

**MINUTES OF A SPECIAL MEETING OF THE  
MICHIGAN CITY REDEVELOPMENT COMMISSION  
MARCH 28, 2022**

The Michigan City Redevelopment Commission held a special meeting in the Common Council Chambers, City Hall, 100 E. Michigan Boulevard, Michigan City, Indiana, on Monday, March 28, 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 5:05 p.m.

**ROLL CALL**

**Commissioners in attendance:**

Kenneth Behrendt, Christopher 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, Attorney Alan Sirinek, Assistant Planning Director Aaron Borngraber, Administrative Assistant Debbie Wilson (all in person)

**MIXED-USE TRANSIT CENTER PROJECT AGREEMENT**

Mr. York opened discussion, stating that tonight the Commission would be approving a contractual agreement between the City of Michigan City and Flaherty and Collins to start the process of moving forward with the mixed-use transit center at 11<sup>th</sup>/Franklin Street. He said they have been working diligently to create this project agreement.

Attorney Sirinek gave a history of the project, talking about the double track project going from a pipe dream into becoming a reality. He said they started to set in motion as a City, a Commission, and with NICTD, various kinds of responsibilities to go forth with the project. The first thing was the Operating and Maintenance Agreement outlining who would be responsible for operating the parking structure (the October 2020 agreement). The next thing was the Joint Development Agreement which the Commission approved in October 2021, being left with two choices. One being NICTD building a parking structure with some development along the side for which the City would be responsible. The other alternative was doing a grand scheme of a station block development project as it not only relates to the committed parking structure, but also going forth with a development project as well. NICTD was okay with that

alternative, conditioned upon the fact that on or before March 31, 2022, the City must have an agreement with the Developer to develop the property as the Commission sees fit, but also that the 437 parking spaces which NICTD and the FTA were requiring would be in place. This brings the project to where it is today. The penalty of not getting an agreement with the Developer by March 31<sup>st</sup>, is that the Commission would be committed towards the extra costs incurred by NICTD, because they were set to let contracts for construction of the garage on November 1<sup>st</sup>. Any increased costs would be the responsibility of the Commission which would be a significant amount of money and could potentially be around \$.5 million if this agreement is not in place.

Attorney Sirinek stated that he sent Commissioners a general overview of where the agreement was on Saturday and said for the most part it is still in place, but there are some substantive changes. He said they need to think of this no longer in terms of three different things (the garage, the rooftop amenities on top of the garage, and the mixed-use development), but now the garage and the rooftop amenities are considered one in and of itself. The contract in its final form will reflect that. The money being used to construct the garage is the \$16 million that NICTD has committed to this project. Any overage on the \$16 million would be the Commission's responsibility. He said if you go by the common saying that private developers can do a better, more efficient, and cheaper job than the public sector can, it would be assumed that the garage itself would come in under \$16 million, thereby leaving extra money for the rooftop amenities. The rooftop amenities came out of the committee that was appointed to review all the proposals for the development on that project. Attorney Sirinek pointed out that the big thing this agreement calls for is a requirement that in 60 days' time, there will be a more elaborate Development Agreement with Flaherty and Collins, for not only the garage but also the mixed-use aspect as well.

Attorney Sirinek commented that he previously indicated that once they get the mixed-use agreement in place, this becomes irrelevant, but he said that is no longer true. Part of it is, but a large part of this will also be incorporated within a mixed-use development. In the agreement that was left blank, he wanted the Commission to be aware of the mention of wanting to do this for creating jobs. He pointed out that just for the parking garage there would be 64 temporary construction jobs; for the mixed-use including the garage there will be 200 temporary construction jobs and 71 permanent full-time jobs when the mixed-use is completed and operating.

Attorney Sirinek stated that where they were on Saturday is different from where they are now on a couple of major issues. He said this continues to evolve and continues to be in discussion and negotiations with Flaherty and Collins, but they only have until March 31<sup>st</sup> to get it done. He said the biggest thing that has happened is that Flaherty and Collins now want to close on the property next June. He said he is not sure of the reason but understands that by next June they will have an idea of the actual maximum cost for the entire project and what they are going to personally guarantee for financing the project. He said he does not understand that in relationship to the fact that the

garage must be completed by May 15, 2024. Attorney Sirinek stated that is something that must be discussed and determined within the next two days. The other thing is operating the parking structure. Attorney Sirinek explained that if this fails and we do not get a mixed-use aspect out of this, the agreement he sent to the Commission on Saturday contemplates the City would be responsible for operating the garage pursuant to the October 2020 agreement. He said that has always been the case and has not changed. The difference comes back within the mixed-use and operating the garage in the mixed-use aspect, which has gone back and forth – sometimes they were going to do it, sometimes we were going to do it. He said most recently as early as this afternoon it is back on us. He stated that he does not understand the change of position but said he does not know if we need the answer tonight because that answer has been settled tonight as it relates to the parking structure only. He stated that when it comes to the mixed-use that is still open for discussion as it relates to the totality of the project.

Commissioner Deutch clarified that what the Commission is deciding on tonight is what Attorney Sirinek presented, and then he will come back with a more detailed agreement that the Commission will decide on later.

Attorney Sirinek stated that would be correct for the 60 days on the mixed-use agreement; the agreement being presented tonight has a March 31, 2022, deadline.

Mr. York wanted it to be clear that the Commission will be approving this document as presented which is approximately 99.9% complete and needs to be signed by March 31, 2022.

Attorney Sirinek asked for approval of this agreement subject to changes as it relates to the closing date (which he does not have).

Commissioner Deutch asked if the closing date is for the project in its totality or just the parking structure.

Attorney Sirinek stated that this afternoon the Developer raised the closing date of next June for the whole thing, but he does not know why. He said that is something that might get changed from what he gave Commissioners on Saturday to what is finalized on March 31<sup>st</sup>.

Ruth Wuorenma (appearing in person), Neighborhood Capital Institute, added to comments, stating that she was not aware of this afternoon's conversation, but indicated that the Developer has always contemplated a closing beginning construction in June of next year. They have always thought about mobilizing in June of next year and they did not want to have a construction loan sooner than that because they did not want the clock running; that is the way they operate. She said this is the mess of doing development projects but assured these are all solvable issues. She said there are so

many parties involved, but they will get through this. Ms. Wuorenma stated that the way she thinks about this tonight is that the attorneys have worked through a very elegant solution to take a complicated agreement and do it in two parts. By doing it in two parts, part one tonight satisfies the NICTD and FTA concerns. It will also allow the City important time to understand the total incentive package. She felt is it a nice solution.

Mr. York added that it puts a couple of other things in motion and expedites the application to the State for tax credits.

Ms. Wuorenma commented that Michigan City is going into a transition period; it is a pivot point. They are getting substantial developers coming to work with them. This is an advantage of working with a seasoned developer with a lot of experience. They do public/private partnerships frequently, so they will be able to file the application to the tax credit authorities by this Friday. She said this is a huge deal and no one would choose to do it for fun. When they make that application and the City joins in, the City will have a chance to put together a substantial package of support letters that will make it difficult for the IEDC to not recognize at how many levels this project matters. She assured this deal will get done; it will be messy in parts, but all the parties want this to happen.

Commissioner Behrendt asked how many signatories are on this agreement.

Attorney Sirinek replied that there is the City, the Redevelopment Commission, and Flaherty and Collins.

Commissioner Behrendt asked if there was any reluctance on the part of Flaherty and Collins.

Attorney Sirinek replied that there is none. He said they do not make a lot of money on building the garage; they make a lot of money on building a successful development. They are clearly motivated, and they understand the time constraints we have between now and March 31<sup>st</sup>, so they are okay with this binding agreement while they continue to negotiate in the next 60 days for a mixed-use aspect. He said they are just as motivated as we are to get it done. Attorney Sirinek added that if we fail to come up with a mixed-use agreement, the Commission fails, the City fails, and so does Flaherty and Collins. Everyone has an equal investment in this.

Commissioner Hendricks questioned the mixed-use responsibility.

Attorney Sirinek stated that the Developer will be responsible for the mixed-use aspect. The issues going back and forth only relates to the garage. If only the garage is done, the City would be responsible for it.

Commissioner Hendricks asked if that can be changed when the final mixed-use agreement is done.

Attorney Sirinek replied that there will be 60 days to iron that out. It will not be changed if there is only the garage.

President Chatfield opened the meeting to public comments. There being none, he closed public comments.

The chair entertained a motion.

***Motion by Commissioner Deutch – seconded by Commissioner Dennis approving and authorizing execution of an agreement for the garage and garage rooftop amenities portion of the mixed-use transit center project between the City, Redevelopment Commission, and Flaherty and Collins as presented and discussed tonight with additional changes that may occur by March 31, 2022.***

It was noted that all Commissioners will receive a final copy of the agreement for review prior to execution.

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

**PUBLIC COMMENTS**

(None)

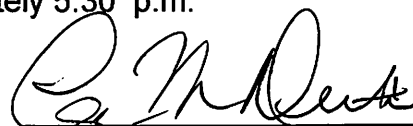
**COMMISSIONER COMMENTS**

The following were acknowledged and thanked for their dedicated work on this project: Attorney Adam Collins, Attorney Alan Sirinek, Ruth Wuorenma and her team, the Redevelopment Commission, the City/Mayor, and the selection committee. Special recognition went to Flaherty and Collins for their interest in Michigan City, their commitment toward making this project work, and bringing with them their impressive reputation.

**ADJOURNMENT**

The chair called for a motion to adjourn.

Motion to adjourn by Commissioner Hendricks and unanimously approved. The chair declared the meeting adjourned at approximately 5:30 p.m.



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Angie Nelson Deutch, Secretary