REGULAR MEETING OF THE MISHAWAKA COMMON COUNCIL
July 15, 2019

Be it remembered that the Common Council of the City of Mishawaka, Indiana met in the Council Chambers of the Mishawaka City Hall on Monday July 15, 2019, at 7:00 p.m. The meeting was called to order by President Dale "Woody" Emmons all were asked to stand for the Pledge of Allegiance.

Roll Call.
Present: Mrs. Voelker, Mr. Tanner, Mr. Mammolenti, Mr. Banicki, Mrs. Petko Reisdorf, Mr. Hixenbaugh, Mr. Emmons.
Absent: Mr. Compton, Mr. Bellovich.

Others Present: Clerk Block, Chief Deputy Clerk Mary Ellen Hazen, Chief Deputy Clerk II Raven Boston, Council Attorney Mike Trippel.

Minutes for the Regular Meeting of July 01, 2019 were approved as received from the Clerk's Office.

Clerk Block turned the meeting over to Lieutenant. Williams for the **Presentation of D.A.R.E. City Champion Essay Winner Emily Callan from Mishawaka Catholic**

Clerk Block read a letter from the City Plan Commission regarding their recommendations from their July 09, 2019 meeting.

PETITION #19-07 A petition submitted by Thomas J. Herrman/Jack Schoenthaler requesting to amend the University Gardens Planned Unit Development, **6910 North Main Street, Units 25 and 26**, to allow for microblading/semi-permanent make-up services.

The Commission, with a vote of 7-0, recommended approval.

PETITION #19-09 A petition submitted by Rachel Stanfield to rezone **426 West Sixth Street** from C-1 General Commercial District to R-1 Single Family Residential District.

The Commission, with a vote of 7-0, recommended approval.

RESOLUTION #2019-01 A Resolution of the City of Mishawaka Plan Commission Approving an Amendment to a Declaratory Resolution Approved and Adopted by the City of Mishawaka Redevelopment Commission.

The Commission, with a vote of 7-0, approved Resolution 2019-01.

Clerk Block read the following proposed ordinance by title, assigned to a committee and set for public hearing at the next meeting.

PROPOSED ORDINANCE NO. 2019-19

AN ORDINANCE AMENDING CHAPTER 137, OF THE MUNICIPAL CODE OF THE CITY OF MISHAWAKA, INDIANA, AS FROM TIME TO TIME AMENDED, COMMONLY KNOWN AS "THE ZONING ORDINANCE OF 1966" OF THE CITY OF MISHAWAKA, INDIANA.
(PUD Amd 6910 N. Main St. units 25 & 26- Microblading/ Semi Permanent Makeup)
(Assigned to the Land Use Planning Committee)

PROPOSED ORDINANCE NO. 2019-20

AN ORDINANCE AMENDING CHAPTER 137, OF THE MUNICIPAL CODE OF THE CITY OF MISHAWAKA, INDIANA, AS FROM TIME TO TIME AMENDED, COMMONLY KNOWN AS "THE ZONING ORDINANCE OF 1966" OF THE CITY OF MISHAWAKA, INDIANA.
(Rez from C-1 to R-1 426 W. 6th Street)
(Assigned to the Land Use Planning Committee)

Clerk Block read the following resolutions by title and was opened for public hearing.

RESOLUTION NO. 2019-20

A RESOLUTION OF THE CITY OF MISHAWAKA PLAN COMMISSION APPROVING AN AMENDMENT TO A DECLARATORY RESOLUTION APPROVED AND ADOPTED BY THE CITY OF MISHAWAKA REDEVELOPMENT COMMISSION
(Liberty Mutual/ City Hall)
(Assigned to the Budget and Finance & Land Use Planning Committees)

Public Hearing Only Action requested to be taken on August 05, 2019

Mayor Wood asked for the council's approval to add Liberty Mutual to the City's acquisition list. He continued to say this was the third step of the process of approvals needed. Mayor Wood said this was a need, they moved into the current City Hall in 1986, it served its purpose, the city has out grown the classroom style offices. He also mentioned not only did City Hall need more space and repair, the Mishawaka Police Department and Mishawaka Utilities Ofiice building were in substantial need. Mayor Wood said the Mishawaka Utility was not handicap accessible, there were no public restrooms and the second-floor roof was leaking. He said the Mishawaka Police Department was growing, it was also becoming more diverse, they were hiring more women but there was nowhere to house them. Mayor Wood discussed the millions of dollars' worth of repairs and upgrades needed to the Mishawaka Police Department and Utility Business Office. He said the Central Service Building was a great example of taking an old building to reconfigure it for the Street Department and Utilities etc. Mayor Wood expressed this was the right thing for the city, city hall should be in the core of the city. He discussed the negotiating process with Liberty Mutual; the asking price was 5.6 million dollars the city bargained at 2.35 million dollars. Mayor Wood said Liberty Mutual approached the city to purchase the building. He continued to say they felt the Utilities Bond was appropriate for the proposed building to pay for the renovations. Mayor Wood said they did not want a vacant building in the core of the city. He said the Police Department was the most attractive building, it would become the most profitable and would exceed the tax dollar loss from Liberty Mutual. Mayor Wood went on to say they would pay cash using money from TIF for the purchase. He stated the Utilities Bond would not raise utility rates or taxes. Mayor Wood said this was a win for the city, it would give the city the ability grow as the departments and population grows. He said the proposed building would include the departments currently in City Hall, the Police Department, Utilities Business Office and the IT Department.

Mr. Hixenbaugh questioned other location considered for the re-location of city hall. Mayor Wood said they considered multiple, some the city owned but they did not want to use high desirable properties that would generate more tax dollars. He said they considered a redevelopment site to do a demolition, an acquisition, a demolition and building a new city hall. Mayor Wood continued to say they were a couple of potential sites, but they never pushed it to a point of a serious consideration. He mentioned they considered the island between the Police Department and bridge. Mayor Wood said they felt it was one of the most attractive pieces of property for private development, putting a civil non-tax generating building on the property on which the city already owned riverfront to, was not the best use. Mr. Hixenbaugh said there were a couple of different times there was discussion to move the Utilities Office when Mayor Wood first took office . He asked was it a written document or a concept related to the Mayor from department heads and others. Mayor Wood said he did not know how formal of a plan it was but there was definitely some conceptual planning done. He said there was a concept to move the business office into and existing utility building outside of downtown, which was a deal breaker for him. Mayor Wood went on to say they were seeing great investment in the downtown, he felt the city and utilities needed to be a part of it. Mr. Hixenbaugh requested a copy of the written plan for Utilities. He also requested written documents for the cost of maintenance repairs assessments for the Police Department and the Utility Business Office. Mayor Wood said Tim Schrader had documents for the plans to the Utilities office, he was sure he could provide the council with a copy. He continued to say they did not hire a consultant for an assessment, but he knew based on experience the constant patching of the leaking roof and the HVAC breaking down regularly. Mr. Hixenbaugh asked if the savings did not come into fruition, what impact would it have on the financing of the overall project. Mayor Wood said the consultants who helped the city to negotiate the new Power Purchase Agreement and the accountants at Baker Tilley (formerly Umbaugh and Associates) evaluated the purchase and believed the city would save substantially. He continued to say if not, they would have to revisit it at that point in time. Mayor Wood said they believed they would save more than enough for this project but funds for other projects they identified as being important to the city, such as the improvement of the grid which was a 60 to 70-million-dollar investment may be delayed. He continued to say the investment would move the grid up to 4 kilovolts to 12 Kilovolt, which would help save money on the transmission once it was a more efficient system. Mayor Wood said there maybe a possibility of slowing down on some of the future upgrades for the system. Mr. Hixenbaugh asked if the city did not accrue the amount of savings as hoped, would it increase the pay back amount for the utility bond. Mayor Wood explained the bond would fund the renovation for the building, what the city owes on the bond was what they would owe. He continued to say they may have to defer some projects out a bit for the grid. Mayor Wood said he could make the consultant available for any further questions regarding the bond.

Mr. Tanner expressed his appreciation to the Mayor for bringing the opportunity to the council and city, he believed it would be a real benefit coming to fruition. He went on to say Mayor Wood mentioned there would not be any rate or tax increases, He asked would the savings received from this delay the rate payers, such as the upgrades for the grid and the purchase agreement due to the additional bond. Mayor Wood replied it was possible, but the city would be a more efficient operation once moved out of the classrooms they currently operated in. He continued to say the overall service would be better, they would be able to serve citizen in a way they could not serve now, specially at the Utility Business Office and Police Department. Mayor Wood said they believed there was a value to that. He continued to say they believed it was a good investment with some of the savings that would ultimately lead to better service. Mayor Wood said it was not their intention to delay the extension grid, but it was a possibility. He continued to say they still may be able to do this while looking at the overall rates and maybe do a rate decrease but they have not explored the possibility yet, but it was certainly possible. Mr. Tanner also recalled the Mayor mentioning the offices such as Controller, Engineering, Planning, Central Services were all utilized by the Utilities Department for multiple purposes. He continued to say he knew there were some positions with budgeted line items the Utilities Department paid for. Mr. Tanner requested to see the proportion of the department's budgets were paid for out of utilities. He said tax payers and the city was not a one to one overlap with rate payers for Mishawaka. Mr. Tanner said rate payers outside the City of Mishawaka paid a surcharge the city benefited from as a utility and operation. He continued to say tax payers and rate payer were not the same thing. Mr. Tanner believed the budgets and time utilized by utilities should be appropriately charged within the utilities budget, it may elevate some of the burden of his consideration for this big move. Mayor Wood commented this building would serve Mishawaka Utility customers no matter where the live.

Mr. Mammolenti believed overall it was a great move for the city to be downtown. He recalled Mayor Wood mentioning he spoke to majority of the department heads moving into the proposed building, he questioned whether there was any feedback from the department heads regarding the move. Mayor Wood said before they committed to the term of the purchase, they wanted to make sure it made since for the city. He continued to say they hired consultants at Alliance Architecture to do a details space study based on the department needs. Mayor Wood said in most cases, they did not need extra space, but they needed different space. He went on to say at that point they had to think in a citizen point of view on how the city could operate with better space, technology and more. Mayor Wood said they did not receive any negative feedback from department heads. Mr. Mammolenti questioned the price of building a new city hall compared to purchasing an older building and was there more room to grow in the proposed building. Mayor Wood explained if they were to build new, estimates were understated. He said in experience, anytime they did a project the estimates were always low, and they always spent more. Mayor Wood continued to say it was based on a purpose-built facility for their needs now, but it did not address anything else downtown the road, such as the downtown parking issue and redevelopment potential. He said the beauty of the Liberty Mutual project was it may not have been something they would build if they built purpose built but it was certainly going to work well for the city and the benefit would give more opportunity to grow value added benefits such as the redevelopment of the parking, the addition to public parking, the extension of Mill Street, the potential redevelopment of the Police Department and Utilities Business Office site and the current city hall to be used for other governmental use or affordable housing use. He continued to say they believed this would give other opportunities that wouldn't exist. Mayor Wood said this could sit empty over time if the city did not pursue it, which would bring nothing to the downtown and may drag it down a bit.

Ms. Petko Reisdorf requested documentation regarding the estimated ballpark cost for the repairs for the Mishawaka Police Department to share with constituent. Mayor Wood said Ken Prince, City Planner would give the information in his slide show presentation. He added it was not only the cost for the roof and the HVAC, it was future repairs that would need to be added if the Police Department remained in the building.

Council President Dale Woody Emmons called for a 10-minute break at 7:58 P.M.
Council President Dale Woody Emmons reconvened the meeting at 8:07 P.M.

Ken Prince, City Planner presented a slide show presentation of the Mishawaka City Services Facilities Evaluation. The presentation outlined the analysis of existing city facilities, City needs Assessments, space and cost evaluation of Liberty Mutual, potential redevelopment downtown, and the estimated cost for renovation and repairs for the Mishawaka Police Station and Utilities Business Office. A copy of the slide show presentation would be available in the Clerk's Office and the city's website.

Mr. Hixenbaugh questioned was there a possibility of a private entity purchasing and developing Liberty Mutual to bring in jobs to support the tax base in Mishawaka. Mr. Prince said it was a good point, they would love to see a private entity come in. He continued to say part of the broker negotiation was very telling, in terms of getting a 100,000 square foot building for 2.3 million dollars. Mr. Prince pointed out the fact that the city could purchase the building at half of asking price was a good indication of the value and how difficult they thought it would be to market the building. Mr. Hixenbaugh asked would there be an opportunity as they moved toward the design and bonding process for the city to attempt to market the building to see if their best guess may be off and there maybe a private entity willing to come in that could check the boxes in a different fashion and meet the needs of the community. Mr. Prince said his only hesitation of that would be, it would presume that this was not good scenario for replacing the Police Station and Utility Office and the scenarios they outlined. He expressed he personally felt this was the best option for the city. Mr. Hixenbaugh agreed with Mr. Prince. He said the city would have to take theses steps at some point as a community to replace city buildings, the question was when and how, and the cost associated. Mr. Hixenbaugh went on to ask was the city unaware of any effort of Liberty Mutual independently marketing the building outside of the direct conversating with the city. Rick Doolittle, Cressy Commercial said Liberty Mutual had two options, which was the initial conversation with the city which started by Mayor Wood asking to purchase some of Liberty Mutual parking for another development in the works. He continued to say at that time Liberty Mutual told the Mayor they were planning to vacate the building. Mr. Doolittle said Liberty Mutual hired a real estate firm out of Chicago to market the building. He continued to say one option was to sell the building to Mishawaka. Mr. Doolittle explained Liberty Mutual had 5 locations throughout the country they were vacating, and they were packaging the buildings in a portfolio sale, which were typically purchased by an investor group or REIT, who would then try to figure out a way to dispose of the building. He went on to say the chance for the opportunity for anyone to retro fit Liberty Mutual and make it work in the community was low. Mr. Doolittle continued to say in two years there would be 200,040 square feet of Class A. office space to become vacated including Liberty Mutual. He said if the building were to sit vacant for years, it would destroy all the fundamental momentum the city had in redeveloping downtown. Mr. Doolittle said Liberty Mutual chose to sell the building out of the package to the city, they did not market the building. Mr. Prince added Liberty Mutual did list the building briefly for a month or two without a price.

Mr. Mammolenti asked was there any interest in Liberty Mutual during the time it was listed without a price. Mr. Doolittle replied he had no knowledge of any other interest. Mayor Wood commented whether Liberty Mutual marketed the building or not, it made sense for the city. He expressed he believed it was the right building at the right time.

Mr. Hixenbaugh agreed with Mayor Wood. He continued to say he could see the attraction the Mayor and department heads had for the building after having the opportunity to walk through, it was easy to project how it would work for the city. Mr. Hixenbaugh continued to say it behooved the council to have the best information, to have all the questions answered, documentation and to have all options up front because it was not just a choice and isolation. He said the was a choice with other options which could potentially spin off on it. Mr. Hixenbaugh explained his questioned were geared towards trying to flush out other choices or options. He went on to request option income tax driven from Liberty Mutual and the amount of loss. Mr. Prince said he requested the information from Liberty Mutual, at the time he had not received a response. Mr. Hixenbaugh thanked everyone involved in the need's assessment done by Alliance. He asked was the needs identified uniquely to the Liberty Mutual building. Mr. Prince said the assessment was done without a building in mind, they identified the basic needs before it was applied to a building.

Mr. Tanner requested information estimates of TIF funds utilized by utility projects per year to see how it would make sense potentially to do the proposed project out of TIF and bond out the remainder of the utility projects to the same degree they were looking to bond for the proposed building project. Mr. Prince explained there were individual projects that benefited either directly or indirectly to utilities. He said he would have to go through every single TIF project, pull out the number and give a ball park number which would vary extremely each year. Mr. Prince believed it would not beneficial to the ultimate point Mr. Tanner was looking for. He continued to say the telling number which was the number built into the rates at 3.36 million dollars going to Waste Water every single year and would continue forward and then compare it to the potential bond issue that would be issued to utilities which would roughly be in 1.4-million-dollar range. He added they had the projected expenditures and where they were going, which they presented to the Redevelopment Commission as part of the funding. Mr. Prince said they would be able to see every single project and where they money was distributed throughout the project.

Public hearing was closed on **RESOLUTION 2019-20** at 9:30 P.M.

Mr. Volker made a motion to continue **RESOLUTION NO. 2019-20** on August 05, 2019, same upon a second by Mr. Tanner motion carried.

Mr. Emmons announced there would be a Public Information Meeting for the proposed Liberty Mutual on August 01, 2019 at 6:30 P.M. He also thanked Mayor Wood and Mr. Prince for providing all the information to the council, the more information received as a council, the better they were prepared to honor the consideration.

Clerk Block read the following proposed ordinance by title and was opened for public hearing.

PROPOSED ORDINANCE NO. 2019-18

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MISHAWAKA AUTHORIZING THE INVESTMENT OF PUBLIC FUNDS PURSUANT TO IC 5-13-9-5 AND 5-13-9-5.3
(Investment of Public Funds Outside Mishawaka City Limits)

Committee report not given.

Rebecca Miller, City Controller explained the ordinance was for the approval to allow to investments in CD's outside of St. Joseph County and the City of Mishawaka. She said they used Baker Tilly (formerly Umbaugh) to assist to collect quotes. Ms. Miller stated by law the ordinance would need renewal every year opposed to every two years.

Mr. Emmons asked was this a new procedure. Ms. Miller replied no, they have been investing in CD's outside the limits for more than a few years. She continued to say as the city's bank advisors, Baker Tilly would ladder CD's and invest money the city had. Ms. Miller said they went out to bid, Baker Tilly collected information and she would give the approval for acceptance. She said this was part of the overall investment policy for the city.

Question was called for at 9:37 P.M. for **PROPOSED ORDINANCE NO. 2019-18 Vote: Motion carried by unanimous roll call vote (summary: Yes = 6).**
Yes: Mrs. Voelker, Mr. Tanner, Mr. Mammolenti, Mrs. Petko Reisdorf, Mr. Hixenbaugh, Mr. Emmons.Absent: Mr. Banicki. Thus, it becomes **ORDINANCE NO. 5661**

Mr. Banicki left meeting at 8:45 P.M.

NEW BUSINESS

Mr. Emmons announced there would be an information meeting regarding the Grandview Menards proposal on July 29, 2019 at 6 O'clock P.M. at the Holiday Inn in Toscana Park.

Mr. Tanner announced the Kamm Island Fest would be on July 17, 2019 from 5 to 9:30 P.M.

ADJOURNMENT 9:41 P.M.

Deborah S. Block /s/	Dale "Woody" Emmons /s/
Deborah S. Block, IAMC, MMC, City Clerk	Dale "Woody" Emmons, President