

**MICHIGAN CITY PORT AUTHORITY
BOARD OF DIRECTORS MEETING**

October 15, 2007

TIME & PLACE

The regular meeting of the Michigan City Port Authority Board of Directors was called to order at 5:00 p.m. in the Port Authority board room.

PRESIDING OFFICER & ATTENDANCE

President James Jaksa presided. Board members in attendance included James Baldwin, James Cadwell, Sam Johns, John Quinn and Linda Simmons. Harbormaster Tim Frame, Assistant Harbormaster of Administration Mary Ann Pawlicke and Assistant Harbormaster of Operations Bob Kavanaugh were also in attendance.

Attorney Jeffrey Katz was in attendance.

Board member John Haynes was unable to attend this meeting.

Guests in attendance included Ed Arnold, Attorney Pat Donoghue, Mark Johnson, Juanita Kreidler, Tom Marren, Martha Maust, Richard Mott, Dave Oberle, Charlotte Pest, Herb & Susan Philbrick, Jerry Smith, D. Soderberg and Carl Taylor.

MINUTES

Upon motion made by Sam Johns, seconded by James Cadwell, the board approved the minutes to the previous meeting.

GUEST COMMENTS

On behalf of the M.C.Y.C., Attorney Patrick Donoghue thanked the board for their consideration and effort in the advertising of the Yacht Club lease.

Ed Arnold thanked the board for expediting the lease bid process stating it will be an important decision for both the Yacht Club and North End Development program.

BILLS

Upon motion made by Sam Johns, seconded by Linda Simmons, the board approved payment of the bills as presented by Assistant Harbormaster Pawlicke.

REPORT FROM HARBORMASTER

Harbormaster Tim Frame informed the board he was still compiling research for new pump out equipment and hopes to present this at the next meeting.

Harbormaster Frame informed the board the water is scheduled to be shut off on the east side of the marina (400 thru 800 docks and restrooms) on Tuesday, October 16th and the west side (100 thru 300 docks) on Tuesday, October 23rd. Any boaters wishing to temporarily relocate to another dock may contact the office.

REPORT FROM ASSISTANT HARBORMASTERS

Assistant Harbormaster of Operations Bob Kavanaugh reported one hundred and five (105) boats have been hauled out for the winter season with thirty two (32) currently on this week's schedule. The staff is doing a commendable job in staying on schedule, pulling out six (6) to ten (10) boats per day; there are currently only two (2) sailboats they were unable to haul out due to the low water depth.

Assistant Harbormaster Kavanaugh informed the board the work barge was still in for repair; consequently the staff has been unable to complete retrieval of the buoys.

Assistant Harbormaster Kavanaugh reported a total of 906 days, 10,349 hours without a lost time accident.

Assistant Harbormaster of Administration Mary Ann Pawlicke informed the board the 2008 renewals notices will be mailed out by the end of the week.

Assistant Harbormaster Pawlicke informed the board the final dock committee meeting was held on Saturday, October 13th, with minimal attendance.

COMMITTEE REPORTS

On behalf of the **Budget and Financial Oversight Committee**, James Baldwin informed the board the final bond payment issued on the claims docket included the interest and principal.

On behalf of the **Claims and Insurance Committee**, Linda Simmons informed the board the committee met with Tom Cipares of General Insurance regarding the 2008 Policy and will advise of any updates as received.

On behalf of the **Master Planning and Special Projects Committee**, Sam Johns had nothing to report.

There was no report for the **Boater Communications, Special Events and Advertising Committee**.

On behalf of the **Port Operations, Personnel and Marina Policy Committee**, John Quinn had nothing to report.

OLD BUSINESS

There was no old business to report at this meeting.

NEW BUSINESS

Prior to opening bids for the lease, Attorney Jeffrey Katz clarified the major points of the proposal as follows:

1. Identical parcel of real estate that has been leased by M.C.Y.C. for years and contains approximately 14,909 square feet.

2. Fair market rental value of the premises has been appraised at \$1.00 per square foot.
3. Recognizing the difficulty in a new start up restaurant, the M.C.P.A. Board has decided to assist a potential developer by granting free rent for a period of two (2) years. Assuming lease commencement date of January 1, 2008, first rent payment will not be due until January 2010.
4. To further assist the success of the proposed restaurant, the M.C.P.A. Board has decided that there will be no charge to the Tenant for the use of the parking areas surrounding the premises other than reimbursement for snow removal costs. Tenant will not have any obligation to pay for repairs or maintenance of the parking areas.
5. The lease does not suspend the right to use the Pavilion or any part of the Premises during the annual Boat Show. During the Boat Show, the right to use the parking areas is suspended because the Boat Show occupies that space, but ample parking is provided in other areas of Washington Park.
6. Pursuant to **IC 36-1-11-10**, the M.C.P.A. cannot accept a bid that is less than 90% of the appraised rental value without publishing an additional notice and re-bidding. Consequently, tonight only bids that exceed \$13,418.10 are eligible for consideration and acceptance.
7. As stewards of public lands, the M.C.P.A. has a civic responsibility and statutory obligation to lease property to the highest and best bidder.

Attorney Katz opened the two (2) bids received.

1. **Mark Johnson**, received on Friday, October 12, 2007 requesting a five (5) year term, first two (2) years rent free as stated, \$14,900.00 per year following. (letter attached)
2. **12 On The Lake, LLC**, received on Monday, October 15, 2007, based on a twenty five (25) year term. (letter attached)

Attorney Katz will review and report at the next Port Operations Committee meeting at which time the committee will present its recommendation at an upcoming board meeting.

GUEST COMMENTS

On behalf of the M.C.Y.C., Attorney Patrick Donoghue stated for the record that the Yacht Club had no knowledge of Mr. Mark Johnson submitting a bid for the lease of the surrounding Yacht Club property.

Ed Arnold informed the board that 12 On The Lake, LLC has retained the services of an attorney to review the bid process as it applies to Section 36 of the code. Mr. Arnold stated they would opt to make monthly payments as opposed to annual based on the months the restaurant would be in operation and hoped their proposal was acceptable.

ADJOURNMENT

Upon motion made by John Quinn, seconded by Sam Johns, the meeting was adjourned at 5:25 p.m.

Respectfully submitted,

James Cadwell, Board Secretary

Approved On: _____
Date

By: _____
James Jaksa, Board President