

**MINUTES OF A REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
MARCH 14, 2022**

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 Monday, March 14, 2022, at 5:00 p.m. local time; the date, hour, and place duly established for the holding of said meeting. This meeting also being available via Zoom and streaming live on My Michigan City, Indiana Facebook. Zoom was hosted by Kaleb Goodwin, City IT staff.

CALL TO ORDER

President Chatfield called the meeting to order at approximately 5:03 p.m.

ROLL CALL

Commissioners in attendance:

Ken Behrendt, Chris Chatfield, Kathy Dennis, Angie Nelson Deutch, John Hendricks, and Non-voting advisor Thomas Dombkowski (all in person)

Commissioners absent:

(None)

Staff in attendance:

Executive Director Skyler York (in person), Attorney Alan Sirinek (in person), Assistant Planning Director Aaron Borngaber (in person), Administrative Assistant Debbie Wilson (observing via Zoom to take minutes)

MINUTES

The chair entertained a motion for approval of the minutes of the 02/24/22 Zoom executive session and 02/24/22 Zoom regular meeting.

Motion made by Commissioner Deutch – seconded by Commissioner Hendricks approving the minutes of the 02/24/22 Zoom executive session and the 02/24/22 Zoom 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 March 14, 2022, noting that payroll for February 2022 totaled \$17,431.23. Mr. York read the claims listed into the record. In summary, March claims totaled: (Operating) \$350.45; (North TIF) \$116,646.03; (South TIF) \$987.90.

The chair entertained a motion.

Motion made by Commissioner Behrendt – seconded by Commissioner Dennis approving the claims list dated 03/14/22 as submitted.

Attorney Sirinek referenced the Wallack Somers & Haas claim for legal services regarding the transit center, stating that these are eligible costs for reimbursement when a decision is made for bonding this project. Their attorney has agreed in deferring those costs and rolling those costs into the bond if issued, or if no bond is issued reimbursing him once a decision is made. Attorney Sirinek advised that another option would be for the Commission to just pay him now out of North TIF and proceed accordingly.

Commissioner Deutch felt that since services were already rendered, she would prefer to pay it now and not wait to roll it into the bond.

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.

Commissioner Chatfield commented that moving forward those costs should be detailed to keep track of them.

Commissioner Behrendt pointed out that the Commission needs to take into consideration their cash situation. With the number of projects the Commission has going on, he said it might be beneficial to roll it into the bond.

Commissioner Deutch indicated that moving forward she is okay with deferring those claims since the conversation took place but felt that since there was already a motion on the floor for this one tonight, it should be paid now.

Commission Chatfield agreed that this one should be paid now, and the Commission can address it next month.

FINANCIAL REPORT

Mr. York reviewed the financial report dated 01/31/22, summarizing cash balances as follows: Operating Account \$229,140.46; South Side TIF Account \$8,652,627.30; South Side TIF Debt Reserve Account \$336,001.43; South Side TIF Capital Account \$16,866.23; North End TIF Account \$3,989,455.44; Northeast TIF Account \$261,743.60; for total cash of \$13,485,834.46. 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 \$13,640,195.95.

The chair entertained a motion.

Motion made by Commissioner Deutch – seconded by Commissioner Hendricks approving the 01/31/22 financial report 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.

President Chatfield made an adjustment to the agenda, moving item #11 up.

YOU ARE BEAUTIFUL SITE

Mr. York began discussion stating that there is an agreement before the Commission tonight. They have finished negotiating the agreement, with one insertion to be made, that all parties have agreed to. He acknowledged that Barry Schain (YAB Development Partners, LLC) was on Zoom.

Attorney Sirinek added that the original development concept was presented to the Commission in June 2019 with preliminary work and negotiations back and forth, then COVID hit. There were several things that were problematic from Michigan City's viewpoint that have been addressed over the two years. Attorney Sirinek referred to the Development Agreement before the Commission tonight, which is everything in its final version that has been sent to Mr. Schain and his group, with one change which Mr. Schain agreed to. Attorney Sirinek read into the record, noting Section 3 under Closing, that the language shall be amended in that section to include: "Subject to the terms and conditions of this Agreement, the Closing shall occur on or before September 1, 2022, with: (i) the Closing Date; and (ii) the location of the Closing; to be established mutually by Developer and Commission. Developer shall insure the Bond Proceeds are available for funding at Closing. Notwithstanding any other provision of this Agreement, Developer shall have 90 days from the Effective Date to determine its eligibility for, and award of, certain tax credits, including redevelopment tax credits from the State of Indiana, to support the development of the Project. If the Developer is unable to submit evidence of the award of the: (a) award of redevelopment tax credits from the State of Indiana in an amount of less than \$7 million; or (b) available equity in a similar amount; either of the City or the Developer may terminate this Agreement without further obligation."

By executing this Agreement, Attorney Sirinek explained that during the 90 days from execution, the Developer will continue due diligence and explore the issue of economic tax credits or any other tax credits that may be available through the State of Indiana, and the Redevelopment Commission will keep this property off the market for 90 days. The worst case scenario would be this property is off the market for 90 days, there is no agreement, and there is no project. From a positive viewpoint, by executing this agreement, the Developer can go to his funders and his team to begin developing architectural drawings of what this final project will look like from their perspective.

From the City's perspective, if all goes well, they are looking at breaking ground in September of this year.

Attorney Sirinek pointed out that there were a lot of conversations with Mr. Schain and his group, and a lot of expectations and demands being put forth by the Redevelopment Commission, ultimately getting to this point. He commended Mr. Schain and his group for working with the Redevelopment Commission on that and agreeing with the Commission on certain things they had to have, getting to the point of having the framework for an outstanding agreement and an outstanding project that will come to fruition.

Barry Schain (appearing via Zoom – video/audio) agreed with Attorney Sirinek, stating that he appreciates all the work from Michigan City, Attorney Sirinek, Mr. York and everyone who came to look at their proposed hotel. He said hopefully in the next 90 days they will finalize the hotel agreement, finalize all the incentives, have drawings and be ready to break ground this year. He added that they are looking forward to getting going on this project.

Mr. York commented that they have worked hard on this, and it has taken a long time to get to this point. He appreciates Mr. Schain and the Commission being persistent. He stated that this is a great project, and he hopes they can break ground in September. He stated that this agreement will allow the Redevelopment Commission to move forward and Mr. Schain's team to move forward, giving them the surety to spend money to do drawings, geotechnical work, engineering, etc. and protects the City.

Commissioner Chatfield commented that this has been a long road and he is proud of the team and their hard work. He feels where we are today, this is a monumental groundbreaking event for the City. He acknowledged Mr. York and his team for working hard to get this to where it is. He also thanked Mr. Schain.

Mr. Schain added that it has been a two-way street. He said putting a lot of time in has made them understand each other better and he thinks in the end it will lead to a better project and a better timeline for everything going forward.

The chair entertained a motion.

Motion by Commissioner Deutch – seconded by Commissioner Hendricks approving the Development Agreement between YAB Development Partners, LLC, and the Michigan City Redevelopment Commission, with the addendum language as presented by the Redevelopment Commission's legal counsel. 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.

RIVERFRONT LIQUOR LICENSE

Mr. York opened discussion, acknowledging that Attorney Chris Willoughby was present representing himself tonight. The committee met and reviewed the proposal.

Chris Willoughby (in person) addressed the Commission, stating that he is one of the owners of Creekside Bar & Grill (formerly the Sand Trap). He said they have had their sights on 521 Franklin for a long time which became available. He noted that this has been home to some of the historic and favorite places in town – Maxine & Heinies, Basil's, Maxine's, and most recently Taverna Tonelli. Mr. Willoughby said they intend to have fine dining and there will be an outdoor patio. He said they have a long-term lease negotiated with the current owner of the building, with multiple long-term renewal options. Mr. Willoughby said they intend to have a staff of at least 20 and they are currently conducting interviews. He talked about their great relationship with the owner, commenting that some of their synergies are already coming into play in terms of assisting the building owner with improvements and upgrades to the interior and exterior of the building in general which will continue to help with the redevelopment and improvements Downtown. Mr. Willoughby said they come with a lot of experience in many different facets - a builder, an electrician, an attorney, and they added someone with a lot of experience in food in terms procurement, noting that she has run Creekside for a few years as well as some other endeavors. In that time, they have built relationships with their vendors and various staff and those in the industry. Mr. Willoughby pointed out that one of the restrictions is not owning a license within two years of applying for the Riverfront Liquor License. He wanted it to be clear that the license that used to be owned and attached to that property was sold in 2018, so he believes they comply.

Mr. York asked the timeline for opening.

Mr. Willoughby replied that if he has it his way it would be May, but June is hopeful. They would like to open sooner than later to take advantage of the season. They are prepared and meeting with staff. The longest process will be the ATC.

Attorney Sirinek asked the hours, days, weeks, and months of operation as well as why the 3-way Liquor License is important to the success of the business.

In response, Mr. Willoughby stated that they intend to be open 7 days a week to take advantage of the days when others are not, as well as making a commitment to their staff. He wanted it to be clear that this is not a bar; it is fine dining establishment. With that, they need to offer the beverages that go along with it. They will have fine wines, dinner cocktails, a banquet room, and they will host parties/events. Regarding hours, they will be open for lunch everyday around 11:00 a.m. He does not envision staying open past 10:00-11:00 p.m.

Commissioner Behrendt asked if they will allow children.

Mr. Willoughby replied that they will have family dining, and as part of their floor plan they are making sure both entrances are accessible as well.

Commissioner Deutch asked for more details about the 2018 license Mr. Willoughby briefly mentioned.

Mr. Willoughby explained that there was a license owned by Hubringer, Inc. It was always attached to that property and the previous restaurants, and it was sold to the most immediate business owner in there, Taverna Tonelli, Inc. It is a traditional license. Mr. Willoughby said as part of their deal, they only bought the assets that would allow them to be turnkey. He said they did not buy that license; that license is going from the previous owner to a subsequent buyer, so he believes that makes them eligible for this Riverfront Liquor License. Mr. Willoughby reiterated their commitment in making the decision to not pursue that license because they want to open this business in the Downtown and nowhere else in the city. He said they recognize that the Riverfront Liquor License is not an asset they can take anywhere with them or transfer anywhere else; it stays with them at that location. In addition to being a privilege to have it, it pulls them into the Downtown and accomplishes what the Commission is trying to do under the ordinance.

Besides being turnkey, Commissioner Deutch, 1) asked Mr. Willoughby what type of investment they are making for this; and 2) asked what the recommendation is from the review committee.

Mr. Willoughby replied that their overall investment is approximately \$250,000. He said it is not only the furniture, the inventory, training staff and finding a way to pay staff when not operational, they have also negotiated a first right of refusal for the building so they could put themselves in position if the building is ever sold. They are also working with the owner to improve things to the building that were not done over the years.

Commissioner Behrendt spoke on behalf of the review committee, stating that Mr. Willoughby answered questions presented by the committee. The committee felt it is a great idea to continue a longstanding institution which is an anchor in the Downtown.

Commissioner Dennis also spoke on behalf of the review committee and agreed that Mr. Willoughby answered all their questions. In addition, he has a plan, he already runs a business that provides food/beverages, and he has the knowledge and skills both within himself and his team that they deserve to have the Commission approve the request for a Liquor License.

Commissioner Chatfield commented that Mr. Willoughby has done an excellent job with Creekside and has shown that what he initially said he would do is what he did, and he is a standup community person.

The chair entertained a motion.

Motion by Commissioner Deutch – seconded by Commissioner Dennis approving a Riverfront Liquor License to Roeskeyville Too, Inc. dba Vita del Lago at 521 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.

Commissioner Chatfield commented that the Commission takes these Riverfront Liquor Licenses very seriously. He added that competitively, people need to understand that there are a lot of good things going on, this is not against any other competing entity, this is for the overall good of the community, and having more people Downtown and around town visiting our establishments is beneficial. He said for any establishment to think this is detrimental is the wrong view. He feels having more competition makes us all better at the end of the day.

Mr. Willoughby said he appreciates that and anybody else who knows them, especially during COVID, they are proud that they thrived and did things what they felt were the right way. He said they have heard about other places interested across the street and next door, and he stated they welcome that because competition keeps you on your toes. He commented that it is exciting for the city and all the things that are going on.

FAÇADE GRANTS

401 Chicago Street: Aaron Borngaber, Assistant Planning Director, presented a request for reimbursement from 401 CHI, LLC for work completed, noting that the Redevelopment Commission approved funding on September 13, 2021. The total project cost was \$91,200, with total eligible project costs of \$48,700. The amount to be reimbursed is \$29,220 which is 60% of eligible costs. Staff recommended approval.

The chair entertained a motion.

Motion by Commissioner Behrendt – seconded by Commissioner Deutch approving the request for reimbursement to 401 CHI, LLC for Façade Grant work at 401 Chicago Street in the amount of \$29,220. 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.

GLOBAL ENG. PROPOSAL – ANNUAL INDOT INSPECTION I-94/421 OVERPASS

Mr. York opened discussion, stating that he discussed this with Attorney Sirinek and whether this should continue to be done by the Redevelopment Commission. Mr. York explained that the Redevelopment Commission paid for some betterments when INDOT rebuilt the overpass. This is a yearly monitoring of those betterments.

Attorney Sirinek stated that this project pre-dates him with the Commission, although in past years the Commission approved this because it is a requirement by INDOT, and it is something the Commission has annually paid. It has been presented in prior meetings that this is something the Commission had committed to when they sought INDOT's approval for the betterments the Commission made to this project. In talking to Global Engineering (Engineer for the project) they have indicated that this is part of the overall agreement with INDOT to continue to conduct annual inspections to ensure the safety of not only the betterments, but the overall project itself.

Commissioner Behrendt questioned if this is an expense the City should be paying for, commenting that it seems like a maintenance issue.

Motion by Commissioner Hendricks – seconded by Commissioner Deutch to table the matter until the Commission gets an answer. 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 suggested that Mr. York work through the details and bring it back at the next meeting. He pointed out that the Redevelopment Commission spent a lot of money over the last several years to not only do the work, but to maintain it over the years as well. He felt now it should be conveyed over to the City.

STATION BLOCK PROJECT

Mr. York gave an update stating they are still on track, and as part of the overall agreement with NICTD, they are slated to have an executed agreement with Flaherty and Collins (the selected Developer) by March 31, 2022. He said there will more than likely be a special meeting in March to approve that Development Agreement.

SOUTH TIF CONNECTIVITY IMPROVEMENT PROJECT

Ryan Laughlin of Haas & Associates (appearing via Zoom – audio/video) gave a project update, stating that the Construction Contract 1 (CC1) project is still on schedule for what they put forth in their Second Amendment to their Professional Services Agreement (PSA) to advertise that project for construction in spring 2022. He said they are almost to the point of presenting preliminary alignments, layouts, and plans for the CC1 project. They will send that soon and follow up with a meeting for review of the proposed alignments, plans, details like sidewalk widths, etc. After which, they will move forward with detailed design and develop the construction packet to let the project for bidding.

Mr. Laughlin stated that they have also been in coordination with DLZ who is working for the Redevelopment Commission on coordinating the land conveyance and securing the land rights for the CC1 project as well as the broader South TIF Connectivity Improvements Project. He said DLZ has been providing them with access

authorizations from the various landowners, and even though they do not have everything they need, they are getting closer to the point where they can finish the geotechnical investigations necessary for this work.

Commissioner Behrendt asked if the Commission will get a report from DLZ indicating where they are as far as the land acquisitions.

Mr. Laughlin replied that he is not sure about DLZ's status updates to the Redevelopment Commission.

Mr. York clarified that the Redevelopment Commission is directly contracting with DLZ; they are not a subcontractor to Haas & Associates. They are two separate contracts, although to some extent they are codependent upon each other. Mr. York stated that he would see if he can get DLZ at the next meeting to give an update as to where they are in the process.

Mr. York explained that the CC1 contract is for the "low hanging fruit" items that can be knocked out quickly in order to get some things improved in the South TIF for safety. The Commission approved those items in an additional scope to the PSA, some of which include sidewalks and a signalized intersection for pedestrian connectivity across 421.

Mr. Laughlin added that DLZ has been reaching out to the various land owners, and through that process he has been receiving the access authorizations so Haas can do wetland investigation, surveying, topographical surveying, and geotechnical surveying. DLZ has also done the professional land surveying work necessary to establish where the various boundaries are, which will be fundamental and instrumental in conveying land and land rights, etc. He said beyond that, he cannot speak to where DLZ is in that process.

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 tomorrow night, he along with Randy Rompola, will be before the City Council with regards to the East TIF expansion project. On March 28th Baker Tilly should be completing their tax impact study as to the proposed expansion of the existing area. Then Mr. Rompola will be back for the public hearing on amending the Declaratory Resolution as well as adopting the Confirmatory Resolution at the April 11th Redevelopment Commission meeting.

REPORT BY DIRECTOR

Regarding the station block, Mr. York clarified that the March 31st deadline is what is imposed by the agreement with NICTD. It is also somewhat dictated by the Federal Transit Authority (FTA) as well.

Mr. York stated that he received a request for placement of a temporary sign on the You Are Beautiful site for Child Abuse Awareness month in April. They would like to place a temporary banner on the property through the end of April. He noted that last year they did something more decorative with spinners and t-shirts representing children that were abused.

There was a consensus from the Commission to allow the banner on the You Are Beautiful site through the end of April.

Mr. York reported that he continues to diligently work through the various projects. He met with the developers for 8th/Michigan Boulevard today and went through entitlements which will dictate their design and architecture. Also, he said this Friday the Commission is looking to execute the agreement with Barry Schain for the hotel project on the You Are Beautiful site. He will work out the details for signing and let the Commissioners know.

PUBLIC COMMENTS

(None)

COMMISSIONER COMMENTS

Commissioner Dombkowski commented that it is great to see everything going on and seeing the station block taking place. He said with people seeing the work happen, it has provided a lot of positive public comments where there were negative comments before. He acknowledged the other project coming up on the You Are Beautiful site. He said it is a great time for Michigan City.

Commissioner Dennis commented that she is a member of the City Art Commission. They invited Mr. York to their next meeting to talk about the possibility of what other cities have done in terms of 1%, 2%, or 3% for art. Some communities have used that just for public buildings, others have used it for private, or a combination of both. They are looking at the possibility of introducing, through the City Council, some type of resolution that would create that. She said with the exciting things going on and hopefully many more things to come, it would give the City an opportunity of having more money to create more art within the city which is good for residents as well as bringing in more tourists and dollars to the community.

Commissioner Deutch piggybacked off Commissioner Dennis' comments, stating that in some discussions with developers, art was a big topic on how they sourced local artisans to help in the development of those projects. She said it would be important

since Michigan City has the Uptown District. She also commented that there is a lot on the Council agenda tomorrow night related to development with the expansion of TIF, annexation, etc. She said this is a wonderful time for development and projects that will not only bring forth housing and options, but jobs as well. She said we need to be prepared and make sure our citizens are prepared. She acknowledged Mr. York and his staff for their work.

Commissioner Chatfield commented that Michigan City has made some great strides and is moving forward. He stated that for the city to gain longevity there must be pain and there is a little bit of pain to have with what is being done in the community, which we are seeing right now. He said there are great things going on and there is more to come. He pointed out that for other communities to be calling Michigan City officials to see what we are doing to attract these developers has some bearing on what we are doing. He also acknowledged Mr. York and his team for their work.

NEXT MEETING DATE

President Chatfield announced that the next regular meeting is scheduled for April 11, 2022.

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 6:11 p.m.



Angie Nelson Deutch, Secretary