MINUTES OF THE REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
JUNE 10, 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, June 10, 2019, convening at 5:30 p.m. local time immediately following the special meeting; 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 5:30 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

APPROVAL OF MINUTES
The chair entertained a motion for approval of the minutes of the executive session of 05/13/19, the regular meeting of 05/13/19, and the special meeting of 05/21/19.

Motion by Commissioner Meer – seconded by Commissioner Sheets approving the minutes of the executive session of 05/13/19, the regular meeting of 05/13/19, and the special meeting of 05/21/19. 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.

CLAIMS
Mr. Phillips reviewed the claims docket dated June 10, 2019 as submitted noting that payroll for May totaled $11,433.76. Mr. Phillips read aloud all claims listed. In summary, June claims totaled: (Operating) $343.95; (North TIF) $652,014.45; (South TIF) $44,274.91; (US Bank – Ohio Street) $142,385.48; (NE TIF) $.00; (Wabash Street) $.00.
The chair entertained a motion.

**Motion by Commissioner Oberlie – seconded by Commissioner Sheets approving the claims docket dated June 10, 2019 as submitted. 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 04/30/19 summarizing the cash balances as follows: Operating Account $298,651.35; South Side TIF Account $13,342,572.09; South Side TIF Debt Reserve Account $336,308.50; South Side TIF Capital Account $17,692.97; North End TIF Account $4,249,278.03; Wabash Street Streetscape Construction $122,341.56; Wabash Street Streetscape Debt Reserve $216,072.49; Northeast TIF Account $113,148.95; for total cash of $18,696,065.94. 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 $18,850,427.43.

The chair entertained a motion.

**Motion by Commissioner Sheets – seconded by Commissioner Oberlie approving the financial report dated 04/30/19 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.**

**Note:** Order of the agenda was changed

**709 FRANKLIN STREET**

Steven Travis (Ameresco Engineering, Valparaiso IN) gave a project update stating that Actin Contracting has demolished the building and they are backfilling today. The basement floor and the foundation wall have been removed. They will backfill the excavation and topple down the shared wall with the south property.

Mr. Phillips stated that he received correspondence from the adjoining property owner indicating that he had been in contact with Actin to make sure he was on site when the wall comes down. Mr. Phillips said it was his understanding that Actin was working with the owner to honor that request. Mr. Phillips stated that he would share a copy of that letter with Mr. Travis.

Mr. Travis said he was unaware of that request but would follow-up with Actin.
Regarding the anticipated schedule, Mr. Phillips stated that in addition to restoration of the site they will also be regrading and restoring the remainder of the lawn, working with P.R.'s Landscaping to accomplish that.

Mr. Travis stated that Actin has about two more weeks left in the project depending upon weather.

Commissioner Babcock acknowledged that the ground will be raised somewhat for the water ponding issue.

Mr. Travis replied that was correct.

Commissioner Babcock verified that they are relatively confident the demolition has not negatively impacted the neighboring building.

Mr. Travis replied that was correct, adding that the only structure they were concerned about was the chimney because it extended up the wall of the adjoining property, but it came down beautifully.

Commissioner Babcock confirmed that they preserved the front sign on the building.

Mr. Travis replied that they did, adding that it was taken down about a month ago and is in storage.

Commissioner Meer referred to the increase in elevation of the property for drainage purposes and asked where the drainage will run off to.

Mr. Travis replied that it will gradually pitch north to 7th Street, so there should be some infiltration by the time it reaches the road. There is a storm sewer on the west adjoining lot; some of that water will be collected in the storm drain as well.

Mr. Phillips added that it will be draining in the same area where it currently drains; it is only be regraded so that there is no ponding.

**CIVIC PLAZA UPDATE**

Mr. Phillips reported that staff has been very engaged in a lot of different activities regarding the Civic Plaza over the last few years. It is now to a point where the approval process is beginning, and the Redevelopment Authority will be seeking bonding for this project. As part of that, Joel Baldin from Hitchcock Design Group (HDG) has an overall update and overview of the project. Then, Randy Rompolo from Barnes and Thornburg will talk about the first steps in the approval process for the form of the lease.
Joel Baldin (Hitchcock Design Group) stated that a small task group has been working closely. Jen Lewin, an internationally known environmental artist has joined the team. She is looking at doing a piece of her art in the plaza; she is known for her interactive art that lights up and plays music. Another member added is Dan Senftner from Destination Rapid City who is President of Rapid City's plaza. Mr. Baldin talked about the benefits of the plaza which include being a focal point for the Downtown; improving the quality of life, bringing activity to the Downtown daily and allowing additional space for events; spurring additional economic development and tax revenue; increasing home and property values; providing an opportunity for community building especially with Michigan City’s youth; creating full-time, seasonal, and part-time jobs; benefitting the school system; providing green infrastructure; and providing health benefits.

Mr. Baldin stated that the plaza will be located between Washington Street and Franklin Street, straddling 7th Street. The idea began in 2016 with Roger Brooks’ Branding, Development, and Marketing Master Plan, recommending a plaza as a strategy for Downtown revitalization. In 2017, 701-705 Franklin was purchased and demolished, initial concepts were done to start generating interest in the space, and a utility relocation study was done. In 2018 Roger Brooks completed the program document, Stanhope completed their community outreach, 709 Franklin was purchased, and HDG was engaged for schematic design. In 2019 the demolition of 709 Franklin has occurred.

Mr. Baldin stated the goal is to design and construct a Downtown Plaza for Michigan City. He highlighted objectives and expectations. He talked about management of the plaza stating that there will be a public-private not-for-profit organization who will have a contract with the City. The City will not manage the space; they will own it, construct it, and lease it for $1 dollar/year. That organization will receive funding from public and private sources as well as plaza generated revenue. There will be full-time staff and a Board of Directors responsible for policy, programming, marketing, and day to day operations. An Executive Director will work with the City, apply for grants and foundation funding, and manage the press, staff, and funding. A Programming and Events Manager will be responsible for creating activities on the plaza. A Marketing Manager will be responsible for bringing residents and visitors to the plaza as well as the Downtown. An Operations Manager will manage the elements and storage facility on the plaza, inventory consumables, and set up and take down activity equipment. A Controller will handle all accounting, secure vendor contracts, manage rentals, assist in securing sponsorships and other revenue sources. There will also be part-time jobs available as well as opportunities for volunteers.

Mr. Baldin referenced a handout for the budget but did not go into detail. He stated that they have established the cost and revenue over the next four years. Jumping to 2022, he said the revenue has been divided into three categories: sustaining, program, and event program. They are looking at a total revenue of approximately $900,000. Expenses are divided into six categories: capital expenditures, program, event
program, direct overhead, direct payroll, and indirect overhead; all at a cost of
approximately $850,000. The intent is to not make a substantial amount of money but
to make enough to operate the space.

Mr. Baldin talked about the schematic design and the three images of inspiration for the
plaza – beach glass and gravel, the historic industrial Pullman factory, and the dunes
and Lake Michigan. He referred to and reviewed several schematics of the plaza. Mr.
Baldin stated that the intent is to have activity a minimum of 250 days a year with
regular features to include things like the fountain, ice bumper cars (winter), roller
skating, and a concession space with a beer garden. The idea is that program activities
will keep the locals coming Downtown on a regular basis as the events will change
every 10-14 days.

Mr. Baldin stated that the construction budget for phase 1 is $7 million and includes
general conditions, construction costs, design and engineering, contingencies, as well
as other allowances and administrative costs. The City anticipates engaging a
Construction Manager with the RFP to be issued shortly.

Mr. Baldin talked about the next steps including a presentation on 6/24 to Michigan City
NOW and a joint workshop with the Redevelopment Commission and City Council. In
June the schematic design report will be finalized, and bylaws drafted. On 7/16 there
will be a more detailed presentation to the City Council. The intent is for construction to
begin in the fall of 2019 and completion in summer of 2020.

Commissioner Edwards stated that the designs look great and she is happy they are
working with the school system, but she questioned the parking.

Mr. Phillips stated that the City previously engaged Walker Parking to look at every
parking space in the Downtown area from Trail Creek to Detroit and Green Streets on
the south, and from Pine Street to Wabash Street. Every parking space (public and
private) were inventoried. Also identified were potential opportunities for additional
public-private agreements with churches, banks, etc. that don’t utilize their parking as
much during the evening hours. Some of those agreements are already in place and
some will be revisited. Also identified was the potential location for parking structures
for additional parking. The study also considered the fact that the first phase of parking
for the double track project will provide 500 spaces of structure parking located 2 ½
blocks away from the plaza. Also looked at were suggestions for ways to manage the
parking.

Commissioner Edwards stated that outdoor shuffle board games have become very
popular and she asked that they make sure something is included for seniors.
Commissioner Meer stated that there is a real request from the community for a roller-skating rink. He stated that it was mentioned for spring and fall but asked if it could be included in summer as well.

Mr. Baldin stated that the roller rink will be in the center of the space where concerts and events will be held during the summer months. He said they could look at locating it somewhere else on the plaza but because most of the activities will take place during the summer months there needs to be space available.

Mr. Phillips said the space the roller-skating rink would occupy could be moved to a different location within the site.

Commissioner Meer strongly urged them to look at other options because of the request from a large portion of the community for a roller-skating rink on the plaza.

Commissioner Edwards commented that an indoor roller-skating rink is what is really needed.

Commissioner Meer said that would be more for the private sector.

President Babcock suggested reserving public comment for the joint RDC/City Council workshop on 6/24 at 6:00 p.m. at City Hall. At that time there will be an expanded presentation with more details.

Randy Rompola (Barnes & Thornburg, South Bend IN) explained that the specific action before the Commission tonight is an initial resolution (Resolution 2-19) which provides preliminary approval of the form of lease presented. The financing for the civic plaza is structured to be a lease financing. The lease would be a Redevelopment Authority-Redevelopment Commission lease. He explained that the Redevelopment Commission would lease the project from the Authority during the term of the bond financing. The Redevelopment Commission would pay a lease rental to the Authority. The lease rental would then be used to pay the debt service on the bonds proposed to be issued. In summary, Mr. Rompola stated that the bonds would be issued by the Redevelopment Authority and the Redevelopment Commission would be approving the form of the lease and ultimately making the lease rental payments to the Redevelopment Authority. The rental payments are proposed to be paid from TIF revenues. There would be a tax backup to provide the best interest rate in the market on the bonds, although there is no expectation to use that or need it based on the current TIF projections. The lease is for a not to exceed 22-year term with a maximum annual lease rental of $975,000/year. The lease contains language that once the bonds are sold that lease rental will be reduced to match the debt service on the bonds. The lease would be for the project, so once the bonds are closed the Redevelopment Authority would take title to the underlying real estate which would become the project, and then lease it back to the Redevelopment Commission. The process includes the Redevelopment Commission
adopting a resolution tonight to preliminarily approve the lease and set a public hearing (tentatively scheduled for July 8th). At that time the Redevelopment Authority will meet as well to approve the lease and authorize the issuance of the bonds. The next step would be going before the Common Council for its approval, then back to the Redevelopment Authority and Redevelopment Commission for final action relating to the bonds and the lease. It is anticipated to sell and close on bonds this fall.

Andy Mouser (Baker Tilly Municipal Advisors, Indianapolis IN) added that the numbers were updated in the Bonding Capacity and Cash Flow Analysis to allow for additional costs for design and engineering fees. He referred to pages 4 and 5 of the report which indicates the Commission would be approving an $8.8 million bond issue, current costs at $8.3 million, and a maximum lease rental not to exceed $975,000 per year. He said their current estimate is not to exceed $800,000 per year. Net proceeds from the bond to use on the plaza is $7 million ($6 million construction, $1 million design/engineering).

The chair entertained a motion.

**Motion by Commissioner Oberlie – seconded by Commissioner Meer approving RESOLUTION 2-19 A RESOLUTION OF THE MICHIGAN CITY REDEVELOPMENT COMMISSION APPROVING A PROPOSED LEASE WITH THE MICHIGAN CITY REDEVELOPMENT AUTHORITY FOR THE CIVIC PLAZA PROJECT, AUTHORIZING PUBLICATION OF A NOTICE OF PUBLIC HEARING IN CONNECTION THEREWITH, AND ALL MATTERS RELATED THERETO. 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.**

Mr. Phillips talked about an amendment to Hitchcock Design Group's current contract explaining that as part of the approval process they would like to bring Dan Sentner with Destination Rapid City back to help with the presentations on 6/24 and the introduction to the City Council on 7/16. A proposal was received from Mr. Sentner for 2 trips (2 full days plus travel) in an amount not to exceed $9,400.

The chair entertained a motion.

**Motion by Commissioner Kowalski – seconded by Commissioner Sheets approving an amendment to the current contract with Hitchcock Design Group in an amount not to exceed $9,400. 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 recalling that this matter was carried over from last month, being tabled to give the Commission time to review the applications.
Attorney Anthony Novak (Newby Lewis Kaminski & Jones, LaPorte IN) reminded the Commission that this program is an economic development tool which is used to revitalize the Downtown area to try to bring more foot traffic to the area and incentivize a business to invest in the Downtown, hoping what they establish can be unique and long lasting. He said they believe Mucho Mas and Royale is that; they think it is a great transition from just talking about the community plaza, which is their hope that the restaurant and the meal is no longer the destination but the first stop of many. He acknowledged the owner, Frank Marrufo, being present as well as the building owner, Mike Connor. Mr. Novak asked the Commission for their support.

Commissioner Oberlie commented that they have been very cooperative in meeting with the committee and providing the necessary information. They have demonstrated a commitment to the area and the community with what they have done to date. Mr. Oberlie said the area he looks at within the Rules of Operation is the one that talks in terms of trying to assist local restaurant owners to achieve success. He stated that he thinks providing the liquor license in this case would enhance both locations giving the ability to attract people on a longer-term basis and to also bring more families Downtown for a longer stay. Mr. Oberlie stated that he thinks it is in the Commission’s best interest to pursue this.

The chair entertained a motion.

*Motion by Commissioner Oberlie – seconded by Commissioner Meer approving applications for Riverfront Liquor Licenses to Mucho Mas LLP, 727 Franklin Street and Royale with Cheese LLC, 827 Franklin Street.*

Commissioner Sheets asked if they have been approved by excise.

Attorney Sirinek explained that the process starts with the Redevelopment Commission, then the Mayor’s Office makes a recommendation. After that, the applicant/attorney takes the recommendation to the State ATC for their approval.

President Babcock asked if there were any comments on this matter from the public.

Johnny Stimley stated a concern of his is that one of the liquor laws which goes in front of excise is the approximation to a church or school. He was not sure if that applied to the Commission's recommendation.

Attorney Sirinek advised that included within the applicants' packets were recommendations from two of the churches on adjoining property supporting their applications and praising them as good neighbors.

Mr. Stimley said that even with the recommendation it is still a state law, and he was not sure if that holds any ground.
Mr. Phillips replied that as part of the state statute, applicants can ask for a waiver through that process by getting support letters from those entities.

Mr. Stimley stated that he believes the Riverfront Licenses were originally proposed for the Blocksom – Blue Chip area. He said he feels the Commission is giving out too many which waters them down for the rest of the city. He feels it is not good for the business owners who do have these licenses throughout the city. He also feels it is not good to give the same person two licenses.

Attorney Sirinek advised that they are two separate corporations, both going through the Secretary of State’s Office that way, thereby having separation of assets and liabilities.

Commissioner Kowalski questioned how many more of these licenses are going to be distributed throughout the community, although he said he understands it pays off to help and bring people to the North End. Mr. Kowalski stated that originally when these licenses started in Michigan City the applicant was required to have an investment of $400,000-$500,000 to get a license. He said he is a former bar and restaurant owner for 20 years and was on the other side when these licenses were given out, so he knows how it is for bar owners. They have thousands of dollars invested in the community, pay taxes, own their buildings, and struggle. He said the liquor laws are already tough enough and then the Commission just gives them away to businesses in the North End and forgets about everyone else on the other side of town. Mr. Kowalski said he is not saying they don’t deserve it, but he feels there should be more of an investment into it. He said he worked hard for his license starting out with a 2-way license and working his way up to a 3-way license. He stated that these people don’t own the building, they are just renting so they don’t lose anything if they go out of business unlike the ones that own their buildings who lose everything.

Mike Connor spoke about Mr. Kowalski’s comments on investment in the area stating that part of the difficulty of having a business on the north end of Franklin Street versus somewhere on the south end of town or on a higher traffic count area is the traffic. They suffer from not enough traffic Downtown. Mr. Conner said that when he bought the building at 727 Franklin Street, Mr. Marrufo had spent quite a bit of money building out his space on the first floor. Everything in the space was pretty much built out by Mr. Marrufo himself and he paid for that in exchange for a long-term lease (12-15 years). His investment in that space alone might be $100,000 for a space he does not even own. Mr. Conner said in many regards Mr. Marrufo has taken more risk than buying a building somewhere, having that asset at the end of the day. Mr. Conner said Royale is the same way. Mr. Conner commented that although he understands the issue with the liquor licenses, he pointed out that Mr. Marrufo has already expressed an aptitude and has taken a lot of risks by opening not just one restaurant, but two, and has successfully done that. Mr. Conner commented that growth is growth; stating that success Downtown expands throughout the entire city creating more traffic and more people.
Mr. Connor said he slightly disagrees with Commissioners’ comments about risk and investment in the area as Mr. Marrufo has a lot of experience and has already invested a lot of money in both buildings, has long-term leases, and has a commitment to stay.

Commissioner Sheets referred to the investment stating that if he remembers correctly from the applications, Mr. Marrufo had a total of $65,000 invested in the building. He said he remembers when these applications first came out in 2008 there was a requirement for 1/2 million-dollar investment in an existing or new building.

Attorney Sirinek said he has never seen that.

Commissioner Sheets was not sure if it was changed and apologized for being wrong if it was.

Commissioner Babcock commented on the matter, stating that he would be voting in favor of the liquor licenses.

The chair entertained a motion.

*With a motion and second on the floor, voice vote was as follows: (Ayes) Don Babcock, Mayor Ron Meer, Charles Oberlie – 3; (Nays) Pat Kowalski, John Sheets – 2. With a vote of 3 ayes and 2 nays, the MOTION CARRIED.*

Commissioner Sheets and Commissioner Kowalski indicated that even though they voted against it, they had no hard feelings and wished the owner good luck.

**OHIO STREET**

Chris Murphy (American Structurepoint, Indianapolis IN) gave a project update stating that the punch list has been completed leaving the contractor with several items to complete before final acceptance of the project. That working is ongoing. He said they have worked with the contractor on the manhole castings to clear them out, so the cover sets appropriately in the casting itself to eliminate the wobble. They are in much better and stable condition now. The contractor has completed improvements for the issue of the water running over the sidewalk; it has improved to practical elimination. The water is being collected directly into the storm drainage system with the installation of an additional storm drain at that location.

Commissioner Babcock asked how close the project came to the total budget.

Mr. Murphy replied that generally the Ohio Street project has had some additional costs but there has also been some deducts. The overall final added costs have been within the contingency and within the limits of the budget.

Commissioner Meer asked how much is on the punch list yet to be completed.
Mr. Murphy replied that there are about 90 items with several of them outstanding.

Commissioner Meer asked if street markings and painting is on the list.

Mr. Murphy replied that it is.

Mr. Phillips mentioned that as part of the project, one of the benefits was the ability to extend the size of the culvert at the Striebel Arm of Kintzele Ditch to facilitate with the expansion of a local business (Hearthside Foods).

**WASHINGTON PARK ENTRY/TRAFFIC CIRCLE PROJECT**
Glenn Peterson (Project Engineer, S E H of Indiana) distributed a progress report to Commissioners. He referred to agenda items for pay applications and Certificate of Substantial Completion for the west parking lot project. He reported that the project is now complete, and the contractor has completed their punch list. The only thing remaining is six trees that did not survive the winter hardships. Those are warranty items and will be replaced. The topsoil removed for future phases is being held off-site. Slusser's (landscape contractor) submitted a maintenance proposal to the Port Authority to participate in a two-year maintenance window. He believes the Port Authority will be accepting that at their next meeting.

Commissioner Meer asked where the top soil is being held.

Mr. Peterson replied that it is being held at Central Services.

Mr. Peterson reported on Washington Park improvements stating that they are nearing completion of the 100% plans by the end of the month.

Commissioner Babcock asked if there will be a celebration for completion of the parking lot.

Mr. Peterson replied that they could facilitate a ribbon cutting ceremony in the next couple weeks.

The chair entertained a motion for the Certificate of Substantial Completion.

*Motion by Commissioner Meer – seconded by Commissioner Sheets to accept the Certificate of Substantial Completion for the Washington Park west parking lot. 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.*
AUGUST MACK EXPERT WITNESS – TRAIL CREEK LITIGATION
Attorney Sirinek gave an update stating that a hearing is scheduled for July 18th and the trail is scheduled for October 21st. Regarding the August Mack change order, Mr. Sirinek explained that this is for preparation and attendance at a mediation meeting with representatives from Begley Cleaners. The estimated amount for this task if $9,000, bringing the contract total budget to $163,479.03. He explained the need to have August Mack as an expert witness in this litigation process.

The chair entertained a motion.

Motion by Commissioner Oberlie – seconded by Commissioner Kowalski approving change order 5 to August Mack in the amount of $9,000. 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.

REFUNDING 2010 LAFAYETTE/BARKER BONDS
Randy Rompola (Barnes & Thornburg, South Bend IN) talked about the opportunity for savings by refunding the 2010 Lafayette/Barker Bonds and issuing new bonds at a lower interest rate; he likened it to refinancing a home mortgage to lower payments. Mr. Rompola explained that the process is similar to issuing new bonds in the sense that it is also a lease financing involving the Redevelopment Authority and Redevelopment Commission who would approve the initial actions, it would then go to the Common Council for approval, then it would come back to the Redevelopment Commission. It is quicker than going through the process for new money (as is the case with the civic plaza) because the existing lease is already in place. The approval process would begin at the Commission’s July 8th meeting.

Andrew Mouser (Baker Tilly Municipal Advisors, Indianapolis IN) spoke regarding the savings stating that the interest rate on the current 2010 bonds range from 4.1%-5%. With current interest rates they think it could be lowered to 2.9%. The savings would be substantial at about $55,000/year over the remaining life of the bonds going through 2033. The net present value benefit is just under $600,000 over the remaining life of the bonds.

Commissioner Meer asked for confirmation that it does not change the duration of the bond.

Mr. Phillips replied that it does not.

The chair entertained a motion.

Motion by Commissioner Oberlie – seconded by Commissioner Kowalski approving the process of refunding the 2010 Lafayette/Barker Bonds. 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.

SINGING SANDS PHASE 2
Mr. Phillips referred to a document provided to Commissioners – Supplemental Agreement #3 for Design Services for Singing Sands Trail Phase 2. He explained that as they have gone through the process of negotiating with the EPA and IDEM on the revisions to the Use Agreement for the Waste Inc. property on Highway 12, it is the intent for Singing Sands Trail Phase 2 to go along Trail Creek. As a part of that, there have been extensive conversations about the stability of the soils on the site and the way in which the trail is routed through the site, resulting in the requirement for some revisions to re-route and for further geotechnical work to be done for soil exploration. That resulted in the additional expenditure of about $29,000. It is anticipated that ground breaking for Singing Sands Phase 1 will begin in July or August 2019 with construction to be completed in spring 2020. Phase 1 goes from the Porter County line and parallels Highway 12 to City Hall. Phase 2 will take off from there and head to Michigan/US 12 and follow Michigan Boulevard to 8th Street, then 8th Street east along the land adjacent to and through the Sanitary District property, crossing over Peanut Bridge and heading into the Waste Inc. property following the Creek on the north side around to Liberty Trail. It is anticipated that Phase 2 will go for project letting in November 2019.

The chair entertained a motion.

Motion by Commissioner Meer – seconded by Commissioner Kowalski approving Supplemental Agreement No. 3 for Design Services with Butler Fairman & Seufert in the amount of $29,000 for Singing Sands Trail Phase 2. 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.

FORMER MEMORIAL HOSPITAL SITE
Mr. Phillips prefaced explaining part of the process is that the Commission had to shift gears in terms of the redevelopment of the site, and it is now necessary to field proposals from additional developer opportunities. Being a complex process, Neighborhood Capital Institute (NCI) has been asked to manage the process of working with developer proposals on the Memorial Hospital site. He recalled NCI working with the Commission for the South Shore block project. This would ensure a fair and even process going forward, and it is helpful to have someone who can help facilitate conversations with developers. The proposal for services from NCI is an amount not to exceed $37,730 which includes all the fees associated with the consulting as well as reimbursables and contingencies. He deferred discussion to Ruth Wuorenma from NCI.
Ruth Wuorenma (Neighborhood Capital Institute) addressed the Commission stating that she is delighted to work with Michigan City again. She stated that NCI organizes a 501(c)3 with deep real estate experience. Their largest value is to help the Commission find the strongest pool of potential developers who can take total advantage of the asset and all its potential and do it in a way that stimulates demand among the quality of developers who can take through to a very solid conclusion. She said the Commission can now position the site to say that not only is it within .4 miles of the transit block but that it is also adjacent to the Elston Grove Historic District, one block away from the Downtown, etc. She said this is a perfect reset time to put this out to the market and find a strong pool of developers. She explained the process stating that the goal is to reactivate the site as quickly as possible and make announcement of a selected developer by Labor Day.

Commissioner Meer asked how realistic Labor Day is.

Ms. Wuorenma replied that they wanted to make sure they could do it before providing a proposal. She stated that they have a tight team and within their team is someone who is the “dean of real estate development” having a strong brokerage background. She said the team feels confident that they can do it.

Mr. Phillips added that staff has done a lot of work ahead of this as far as information gathering and bringing the team up to date by providing all the drawings, numbers, etc. He said NCI is ready to hit the ground running with the actual RFP process.

Ms. Wuorenma acknowledged the amazing staff and that her team builds on what the City has already provided.

Commissioner Babcock stated that he would assume they would make a recommendation at the end of the process.

Ms. Wuorenma said they will work with staff to create a powerful list of a maximum of 10 qualified developers; a mix of local developers, developers from Chicago, and developers from the State of Indiana. They will do one on one interviews during July and in August invite the 3 top ones to make a presentation to a panel of the Commission’s choice. NCI will guide that process and provide the tools to the Commission to make the best choice for Michigan City.

Commissioner Babcock stated that in the past there has been a problem getting the financials.

Ms. Wuorenma advised that they force them to make those disclosures in the month of August.

The chair entertained a motion.
Motion by Commissioner Sheets – seconded by Commissioner Oberlie approving an engagement letter from Neighborhood Capital Institute (NCI) in an amount not to exceed $37,730 to provide support on the selection of a qualified developer for the former Memorial Hospital site. 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 added that a key thing for the community to understand is that the investment the City has made in the property will be used in a very similar project by someone else who will take it through fruition.

Ms. Wuorenma added that the City is presenting the selected developer with the ultimate in shovel-ready opportunities.

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
Mr. Phillips informed the Commission that as part of the claim’s approval, they approved work done by Great Lakes Engineering for wetland delineation. This was a change decided on in the field on site with the consultants. He said the Commission needs to take official action to approve the dollar amount of $6,200.

The chair entertained a motion.

Motion by Commissioner Sheets – seconded by Commissioner Kowalski approving an invoice from Great Lakes Engineering to prepare a site plan for wetland delineation at 6000 S. Cleveland Avenue in the amount of $6,200. 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.

Mr. Phillips stated that as part of the presentation made to the overlapping taxing units, there is a letter to the overlapping taxing units which goes out every year. Official action needs to be taken by the Commission to send out those letters as drafted indicating that the Commission intends to use the TIF revenues collected from the tax allocation areas for the next year.

The chair entertained a motion.
Motion by Commissioner Meer – seconded by Commissioner Sheets approving the letters to the overlapping taxing units and authorizing the mailing of those letters. 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
Dan Radtke (Pioneer Pier, Michigan City IN) thanked the Commission and everyone involved in the growth and development of the city. He said it is overwhelmingly spectacular and he appreciates all the dedication. He told the Commission to keep up the good work. He acknowledged the volume of projects the Commission takes on and accomplishes and keeps adding to the list, stating that it is something not seen in very many communities.

Councilman Johnny Stimley addressed the Commission regarding the former Memorial Hospital site and the former developer of the Elston Legacy Apartments. He asked if there was a breach of contract and if the developer had to pay funds back to the City for the investment they made in the project. He pointed out that the Commission’s investment into the project was over $1 million for infrastructure.

Attorney Sirinek replied that the investment the Commission made to the project was for infrastructure which is in the ground and will be used for the next development. Regarding the notice of breach pursuant to the terms of the contract, he advised that the developer was noticed by the Commission that they were in breach and therefore terminated the agreement, which also included access to all the drawings, all the architectural designs, all the planning, etc.; all those things became the Commission’s property upon termination. He stated that the developer does not have to give money back to the City because the Commission never gave money to the developer; the money went to the site.

Commissioner Babcock added that all the Commission’s money went to investment in the site; although the Commission did lose time and resources with staff. The developer had a significant amount of time and effort invested into the project with architects, engineering, drawings, etc., so they are out all that investment.

COMMISSIONER COMMENTS
Commissioner Meer wanted to make the Commission aware that they will be asked to consider paying for design and engineering of the feline house at the zoo. The Zoo has already received some grant money and some money from the Foundation. He said if the Commission would pay for design and engineering, he would request the use of Riverboat funds to match what the Zoological Society already has in place. The request to the Commission would be for about $120,000 in design and engineering fees.
Commissioner Babcock asked that the Commission be provided with a general written description of the project and approximate budget.

Mr. Phillips asked that it wait until after the June distribution of TIF funds.

Commissioner Meer asked Mr. Phillips what the status is on the 11th Street Station façade improvements.

Mr. Phillips replied that the Commission approved the down payment for the work in the claims docket tonight. He said he would follow-up with Mr. Deutscher to see when the work will begin.

Commissioner Babcock recalled discussion last month about a potential art project on the You Are Beautiful site. He reported that the project is still a work in progress and something should be seen on it later this summer. He promised it will be a great thing when it comes to fruition. He noted that the Commission approved use of the site to the Lubeznik Center for the Art Festival in August.

NEXT MEETING DATE
The next regular meeting is scheduled for July 8th. A joint workshop will be held on June 24th.

ADJOURNMENT
The chair entertained a motion to adjourn.

Motion to adjourn by Commissioner Meer and unanimously approved. The chair declared the meeting adjourned at approximately 7:15 p.m.

John Sheets, Secretary
Charles Obernie, Vice-President