MINUTES OF A SPECIAL MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
JUNE 24, 2019

The Michigan City Redevelopment Commission met in a special meeting in the Common Council Chambers, City Hall Building, 100 East Michigan Boulevard, Michigan City, Indiana, on Monday, June 24, 2019, at 4:30 p.m. local time; the date, hour, and place duly established for the holding of said meeting.

CALL TO ORDER

President Don Babcock called the meeting to order at approximately 4:38 p.m.

ROLL CALL

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

Commissioners absent:
Pat Kowalski

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

Staff absent:
None

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.

BID AWARD: BOSAK HONDA PROJECT
Pat Reardon (Project Consultant) extended apologies on behalf of Greg Bosak who was stuck in traffic. Mr. Reardon gave a brief history of how they got to this point noting that initial discussions began about 5-6 months ago. He stated that the Bosak’s are located here in the community and they had an opportunity to work with Honda to make a new showcase dealership; the first of its type in Chicagoland and perhaps the Midwest region. They wanted to take advantage of that opportunity, but like all projects it is very costly. They sought the City’s help with initial conversations being about tax abatement, enterprise zone, proximity to TIF, etc.
Mr. Reardon gave a summary of the project stating the Bosak’s are proposing and are prepared to initiate a project that is over $3.5 million with new construction and personal property. This project will maintain an approximate workforce of 50 individuals; it will add an expected 10 new positions, many of those being technically orientated with a higher salary rate over six figures; as well as administrative/clerk positions at an annual $30,000 range with benefits. The Bosak’s look forward to continuing working with the City in identifying those qualifying Michigan City residents and giving them first consideration for hire. They will be using union companies for construction and will be working with Larson-Danielson as the general contractor on the project. Mr. Reardon stated that they appreciate the Commission’s consideration in the investment into the project. They are pleased with the way the bids came in.

Mr. Reardon explained that the existing vacant building will be demolished, and the new building constructed in its place. The existing dealership at 710 E. Highway 20 will be relocated to the new facility and the then vacated building will be sold or leased. He said they would work with the City to fill the vacated building if they have someone in mind, otherwise they will put it on the market and look to fill it with a compatible user.

Commissioner Babcock stated he understands there was considerable competition for this project and that it could have very easily gone to another community.

Mr. Reardon acknowledged that was correct stating that there was some amount of latitude afforded to the Bosak’s in their dealer area with communities to the east and west being considered.

Attorney Sirinek added that the Planning Department has approved the overall design of the new building, the Sanitary District has approved their plans related to the project, the Redevelopment Commission and Bosak’s have signed an Economic Development Agreement, a mandatory bid conference was held a couple weeks ago, and a bid opening occurred on 06/21/19. Larson-Danielson then took the submitted bids to review them for responsiveness and lowest bidder, and they are prepared to make a recommendation tonight.

Tony Oss, Director of Pre-construction Services for Larson Danielson Construction (general contractor for project), addressed the Commission stating that he is present on behalf of their Project Manager, Tim Larson. He stated that there was a bid opening on 6/21/19 with bids being submitted on two of the three packages up for bid. Bid package 1 was for excavation, demolition, and site utilities and Bid package 2 was for “skin” portions of the building. Bid package 3 was for landscaping, but no bids were received.

Mr. Oss stated that there were a number of good bidders with four submitting for Bid package 1 and two submitting for Bid package 2. There was a favorable outcome as it came within budget and under budget from what they anticipated. Mr. Oss stated that they are recommending an award to D&M Excavating of Michigan City, IN for Bid
package 1 in the amount of $204,582 which includes base bid 1 and alternate 1. They are recommending an award to Babilla Roofing & Sheet Metal of Gary, IN for Bid package 2 in the amount of $79,200 which includes base bid 2 and alternate 2.

Attorney Sirinek asked Mr. Oss to address the issue of comparing the four bids for Bid package 1 and the substantial difference between three of the bidders and D&M Excavating.

Mr. Oss stated that as part of their due diligence in reviewing the bids they noticed there was disparity between D&M’s proposal and the other three contractors. He said they spoke to D&M to make sure they were comfortable with their proposal; of which they are. Mr. Oss pointed out that being in their favor is the fact that D&M is a local contractor. They did review the site, they attended the pre-bid meeting and walked the site and examined the building to be demolished. They found it to be more favorable than what they originally budgeted for, so that it why their proposal came in so competitive. Mr. Oss said all four contractors are good, but he also spoke to the fact that D&M is a well-respected local contractor in Michigan City, having worked with them many times and therefore did not have any concerns and is confident they will be able to meet the specifications of the bid.

Attorney Sirinek also acknowledged that he discussed with Mr. Oss the fact that with them being local they won’t have the enormous cost as it relates to mobilization.

Mr. Oss replied that it definitely is a huge consideration when moving heavy equipment around and hauling materials to and from different locations.

Attorney Sirinek advised that if the Commission approves Larson-Danielson’s recommendation tonight, the only other matter to take care of by the next meeting is a licensing agreement with Bosak to allow the Redevelopment Commission to go on the property to do the work as recommended by Larson-Danielson.

Commissioner Oberlie inquired into the matter of no bids being received for landscaping.

Mr. Oss stated that it is his opinion to procure additional proposals for that work.

Attorney Sirinek advised that the dollar amount for that work will be substantially lower, so the work will not need to be bid; quotes can be requested instead.

Mr. Phillips confirmed that it falls within the threshold for quotes.

The chair entertained a motion on Bid package 1.
Motion by Commissioner Oberlie – seconded by Commissioner Meer accepting the bid of D&M Excavating with a base bid in the amount of $197,242 and alternate 1 in the amount of $7,340 for a total bid amount of $204,582 for Bid package 1 Earthwork, Building Demolition, and Site Utilities for the Bosak Honda project. Voice vote was as follows: (Ayes) Commissioners Babcock, Meer, Oberlie, Sheets – 4; (Nays) None – 0. With a vote of 4 ayes and 0 nays, the MOTION CARRIED.

The chair entertained a motion on Bid package 2.

Motion by Commissioner Sheets – seconded by Commission Meer accepting the bid of Babilla Roofing with a base bid in the amount of $68,694 and alternate 2 in the amount of $10,506 for a total bid amount of $79,200 for Bid package 2 ACM, Sheet Metal, and Roofing for the Bosak Honda project. Voice vote was as follows: (Ayes) Commissioners Babcock, Meer, Oberlie, Sheets – 4; (Nays) None – 0. With a vote of 4 ayes and 0 nays, the MOTION CARRIED.

Commissioner Babcock asked the estimated project timeline.

Mr. Oss said the goal would be to start as quickly as possible pending the final licensing agreement, filing for a permit, and finalizing contract documents; with anticipated completion next spring.

709 FRANKLIN STREET
John Blosky (Amereco Engineering, Valparaiso IN) addressed the Commission regarding change order 1 to the project stating that they are having a problem with all the rain we have had – 24 days of rain in the month of May. He noted the underground stream but stated that it is nothing compared to the rain. Mr. Blosky explained that the change order is for putting in stone, then fabric, then backfilling on top of that. The cost for that is $35,238. He talked about other costs in the change order explaining that there were allowances in the bid; one being for Marquiss Electric to remove the ornamental light poles, store them, then reinstall them after demolition. A $3,000 allowance was included in the bid for that work, but the cost was only $1,572. The remaining is being deducted out of the contract. Also, salvaging of the stone façade was going directly from Tonn & Blank through the City. That allowance of $14,500 will also be deducted out of the contract. The total change order is to increase the job costs by $19,310.

Commissioner Babcock said it is his understanding that part of this activity is to make sure that a good foundation is maintained for a future building on the south side of the plaza.

Mr. Blosky stated that was correct, confirming that this is being done because this is the location where a building is being proposed.
Mr. Phillips added that staff also consulted with the design/construction team for the plaza to make sure this was the right option for the project, and they concurred.

Attorney Sirinek asked if the groundwater level was anticipated to be at this level or if it is higher than anticipated.

Mr. Blosky replied that it is higher than anticipated explaining that typically, it would have been a few inches because of the underground stream passing through there on the east end of the building, but it is a foot higher than that because of the rain and weather conditions.

Mr. Phillips stated that he has reviewed this change order with Amereco and the project team for the plaza, and he recommends approval as presented.

The chair entertained a motion.

*Motion by Commissioner Meer – seconded by Commissioner Sheets approving change order 01-D to Actin Contracting for an increase of $19,310.10 to project costs to the 709 Franklin Square demolition project for backfill as well as deducts to the project. Voice vote was as follows: (Ayes) Commissioners Babcock, Meer, Oberlie, Sheets – 4; (Nays) None – 0. With a vote of 4 ayes and 0 nays, the MOTION CARRIED.*

**REQUEST FOR FUNDING BY MAIN STREET**

In the absence of Abby May from the Main Street Association, Mr. Phillips explained that the Main Street Association is requesting funding of $800 from the Redevelopment Commission based on their recent experiences with events where there has been a need for water for the vendors of those events. There are concerns about the water capacity available through the hydrants and the use of the hydrants on Franklin Street and other properties. The Water Department has notified the City that the water system cannot support the size and type of events taking place by using the hydrants, so they are suggesting the installation of “yard hydrants” which would better serve the purpose of the water needs for these events. The total cost is $800 for the installation of the yard hydrants. Mr. Phillips recommended approval of the expenditure for yard hydrants in keeping with improvements the Commission has made to facilitate Downtown events and other economic development activities related to those events.

Commissioner Meer asked who is installing them.

Mr. Phillips stated that they have consulted with a local contractor to install them at the request and recommendation of the Water Department.

Commissioner Meer asked where they will be located.
Mr. Phillips replied that they will be located along Franklin Street.

Commissioner Meer asked how many will be installed.

Mr. Phillips apologized indicating that he did not have information available from Main Street tonight but pointed out that these can be moved to different locations. Instead of using a fire hydrant, they would tap into the system using yard hydrants.

Commissioner Meer confirmed that these hydrants won’t be on site all the time.

Mr. Phillips replied that they will not; they will be installed as needed and can be moved to different locations.

The chair entertained a motion.

*Motion by Commissioner Oberlie – seconded by Commissioner Meer approving an appropriation of $800 for installation of yard hydrants for City events. Voice vote was as follows: (Ayes) Commissioners Babcock, Meer, Oberlie, Sheets – 4; (Nays) None – 0. With a vote of 4 ayes and 0 nays, the MOTION CARRIED.*

Mr. Phillips stated that he would have more information available for Commissioners at their next meeting.

**PUBLIC COMMENTS**

(=None=)

**ADJOURNMENT**

The chair entertained a motion to adjourn.

Motion to adjourn by Commissioner Meer and unanimously approved. With the purpose of the special meeting having been met, the chair declared the meeting adjourned at 5:00 p.m.

John Sheets, Secretary

Charles Oberlie, Vice-President