

**MINUTES OF A REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
FEBRUARY 6, 2025**

The Michigan City Redevelopment Commission held their regular monthly meeting in the Common Council Chambers, City Hall, 100 E. Michigan Boulevard, Michigan City, Indiana, on Thursday, February 6, 2025 (changed from February 10, 2025), at 5:00 p.m. local time; the date, hour, and place duly established for the holding of said meeting. The meeting was also available via Zoom and streaming live on the Access LaPorte County Facebook page. Access LaPorte County Media hosted Zoom.

CALL TO ORDER

President Sheila Brillson Matias called the meeting to order at approximately 5:03 p.m.

ROLL CALL

Commissioners present: Clarence Hulse, Sheila Brillson Matias, Tracie Tillman, and Sheree Wilson. (all in person)

Commissioners absent: William Gertner and non-voting adviser Thomas Dombkowski

Also in attendance: Executive Director Skyler York, Attorney Alan Sirinek, and Business Manager Debbie Wilson (all in person)

MINUTES

The chair entertained a motion to accept the minutes of the 01/13/2025 executive session, and the 01/13/2025 regular hybrid meeting.

A motion was made by Commissioner Wilson and seconded by Commissioner Tillman accepting the minutes of the 01/13/2025 executive session and the 01/13/2025 regular hybrid meeting as submitted. The chair called for the vote: (Ayes) Commissioners Hulse, Matias, Tillman, Wilson – 4; (Nays) None – 0. With 4 in favor and 0 opposed, the MOTION CARRIED.

CLAIMS

Mr. York reviewed the claims list dated February 6, 2025, noting that payroll for January 2025 totaled \$21,702.04. Mr. York read the claims listed into the record. In summary, February claims totaled: (Operating) \$300.00; (North TIF) \$148,480.29; (South TIF) \$240.00; (2023 Mixed Use Transit Project Bond) \$1,409,787.21

The chair entertained a motion to accept the claims.

A motion was made by Commissioner Tillman and seconded by Commissioner Wilson accepting the claims list for February 6, 2025, as presented. The chair called for the vote: (Ayes) Commissioners Hulse, Matias, Tillman, Wilson – 4; (Nays) None – 0. With 4 in favor and 0 opposed, the MOTION CARRIED.

FINANCIAL REPORT

Mr. York reviewed the financial report dated 12/31/2024, summarizing cash balances as follows: Operating Account \$166,357.55; South Side TIF Account \$8,637,794.65; South Side TIF Debt Reserve Account \$336,308.50; South Side TIF Capital Account \$16,199.79; North End TIF Account \$4,049,819.62; East TIF Account \$678,552.15; Northeast TIF Account \$1,227,636.71; for total cash of \$15,112,668.97. Loans Receivable include the County Business Loan Fund in the amount of \$94,829.59, bringing total assets to \$15,207,498.56.

The chair entertained a motion to accept the financial report.

A motion was made by Commissioner Wilson and seconded by Commissioner Hulse accepting the financial report ended 12/31/2024 as presented. The chair called for the vote: (Ayes) Commissioners Hulse, Matias, Tillman, Wilson – 4; (Nays) None – 0. With 4 in favor and 0 opposed, the MOTION CARRIED.

PUBLIC COMMENTS

Scott Meland (in person) stated his address is 200 Kenwood Place, Michigan City, Indiana. He acknowledged \$1.4 million in claims, noting that there is only \$100,000 in the Operating Fund. He questioned how the claims are being paid, and if it is coming out of the \$15 million in various TIF assets.

Mr. York replied stating that it comes out of the total TIF. It gets paid from the TIF account that relates to which TIF area the project is in. Mr. York referred to the Flaherty and Collins claim explaining that it is a bond payment coming out of the Mixed Use Transit Bond. It gets paid by the bank although the Controller's Office keeps track of the payments and it reflects on the report.

Mr. Meland pointed out that there was a claim for Chicago Consultants for one year of services, stating that it was probably a good chunk of money.

Commissioner Matias replied that it was \$11,310 for the period of January 1, 2024 through January 31, 2025.

ANNUAL TIF PRESENTATION

Andy Mouser (in person) introduced himself, stating that he is with Baker & Tilly. He noted that they typically do this presentation in the fall, but several months ago the Redevelopment Commission was going through the process of financing the sewage improvements on the north side of Highway 12. He said he wanted to get that out of the way before coming to the Commission with an annual TIF estimate.

Mr. Mouser gave an update on the status of the TIF areas. He noted that a requirement was put into place a few years ago that all Redevelopment Commission's in Indiana must do a similar presentation spotlighting the budget, long-term plan, and the impacts of the TIF area. He stated that this presentation is designed to meet that requirement, it is also a good planning document for the Redevelopment Commission and provides an update on where the TIF areas are at.

Mr. Mouser noted that in 2023 the Redevelopment Commission consolidated the North TIF and South TIF to give more flexibility for spending dollars between the two even though they are set up as independent Allocation Areas.

Mr. Mouser began with a history of the Northside Allocation Area, stating that it is unique because it contains a legacy component (pre-1995 area) which was created in 1986 and will expire in 2040. There is a 30-year component to it which was created in 1997 and will expire in 2027, which includes the Blue Chip Casino. It also has a 25-year component which was created in 2018 and will expire in 2043. The Northside TIF has been very healthy over the years, especially in the last few years. In 2024 the annual TIF estimate was \$4,317,000; collections for the year were \$4,368,000 (101% collections). Everything is being collected as it should be and any delinquency from previous years appear to be coming in as well. Mr. Mouser stated that it is a great collection percentage for an area of this size. In 2025, they anticipate \$150,000 in growth, just shy of \$4.5 million. There are three outstanding debt obligations payable from the Northside TIF: 2019 Refunded Lafayette/Barker Bonds to be repaid through 2028; 2021 Refunded Elston Grove Bonds to be repaid through 2028; and the 2021 Refunded Wabash Streetscape Bonds to be repaid through 2040. Mr. Mouser acknowledged that there are phenomenal interest rates on all the existing debt, with Lafayette/Barker at 1.9%-2.05%; Elston Grove at 3%; and Wabash Street at 1.25%-2.85%. Current market taxable rates would be in the 5% range.

Mr. Mouser talked about the Southside component of the Consolidated TIF, stating that it has four different pieces to it: A 1997 30-year component and three 25-year components set up in 2012, 2015, and 2023. The expansion done in 2023 was the piece that connected the Northside and Southside TIF. Mr. Mouser said the Southside TIF is very healthy as well. The annual TIF estimate for 2024 was \$3,185,000; actual collections in 2024 were \$3,230,000 (101% collections). Like the Northside, everything is being collected as it should be and any delinquencies from previous years appear to be coming in as well. There are three outstanding debt obligations payable from the Southside TIF:

2015 Refunded 400 North project to be repaid through 2028; 2018 Ohio Street to be repaid through 2039; and 2019 Double Track to be repaid through 2028. Mr. Mouser stated that there are phenomenal interest rates on those as well, with the Double Track at 1.9%-2.05%.

Mr. Mouser talked about the Mixed Use Transit Allocation Area (the project specific Allocation Area set up for the station block project and the Flaherty and Collins development). It was set up in 2023 with a 25-year life. They expect with project completion, TIF will start to be received in 2027. Flaherty and Collins have agreed to pay \$814,000 beginning in 2027 with it being increased by 2% per year going forward. There is the TIF and also the TIF guarantee from the developer, making this unique compared to the others. There is one outstanding obligation payable from the Mixed Use Transit project, repayable through 2048.

Mr. Mouser spoke about the final action in 2023 when the two areas were combined; the station block Allocation Area was set up, and there was an expansion of the Consolidated TIF down East Michigan Boulevard. This TIF has a 25-year life that will expire in 2048. The most recent debt obligation is the 2024 loan done through the Indiana Finance Authority (IFA) Residential Infrastructure Loan (RIF) for the sewer infrastructure on the north side of Highway 12 and related improvements. This was a low cost low interest loan through the IFA's program. The interest rate is locked in at 2.43%.

Mr. Mouser reviewed the comparison of estimated annual tax increment and the outstanding obligations for the Northside TIF, Southside TIF, and the Station Block TIF. For all three of those in 2024, it brought in about \$7.5 million and in 2025 it should increase to almost \$7.7 million and continue to increase going forward as the Station Block TIF starts to come on. He noted that after 2028, the older Northside and Southside TIF areas will start to have pieces expire and that TIF will start to drop off in the late 2020's-early 2030's, although he pointed out that many of the outstanding debt obligations will be fully repaid in 2027-2028. As the TIF areas go away, the debt obligations go away as well. Mr. Mouser noted that the TIF coverage is still very healthy at about 143% on the minimum and about 150%-160% in many years as well. For every dollar of debt service there is \$1.50-\$1.60 of TIF coming in the majority of years. In 2028, there should be some surplus TIF that is something the Commission can build up as those TIF areas start to expire. Mr. Mouser stated that with the new Allocation Areas and Transportation Development District (TDD) there should be increased collections going forward in the next few years as the Commission continues to reinvest.

Mr. Mouser stated that they included future projects which include SoLa site development, Pine Street site development, the continued Station Block development projects, Marquette Mall site development, Towne Center Drive Road extension, MCAS Technology Grant, and Singing Sands Suites.

Mr. York acknowledged the list of future projects, specifically opportunities for the Station Block development projects, stating that they are already getting questions about other pieces of land around there. He mentioned the Marquette Mall site stating that it is a 50 acre site and they have been getting a lot of inquiries about it. Mr. York stated that the Towne Center Drive road extension is the South TIF Connectivity Project. The MCAS Technology Grant is done annually. Singing Sands Suites is a project they have been working on at 8th/Michigan.

Mr. Mouser pointed out that this list does not obligate the Commission to do any of these, it just highlights that they not only have existing obligations for projects done in the past, but they also have the ability to continue to accumulate TIF for some of these future TIF projects as well.

Mr. Mouser talked about the Northeast Area, which was created in 1999, having a 30-year life expiring in 2029. He said it has been consistent, being +\$300,000 a year. In 2024, the estimated annual TIF was \$328,000 and collections were about \$332,000. It should stay consistent for 2025. This TIF area no longer has any outstanding debt, so it is TIF available for other projects going forward. Potential projects include the Karwick Nature Center and Park, the Singing Sands spur extension to Karwick Nature Center and Park, and Michigan Boulevard transportation corridor improvements.

Mr. Mouser spoke about the Eastside TIF, which is one of the newer areas created in 2015 and expanded in 2022. Both components have a 25-year life span but that life will not start until debt obligations are issued. In 2024, the estimated annual TIF was \$433,000. Actual TIF collections came in a little under at \$383,000. For 2025, the estimated annual TIF is \$426,000. Future TIF projects include infrastructure/utility improvements.

Mr. Mouser continued the presentation, referring to the graph which shows the mechanics of how a TIF area should work. He explained that when a TIF area is created the base assessed value is established. As the area grows, the green box shown is the new growth and that is where the TIF dollars are captured. The goal of the TIF area is to get all that assessed value back to the tax base. He pointed out that there are several expirations that will occur in the next 4-5 years. Between the Northside and Southside together, it is just shy of \$175 million of assessed value that will be returned to the tax base in 2029. For reference, Mr. Mouser stated that the total tax base of the city is \$1.7 billion, so this would be a 10% infusion into the city's tax base. It will be a strong positive not only for the city but for the other overlapping units as well.

Mr. Mouser stated that to meet the annual requirement to discuss the impacts, they do a calculation of how the TIF works and if there was no TIF what impacts would be on taxpayers. He explained that currently \$287 million of assessed value is captured which provides about \$8.3 million of TIF. If that was given up, the \$287 million of assessed value would cause a reduction of about \$0.41 in tax rates. If \$8.3 million was re-levied

through a more traditional property tax levy, it would require a tax rate of about \$0.61. Mr. Mouser acknowledged that the TIF is keeping the tax rates down by about \$.020 from what they would otherwise be having to raise that directly through city taxpayers. It allows the city to leverage new growth and then continue to reinvest. He said \$175 million of assessed value is tremendous; it is infrastructure and new development that was encouraged in the past coming to fruition.

Mr. York added that if the City did a regular bond through the Council, it would increase taxes.

Mr. Mouser stated that it was correct, explaining that the TIF allows the City to put it on the new development that is utilizing that infrastructure most heavily as opposed to putting it on the entirety of the taxpayers.

Mr. Mouser said the big takeaway is that the areas are still very healthy. He pointed out that there will be a transition period when some of the older areas start to go away, although there are a lot of new areas that should start to generate, as well as the TDD revenues which will not only be incremental property taxes like the TIF captures, but then also incremental income taxes which he feels is an exciting next step as well.

Mr. York acknowledged Mr. Mouser for being instrumental in figuring out how the TDD's work as well as helping to get them in place. Mr. York, along with the City Controller, has met with the comptroller at the state level and the accounts are set up. The first pay for the TDD will be this year. It will be a direct pay from the state to the City.

Commissioner Hulse added that TDD was established last year by the state. He suggested there be a workshop/presentation so new board members can understand what it is and the boundaries.

President Matias agreed and directed Commissioner Hulse to set that up.

President Matias asked if any members of the public had any questions regarding this.

Scott Meland (in person), 200 Kenwood Place, Michigan City, Indiana, commented that it was an amazing presentation and he learned a lot. He said he learned that somehow these TIF's lower his tax rates, and he felt that it is something that should be impressed upon and communicated, i.e., the 11th Street project is paying for the 11th Street project, etc. He also commented that these are amazing interest rates. When the TIF's expire, Mr. Meland asked if those TIF's would be renewed, if there will be new TIF's in the same area, or if they will just expire.

Mr. York pointed out that the TDD lays on top of a lot of this area. The TDD has set a new base and it will still be returned. He said there may be more singular TIF's for projects (independent project TIF's) rather than larger areas.

Commissioner Hulse pointed out that the area must be blighted to create a TIF.

Attorney Sirinek commented that for whatever reason the General Assembly is adverse to TIF Districts and TIF money even though it has proven repeatedly the same thing that has been experienced in Michigan City, although, during each legislative session they continue to erode on the ability of TIF to do things. He said the question that Mr. Meland should be asking is if there is anticipation of doing more TIF's. Attorney Sirinek stated that in terms of the general area the answer is no because the legislature says the TIF ends at a certain date and they cannot be renewed. He suggested Mr. Meland complain to the legislators.

Commissioner Matias referred to the 1997 bond when she was mayor, commenting that it has been successful because back in the 90's it was considered quite novel. She said it is great to see that the Northside and Southside have been so successful. She acknowledged that TIF's can work.

MODIFICATION TO FAÇADE GRANT APPLICATION

Mr. York recalled from the last meeting that the Commission did a retroactive approval of a Façade Grant. He stated that it has been done before but it should be made a part of the rules and guidelines and some parameters set. He commented that Michigan Boulevard deserves it because the TIF was expanded to that area and it was given a tool that it has never had. He felt the Commission should make some allowances to provide Façade Grant financing in that area.

Attorney Sirinek recalled that the discussion for the Hearts and Hands Preschool Academy centered around the fact that there was no Façade Grant program in place for that part of Michigan City. Then on October 10, 2023, after the TIF was expanded to that area, it was decided to expand the Façade Grant program into that area as well. The problem was the program was not in place at the time Hearts and Hands made their improvements. Last month's discussion was not only approving that, but also that there should be some kind of a lookback period in the rules as well. From comments made at the meeting by Commissioners Hulse and Tillman agreeing to a two year lookback period, Attorney Sirinek stated that he modified the program rules to reflect that work undertaken on or after October 10, 2023 would be eligible for consideration for the Façade Grant program. Also, the applicant must have pulled the permits, paid for the permits, and had actual work occurring/completed. Attorney Sirinek advised that if the Commission agrees to the two year lookback period they need to make a motion to approve that tonight. If they want to change it to something else, he said he can make the modifications.

Commissioner Hulse questioned if they said two years or when the TIF started and it would be a one time deal.

Attorney Sirinek replied that it is to be determined. He looked at the minutes and recalled conversation that it was a two year lookback period.

Mayor Angie Nelson Deutch (in person) spoke, commenting that she was previously on the Redevelopment Commission and was fully in support of doing this. She said she thought the conversation had been that the Façade program would be effective once the TIF was completed. She thought the lookback was to October, 2023 of that timeframe. She pointed out that Hearts and Hands did all their work last year in 2024, after the 2023 date. The mayor commented that the tool is the tool based on the TIF, not based prior to the TIF. She felt that should be the lookback period and then anyone that did any improvements, give them a certain amount of time and cut that date off; suggesting that if they did the improvements between October of 2023, they would have until the end of 2025 to complete the application and get it done so that there are no more lookback periods.

Commissioner Wilson acknowledged that a non-profit cannot benefit from a TIF, but asked if a non-profit can benefit from a Façade Grant.

Commissioner Hulse stated that it was a special case because the childcare is a non-profit that actually helps business.

Attorney Sirinek advised that in the beginning the purpose of the program was not so much as gearing toward non-profits as much as it was to preserve the historic nature of the Downtown. It was more of an aesthetic-type of thing as opposed to a benefit for a profit or non-profit.

In terms of the lookback period, Attorney Sirinek stated that he thought the question that came up with Hearts and Hands is that they did all this work but did not know the façade improvement was available to them, so therefore they did not do all the preliminary stuff beforehand.

Mr. York explained that there was a lag in time between when the TIF was created and when the Façade Grant program was expanded to that area. The work they did was during that lag of time. Mr. York suggested going back to when the TIF was started so the tool is actually put in place.

Attorney Sirinek advised that the TIF program was expanded into the new area for the new boundaries on October 10, 2023. He said he believes the TIF itself was expanded to include that area two – three months prior to that (August 2023) when the North and South TIF were consolidated and the North TIF expanded. He noted his confusion thinking Hearts and Hands was approved because they started doing their work prior to October 2023 but now understands they did the work in 2024.

President Matias suggested taking this item off the table and have staff develop language to modify the rules and provide that to Commissioners for discussion and consideration at a future meeting.

SoLa UPDATE

Mr. York reported that they met this week and had an organizational meeting with the utilities. NIPSCO has already moved the gas line to Michigan Boulevard and abandoned the gas line in the middle of the lot. There are ongoing discussions with relocation of utilities. They will submit requests to the various departments for review and approval. Those utility relocations will be included in the final document with SoLa as they will be doing the relocation.

Regarding financing, Mr. York reported that he will have a meeting tomorrow with them and will know more at that time. He reminded everyone that they have until June 30th to break ground, although they anticipate breaking ground in May.

11TH STREET STATION GARAGE AND RESIDENTIAL TOWER

Mr. York reported that he did an on-site visit today. The garage is coming along; concrete floors are in; the parking spaces are striped. You can now see the residential tower coming out of the ground and the courtyard being constructed. Mr. York said he saw the terracotta historic façade being reinstalled; it is half way up the building right now. The elevators will be delivered soon and installed in the buildings.

Attorney Sirinek added that they have modified the completion date to May 1st, although they are hoping for some time in April.

REPORT BY LEGAL COUNSEL

Attorney Sirinek stated that they (Redevelopment) have been talking with the City about parcels they own that have unique development prospects based on their location and the parcels themselves. The statute requires that when the Redevelopment Commission either accepts, acquires, or conveys property, they must get at least one appraisal done. In this case it is going from one government entity to another, so only one appraisal will be required. There are four different parcels. Attorney Sirinek requested the Commission's approval to go forth with getting appraisals for four parcels located in the North TIF.

The chair entertained a motion.

A motion was made by Commissioner Wilson and seconded by Commissioner Hulse authorizing staff to get a total of four appraisals on four different parcels in the North TIF. The chair called for the vote: (Ayes) Commissioners Hulse, Matias,

Tillman, Wilson – 4; (Nays) None – 0. With 4 in favor and 0 opposed, the MOTION CARRIED.

Attorney Sirinek noted 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. York acknowledged that Antonio Conley was present tonight to request utilizing Redevelopment-owned property at 7th/Franklin for Kidpreneur during First Fridays for the 2025 season. Mr. York mentioned that the Redevelopment Commission has approved this in prior years, noting that it has been successful.

Antonio Conley (in person) introduced himself, stating he is president of Budding Entrepreneurs. He requested utilizing the lot at 7th/Franklin for the kids pop up shops from May – October, 2025 on First Fridays during those months. He mentioned that this would be their third year if approved.

Mr. York mentioned that during the boat race weekend they have been folding Kidpreneur into that weekend, organizing it with the Convention and Visitors Bureau.

Commissioner Matias asked Mr. Conley to explain what he does.

Mr. Conley stated that they take a group of youth kids and teach them about entrepreneurship and how to run businesses. They have also gotten into investing in stocks. During First Friday's the kids have their own pop up booths and sell their items.

The chair entertained a motion.

Motion by Commissioner Tillman – seconded by Commissioner Wilson approving the request by Antonio Conley to utilize the lot at 7th/Franklin for Kidpreneur during First Fridays from May through October, 2025. This approval being contingent upon providing the appropriate Certificate of Liability Insurance in the minimum amount of \$2,000,000, naming the City of Michigan City and the Michigan City Redevelopment Commission as the Certificate Holder/Additional Insured. The chair called for the vote: (Ayes) Commissioners Hulse, Matias, Tillman, Wilson – 4; (Nays) None – 0. With 4 in favor and 0 opposed, the MOTION CARRIED.

In another matter, Mr. York recalled last year was the first year that the Redevelopment Commission streamlined the way they take care of Redevelopment-owned properties by doing an MOU with the City for Vector Control to take over the landscape maintenance of the lots. Mr. York commented that they did a great job taking care of the lots last year; they pick up trash and mow the lots. Mr. York mentioned that the Redevelopment

Commission will be taking on more land this year. Last year the cost was \$65,000 but because of the additional land this year he requested another \$30,000 for a total of \$95,000. Through this program, Mr. York acknowledged that this also offers up opportunities for the City to expand their entry level jobs with the possibility of seasonal/interns taking on future careers with the City, which he felt is important to keep people employed in our city. Mr. York said it also helps subsidize the other activities that these employees do on a daily basis. Mr. York asked for a consensus from the Redevelopment Commission tonight, then staff will prepare an MOU for consideration at the Commission's March meeting.

Commissioner Matias pointed out that last year was the first year this consolidated operation began. She gave her perspective from observing it and stated that she felt it was a more efficient and effective use of manpower using the City team. She agreed with Mr. York's comments about the job pipeline, stating that she has seen it herself with seasonal employees transitioning to City careers.

There was a consensus of support from the Commissioners to go forward with the MOU in the amount of \$95,000.

COMMISSIONER COMMENTS

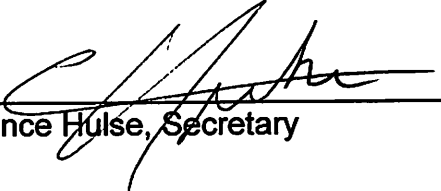
Commissioner Matias commented that there has been informal discussion about the entryways on Highway 12 from the east and west. She confirmed that the Redevelopment Commission believes a facelift for those areas of entrance is something they agree with.

NEXT MEETING DATE

President Matias announced that the next meeting date is Monday, March 10, 2025.

ADJOURNMENT

With all agenda items addressed, the chair declared the meeting adjourned at approximately 6:00 p.m.



Clarence Hulse, Secretary