

**MINUTES OF A REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
JANUARY 24, 2022**

The Michigan City Redevelopment Commission convened in a regular meeting via Zoom and streaming live on My Michigan City, Indiana Facebook, on Monday, January 24, 2022, at 5:00 p.m. local time; the date, hour, and place duly established for the holding of said meeting. The meeting was hosted by Kaleb Goodwin, City IT.

CALL TO ORDER

President Chatfield called the meeting to order at approximately 5:05 p.m.

ROLL CALL

Commissioners in attendance:

Ken Behrendt, Chris Chatfield, Kathy Dennis, Angie Nelson Deutch, John Hendricks – all via Zoom with both video and audio

Commissioners absent:

Non-voting advisor Thomas Dombkowski

Staff in attendance:

Executive Director Skyler York (audio only by telephone), Attorney Alan Sirinek (Zoom with both video and audio, Administrative Assistant Debbie Wilson (observing via Zoom to take minutes)

Kathy Dennis was welcomed as a new Commission member.

ELECTION OF OFFICERS

Commissioner Chatfield turned over the meeting to Executive Director Skyler York for election of officers.

Mr. York opened the floor for nominations for President.

Commissioner Deutch nominated Chris Chatfield. There were no other nominations. The roll was called, and the vote taken: (Ayes) Commissioners Behrendt, Chatfield, Dennis, Deutch, Hendricks – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

Mr. York turned the meeting back over to President Chatfield to continue with election of officers.

President Chatfield opened the floor for nominations for Vice-President.

Commissioner Deutch nominated John Hendricks. The nomination was seconded by Commissioner Behrendt. There were no other nominations. The roll was called, and the vote taken: (Ayes) Commissioners Behrendt, Chatfield, Dennis, Deutch, Hendricks – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

President Chatfield opened the floor for nominations for Secretary.

Commissioner Hendricks nominated Angie Nelson Deutch. The nomination was seconded by Commissioner Behrendt. There were no other nominations. The roll was called, and the vote taken: (Ayes) Commissioners Behrendt, Chatfield, Dennis, Deutch, Hendricks – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

It was noted that Executive Director Skyler York is Acting Secretary by default.

Officers for 2022 are: Chris Chatfield, President; John Hendricks, Vice-President; Angie Nelson Deutch, Secretary; Skyler York, Acting Secretary.

MINUTES

The chair entertained a motion for approval of the minutes of the 12/13/21 executive session and 12/13/21 hybrid regular meeting.

Motion made by Commissioner Behrendt – seconded by Commissioner Hendricks approving the minutes of the 12/13/21 executive session and the 12/13/21 hybrid regular meeting as submitted. The roll was called, and the vote taken: (Ayes) Commissioners Behrendt, Chatfield, Dennis, Deutch, Hendricks – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

CLAIMS

Mr. York reviewed the claims list dated January 24, 2022, noting that payroll for December 2021 totaled \$18,268.14. Mr. York read the claims listed into the record. In summary, January claims totaled: (Operating) \$9,350.45; (North TIF) \$295,066.15; (South TIF) \$2,921.90.

The chair entertained a motion.

Motion made by Commissioner Deutch – seconded by Commissioner Behrendt approving the claims list dated 01/24/22 as submitted. The roll was called, and the vote taken: (Ayes) Commissioners Behrendt, Chatfield, Dennis, Deutch, Hendricks – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

FINANCIAL REPORT

Mr. York reviewed the financial report dated 11/30/21, summarizing cash balances as follows: Operating Account \$167,394.78; South Side TIF Account \$7,709,407.86; South Side TIF Debt Reserve Account \$336,029.11; South Side TIF Capital Account \$16,925.05; North End TIF Account \$3,226,732.97; Northeast TIF Account \$109,425.07; for total cash of \$11,565,914.84. 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 \$11,720,276.33.

The chair entertained a motion.

Motion made by Commissioner Behrendt – seconded by Commissioner Hendricks approving the financial report/balance sheet dated 11/30/21 as submitted. The roll was called, and the vote taken: (Ayes) Commissioners Behrendt, Chatfield, Dennis, Deutch, Hendricks – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

DECLARATORY RESOLUTION FOR EAST TIF EXPANSION

Randy Rompola (via Zoom both video and audio), Barnes & Thornburg LLP, explained that this resolution is for the expansion of the existing Economic Development Area. In 2015 the Redevelopment Commission designated the Eastside Economic Development Area as an Economic Development Area. This would expand it into the recently annexed area in Michigan City with the intent that this will become part of the Economic Development Area to allow for future development in this area as well. In addition to adding the territory there is a Plan Amendment. The resolution also approves an amendment to the Economic Development Plan that was approved in 2015 to do two things; 1) add a project description that allows the use of tax increment revenues to offset payments to developers through an EDC TIF Bond. This mechanism was not allowed in 2015, but now it would include the entire area, not just the expansion area; and 2) add property to the acquisition list. By statute any time the Commission thinks they will acquire property in the future it must be included in the acquisition list. Those potential parcels are attached as Exhibit B. If the Commission decides to acquire any of the property, it would be appraised, the appraised value approved, and an offer letter sent. Mr. Rompola wanted it to be clear that is not the intent right now; they are only identifying potential property that could be acquired in the future. If it is not done now, this entire process would have to be repeated. To be shovel ready for economic development projects, communities are identifying potential property early. Just because the property is on the acquisition list does not mean the Commission will acquire it. If they do take action to acquire it, they have to offer not less than the average of the two appraisals and they cannot proceed with eminent domain. The property owner has the ability to negotiate with the Commission. Mr. Rompola explained the process where if the Commission chooses to approve the resolution tonight, it will go to the Plan Commission next, then the Common Council, then come

back to the Redevelopment Commission for a public hearing. As part of that public hearing, Baker Tilly would prepare a tax impact study for the overlapping taxing units. If everything stays on schedule, he anticipates being back in April for final action and the public hearing.

Attorney Sirinek asked Mr. York if it is correct that the 12 identified parcels are all the parcels involved during the annexation of this area and in conversation between the property owners and the City.

Mr. York confirmed that was correct, adding that they only included those parcels, and they have an expectation that they are going to be on the list so if the Redevelopment Commission chooses to do so in the future, they would be shovel ready for projects. He added that during the annexation process, a fiscal plan had to be done. In that fiscal plan certain commitments were made to landowners, one of those being that the Redevelopment Commission would pursue the expansion of this East TIF to encompass the newly annexed area for economic development purposes.

The chair entertained a motion.

Motion by Commissioner Deutch – seconded by Commission Behrendt approving DECLARATORY RESOLUTION 1-22 RELATING TO THE EAST TIF EXPANSION. The roll was called, and the vote taken: (Ayes) Commissioners Behrendt, Chatfield, Dennis, Deutch, Hendricks – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

FAÇADE GRANTS

815 Washington Street: Aaron Borngraber, Assistant Planning Director, presented a request for extension stating that improvements are currently underway, with the siding being 60-70% complete. The Redevelopment Commission approved the Façade Grant request on 6/14/21. The applicant/owner is requesting an extension and expects the work to be completed by 3/1/22. Staff recommended granting an extension for work to be completed by 6/13/22.

The chair entertained a motion.

Motion by Commissioner Hendricks – seconded by Commissioner Deutch approving the request for extension of the Façade Grant work at 815 Washington Street to be completed by 6/13/22. The roll was called, and the vote taken: (Ayes) Commissioners Behrendt, Chatfield, Dennis, Deutch, Hendricks – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

110 W. 9th Street: Mr. Borngraber presented a request for reimbursement, stating that all the work is completed and that they received approval from the Historic Preservation

Commission. The total project cost was \$49,000 which included \$28,500 for the hipped roof, \$16,500 for the flat roof, and \$4,000 for the gutters. It was noted that due to COVID as well as a transition with staff, standard operating procedures were not followed, and work commenced without authorization. Total eligible costs out of the \$49,000 are \$15,770.50; staff recommended approving a reimbursement of \$9,462.30 (60% of eligible costs) for work that is visible from the public right of way (approximately 41.3% of roof) and is applicable under reimbursable expenses.

The chair entertained a motion.

Motion by Commissioner Deutch – seconded by Commissioner Behrendt approving a Façade Grant reimbursement in the amount of \$9,462.30 for work completed at 110 W. 9th Street.

Mr. York interjected, explaining that if these structures are located in a Historic District they go through Historic Preservation approval first, and then the Commission approves it before they begin work. He noted that there was a transition in staff, so the owner did not know what to do and went ahead and started the work. He pointed out that all the work which was done was what they were supposed to do; nothing was done contrary to approval. He pointed out that they did make a major investment, so if the Commission chooses to do so they could make an exception. He asked Attorney Sirinek about the flat roof work being allowed and if it has been done before.

Attorney Sirinek replied that there would be no prohibition for it.

Mr. Borngraber confirmed that the flat roof and part of the hipped roof are not included in eligible costs and the reimbursement of \$9,462.30. He noted that if the Commission wants to approve the entire project, the reimbursement amount would be \$29,400.

Commissioner Chatfield commented that the flat roof is part of the overall structure and stated that they did a great job on the work, so he is in favor of it. He stated that the Commission might need to look at the flat roof piece of it and what the Façade Grant provides going forward.

Commissioner Deutch stated that with the information given to them and the staff recommendation, she stands by the motion she made.

Commissioner Behrendt agreed.

Commissioner Chatfield clarified that the motion is for the \$9,462.30 and does not include the flat roof.

Mr. Borngraber noted that for this particular property there are several other pieces that might be addressed in the future, so there is another \$21,000 that the property owner could use outside of this.

With a motion and second on the floor, the roll was called, and the vote taken: (Ayes) Commissioners Behrendt, Chatfield, Dennis, Deutch, Hendricks – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

904-906 Franklin Street: Mr. Borngraber presented a request for partial reimbursement for painting work. The Commission approved the Façade Grant on 6/14/21 and granted a six-month extension on 11/15/21 for work to be completed by 6/13/22. The total reimbursement amount is \$13,458. Staff recommended approval of the partial request for reimbursement at this time in the amount of \$6,077.15.

The chair entertained a motion.

Motion by Commissioner Hendricks – seconded by Commissioner Dennis approving the request for partial reimbursement in the amount of \$6,077.15 for the Façade Grant painting at 904-906 Franklin Street. The roll was called, and the vote taken: (Ayes) Commissioners Behrendt, Chatfield, Dennis, Deutch, Hendricks – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

LARGE CAT EXHIBIT

Mr. York opened discussion recalling that the Redevelopment Commission commissioned Haas & Associates to do a design and study for engineering of the big cat exhibit at the Zoo. The idea was to expand the exhibit which would allow the Zoo to keep the big cats because of the change in federal regulations. They went out for construction bids, but they came back over what was anticipated because of the way things are right now with supply and demand and higher construction costs. They want to make sure they can complete the project without having to split the project into two parts; the fear being between phase 1 and phase 2 of the project they could lose 1-2 of the big cats because there won't be an exhibit large enough to house them. The request tonight is for an additional \$100,000 (from last year's previously approved amount of \$250,000) from the Redevelopment Commission to pledge toward the large cat exhibit.

Phil Latchford (appearing via Zoom, both video and audio), Park Board member, stated that the other downside of splitting the project into two parts are mobilization and demobilization which adds to project costs. He said he is grateful for the \$250,000 the Redevelopment Commission approved toward this project last September. He acknowledged other funding they received for this project including American Rescue Plan funds \$300,000; Riverboat funds \$300,000; Redevelopment Commission \$250,000; \$300,000 from their annual endowment fund from Blue Chip Casino; Zack

Grant \$100,000; Zoo Society fundraisers \$12,300; WHM from the boat race \$44,500; the Mennen Trust \$10,000; Zoo gifts and donations \$63,000. In addition, they will ask the City Council to reallocate \$172,000 from their concessions fund to be used for this project. He said he hopes the Commission will consider the request for an additional \$100,000.

Commissioner Behrendt asked the total cost of the project.

Mr. Latchford replied that the lowest bid came in at \$1,670,000 from the Holladay Construction Group, the middle bid was \$1,751,000, and the highest bid was \$1,793,000.

Commissioner Behrendt asked how many cats they are talking about.

Mr. Latchford replied that there are 4 cats and with the expansion it would house at least 4 large cats (lions, tigers).

Mr. York added that what is being proposed would allow them to keep what they have.

Commissioner Chatfield expressed that he is in favor of this project, indicating that it is a worthwhile project, and that we should be supporting the Zoo. He said the Zoo continues to increase their attendance and memberships, bringing visitors and revenue into the city.

Attorney Sirinek advised for the record that the Commission made a previous finding when they gave approval of their original appropriation that this big cat exhibit is an attraction, the Zoo is an attraction, and it all goes toward economic development. He said if the Commission chooses to approve this, it is proper within the type of expenditures they make related to economic development.

Commissioner Dennis commended the Zoo and Park Department for all the other funds they have raised to go toward this project.

Mr. Latchford said the kudos need to go to Shannon Eason in the Park Department for pulling this all together.

The chair entertained a motion.

Motion by Commissioner Deutch – seconded by Commissioner Dennis approving an additional \$100,000 in funding to go toward the big cat exhibit project at the Zoo. The roll was called, and the vote taken: (Ayes) Commissioners Behrendt, Chatfield, Dennis, Deutch, Hendricks – 5; (Nays) None – 0. With a vote of 5 ayes and 0 nays, the MOTION CARRIED.

Commissioner Chatfield asked Mr. Latchford what the project timeline is.

Mr. Latchford replied that they anticipate construction starting in the fall of 2022 so it will be less disruptive to the Zoo's summer peak period, and completion in early to mid-summer 2023.

YOU ARE BEAUTIFUL SITE

Mr. York reported that they are still waiting for comments back from the developer's legal counsel.

Attorney Sirinek advised that he received a response today and he will update Commissioners accordingly.

STATION BLOCK

Mr. York acknowledged Ruth Wuorenma being on Zoom, giving her accolades for her excellent work on this complicated process. He also acknowledged the selection committee, expressing his appreciation for their hard work – Phil Latchford, Rose Tejada, Matt Kubik, John Hendricks, Bryant Dabney, Clarence Hulse, Mayor Parry, Chris Chatfield, and ex officio members Mike Noland and Sherri Ziller.

Ruth Wuorenma agreed with Mr. York, praising the selection committee for their extensive time and effort in reviewing the proposals. She said there were hard discussions, but they were always thoughtful and respectful. Ms. Wuorenma explained that at the last session they had a preferred developer selected with an alternate. The preferred developer is subject to follow up questions the review committee put forward. They will be getting those responses on Friday and the review committee will reconvene on Tuesday to decide if they responded in accordance with what is best for Michigan City. If not, they will go to the alternate and see if that group passes the standards set by the review committee.

Commissioner Chatfield echoed Mr. York's comments acknowledging Ms. Wuorenma for her work in this process.

FOR VOTING PURPOSES, IT WAS NOTED THAT JOHN HENDRICKS LEFT THE MEETING EARLY TO ATTEND ANOTHER MEETING.

LETTER OF ENGAGEMENT – BRIAN CASEY

Attorney Sirinek recalled that in 2009 the Redevelopment Commission entered into a Development Relocation Agreement with Blocksom with respect to their factory on Trail Creek and relocation. Over the past 13 years that has remained dormant. It has gotten to the point where there were discussions with Blocksom with respect to that agreement but have reached an impasse as to implementation of that agreement. A section of the agreement calls for a binding arbitration by an agreed upon mediator, and if a mediator cannot be agreed upon the court would appoint one. Attorney Sirinek stated that given

the fact he has never done a binding arbitration and given the fact about the amount of money (\$11 million) being talked about for this particular agreement, he would recommend the Commission engage the services of Attorney Brian Casey from Barnes and Thornburg who has considerable knowledge and experience in binding arbitration. Attorney Sirinek recommended approval of the Letter of Engagement.

The chair entertained a motion.

Motion by Commissioner Deutch – seconded by Commissioner Behrendt approving a Letter of Engagement with Attorney Brian Casey of Barnes & Thornburg LLP for services relating to binding arbitration and the Blocksom agreement. The roll was called, and the vote taken: (Ayes) Commissioners Behrendt, Chatfield, Dennis, Deutch – 4; (Nays) None – 0. With a vote of 4 ayes and 0 nays, the MOTION CARRIED.

REPORT BY LEGAL COUNSEL

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.

Attorney Sirinek reported that the Trail Creek environmental clean up is moving along as they continue with testing. Recent testing determined concentrations exceed IDEM's screening levels, so they will be putting up temporary fencing along the bottom of Jernigan's Hill to block off the area and prevent people from accessing that area and the water.

REPORT BY DIRECTOR

Mr. York reported that there are some good projects on the horizon, and he is working hard to get those to a final agreement. He hopes to have that by the Commission's next meeting on February 14th.

PUBLIC COMMENTS

(None)

COMMISSIONER COMMENTS

Commissioner Behrendt welcomed Kathy Dennis to the Commission and complimented outgoing Commissioner Michael Mack on the work he put in last year.

Commissioner Dennis stated that she is excited to be back and that of all the groups and commissions she serves on she finds this one the most challenging and interesting.

Commissioner Chatfield also welcomed Kathy Dennis, stating that he is looking forward to her wisdom and experience moving forward. He commented that the projects Mr. York is working on to transform Michigan City is impressive, stating that it is not easy,

and Mr. York works hard. Commissioner Chatfield commented that he appreciates everything the Commission does to support him in those efforts.

NEXT MEETING DATE

President Chatfield announced that the next regular meeting is scheduled for February 14, 2022 (Valentine's Day) which could pose a problem for some people, so the meeting date could be modified.

ADJOURNMENT

The chair called for a motion to adjourn.

Motion to adjourn by Commissioner Behrendt – seconded by Commissioner Deutch and unanimously approved. The chair declared the meeting adjourned at approximately 6:15 p.m.



Angie Nelson Deutch, Secretary