



South Bend

Redevelopment Commission

227 West Jefferson Boulevard, Room 1308, South Bend, Indiana

Agenda

Regular Meeting, July 27, 2017 9:30 a.m.

1. **Roll Call**
2. **Approval of Minutes**
 - A. Minutes of the Regular Meeting of Thursday, June 29, 2017
3. **Approval of Claims**
 - A. Claims Submitted July 27, 2017
4. **Old Business**
5. **New Business**
 - A. Receipt of Bids (Fat Daddy's) - Dave
 - B. River West Development Area
 1. First Amendment to Real Estate Purchase Agreement (Cressy & Everett)
 2. Budget Request (Charles Black Center)
 3. Budget Request (West Bank Trail)
 4. Budget Request (Bowman Creek Bridge)
 5. Budget Request (Lincolnway-Charles Martin Streetscape Improvements)
 - C. South Side Development Area
 1. Budget Request (Traffic Study Ireland Road)
 2. Budget Request (Erskine)
6. **Progress Reports**
 - A. Tax Abatement
 - B. Common Council
 - C. Other

7. Next Commission Meeting:

Thursday, August 10, 2017, 9:30 a.m.

8. Adjournment

NOTICE FOR HEARING AND SIGHT IMPAIRED PERSONS

Auxiliary Aid or Other Services are Available upon Request at No Charge.

Please Give Reasonable Advance Request when Possible.



South Bend

ITEM: 2A

Redevelopment Commission

227 West Jefferson Boulevard, Room 1308, South Bend, Indiana

SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

June 29, 2017

9:33 a.m.

Presiding: Marcia Jones, President

227 West Jefferson Boulevard
South Bend, Indiana

The meeting was called to order at 9:33 a.m.

1. ROLL CALL

Members Present:

Marcia Jones, President
Dave Varner, Vice President
Don Inks, Secretary
Kintae Lark, Commissioner
John Anella, Commissioner

Members Absent:

Gavin Ferlic, Commissioner

Legal Counsel:

Benjamin Dougherty, Esq.

Redevelopment Staff:

David Relos, Associate
Mary Brazinsky, Recording Secretary

Others Present:

James Mueller DCI
Elizabeth Maradik DCI
Conrad Damian 718 E Broadway
Bryan Glendening InGenAE
Kasey Watkins

2. Approval of Minutes

A. Approval of Minutes of the Regular Meeting of Thursday, June 15, 2017

Upon a motion by Secretary Inks, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, June 15, 2017.

3. Approval of Claims

A. Claims Submitted June 29, 2017

	Claims submitted	Explanation of Project
REDEVELOPMENT COMMISSION Redevelopment Commission Claims June 29, 2017 for approval		
<u>324 RIVER WEST DEVELOPMENT AREA</u>		
South Bend Tribune	59.40	Notice to Bidders
Hibberd Realty, Inc.	1,431.85	Document Delivery Notice
IDEM	300.00	Oliver-Plow
<u>429 FUND RIVER EAST DEVELOPMENT TIF</u>		
Walsh & Kelly Inc.	73,693.40	East Bank Sewer Separation - Phase V
Total	75,484.65	
Total Of Both Columns	75,372.15	

Upon a motion by Secretary Inks, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved the claims submitted on Thursday, June 29, 2017.

4. Old Business

None

5. New Business

A. River West Development Area

1. Resolution No. 3397 (Disposition Offering Price Fat Daddy’s – 505-513 S. Michigan St)

David Relos presented Resolution No. 3397 (Disposition Offering Price Fat Daddy’s – 505-513 S. Michigan St). The Commission has owned this property for close to ten years, but the disposition process has not been completed. To try to save one of the last remaining several building historic store fronts left in the downtown area, an incentive of up to \$1.7M to save, stabilize, brace, and demolish the buildings behind the East and North facades is being included for approval. These two facades would then be required to be incorporated in to new development behind them.

Vice-President Varner asked how the \$1.7M was set.

Mr. Relos stated that a year ago we commissioned Kil Architecture and Planning to see if the facades could be saved. The plans are to stabilize the facades, demolishing the rest of the buildings. New buildings would be built behind the historic facades. Those plans were recently reviewed and costs have gone up slightly due to the current construction market. The buildings are in similar deteriorating conditions, but it is felt the facades can be saved.

Vice-President Varner asked if the buildings are historically designated.

Mr. Relos stated they are not locally designated. In 1997 the South Michigan Street Historic District, a National Register Historic District, was approved and established which encompasses the Inwoods complex (the building to the north of Monroe/Michigan). The buildings are not locally designated and can be demolished if needed. The \$1.7M is to be used only if a developer can incorporate the facades in to their development. Mr. Relos stated that there are only 4 areas within a 21 block area where there are still 3 buildings with their historic facades.

Vice-President Varner asked if it would make more sense to offer \$750,000 to help save the facades as a contributing effort when we know it can be demolished. How important is that million dollars.

Mr. Relos stated it could very well cost more than \$1.7M to save the façades, and a developer would have to agree to cover the difference, in addition to the developer's investment in a new development.

Secretary Inks stated it is a big project, with the amount of money put in versus the investment. The demolition cost alone makes it an issue that needs to be addressed. Even when you are saving the facades, the dollar amount alone is large.

Vice-President Varner's suggestion is to look at how much it cost to save the facades. If it's going to cost a million dollars to save the facades and the rest is demolition costs, then what would their cost have been to put a new façade on the building. If it was going to cost \$200,000 to put a new face on the building, then take \$200,000 off the million. It should not be the Redevelopment Commission's total responsibility to save the façade if that is saving them money on construction.

Mr. Relos stated that due to the condition of the building there is not a lot of time to wait to advertise the buildings. The middle building has been fire damaged and exposed to the elements since it was acquired in 1998. According to the reports the facades may not withstand another winter. If they are to be saved, our time is limited.

Secretary Inks stated that he approves of the up to \$1.7M with some negotiations.

Mr. Relos stated that this location has a lot of potential, as it's in walking distance to the Transpo transfer station, Social Security office, post office, the Cove, the Library, and all of downtown's amenities. This is one of the only storefronts in the downtown area that has retained its original embellishments and character.

Secretary Inks made a motion to approve Resolution No. 3397 Disposition Offering Price Fat Daddy's – 505-513 S. Michigan St.). There was not a second.

Discussions continued.

Vice-President Varner said he would entertain the motion at a reduced amount. He would like to see what would happen if the property was put on the open market for 30 days and see if anyone steps forward during that time.

Mr. Relos stated that the Commission has owned the properties for close to ten years and no one has stepped forward. The fair market value is \$45,000 but they cannot be occupied as they stand. Someone can step up and offer \$45,000 for them but the Commission will want to make sure that they have the financial capacity to build a sound development for that area. That is a prominent block in the city with very high traffic counts.

The estimate to save the facades was \$1.5M last year and increased to \$1.7M due to higher construction costs.

Secretary Inks asked if we advertised at the lower price but found out the bidder needed a little more money, could we go back and adjust that price.

Mr. Dougherty, City Attorney, responded that we would have received a proposal under the advertisement being set forth today. The Commission could use their discretion to either accept or reject the proposal. If the proposal was rejected, you could then negotiate with someone else coming forward after the 30 day period.

Vice-President Varner stated he is uneasy about guaranteeing \$1.7M in an advertisement.

Mr. Dougherty stated that the nature of the advertisement does not create any obligation on behalf of the city. The obligation comes from the written purchase agreement.

It was agreed if the advertisement specifically included that the Commission's investment included demolishing the buildings behind, to clarify that would not be in addition to, so it would read in part: Strong emphasis will be placed during the review process on compatibility with the River West Development Area: the redevelopment efforts of the Central Business District, Coveleski Stadium, Renaissance District, the surrounding businesses and neighborhood; and with the Commission's investment of up to \$1,700,000, the ability to stabilize, brace, and repair the east and north historic facades; demolish the current structures behind them; and then incorporate these two facades into the project.

Upon a motion by Secretary Inks, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved Resolution No. 3397 (Disposition Offering Price Fat Daddy's – 505-513 S. Michigan St) submitted on June 29, 2017.

2. Approval of Bid Specifications (Fat Daddy's - 505-513 S. Michigan St)

David Relos presented Approval of Bid Specifications (Fat Daddy's – 505-513 S. Michigan St). The Bid specifications outline the uses and development requirements that will be considered for this site with the special caveat of the historical facades. The Commission agreed to the amended language as noted above in the approval of Resolution No. 3397.

Upon a motion by Secretary Inks, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved Bid Specifications (Fat Daddy's – 505-513 S. Michigan St) submitted on June 29, 2017.

3. Request to Advertise (Fat Daddy's - 505-513 S. Michigan St)

David Relos presented Request to Advertise (Fat Daddy's – 505-513 S. Michigan St). This disposition property will be advertised in both the South Bend Tribune and the Tri-County News on July 7 and July 14, 2017. The Commission agreed to the amended language as noted above in the approval of Resolution No. 3397.

Upon a motion by Secretary Inks, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved Request to Advertise (Fat Daddy's – 505-513 S. Michigan St) submitted on June 29, 2017.

4. Third Amendment to Real Estate Agreement (Cressy & Everett)

David Relos presented Third Amendment to Real Estate Agreement (Cressy & Everett). The original Purchase Agreement with Cressy did not include the approximate 26 acre wetland area, meaning if the Commission retained ownership, as Declarant under the Covenants would continue to have appointment and review responsibilities. Cressy has agreed to include the wetlands along with the other 14 Commission lots that were covered under the original agreement. They will then be responsible for its maintenance and property taxes. This additional lot is a designated wetland area and therefore its use would be subject to that restriction. The City does have drainage easements in this lot. This Amendment also assigns the Declarant functions to Cressy.

Per the Covenants, the Commission may assign these functions to another entity. By Cressy becoming the Declarant, they cannot change the Covenant or Bylaws by themselves, which can only be changed by a majority of lot owners. Cressy will own 15 of the current 36 lots.

Additionally, because of the potential environmental impact to the lots neighboring the Indiana State Police Post, Jones Petrie Rafinski was hired to install monitoring wells to see if there was migration off site to the Commission owned lots, which thankfully is not the case. The cost for this investigation is \$11,901.50, and will be credited to Cressy at closing.

Upon a motion by Vice-President Varner, seconded by Secretary Inks, the motion carried unanimously, the Commission approved Third Amendment to Real Estate Agreement (Cressy & Everett) submitted on June 29, 2017.

B. River East Development Area

1. Budget Request (Alliance Architects Professional Services Agreement) Howard Park

Elizabeth Maradik presented the Budget Request Howard Park (Alliance Architects Professional Services Agreement). As the City starts to wrap up some of the Riverfront Parks & Trails framework process, we are starting to implement the projects that are coming out of it, this one relating to Howard Park. The City wishes to engage Alliance Architects to develop a design for the first phase of construction, which includes the proposed buildings, ice surface & interactive water feature, playground, and the plaza & interconnecting spaces in between these elements. This agreement includes the completion of design work through the schematic design phase for the northeast corner of the park. Staff requests Commission approval of a budget of \$175,000 for the first phase of design work.

Upon a motion by Vice-President Varner, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the Budget Request (Alliance Architects Professional Services Agreement) Howard Park submitted on June 29, 2017.

C. Other

1. TIF Neutralization Professional Services Proposal (H.J. Umbaugh & Associates)

David Relos presented TIF Neutralization Professional Services Proposal (H.J. Umbaugh & Associates). This is the annual TIF Neutralization with Umbaugh and the price has stayed the same from the prior two years. They study all TIF areas, and adjust the base value if necessary by adjusting for natural growth in property values. Staff requests Commission approval for a not to exceed of \$12,500. State law requires this to be done annually.

Upon a motion by Secretary Inks, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved TIF Neutralization Professional Services Proposal (H.J. Umbaugh & Associates) submitted on June 29, 2017.

6. Progress Reports

- A. Tax Abatement
- B. Common Council
- C. Other

7. Next Commission Meeting:

Thursday, July 13, 2017, 9:30 a.m.

8. Adjournment

Thursday, June 29, 2017, 10:18 a.m.



David Relos, Economic Resources

Marcia I. Jones, President

ITEM: 3A

	Claims submitted	Explanation of Project
REDEVELOPMENT COMMISSION		
Redevelopment Commission Claims July 27, 2017 for ratified and approval		
<u>324 RIVER WEST DEVELOPMENT AREA</u>		
South Bend Tribune	56.63	Berlin Place - BP #2 MEP
Jones Petrie Rafinski	2,886.25	Monroe Parking Lot and St Improvements
HGR Group Inc.	75,448.43	JMS Building North Stairtower
Usbank	500.00	SB Redev. District Taxing District Refunding Bonds of 2014
Kolata Enterprises LLC	405.00	Professional Services
Abonmarche	3,227.36	Perley Primary Center Safe Routes to School Const. Inspection
Gibson-Lewis, LLC	83,688.70	Fire Station #4
Jones Petrie Rafinski	7,963.76	Courtyard by Marriott
DLZ	2,400.00	SB Olive & Tucker Survey
Kil Architecture Planning	3,569.15	Michigan St. Assessment
Community Investment	18,875.00	Legal Services
Tri County News	61.20	100 Wayne St Plaza and Streetscape
Selige Construction Co., Inc.	317,662.75	Western Ave & Olive St. Intersection Improvement
C & S Masonry Restoration	19,186.20	Leighton Pl Improvements, Ph. 2
HRP Construction Co.	54,887.75	Berlin Place Site Development
Gibson-Lewis, LLC	400,374.65	Fire Station #4
Hull & Associates Inc.	10,124.54	Consulting Services
United Consulting	25,559.44	Coal Line Trail PH I & II
Earth Exploration	6,998.00	Coal Line Trail
<u>429 FUND RIVER EAST DEVELOPMENT TIF</u>		
Tri County News	66.53	Newman Center Site Development
SmithGroup JJR	4,584.00	SB Riverfront Pks and Trails Master Plan
Tri County News	56.63	Demolition of Howard Pk Recreation Center
Walsh & Kelly Inc.	40,439.60	East Bank Sewer Separation - Ph. V
Total	1,079,021.57	



Department of
Community Investment

Redevelopment Commission Agenda Item

DATE: July 27, 2017
FROM: David Relos, Economic Resources *DR*
SUBJECT: First Amendment to Real Estate Purchase Agreement (Cressy)

This First Amendment (Amendment) with Cressy & Everett Commercial Corporation updates the original Real Estate Purchase Agreement approved May 11, 2017 for the former Gates Toyota property, a part of which currently houses the VA Clinic.

This Amendment extends the due diligence period 90 days, to allow further environmental and internal roof drain investigation.

Staff requests approval of the First Amendment to Real Estate Purchase Agreement with Cressy & Everett for the former Gates Toyota property.

INTERNAL USE ONLY: Project Code: _____ N/A _____
Total Amount new in budget: _____ N/A _____; broken down by:
Acct # _____ N/A _____
Going to BPW for Contracting? No Is this item ready to encumber now? N/A
Existing PO# _____ Inc/Dec \$ _____



FIRST AMENDMENT TO REAL ESTATE PURCHASE AGREEMENT

This First Amendment To Real Estate Purchase Agreement (this “First Amendment”) is made on July 27, 2017 (the “Effective Date”), by and between the South Bend Redevelopment Commission, the governing body of the City of South Bend Department of Redevelopment (“Seller”), and Cressy & Everett Commercial Corporation, doing business as Newmark Grubb Cressy & Everett, an Indiana corporation with its principal place of business at 4100 Edison Lakes Parkway, Suite 350, Mishawaka, Indiana 46545 (“Buyer”) (each a “Party,” and collectively the “Parties”).

RECITALS

A. Seller and Buyer entered into that certain Real Estate Purchase Agreement dated May 11, 2017 (the “Purchase Agreement”), for the purchase and sale of the Property (as defined in the Purchase Agreement) located in the City of South Bend.

B. Buyer continues its examination of the Property pursuant to Section 3 of the Purchase Agreement and has requested an extension of the Due Diligence Period.

C. Seller desires to grant the requested extension as stated in this First Amendment.

NOW, THEREFORE, in consideration of the mutual promises and obligations in this First Amendment and the Purchase Agreement, the adequacy of which consideration is hereby acknowledged, the Parties agree as follows:


1. In Section 3.B. of the Purchase Agreement, the term “ninety (90)” is deleted and replaced by the term “one hundred eighty (180).”
2. Unless expressly modified by this First Amendment, the terms and provisions of the Purchase Agreement remain in full force and effect.
3. Capitalized terms used in this First Amendment will have the meanings set forth in the Purchase Agreement unless otherwise stated herein.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereby execute this First Amendment To Real Estate Purchase Agreement to be effective on the Effective Date stated above.

BUYER:

Cressy & Everett Commercial Corporation,
doing business as Newmark Grubb Cressy & Everett,
an Indiana corporation


Printed: Edmund F. Bradley
Its: Sr. V.P.
Dated: 7-19-17

SELLER:

City of South Bend, Department of Redevelopment,
by and through its governing body, the South Bend
Redevelopment Commission

Marcia I. Jones, President

ATTEST:

Donald E. Inks, Secretary

4000.0000091 40734703.001



Department of
Community Investment

Redevelopment Commission Agenda Item

DATE: July 21, 2017
FROM: Liz Maradik, Planner
SUBJECT: Charles Black Recreation Center Renovation & Addition – Budget Request

PURPOSE OF REQUEST:

The City of South Bend wishes to complete improvements at the Charles Black Recreation Center in order to meet the current and future needs of the facility and its users. The renovations will include an expanded gym, community rooms, music studio, and bathrooms. Benefits of the renovation will include greatly enhanced community programming capacity as well as improved aesthetic appearance, ADA access, safety/security, and even revenue streams. The Center is not within the TIF but it serves the TIF. Improvements will be funded through Parks Bond and TIF funding.

Staff requests Commission approval of a budget of \$1,500,000 towards the Charles Black Recreation Center renovation and addition work.

INTERNAL USE ONLY: Project Code: TBD
Total Amount **new**/change (inc/dec) in budget: \$1,500,000; broken down by:
Acct # 324.1050.460.42.02 Amt: \$; Acct # Amt: ;
Acct # Amt: ; Acct # Amt: ;
Going to BPW for Contracting? **Y**/N Is this item ready to encumber now? Yes
Existing PO# Inc/Dec \$





Department of
Community Investment

Redevelopment Commission Agenda Item

DATE: July 21, 2017
FROM: Liz Maradik, Planner
SUBJECT: West Bank Trail Improvements – Budget Request

PURPOSE OF REQUEST:

The City of South Bend wishes to implement improvements to the West Bank Trail as recommended in the Riverfront Parks & Trails conceptual framework. The City would like to complete design work, and ultimately construction, of improvements for the portion of trail located between LaSalle and Jefferson – including Gwen Stiver Park, Pier Park, and the connection between Island Park and the Jefferson Blvd. bridge.

Staff requests Commission approval of a budget of \$250,000 towards work related to improving the West Bank Trail.

INTERNAL USE ONLY: Project Code: TBD
Total Amount **new**/change (inc/dec) in budget: \$250,000; broken down by:
Acct # 324.1050.460.31.06 Amt: \$; Acct # Amt: ;
Acct # Amt: ; Acct # Amt: ;
Going to BPW for Contracting? **Y**/N Is this item ready to encumber now? Yes
Existing PO# Inc/Dec \$





Department of
Community Investment

Redevelopment Commission Agenda Item

DATE: July 27, 2017
FROM: Jitin Kain
SUBJECT: Budget Request (Bowman Creek Bridge)

PURPOSE OF REQUEST:

Seeking approval of funding in the amount of \$40,000 from RWDA to support the construction of a pedestrian bridge over Bowman Creek in Ravina Park. This is part of a larger Bowman Creek bank stabilization project with funding being provided by the Pokagon Band.

INTERNAL USE ONLY: Project Code: _____
Total Amount new/change (inc/dec) in budget: _____; broken down by:
Acct # _____ Amt: \$40,000 ; Acct # _____ Amt: _____;
Acct # _____ Amt: _____; Acct # _____ Amt: _____;
Going to BPW for Contracting? Y/N Is this item ready to encumber now? _____
Existing PO# _____ Inc/Dec \$ _____





Department of
Community Investment

Redevelopment Commission Agenda Item

DATE: July 27, 2017
FROM: Michael Divita, Planner *MD*
SUBJECT: Project Budget for Lincolnway-Charles Martin Streetscape Improvements

Staff requests approval of a project budget of \$135,000 from the River West Development Area for engineering costs for streetscape improvements around the Lincolnway West-Charles Martin Sr. Drive intersection.

As part of its implementation of the *West Side Main Streets Revitalization Plan*, the City of South Bend proposes to make improvements creating an environment more inviting to commercial and residential investment. This project would include the following elements:

- Rightsizing the Lincolnway West-Charles Martin Sr. Drive (formerly MLK Drive and Chapin Street) intersection to promote safety and pedestrian crossings,
- Reconfiguring the Leland Avenue-Marion Street-Scott Street connections just north of the intersection to promote greater neighborhood access and to tie into recent Smart Street improvements to the Marion/Madison Streets area, and
- Prepare City-owned land near the northwest corner of the Lincolnway-Charles Martin intersection for development.

As necessary, curbs, sidewalks, driveway approaches, and street pavement will be replaced. Street trees, other landscaping, and decorative lighting will be added, while scrub vegetation, dilapidated fencing, and excess pavement will be removed.

Engineering work will proceed through the remainder of 2017. Tentatively, funds for construction will be requested in early 2018 for the project to be bid then with work starting in the spring.

INTERNAL USE ONLY: Project Code: 17JL01

Total Amount **new**/change (inc/dec) in budget: \$135,000 ; broken down by:

Acct # 324.1050.460.31.02 Amt: \$135,000 ; Acct # _____ Amt: _____ ;

Acct # _____ Amt: _____ ; Acct # _____ Amt: _____ ;

Going to BPW for Contracting? **Y**/N

Is this item ready to encumber **now**? Yes, with BPW approval on 7/25

Existing PO# _____ Inc/Dec \$ _____





Department of
Community Investment

Redevelopment Commission Agenda Item

DATE: July 25, 2017
FROM: Patrick C. Kerr, Ph.D., P.E., Director of Redevelopment Engineering
SUBJECT: Budget for Ireland Rd Traffic Study

PURPOSE OF REQUEST:

In working with Redevelopment staff, Public Works has identified a need to address the traffic on Ireland Road. It is anticipated that in order to serve future developments along Ireland Road, particularly the developments on St. Joseph Street, the existing system capacity may be insufficient and that improvements to the system may be required.

The budget funds will be utilized for professional engineering services to study the Ireland Road Corridor. Staff requests approval of \$15,000 from the SSDA for the project.

INTERNAL USE ONLY: Project Code: **TBD**
Total Amount new/change (inc/dec) in budget: _____; broken down by:
Acct # **430-1050-460-31.02** Amt: **\$15,000**; Acct # _____ Amt: _____;
Acct # _____ Amt: _____; Acct # _____ Amt: _____;
Going to BPW for Contracting? /N Is this item ready to encumber now? **Yes**
Existing PO# _____ Inc/Dec \$ _____





Department of
Community Investment

Redevelopment Commission Agenda Item

DATE: July 21, 2017
FROM: Liz Maradik, Planner
SUBJECT: Erskine Golf Course Improvements – Budget Request

PURPOSE OF REQUEST:

The City of South Bend wishes to make improvements to the facilities located at Erskine Golf Course. The existing clubhouse and course require improvements so it meets the current and future needs of its users. These improvements will support and enable the golf development plan as outlined by the Director of Golf at the July 17th Park Board meeting as well as help to protect one of the largest Park assets in the City for the future. Staff requests Commission approval of a budget of \$1,000,000 to support the design and construction of improvements at Erskine Golf Course.

INTERNAL USE ONLY: Project Code: TBD
Total Amount **new**/change (inc/dec) in budget: \$1,000,000; broken down by:
Acct # 430.1050.460.31.06 Amt: \$; Acct # Amt: ;
Acct # Amt: ; Acct # Amt: ;
Going to BPW for Contracting? **Y**/N Is this item ready to encumber now? Yes
Existing PO# Inc/Dec \$

