0.00; (Wabash Street) $0.00.

The chair entertained a motion.

Motion by Commissioner Oberlie – seconded by Commissioner Sheets approving the claims docket dated May 13, 2019 as submitted.

Commissioner Babcock noted that this is the final payment to MCAS for the Commission’s $3.4 million commitment for the Technology Grant. He expressed the Commission’s pleasure to have made this contribution to the schools.

With a motion and second on the floor, voice vote was as follows: (Ayes) Don Babcock, Pat Kowalski, Mayor Ron Meer, Charles Oberlie, John Sheets – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

FINANCIAL REPORT
Mr. Phillips reviewed the financial report dated 03/31/19 summarizing the cash balances as follows: Operating Account $29,506.37; South Side TIF Account $13,485,984.17; South Side TIF Debt Reserve Account $336,308.50; South Side TIF Capital Account $17,715.28; North End TIF Account $4,464,805.25; Wabash Street Streetscape Construction $122,342.44; Wabash Street Streetscape Debt Reserve $216,072.49; Northeast TIF Account $112,702.52; for total cash of $18,785,437.02. 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 $18,939,798.51.

Mr. Phillips stated that the Commission receives an appropriation through the City for operating funds. He noted that it does not appear the transfer was made yet, so he will check on the status.

The chair entertained a motion.
Motion by Commissioner Sheets – seconded by Commissioner Kowalski approving the financial report dated 03/31/19 as presented. Voice vote was as follows: (Ayes) Don Babcock, Pat Kowalski, Mayor Ron Meer, Charles Oberlie, John Sheets – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

LIQUOR LICENSE REQUESTS
Attorney Sirinek opened discussion acknowledging Attorney Anthony Novak along with his clients being present. He explained that this is a 3-way alcohol license request on behalf of Mucho Mas, LLP and Royale with Cheese, LLC, both establishments located on Franklin Street with Mucho Mas being there for over two years and Royale with Cheese over one year. Both are established and successful with year-round operations. Mr. Sirinek stated that he along with Commissioner Oberlie met with Attorney Novak and his clients. Their application meets the requirements of the Commission.

Attorney Anthony Novak addressed the Commission acknowledging his client, Frank Marrufo, being present. Mr. Novak introduced himself as an attorney with the law firm of Newby, Lewis, Kaminski, & Jones in LaPorte IN, representing both restaurants seeking a 3-way riverfront license. He pointed out that both restaurants are and will be operated as separate entities but share the same familial ownership (Frank and Jose Marrufo). Mr. Novak referred to the application submitted noting that they provided information about both restaurants including financials, menus, floor plans, and narratives.

Mr. Novak gave background about the two restaurants stating they are both local restaurants that are open and running and both are members of the Michigan City Main Street Association (MCMSA). Referring to Mucho Mas, Mr. Novak stated it is located in the heart of the Uptown Arts District (UAD) at 727 Franklin Street. The menu is a blend of traditional Mexican food with west coast flavors and an emphasis on fresh and organic vegetables and scratch-made recipes. The Michigan City location was open in 2015 with the original and only other location opening in LaPorte IN in 2009. Both have seen great success and continued growth since opening. When the Michigan City location opened in 2015 the Marrufo’s invested approximately $40,000 into the building. They employ 10 people, 3 of which live in the UAD. Royale with Cheese opened in 2017 and is also located in the UAD at 827 Franklin Street. Their menu is new American with a very eclectic menu with an emphasis on quality craft hamburgers. They invested approximately $15,000 in the building. They employ 10 people, 6 of which are Michigan City residents and the remaining 4 are residents of LaPorte County. Mr. Novak pointed out that even though Royale with Cheese is located closer to both the First Presbyterian Church and St. Paul Church and school, they received letters of support from both organizations.
Mr. Novak acknowledged that the riverfront license program is an economic development tool that plays an important part in fostering the development of the Downtown of Michigan City. Its purpose is to grow and make attractive the Downtown area both by attracting more people to the community as well as incentivizing business owners to invest in the Downtown. He referred to restaurants who have received these licenses and said it is clear the program is not designed simply to give somebody a license to serve alcohol, but instead create a unique type of business that can have offerings to incentivize and bring people to the Downtown. They believe Mucho Mas and Royale fit that goal. Mr. Novak talked about their success and commitment to the Downtown and stated that they feel this license will transform them from being just another Mexican and burger joint to a casual hangout which will focus not only on their unique food offerings but also on its craft cocktails and brews. They will also create nighttime events to draw people Downtown which would include live music, movie nights, guest chef pop-ups, etc. Upon opening of the Civic Plaza, they both intend to adjust their schedules and hours of operation around those events.

Commissioner Oberlie recognized Mr. Novak’s very comprehensive presentation. He commented that it is important to know that these are two small successful operations looking to expand their niche to help broaden the appeal of the Uptown area. By expanding their hours, it will attract people into the evening by addressing an additional liability in terms of filling other spaces in the Downtown as the Commission goes forward with other developmental projects on Franklin Street itself. Mr. Oberlie acknowledged that they will be coordinating their schedules with Civic Plaza events, and they are already in good graces with Main Street working together in terms of promotion of the area itself. Mr. Oberlie stated that he believes this an ideal set up for the smaller businesses to have the opportunity to expand their menu based on the unique aspect of these licenses themselves.

The chair entertained a motion.

*Motion by Commissioner Kowalski – seconded by Commissioner Sheets to table the matter until the Commission's regular June meeting. Voice vote was as follows: (Ayes) Don Babcock, Pat Kowalski, Mayor Ron Meer, Charles Oberlie, John Sheets – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.*

Commissioner Babcock stated that in all fairness to the public, not all Commissioner's had a chance to review the entire application.

**MCAS TECHNOLOGY GRANT UPDATE**
Kevin McGuire (Director of Technology, MCAS) gave an update on activities. He provided Commissioners with two documents; one being the planned expenditures for next year and the other an update on activities from last school year.
Referring to the spreadsheet, Mr. McGuire noted that compared to years’ past it is very similar, with the only big difference being the hardware budget which was increased this year to expand Project Lead The Way (PLTW) capabilities at the high school level as well as the digital arts class. Focusing on college and career readiness courses to make sure the students are well prepared, there are needs specifically in the Computer Science areas for newer and more updated CPU’s in those classrooms, so dollars will be going directly toward those devices. Roughly 75% of the budget is going toward staff development to ensure teachers are prepared to use the technology in the classroom and continue that project with instruction. Mr. McGuire noted that this is the end of the 5-year plan laid out with the goal of getting devices into the hands of all students. Last year was the first year for devices in the hands of every child, with take home devices for grades 7-12 and devices in the classrooms at the elementary level. This fall there will be take home devices for grades 4-12 with K-3 taking home devices only as needed.

Amy Hamann (Curriculum Director at Barker Middle School) talked about how Chromebooks changed the learning environment at Barker Middle School. Mrs. Hamann introduced herself stating that she has been at Barker Middle School for 25 years. She is the Curriculum Coach and STEM (Science, Technology, Engineering, Math) Coordinator.

Mrs. Hamann stated that students and teachers alike cannot imagine the years they have gone without students having the 1:1 Chromebooks. Students have had the world open up to them at home, school, and anywhere they can take the device and access the internet. She said what is more amazing is that in all content area’s teachers can give students a huge variety of experiences with their content including research, exploration, discovery, projects, presentations, virtual labs, virtual fieldtrips, educational games, creating websites, etc., getting the kids totally engaged and involved in their education. Mrs. Hamann stated that it has also addressed many different learning styles with students and student engagement has gone way up. They have a choice in learning and have some differentiation available to them by using the Chromebooks because they are learning at different levels. Students reluctant to ask questions in class can use their email, Google Classroom, or Blackboard to ask the teacher questions.

Mrs. Hamann continued explaining that the devices have empowered their students to become motivated, independent learners, and problem solvers. They are using the Chromebooks as a tool for 21st century skills of creativity, collaboration, critical thinking, and communication. It has helped Barker School’s focus on technology, getting students excited, and showing that the community has supported their efforts. It also mirrors everyday life in the workforce, explaining that she uses her laptop all day long to email, make presentations, use Google Docs, make slides, make folders, and prepare multi-media opportunities. The students are doing the same thing by mirroring what they will be doing in the future.
Mrs. Hamann talked about E-Learning Days and how vital the Chromebooks are. This year they would have lost 8 content days if they did not have E-Learning. It kept clear focus throughout those 8 days, a consistency with content, and continued building independent learners. Students were able to communicate with their teachers and collaborate for guidance through those days.

Mrs. Hamann stated that the Chromebooks help to prepare students to become productive community members, whether it is high school, college, trade school, and the workforce later. She thanked the Commission for their support.

Commissioner Sheets commented that he was not on the Commission at the time they approved this but said he is proud they were able to do this. He stated he is a firm believer that if we cannot get the schools going the way they want it to go, everything the Commission is trying to do is not going to work anyway. He is happy it is working out.

Commissioner Meer referred to E-Learning Days and asked if there are issues with students not having access to the internet in their home, and if so how it would be dealt with.

Mrs. Hamann stated that there are not too many issues with that at Barker School. The school is open on those days if students need access to Wi-Fi. Students are allowed three days for assignments after the E-Learning Day.

Mr. McGuire stated that the challenge has been as to what students consider to be broadband access and what staff considers to be broadband access. Staff is learning that the cell phone is becoming a great tool for students. It has been a professional development process for staff to train the teachers that not everything is happening on the Chromebooks. Students have access to the Chromebook, but they don’t always have internet access, but their smart phones are always connected. It is how the content is being presented to them and the tools that the teachers are using. Mr. McGuire acknowledged there is an issue and that it is one they are trying to address. He stated that the conversation may further develop into some opportunities for the Schools and the City to try and bridge that gap a little bit better.

Commissioner Babcock asked what the accountability is for the teacher to get back to the student.

Mr. McGuire replied that on E-Learning Days the teachers are required to have their assignment/instruction by 9:00 a.m. the following morning. The Principals are keeping them accountable to them. Part of the teachers’ responsibility throughout the day is to make sure they are communicating with parents or students. Their work day becomes an E-Learning Day as well, and in many cases, it is more work for them.
Commissioner Edwards commended Mr. McGuire along with staff/administration at all the schools on a job well done, noting that all the issues during the E-Learning Days were worked out. She also thanked the Redevelopment Commission for their support in these efforts.

Mr. McGuire added that five years ago he said when the School has E-Learning Days, then they would know they are successful. He did agree that there were issues with the first go-around, but the fact that they could offer E-Learning Days with teachers and students ready to go with it says a lot for the success they had this year. Mr. McGuire mentioned that support and the maintenance of the Chromebooks is being done by students at the high school through a course being offered. The financial sustainability has all transitioned over to textbook rental. Going forward, none of the Redevelopment dollars are going into Chromebooks or devices; it has all transitioned to the textbook rental side. They will be moving forward with Phase 2 of the program.

Referring to Phase 2, Commissioner Babcock asked Mr. McGuire if he anticipates a request of the Commission for future funds.

Mr. McGuire replied affirmatively.

Commissioner Babcock also recognized the City Council for their contribution toward this effort as well. He stated that he feels if Mr. McGuire approaches both the City Council and Redevelopment Commission they would be receptive to a future request.

Mr. McGuire anticipates coming back in the fall to continue the conversation once they figure out what their focus is going to be.

**RDC CASH FLOW ANALYSIS AND BOND CAPACITY REPORT**

Andrew Mouser (Baker Tilly [formerly of Umbaugh], Indianapolis IN) presented Commissioners with additional documentation. He opened discussion stating that this report is an analysis to look at the Commission’s capacity for short-term projects in the future as well as larger scale longer term projects in the future as well. The report includes the Northside, Southside, and Northeast areas. He stated that they have been in contact with the Auditor’s Office regarding the Eastside TIF to ensure that will begin capturing TIF in 2020.

Mr. Mouser began with the Northside Downtown annual TIF collections. In 2018 they estimated the Redevelopment Commission would capture just over $4 million in tax increment. The actual collections in 2018 went a little over 100% likely due to collection of previous year delinquencies. For 2019 the assessed values continue to grow, and the Commission should capture a little over $4.3 million. Assuming no growth it will remain at that level through 2027. In 2027 the expansion portion of the Northside area expires and will return to the tax base, no longer being captured as TIF. From that point
forward through 2039, the Commission will capture only the original portion of the Northside area and collections will be around $1.6 million.

Mr. Mouser stated that they looked at a couple larger scale projects the Commission is considering – the Civic Plaza and South Shore Station block, $6,000,000 and $5,000,000 respectively. Included is a debt reserve fund which is money set aside through life of the bonds to provide extra security on the bonds. The total financing is a little over $7 million for the Civic Plaza and $6 million for the South Shore Station block project. A small portion of cash on hand would be used to fund a portion of the debt service reserve for the South Shore Station block project.

Mr. Mouser reviewed the potential payback for the Civic Plaza project. Assuming the bonds are issued this year, there would be a 20-year repayment on the bonds with an estimated interest rate ranging from 1.8%-4%. Payments would be around $600,000-$650,000, then decrease in the middle years, then increase to $550,000 in the later years. He noted that the debt service reserve money can be used to make the final payments on the bond, in this case about 1-1 ½ years early.

Mr. Mouser reviewed the potential payback for the South Shore Station block project. Assuming the bonds are issued next year, they assumed additional cushion for the interest rates with the financing being further out on the horizon. The net interest cost would be closer to 4% on a 20-year financing with a similar structure to the Civic Plaza project. Payments in the early years would be around $800,000 and $300,000 through the life of the bonds. The debt reserve could be used to pay this off about 3 years early.

Mr. Mouser reviewed the estimated annual tax increment and the outstanding obligations for the 2010 Lafayette/Barker bonds, the 2011 Elston Grove bonds, the 2015 Wabash Street bonds, along with the two illustrated financings. In 2019, out of the $4.3 million the Commission would spend about $1.5 million on debt service. Assuming the additional financings, they anticipate still maintaining the 150% coverage for overall debt services, leaving about $1.4 million for additional projects on an annual basis. Once a portion of the area expires it will leave over $.5 million in those later years.

Mr. Mouser went over the estimated cash flow by looking at the current balance on an annual basis, the tax increment collected, and the annual debt service payments, and identified different projects committed for 2019 and proposed for the future. They also included some larger projects for illustrative purposes to show how they would fit into the cash flow. Mr. Mouser said it was important to note that the TIF comes in semi-annually in June and December and is then used to make bond payments for the following July-August or January-February. When looking at future projects, he emphasized that it is important to watch as the TIF comes in semi-annually and how it would impact the cash flow.
Mr. Mouser reviewed the Southside TIF area noting that in 2018 it was estimated the Commission would capture just under $3 million and they actually collected about $2.9 million. In 2019 it should increase to nearly $3.1 million. The original portion expires in 2027 with the expansion area continuing out through 2038. Once the original portion expires it will return to the overlapping tax base and TIF collections will be a little under $400,000.

Mr. Mouser stated that they looked at one illustrative financing for the Southside area – the South Shore Double Track project. The Commission’s total commitment is about $12.2 million with about $3.5 million financed through a long-term financing and about $9.5 million paid from cash on hand. There would be a debt service reserve of about $600,000. He reviewed the illustrative repayment structure with a 20-year financing. Because the original portion of the TIF expires in the early years, they frontloaded the repayments with the majority of $3.5 million being paid back in the first 10 years. The $600,000 debt reserve would be available in 2028 to pay off the remainder of the bonds, making it possible to pay off the bonds in 10 years.

Mr. Mouser reviewed the full comparison of the Southside area beginning in 2019 with $3.1 million and the $400,000 beginning in 2028 comparing that to the 2011 bonds which refunded the 1999 bonds for Towne Center Road, the 2015 bonds which refunded the 2007 bonds for 400 North, the 2018 bonds issued for Ohio Street, and the new illustrative bonds for the Double Track project, again maintaining the 150% coverage going forward.

Mr. Mouser reviewed the Southside cash flow with a current cash flow of about $18.5 million, identifying engineering, inspection, capital, miscellaneous costs, as well as a portion of the Double Track project funded from cash on hand, and the portion funded from bond proceeds. They also identified additional larger long-term projects in the later years as well.

Mr. Mouser reviewed the Northeast area (GAF project) stating that in 2018 collections for that area were estimated at $268,000 with actual collections being right on. This is based on their real property (land, buildings, and personal property [equipment]). 2019 should be similar with a slight increase. That area was set up in 1999 and has a 30-year life with TIF being collected through 2030.

Mr. Mouser compared the annual tax increment and obligations. He noted that the Commission is only obligated to pay 90% of what they collect, with the company paying the remaining portion of those bonds. The Commission will pay about $245,000 from the $273,000 collected this year and the company will pay the remaining $250,000. There will be about $27,000 remaining. Once the bonds are paid off next year the Commission will have the full 100% tax increment to work with. They identified projects to be paid through the Northeast area noting they can all be paid out of the current balance.
Mr. Mouser highlighted one of the existing debt schedules for the 2010 Lafayette/Barker bonds stating that the remaining interest rates from 2019 through 2033 range from 3.9%-5%. They feel there could be potential savings by refunding those bonds. They are not callable until February 2020, so by the end of this year the Commission would be within the 90-day window to refund this bond. By refunding this bond they estimate annual savings of around $50,000.

Mr. Phillips referred to page 10 of the report stating that he noticed the numbers approved by the City Council and Redevelopment Commission for the Double Track project differ from what is in the report in terms of bond amount versus cash amount.

Mr. Mouser replied that he thinks it is due to timing as the project has been delayed. Since they anticipate paying the bonds back in a shorter period of time they tried to reduce the bond size to maintain the 150% coverage. He said there is no formal requirement for that so if the Commission wants to bond more than that and pay less out of cash on hand they could do that. Mr. Mouser said they could look at additional scenarios.

Commissioner Babcock commented that the Redevelopment Commission, with the support of the Mayor, has committed 2/3 of the funding to the Double Track project along with the County’s commitment of 1/3 of the funding. Significant development around the Station block is anticipated because of that project.

Commissioner Babcock referred to page 5 of the report noting the big swing in the numbers in 2028, assuming it is from the retirement of the Lafayette/Barker bonds.

Mr. Mouser replied that is correct that the swing in 2028 is from the original portion of the area going away. In 2033 the 2010 Lafayette/Barker bonds would be paid off. Mr. Mouser stated that they like to try to keep the bonds paid off in the early years to keep borrowing costs down.

Mr. Phillips noted for the record that June 10th is the date to send out invitations to overlapping taxing units to prove that it is the Commission’s intent to utilize the tax increment financing revenue. This report will cover the requirements for that.

OHIO STREET
Mr. Phillips prefaced stating that there was some work done on the project which did not fall within the tolerances of the requirements for construction on the project. There were about 14-16 risers and manhole covers which were not within the specs of the project. The way to correct that was to install concrete rings around the risers, but then it left a situation where they didn’t match throughout the project. For the purpose of uniformity to have the same look and feel of the roadway throughout the entire project, the request before the Commission is a change order in the amount of $54,132.
Rich Deel (Project Manager, American Structurepoint) expanded on Mr. Phillips’ comments stating there were 12-14 castings which were low that he had Rieth-Riley fix at their expense. Once that was complete, Mr. Deel said he had a request to do the remaining structures on the project, which was approved and completed. He explained that there are a lot of castings and manholes (65) within that mile of road, 43 of them in the southbound lane. He explained that it is a lot of hand work to get around those manholes when they are paving. When the paving machine stops at the manholes and they do the hand work with a rake or shovel, it creates a little bit of play in the road. He said they did what they could by adjusting those structures, but their placement is directly in the wheel lane.

Mr. Phillips stated that the remainder of those risers and manhole covers were within the tolerance of the project specs. This was a uniformity decision called by the Sanitary District and himself on that day to be ratified at this meeting.

Commissioner Babcock asked Mr. Deel for an explanation of why the manholes are in the tread portion of the road.

Mr. Deel explained that there were utilities underneath the west curb line and to keep the road open to traffic during construction the sewer had to moved as far away as possible from the utilities but still allow for one lane of traffic. Otherwise the road would have had to be shut down the whole time.

Mr. Phillips asked if anything can be done in terms of the concern with the slight dip in the road from when the paver had to stop and lift.

Mr. Deel stated that he personally would not take the chance of doing anything. He stated he has seen where they have milled bumps out of the road in high-profile areas but said he would not take the chance on doing it because it leaves a milled area in the new road. He pointed out that there are some areas that he did have concern with and he has Rieth-Riley addressing those areas by milling and patching.

Commissioner Meer mentioned that some of the manholes rattle when driving over them.

Mr. Deel stated that he has marked 7-10 of those which he has driven over and felt. He believes when they made the adjustments on the castings some of the slurry of stone/concrete debris might have fallen in there. Mr. Deel said he will be pulling them up himself and checking to make sure they are clean. He made the contractor aware of it and if there is a problem they can address it. He doesn’t want to put anything like tar in there to hold them down because it would cause an issue when the Sanitary District needs to remove them. Mr. Deel feels that over time, road grime will get in there and self-seal them.
Mr. Phillips asked the status of the supplemental work regarding the drainage issue.

Mr. Deel replied that the contractor was going to begin work today on that, but the area was too wet. They are trying to get the area to dry up as much as possible before doing the work. Currently the contractor is working on topsoil, sod, and putting the road back together. Their completion date is May 31st.

Commissioner Meer asked the status of the street markings.

Mr. Deel replied that the contractor is addressing that as well. Rieth-Riley and D&M have a punch list of items to work on; striping is one of them.

The chair entertained a motion.

*Motion by Commissioner Oberlie – seconded by Commissioner Meer approving change order 5 to Rieth-Riley Construction Co., Inc. for manhole/casting adjustments in the roadway at a cost of $54,132. Voice vote was as follows: (Ayes) Don Babcock, Pat Kowalski, Mayor Ron Meer, Charles Oberlie, John Sheets – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.*

**US 12 BRIDGE OVER TRAIL CREEK**

Chris Murphy (American Structurepoint, Indianapolis IN) gave a project update reporting that INDOT has bid the project. It came in slightly over the Engineer’s estimate but not enough for INDOT to consider it a bad bid and re-bid it. INDOT’s tolerance on the overall bidding is usually 5%. Indication is that INDOT will award the contract to Superior Construction. They are an experienced bridge builder for INDOT. He pointed out that the actual units of cost to the project that Michigan City is responsible for may have come in at a greater percentage on those individual elements than what the overall bid did. Mr. Murphy stated that when the project is awarded, INDOT will send an invoice to Michigan City for payment of the full amount.

Mr. Murphy referred to the handout of railing design concepts put together by their landscape architect for the Commission’s consideration explaining that these would typically be bolted onto the railing system in place making it less costly as opposed to being fabricated into the structure of the railing itself.

Commissioner Babcock asked how robust the colors are in terms of fading.

Mr. Murphy replied that he did not exactly know but would assume these colors are typically very robust to be available for outdoor use being exposed to the elements. He said he would imagine over time there will be some fading, particularly the darker
colors. He noted that the designs within the circles could be changed out as desired periodically.

Commissioner Meer asked if this was discussed during the original design or if this is something new.

Mr. Phillips replied that there was always discussion about a more decorative option for the railing. It was something that could be put off for a decision later in the process.

Mr. Murphy stated that this would be added to the project by change order, so the Commission has some time (several months) to decide because the railing would be an element added close to the last part of the project.

Commissioner Edwards asked if this would be on both sides of the rails.

Mr. Murphy replied that it could be.

Commissioner Edwards talked about the wind and snow hitting them and needing to be changed out often. She said she would hate to see the money being spent on changing them out when it could just be a rail.

Commissioner Meer asked if the rails themselves are required to be straight or if they can have a wave design to them.

Mr. Murphy replied that they can have a pattern design to them as long the openings between the elements of the railing are kept to the appropriate minimum gap. Although, he stated that it would be more expensive.

After further discussion of the options, it was decided to take the matter into consideration some more.

Mr. Murphy noted that INDOT will hold off on starting construction until the end of this year so that it is a single season of construction in 2020.

ENGINEER’S CASTLE
Mr. Phillips referred to amendment #3, alternate #4 for structural engineering consultation required due to unforeseen field conditions discovered during demolition of the old interior exhibits. Structural engineer performed site visit and provided recommendations for roof beam bearing condition, deteriorated steel lintels and masonry tuck-pointing at a cost of $775.00.

Mr. Phillips added that this was an unforeseen circumstance until they got into the project. For some reason this amendment was not submitted to the Commission when
the actual work was performed. This is an item to wrap up the project and was
necessary. He recommended approval.

The chair entertained a motion.

Motion by Commissioner Kowalski – seconded by Commissioner Sheets
approving amendment #3 to Kil Architecture for alternate #4 to the Engineer’s
Castle project in the amount of $775.00. Voice vote was as follows: (Ayes) Don
Babcock, Pat Kowalski, Mayor Ron Meer, Charles Oberlie, John Sheets – 5;
(Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

709 FRANKLIN STREET
Mr. Phillips reported that the demolition is underway with the preservation of the
masonry to be reintegrated into the Civic Plaza project. It will be stored at Central
Services. Demolition of the remainder of the building is expected to begin later this
month. Barricades will go up on Franklin Street this week for the removal of the
masonry, there will be a pause in work, then fencing will be installed for demolition. The
entire demolition is anticipated to be completed by early June.

Commissioner Babcock asked the number of lanes to be blocked for the demolition.

Mr. Phillips replied that only the parking spaces on the west side will be blocked off,
much like the demolition of 701-705 Franklin Street. The two drive lanes will not be
affected unless there is something unforeseen. He noted that the work also includes
restoration of the adjacent site for the ponding issues.

CIVIC PLAZA
Mr. Phillips reported that there was a series of meetings with consultants from
Destination Rapid City along with stakeholder groups. The meetings went well, and a
lot of good input was received. They will go back and fine tune the financial information
for the management and operations proforma associated with the project and the
preliminary design. The goal is to have a joint presentation to the Redevelopment
Commission and City Council in June and ultimately seek the approvals necessary for
bonding on the project from the Commission in late June and the Council in July.

WASHINGTON PARK ENTRY/TRAFFIC CIRCLE PROJECT
Jay Niec (S E H of Indiana) distributed his report to Commissioners. He reported that
the parking lot has been paved and striped. There will be a walk through this Friday at
2:00 p.m. to develop a punch list and putting together the certificate of substantial
completion.

Regarding the Washington Park project, Mr. Niec reported that they are moving along
with the completion of the 100% plans and specifications. He anticipates the final set
being complete one week from this Friday and submitting them to the City.
Commissioner Babcock referenced Mr. Niec's report, page 2, regarding lighting height identification in the west parking lot and a large LED notification sign. He asked if that is for future discussion.

Mr. Niec replied that this was a long-term concern with the viewshed. He believes it needs to be addressed some time in the future. The standard for the lighting has been set with the west parking lot. There will also be a standard set for the main park campus when completed.

Mr. Niec also reported that the landscape architect has provided a quote for the landscaping with a two-year maintenance and warranty. There is a one-year quote and a two-year quote for the Commission’s review.

Mr. Phillips recalled that the Commission was leaning toward the two years because of the nature of the plantings installed being a raingarden which typically takes more than one year to establish. He pointed out that landscaping was not included in the original bid because there was a separate quotation for the maintenance which would normally be built into the overall project.

Mr. Niec pointed out that until substantial completion is finalized, and the certificate issued, it is up to the contractor to maintain the plantings. There are punch list items they will need to address first, so Mr. Niec suggested the Commission review the quote and consider it at their next special meeting. Mr. Niec said the Commission could tentatively approve it this evening and he could write the change order for the next meeting. The maintenance agreement will start when the Commission approves the Certificate of Substantial Completion.

Mr. Phillips clarified that it is still a part of the overall project. The landscaping was taken out and would have normally been in the original bid but in this case, it was a separate item.

The chair entertained a motion.

*Motion by Commissioner Oberlie – seconded by Commissioner Sheets approving a two-year maintenance agreement in the amount of $17,500. Voice vote was as follows: (Ayes) Don Babcock, Pat Kowalski, Mayor Ron Meer, Charles Oberlie, John Sheets – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.*

**SOUTH SHORE 11TH STREET STATION MESSAGE CENTER**
Mr. Phillips recognized that no one was present from Global Engineering to address the matter. He referred to the proposal from Marquiss Electric for alternate 1, explaining that the Commission had a request from NICTD to use the sign holder at the 11th Street Station. Mr. Phillips suggested that the materials be ordered necessary for the
replacement of the glass at a cost of $1,943 and asked that the Commission ratify that decision. Mr. Phillips explained that when the project was complete the film was mistakenly left on the glass and it fused to the glass from the heat.

Mr. Phillips also explained that the scope for the additional work was at the Mayor’s request to consider reinforcing the letters on the planter at the 11th Street Station so people can’t kick them off or stand on them. A stronger angle iron would be provided behind the letters, so it wouldn’t be as easy for someone to damage them. He referred to the drawing showing how they would be anchored. The cost for that work would be $4,692.00.

After lengthy discussion, Commissioner’s had more technical questions and without representation from Global Engineering being present to answer them, they decided to continue the matter to the special meeting.

ACKNOWLEDGE RECEIPT OF ANNUAL TIF MANAGEMENT REPORT
Mr. Phillips referred to the 2018 Annual TIF Management Report provided to Commissioners stating that they just need to acknowledge receipt of it.

It was noted for the record that Commissioners acknowledged receipt of the report.

OPEN BIDS FOR OFFER TO PURCHASE 6000 S. CLEVELAND AVENUE
Attorney Sirinek explained that two months ago the Commission decided to move forward to see if anyone was interested in purchasing their property at 6000 S. Cleveland Avenue. He clarified that this is the property across the street (west) of the fire station. The process includes a public notice and opening sealed bids for the purchase of the property. Because there are wetlands, the Commission had a wetland delineation report done. The minimum bid was the mid-point between the average of two appraisals received, which is $298,500. One bid was received on May 10, 2019 at 9:24 a.m. from Fraternal Order of Police (FOP) in the amount of $50,000.

Attorney Sirinek explained that by law the Commission must start off with a minimum asking price of $298,500 based on the appraisals, and the Commission can therefore not accept the offer for $50,000. The Commission can either accept, reject, or table a bid. Attorney Sirinek recommended the Commission reject the bid, and if it is in the interest of the Commission to continue exploring ways in which to sell this property, authorize himself and/or another Commissioner to engage in conversations with the FOP as to a negotiated price.

The chair entertained a motion.

*Motion by Commissioner Meer – seconded by Commissioner Oberlie rejecting the offer by the Fraternal Order of Police to purchase 6000 S. Cleveland Avenue in the amount of $50,000 because it does not comply with State law. Voice vote was as*
follows: (Ayes) Don Babcock, Pat Kowalski, Mayor Ron Meer, Charles Oberlie, John Sheets – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

Also, it was agreed by all to authorize Attorney Sirinek along with Commissioner Kowalski to follow up in additional conversations with the FOP regarding their potential acquisition of this property.

REPORT BY LEGAL COUNSEL
Attorney Sirinek reported for the record that the Commission acquired a parcel at 355 E. Highway 20 earlier in the year as part of the overall Ameriplex Drive development. Unknown to the Commission at the time, they also acquired a tenant who was living in the house. The Redevelopment Commission does not have the legal authority to enter into a landlord-tenant relationship and cannot accept rent. Mr. Sirinek explained that to protect themselves he checked with the City's insurance carrier to ensure if that person gets injured out there they would be insured under the general liability policy of the City. Mr. Sirinek stated that he also has given the tenant notice following the rules of eviction. The tenant does have a right to due process given the fact he had a month to month tenancy with the person the Commission bought the property from. The process is to give certified notice to the tenant to vacate, which was already done on April 18th. If the tenant does not vacate, Attorney Sirinek will give formal notice to vacate through the Sheriff's Department on either May 18th or 19th. The tenant will have 10 days to respond, and if the tenant does not vacate by then Attorney Sirinek will file a formal eviction complaint against the tenant. Attorney Sirinek pointed out that once the Commission became aware of the situation they began doing everything they could to get out of the situation.

Mr. Phillips added that the City has liability insurance on the property and inspectors performed an inspection of the property making sure there are working smoke detectors and carbon monoxide detectors.

In another matter, Attorney Sirinek reported on Trail Creek litigation acknowledging that there was a mediation session with three of the respondents on April 23rd. They reached tentative approval with two of the respondents, one with Weber Sign for $60,000. Weber Sign did have a shop there that leaked contaminants into the Trail Creek property. They were named as defendants in the Commission's lawsuit. Mr. Sirinek stated because of the fact we don't know the percentage of the contaminants, he felt this was a fair settlement. Mr. Sirinek asked for the Commission's approval of the $60,000 settlement agreement.

The chair entertained a motion.

Motion by Commissioner Kowalski – seconded by Commissioner Oberlie accepting a $60,000 settlement from Weber Sign Service, Inc. for the Trail Creek
litigation. Voice vote was as follows: (Ayes) Don Babcock, Pat Kowalski, Mayor Ron Meer, Charles Oberlie, John Sheets - 5; (Nays) None - 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

Attorney Sirinek explained that the other one is with an individual named Sheila Casper who is one of the daughters of the Erincraft Manufacturing Co. who is one of the defendants in the case as well. Erincraft and Verma are very difficult to deal with because we don’t know who they are or where they are. The owner of Erincraft resides in India and prior to relocating out of the country he divested himself of all real and personal property and all assets in this country. Sheila has a good defense in that she was only four years old when this contamination occurred. Mr. Sirinek said the Commission is not going to get much from her beyond the $30,000. He pointed out that while this releases Sheila Casper from this settlement, it does not release Erincraft. She has also been helpful in providing names of other potential partners. Mr. Sirinek stated that this amount is fair for this individual and asked that the Commission approve the $30,000 settlement with Sheila Casper.

The chair entertained a motion.

Motion by Commissioner Oberlie – seconded by Commissioner Meer accepting a $30,000 settlement from Sheila Casper for the Trail Creek litigation. Voice vote was as follows: (Ayes) Don Babcock, Pat Kowalski, Mayor Ron Meer, Charles Oberlie, John Sheets - 5; (Nays) None - 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

Attorney Sirinek stated that the Begley Company is the largest contaminant. They were at the mediation, but an agreement was not reached because their experts' opinions were so different from the Commission’s experts' opinions. There will be another mediation later this month. He is hoping for resolution to this long-term issue no later than the end of October.

Commissioner Babcock asked about putting these remediated funds into a special account to have more flexibility for use than TIF funds.

Commissioner Meer pointed out the Commission is using TIF funds to offset the costs for remediation assessment work.

Mr. Phillips agreed stating that was a good point and recommended the funds be put back in the North TIF to reimburse the account.

REPORT BY DIRECTOR
Mr. Phillips informed the Commission that at the request of Councilman Stimley, he will be providing an update on the Annual Report at the May 21st Council meeting.
In another matter, Mr. Phillips informed the Commission of a request from the EDC and Clarence Hulse. This request is for the Commission to help pay for a prospectus related to the Opportunity Zones recently established through legislation that allowed the creation of the zones. Michigan City was awarded three census tracts as Opportunity Zones.

Clarence Hulse explained his request in detail. He stated that the Opportunity Zones were created by the federal government through the 2017 Acts Law. A business can invest money in the area and over a 10-year period pay little or no taxes. Mr. Hulse stated that he has received phone calls from investors inquiring about it, but he does not have any presentation materials to provide to them. Mr. Hulse pointed out that the three Zones intersect the future train station. After discussion, Mr. Hulse requested $7,000 from the Commission to have a professional prospectus prepared to give out to investors.

The chair entertained a motion.

**Motion by Commissioner Kowalski – seconded by Commissioner Meer allocating $7,000 to the EDC to have a professional prospectus prepared for the Opportunity Zones.** Voice vote was as follows: (Ayes) Don Babcock, Pat Kowalski, Mayor Ron Meer, Charles Oberlie, John Sheets – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

**PUBLIC COMMENTS**
Councilman Johnny Stimley suggested the Commission possibly consider some zoo images on the railing elements for the US 12 Bridge.

Councilman Stimley requested a copy of the Baker Tilly Cash Flow Analysis and Bonding Capacity Report be sent to the Council members.

Mr. Phillips acknowledged the request.

Councilman Stimley addressed the riverfront liquor licensing stating that it was originally created for the Trail Creek corridor, but the area was expanded a couple times over the years. Referring to the rules, Mr. Stimley stated that the applicant has a commitment with the City when they receive the licenses. He pointed out that these licenses are meant for upscale restaurants and they are non-transferable, but he recalls the Yacht Club having four owners and the restaurant at the old train station having multiple owners as well. Mr. Stimley stated that he believes when these liquor licenses are increased it ultimately decreases them for the whole city. He does not believe there is a limit on the number the Commission can issue. Mr. Stimley stated that he is 100% for business but believes this is not the way to go. He also referred to the rules and the establishment being required to be open 320 days. He said if they are closed just 1 day a week that would eliminate them. He stated that other businesses that have liquor
licenses in town are suffering from this. He asked that the Commission keep that in mind when considering these licenses.

In response to Mr. Stimley referring to different owners of the Yacht Club, Attorney Sirinek advised that they were terminated every time (and he is only aware of 3) before another one was issued. He said the Commission has been very vigilant in not transferring those licenses. Regarding 100 Washington (the old train station) Attorney Sirinek stated that the Commission was aware of that and while they went through a different name change they kept the same corporation, so technically they did not transfer that liquor license. To his knowledge, Attorney Sirinek said nothing has been transferred that has been approved by the Redevelopment Commission.

In response to Mr. Stimley’s comment about days of operation, Mr. Phillips explained that there have been a couple cases where the Commission had special requests before them to modify that, and those modifications were granted. He said he is aware of another situation where that maybe did not happen, and the Commission needs to follow up on that. Mr. Phillips assured that they would review the current licenses to make sure there are no issues with them.

Commissioner Meer asked if there are limits on how many licenses the Commission can issue.

Mr. Phillips replied that there are no limits.

**COMMISSIONER COMMENTS**

Commissioner Meer commented that at the special meeting on May 21st the Commission will be addressing some road projects in the North and South TIFs. He said he would also be approaching the City Council about some additional funding through riverboat funds for road projects city-wide. Commissioner Meer commented that there are a lot of road conditions the City is very aware of, and he pointed out that all of Tall Timbers, including Springland Avenue, the side streets and cul de sacs will be paved through a Community Crossings Project at a cost of $2 million. Also, to be discussed at the special meeting is the Village Road storm sewer project to be paid for from residual TIF dollars from the Ohio Street project, then separately as much street paving as possible from Ohio Street to 421 on Village Road. He pointed out that this will be another $1 million+ into the Southgate Neighborhood.

Commissioner Meer asked about the status of the 11th Street Station plywood.

Mr. Phillips replied that he did receive an estimate from Deutscher Construction and it will be added to the special meeting agenda.
NEXT MEETING DATE
President Babcock announced that the special meeting on May 21st will be an hour earlier starting at 4:00 p.m. The next regular meeting is scheduled for June 10th.

ADJOURNMENT
The chair entertained a motion to adjourn.

Motion to adjourn by Commissioner Oberlie and unanimously approved. The chair declared the meeting adjourned at approximately 7:30 p.m.

John Sheets, Secretary