



CITY OF SOUTH BEND

EXCELLENCE | ACCOUNTABILITY | INNOVATION | INCLUSION | EMPOWERMENT

Department of Community Investment

October 26, 2017

Today's Agenda

1. DCI Mission
2. Organizational Structure
3. KPI's
4. 2017 Accomplishments
5. Overview of Redevelopment Funds
6. 2018 Goals and Challenges

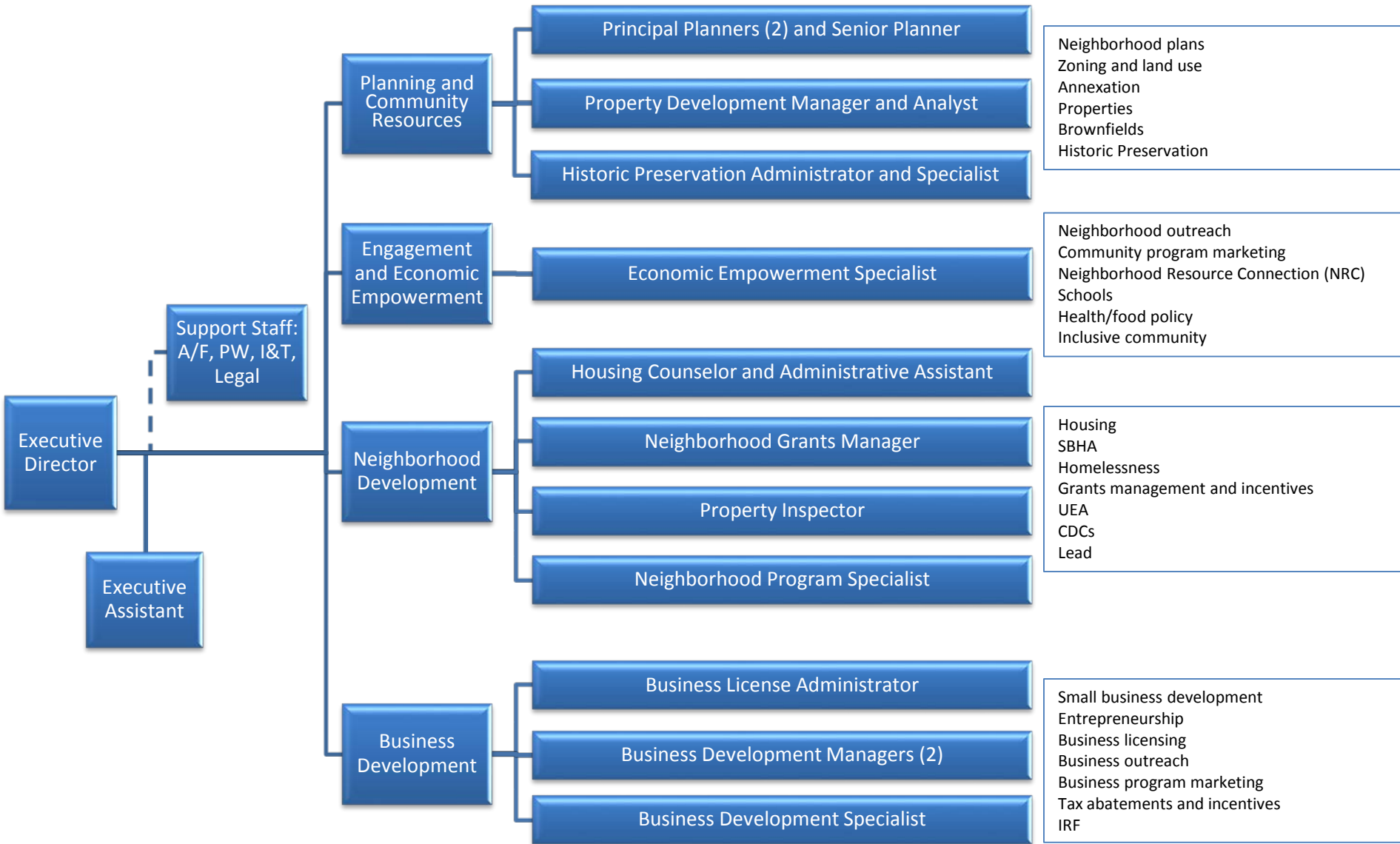


To spur investment in a stronger South Bend

1. Attracting & retaining growing businesses
2. Connecting residents to economic opportunities
3. Planning for vibrant neighborhoods



Organization



Community Investment Budget

City Funds

209 - Studebaker/Oliver
210 - State Grants
211 - DCI Operating
212 - Fed Grants
217 - Gifts, Donations
281 - EDC Bonds
404 - COIT
408 - EDIT
410 - UDAG

Capital/Debt Service Funds

317 - Coveleski
677 - Hall of Fame
753, 756 - Smart Streets
752 - Redevelopment

Redevelopment

315, 328 - RA Bonds
324 - River West
422 - W. Washington
425 - Leighton
429 - River East
430 - South Side
432 - Erskine Village
433 - Redev Admin
435 - Douglas Road
436 - River East Res.
454 - AUEZ



Key Performance Indicators

Measure	2016 Actual	2017 Est.	2018 Goal
Jobs announced from projects	593	655 YTD	300
Private investment from projects	\$207M	\$155M YTD	\$100M
Owner-occupied rehab	38	40	80
Rental assistance	17	32	34
Housing counseling	290	260	250
Homebuyers assisted	13	15	20
Residential units	475	264 YTD	300



2017 Accomplishments

Infrastructure, Transportation, and Parks

- Downtown Two-Way
- Financing plan for parks & trails capital investments throughout our City (\$16.38m TIF)
- Western Avenue - Phase II
- Fellows Street
- South Shore double tracking and relocation projects
- Bikeshare

Public Safety

- Fire station 4
- Property acquisition for fire station 9

Homelessness

- Weather amnesty shelter
- FUSE housing first project
- Homelessness working group action plan



2017 Accomplishments

Major Developments

Openings

- LaSalle Hotel
- Marriott
- Aloft
- JMS
- Martins



Underway

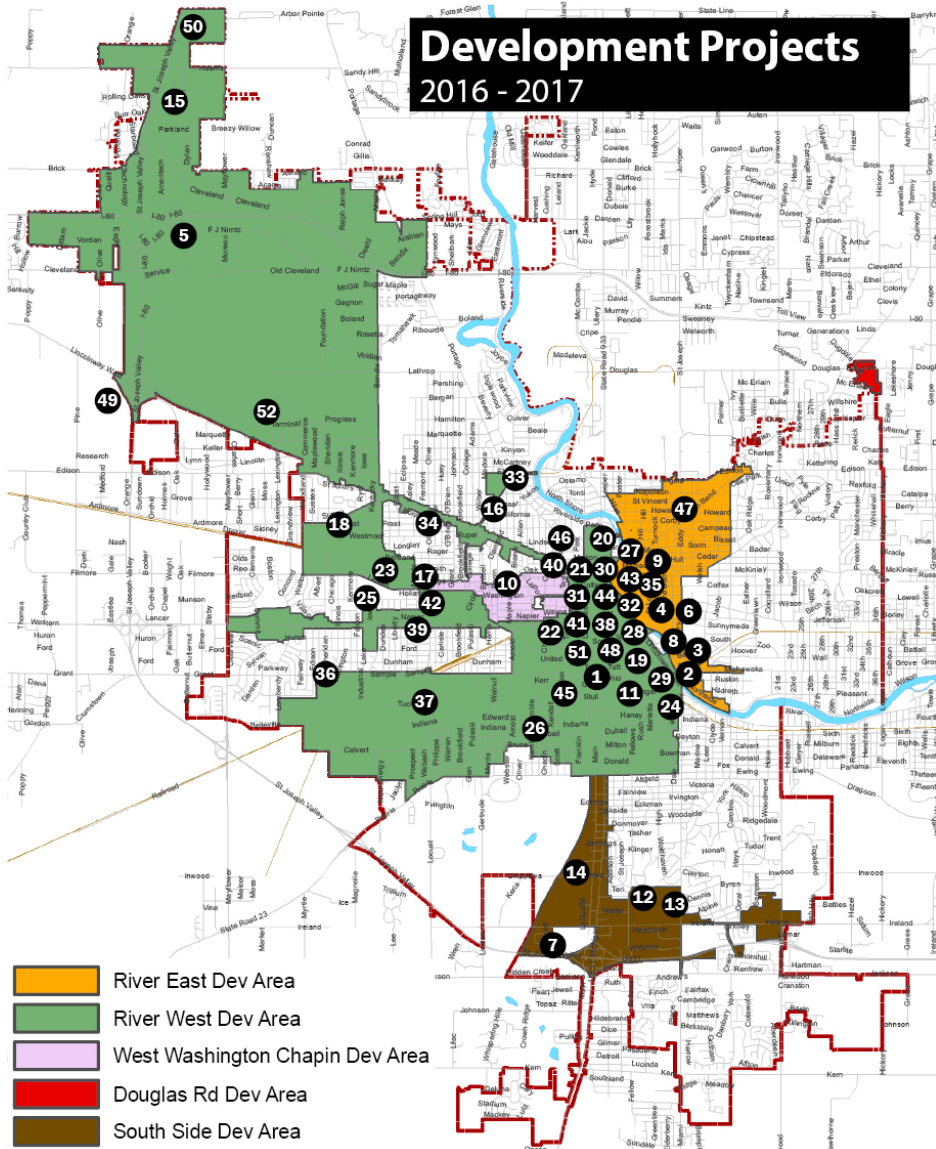
- Eddy Street Phase II
- Berlin Place
- Studebaker façade
- Newman Center
- East Bank Phase 5
- Portage Prairie
- Holiday Inn
- Hibberd
- Embassy Suites



Announced: Commerce Center, Wharf, South Bend Chocolate Factory, VA



2017 Accomplishments



- 1 Bare Hands Brewery
- 2 Newman Center
- 3 Eddy, Sample, Beyer Improvements
- 4 Howard Park Improvements
- 5 Career Academy
- 6 Michiana Brick
- 7 Bowen Street
- 8 Riverfront Parks & Trails
- 9 Wharf Development
- 10 City Cemetery Park
- 11 Bowman Creek Improvements
- 12 Erskine Drainage Improvements
- 13 Erskine Club House
- 14 South Well Field Improvements
- 15 Chet Waggoner Drive
- 16 Coal Line Trail
- 17 Fire Station #4
- 18 Unity Gardens
- 19 West Bank Trail Improvements
- 20 Patel Plaza
- 21 Saigon Market Site Improvements
- 22 The Ivy @ Berlin Place
- 23 Bosch
- 24 Bowman Creek / Ravina Park
- 25 Charles Black Improvements
- 26 FUSE
- 27 Downtown Streetscape
- 28 Hibberd Plaza
- 29 Langlab
- 30 LaSalle Hotel
- 31 Leighton Plaza
- 32 Marriott Hotel
- 33 Portage Avenue Bridge
- 34 Project Lead the Way
- 35 Riverfront Edge Adventure
- 36 Sample / Sheridan
- 37 Tucker Drive
- 38 One Michiana Square
- 39 Western Avenue Street Scape
- 40 LWW / Charles Martin Intersection
- 41 Cove Lot 4 Paving
- 42 Olive Street Metronet
- 43 Commerce Center
- 44 JMS
- 45 Ignition Park
- 46 Civic Theatre Firehouse
- 47 Eddy Street Phase 2
- 48 Fat Daddy's
- 49 SB Chocolate
- 50 Portage Prairie
- 51 Studebaker Building 84
- 52 South Shore



WHAT IS TIF ?

- Tax Increment Financing or TIF is a financing mechanism that provides funding for economic development purposes within the district.
- TIF captures the growth in property taxes due to new development.
- Redevelopment Statute / IC 36-7-14 (1975)





PURPOSE & BENEFITS of TIF

Existing property assessed value is part of tax base for all overlapping taxing units

Before

$$\text{Base NAV} \times \text{Tax Rate} = \text{Taxes}$$

- County
- Schools
- Library
- City

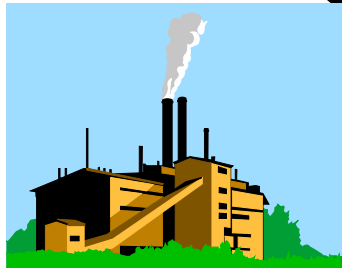




PURPOSE & BENEFITS of TIF

Capture growth in real property assessed value

After



$$\text{Incremental Assessed Value} \times \text{Tax Rate} = \text{TIF Taxes}$$



Redevelopment
Commission
Allocation
Fund



$$\text{Base Assessed Value} \times \text{Tax Rate} = \text{Taxes}$$



County
School
Library
City/Town



PURPOSE & BENEFITS OF TIF

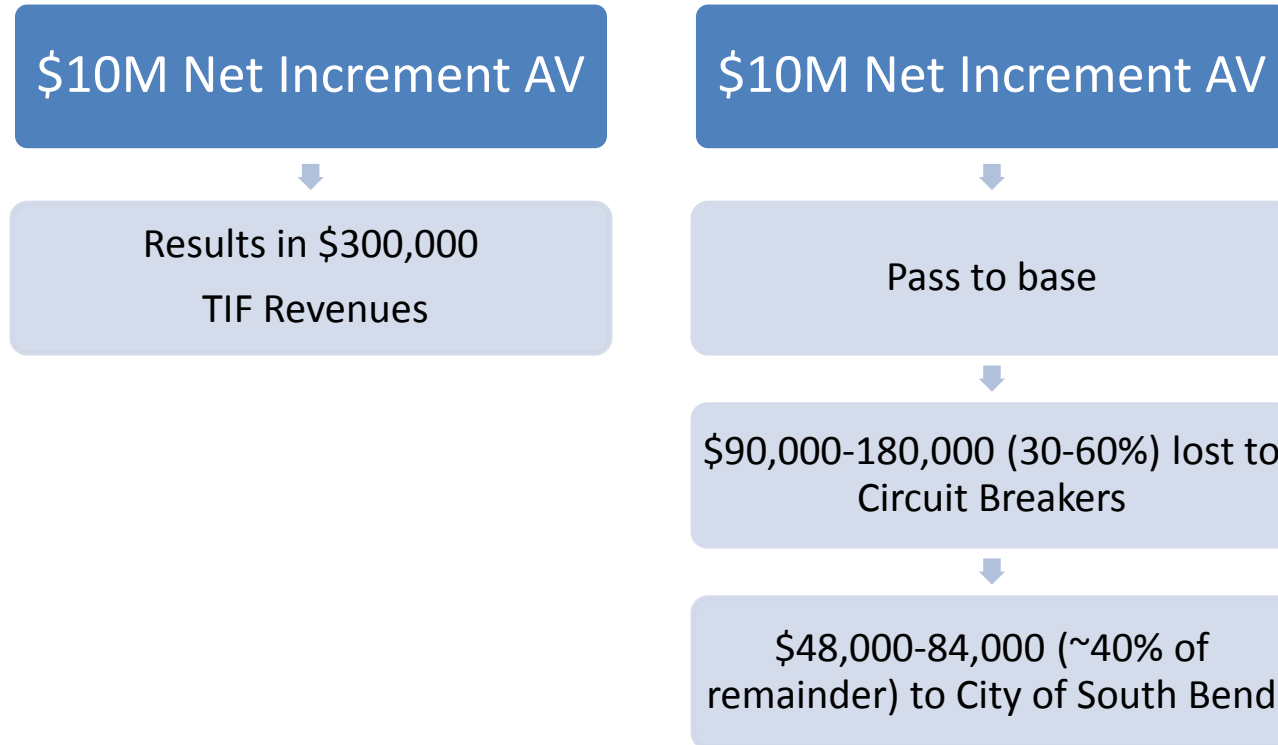
TIF Revenues are used to pay for local public improvements needed to induce private development, encourage job creation/retention or improve areas needing redevelopment.

- Acquisition of land, rights-of-way, and other property for redevelopment
- Buildings
- Capitalized interest and a debt service reserve for the bonds
- Improve infrastructure (streets, sidewalks, lighting, sewers)
- Parking facilities
- Personal property/equipment
- Professional service expenses related to economic/redevelopment activities or the issuance of bonds
- Public facilities
- Support (project-specific) training and workforce development programs

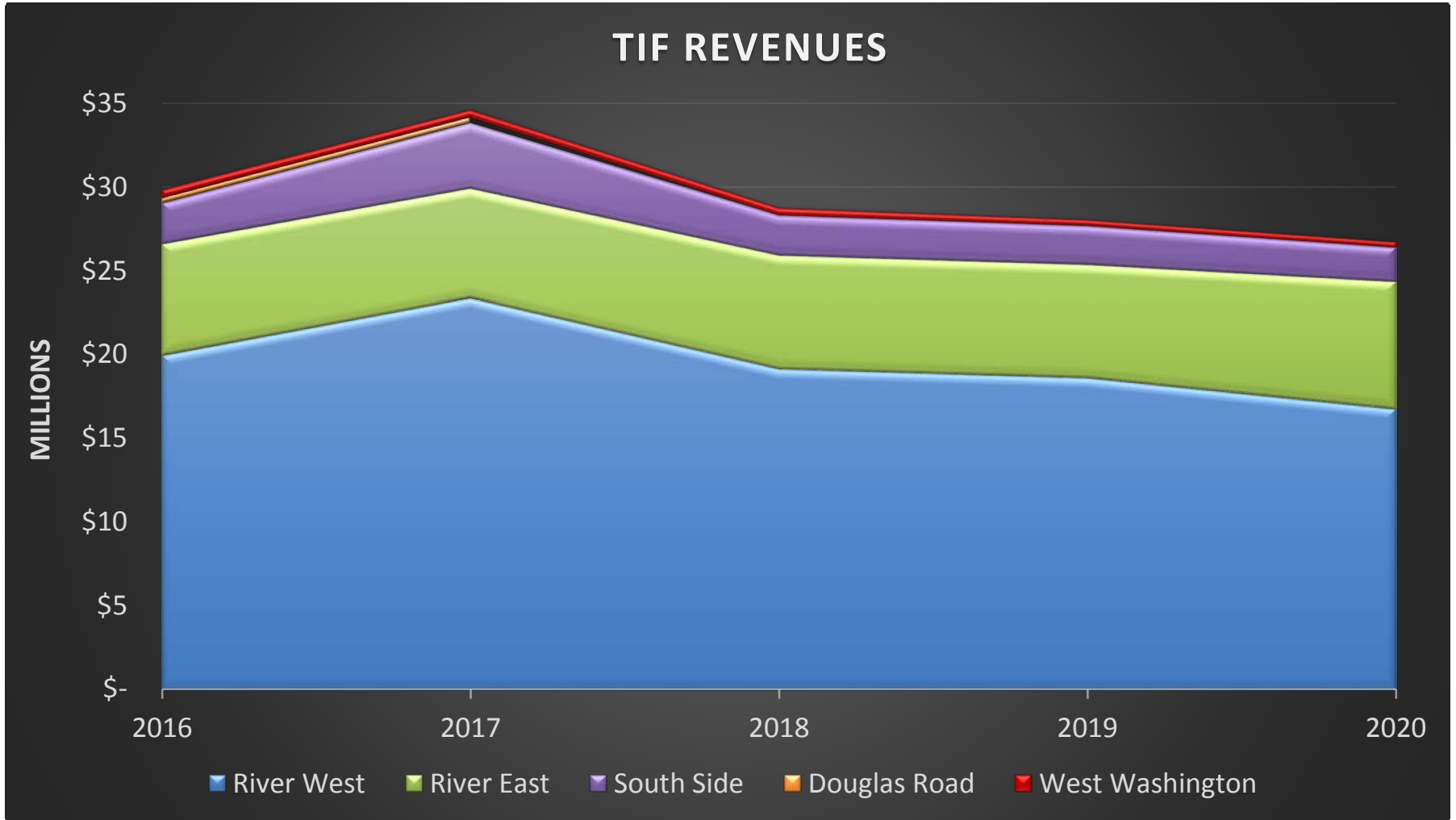




TIF PASS-THROUGH IMPACT



Overview of Redevelopment Funds



Overview of Redevelopment Funds

\$29 million expected revenue across all TIF areas

\$13.5m for debt service leaves \$15.5m

Major Projects for 2018

1. \$2m for improvements to Lincolnway West/Charles Martin Sr. node
2. \$4.5m for public works including water infrastructure
3. \$1.5m for South Shore
4. \$1m to create and operate inclusive technology resource center
5. \$1.5m to construct gateway shelter for the homeless
6. \$580,000 for Parks in addition to bond financing
7. \$479,000 for city cemetery
8. \$2.5m for Commerce Center development
9. \$1.7m to demolish and restore Fat Daddy's
10. \$1.2m to stabilize Lafayette building
11. \$1m to expand sewer infrastructure to developments west of airport
12. \$1m for Historic Lincoln Way West homes



2018 Goals and Challenges

Goals

1. Implement processes associated with new organizational structure
2. Advance neighborhood development program, move more vacant lots to valuable uses
3. Increase connectivity of neighborhoods to and around downtown
4. Continue implementation of Corridor, SE Master, and City Cemetery plans
5. Update Redevelopment Area plans
6. Zoning reform
7. Improve engagement and information sharing, including better accessibility of information online (e.g. city property database)
8. Pilot economic empowerment programs
9. Increase focus of business development team on small business and workforce development

Challenges

1. Big box store appeals
2. Macroeconomic trends



2018 Appropriations

	Fund 324	Fund 422	Fund 429	Fund 436	Fund 430	Fund 435	Fund 433	Fund 425	Fund 454	Fund 315	Fund 328	
					South Side				Airport/ Urban	Airport Bond	Downtown Bond	
	River West	West Washington	River East Dev. Area	River East Res. Dev. Area	Area #1 (General)	DREDA	Redevelopment Admin	Redevelop- ment Retail	Enterprise Zone	Debt Service Reserve	Debt Service Reserve	Totals
Actual Cash @ 9/30/2017	29,237,738	2,106,582	8,045,645	1,552,863	6,998,265	40,136	7,382	167,688	386,126	1,036,904	1,735,840	51,315,169
Cash @ 12/31												
Anticipated	\$38,300,093	\$2,300,184	\$8,246,156	\$2,531,926	\$8,009,450	\$149,334	\$5,223	\$167,688	\$386,995	\$1,036,888	\$1,732,472	\$62,866,408
Cash with Fiscal Agent	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash @ 12/31	38,300,093	2,300,184	8,246,156	2,531,926	8,009,450	149,334	5,223	167,688	386,995	1,036,888	1,732,472	62,866,408
Less: Encumbrances expected @ 12/31/17	22,509,434	865,868	4,845,468	0	4,721,836	8,608	0	0	0	0	0	32,951,213
Add:												
TIF settlement anticipated	18,358,133	420,000	2,300,000	4,405,723	2,400,000	0	0	0	0	0	0	27,883,856
Hotel/Motel Tax Receipts (Century Ctr Bond)	395,000	0	0	0	0	0	0	0	0	0	0	395,000
Other Income	434,000	16,000	57,000	2,500	10,000	351	135	197,014	3,900	14,000	20,000	754,900
Subtotal Revenue	19,187,133	436,000	2,357,000	4,408,223	2,410,000	351	135	197,014	3,900	14,000	20,000	29,033,756
Subtotal Available for Appropriation this year	\$34,977,792	\$1,870,316	\$5,757,688	\$6,940,149	\$5,697,614	\$141,077	\$5,358	\$364,702	\$390,895	\$1,050,888	\$1,752,472	\$58,948,951
Anticipated Cash balance at 2018 year end	7,477,792	870,316	3,007,688	2,620,149	1,697,614	627	858	206,536	340,895	1,036,888	1,732,472	18,991,835
	0	0	0	0	0	0	0	0	0	0	0	0
Total Appropriation for 2018	\$27,500,000	\$1,000,000	\$2,750,000	\$4,320,000	\$4,000,000	\$140,450	\$4,500	\$158,166	\$50,000	\$14,000	\$20,000	\$39,957,116
Debt Service	(9,041,038)	0	0	(4,309,272)	0	0	0	0	0	0	0	(13,350,310)
Annual Operations	(397,827)	0	0	0	0	0	0	(158,166)	0	0	0	(555,993)
Projects under discussion	(17,615,000)	(478,900)	(2,500,000)	0	(3,080,000)	(140,450)	0	0	(50,000)	0	0	(23,864,350)
Project Management & Fees	0	0	0	0	0	0	(4,500)	0	0	0	0	(4,500)
Transfer to other fund	0	0	0	0	0	0	0	0	0	(14,000)	(20,000)	(34,000)
Other	0	0	0	0	0	0	0	0	0	0	0	0
Discretionary Amount in Development Opp. Reserve	\$446,135	\$521,100	\$250,000	\$10,728	\$920,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,147,963

