



South Bend  
**Redevelopment Commission**  
227 West Jefferson Boulevard, Room 1308, South Bend, IN

**SOUTH BEND REDEVELOPMENT COMMISSION  
RESCHEDULED MEETING**

June 28, 2018  
9:30 a.m.  
Presiding: Marcia Jones, President

227 West Jefferson Boulevard  
South Bend, Indiana

The meeting was called to order at 9:30 a.m.

**1. ROLL CALL**

Members Present:            Marcia Jones, President  
                                      Dave Varner, Vice-President  
                                      Don Inks, Secretary  
                                      Gavin Ferlic, Commissioner  
                                      Quentin Phillips, Commissioner

Members Absent:            Leslie Wesley, Commissioner

Legal Counsel:             Sandra Kennedy, Esq.

Redevelopment Staff:     David Relos, RDC Staff  
                                      Mary Brazinsky, Board Secretary

Others Present:             James Mueller                     DCI  
                                      Daniel Buckenmeyer             DCI  
                                      Tim Corcoran                     DCI  
                                      Austin Gammage                 DCI  
                                      Elizabeth Leonard Inks         DCI  
                                      Kyle Silveus                     Engineering  
                                      Amy Kryston                     Engineering  
                                      Caleb Bauer                     South Bend Tribune  
                                      Eric Henderson                 Prism Environmental  
                                      Conrad Damian                 718 E Broadway  
                                      Dan Boecher                     JSK  
                                      AJ Patel                         JSK  
                                      Jim Boghare                     807 W Washington  
                                      Marco Mariani                 South Bend Heritage  
                                      Mark Neal & Stelios Hatzakis    Liberty Tower

South Bend Redevelopment Commission Regular Meeting – June 28, 2018

2. Approval of Minutes

A. Approval of Minutes of the Regular Meeting of Thursday, May 24, 2018

Upon a motion by Vice-President Varner, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, May 24 2018.

3. Approval of Claims

A. Claims Submitted June 28, 2018

	Claims submitted	Explanation of Project	Items added after Agenda Distributed
<b>REDEVELOPMENT COMMISSION</b>			
Redevelopment Commission Claims June 28, 2018 for approval & ratify			
<b>324 RIVER WEST DEVELOPMENT AREA</b>			
Kolata Enterprise LLC	405.00	Professional Services	
Gibson-Lewis, LLC	257,856.66	Fire Station #1	
Century Center	28,834.20	Vestibule Heater Replacement	
Gibson-Lewis, LLC	532,052.87	Charles Black Center Renovation	
Gibson-Lewis, LLC	63,816.54	Fire Station #3	
Kil Architecture Planning	6,065.00	Repair Damaged Roof Joist once the Current Roof Is Removed Lafayette Building	
ABZ	34,987.50	Airport Annexation A&Z Topographic Survey along US 20/Sanitary Sewers Design Ph. Geotechnical/Potholing	
ARC	111.63	Downtown Cross St. Print	
Selge Construction Co., Inc.	2,338.52	Western Ave and Olive St. Intersection Improvement	
CBS Service, LLC	310,920.75	Berlin Place No. 2 Electrical, Mechanical & Plumbing	
Aecom	17,324.62	South Shore Feasibility Study	
Ram Construction Services of Michigan, Inc.	40,811.83	Leighton Deck Coatings - Ph. II	
Opticos	39,016.00	South Bend Cigarette	
Slettle Roofing & Sheet Metal	153,091.30	Lafayette Building Roofing	
IDEM	1,481.25	Olive Plow	
Edward J White Inc.	30,263.17	Vestibule Heater Replacement	
Premium Concrete Services	118,648.64	100 Wayne St. Plaza and Streetscape	
Lochmuller Group	23,939.36	Lincolnway Rehabilitation	
DLZ	765.00	So. Bend Tucker Drive	
Abonmarche	6,000.00	Lincoln Way West and Charles Martin St. Intersection	
AT&T	6,140.46	Remove their lines in the Hamilton Towing Block	
Walsh & Kelly Inc.	20,786.48	Monroe St. Parking Lot	
Dynamic Mechanical Services	72,039.45	Langlab HVAC Improvements	
Hull & Associates Inc.	4,187.50	General Consulting / GW Evaluation Studebake	4,187.50
<b>422 FUND WEST WASHINGTON DEVELOPMENT AREA</b>			
DLZ	8,462.00	So. Bend Colfax Ave Two-Way	
<b>429 FUND RIVER EAST DEVELOPMENT TIF</b>			
Lawson-Fisher Associates P.C	8,582.88	Corby St. Storm Sewer System Evaluation	
Christopher B. Burke Engineering, LLC	2,192.25	East Race Sewer Analysis	
<b>430 FUND SOUTH SIDE TIF AREA #1</b>			
Farrington Appraisals	3,225.00	Kohl Consulting	
Kil Architecture Planning	37,874.48	Erskine Clubhouse Remodeling Ph. II	
Associated Property Counselors, Ltd.	7,500.00	Appraisal Review 1290 Ireland Rd Kohl's	
Botkin & Hall, LLP	4,659.31	Title / copies color & black Kohl's	
Donohue & Associates	2,175.00	South Wellfield	
Jones Petrie Rafinski	1,923.75	St. Joseph Streetscape Improvements	
Barnes & Thornburg LLP	1,332.00	RC Committee Matters	
<b>Total</b>	<b>1,849,810.40</b>		<b>4,187.50</b>

Upon a motion by Secretary Inks, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the claims submitted on Thursday, June 28, 2018.

4. Old Business

**5. New Business**

**A. River West Development Area**

**1. Second Amendment to Real Estate Purchase Agreement (Franklin Street Technology Park, LLC)**

Mr. Relos presented Second Amendment to Real Estate Purchase Agreement (Franklin Street Technology Park, LLC). This updates the deed for Hamilton Towing Block. When we entered into the agreement with them it had multiple parcel numbers on the plat. Since then it has been re-platted and is now one lot. The legal description now matches the deed. We ask Commission approval.

Upon a motion by Commissioner Ferlic, seconded by Commissioner Phillips, the motion carried unanimously, the Commission approved the Second Amendment to Real Estate Purchase Agreement (Franklin Street Technology Park, LLC) submitted on June 28, 2018.

**2. Third Amendment to Development Agreement (Heading for Home LLC)**

Mr. Mueller presented Third Amendment to Development Agreement (Heading for Home LLC). The Commission approved a project scope for Berlin Flats a few months ago. The bids were over by \$45,000 and the developer's will cover the cost of the overage. We will have to appropriate for the full amount but we will be reimbursed for this amount. We ask for Commission approval.

Upon a motion by Secretary Inks, seconded by Commissioner Phillips, the motion carried unanimously, the Commission approved the Third Amendment to Development Agreement (Heading for Home LLC) submitted on June 28, 2018.

**3. Development Agreement (Liberty Tower)**

Mr. Mueller presented Development Agreement (Liberty Tower). Mr. Mueller stated that Phase I has been completed on Liberty Tower and we are now entering into Phase II this project. Phase II will include retail space, exterior finishes and façade. Phase III will finish off the top floors. The agreement is for \$2.72 million in private investment with the public investment of \$1 million.

Stelios Hatzakis representing Liberty Tower is collaborating with Bradley to find candidates for the retail space. The total square footage is 10,000 for each floor (2 floors). They are open to combining the space to create an urban market or to develop something creative to the growing vibrant downtown South Bend area.

Upon a motion by Secretary Inks, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the Development Agreement (Liberty Tower) submitted on June 28, 2018.

**4. Second Amendment to Development Agreement (GLC)**

Mr. Mueller presented Second Amendment to Development Agreement (GLC). The Commission approved this agreement years ago with Catalyst I, II and III. Catalyst I and II have been constructed and are filling up. This amendment extends the deadline for Catalyst III for 12 months and reduces the commitment from \$900,000 to \$300,000 which will free up funds for the next item on the agenda which Catalyst has agreed to.

Upon a motion by Vice-President Varner, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the Second Amendment to Development Agreement (GLC) submitted on June 28, 2018.

**5. Budget Request (Technology Resource Center)**

Mr. Mueller presented Budget Request (Technology Resource Center). The \$600,000 freed up from Catalyst III will go towards the Technology Resource Center. Last year the Commission approved \$3 million towards the Technology Resource Center contingent on the wireless grant. We did not receive the grant, however, we received a lot of encouraging feedback.

Santiago Garces, Chief Innovation Officer states that the City has been in private conversations with several businesses that want to have a presence in city, industry and academia working together in places where there is interesting activity building their businesses up and also a place for technical programming with area workforce. They city has decided to build a better ecosystem leveraging from the data analytics pool and other resources throughout South Bend to attract and retain new and exciting businesses. With approval from the Redevelopment Commission we would like to move forward with the Technology Resource Center.

Mr. Mueller states the overall request is \$2.78 million over 4 years that will cover the build out of space in Catalyst II, programming and training expenses. Mr. Mueller does anticipate support from technology vendors such as Microsoft for equipment. He does feel we are a contender for other grants. He said this will be a catalyst for Ignition Park and brining private businesses into South Bend.

Mr. Garces states that we are reacting to an increasing need to the area. We've been increasing our success rate with grants and are a finalist with the Mayor's innovation grant and have received \$100,000 in 2018. There is a possibility that we could still win between \$1 million and \$5 million dollars with the Mayor's innovation grant.

Mr. Garces states that in 4 years we can re-evaluate the program, however, he thinks it will be self-sustaining with a strong operating model. A portion of the staffing will come from existing city staff. Mr. Garces feels that participating companies will reimburse the city making this a self-sustaining project. Mr. Garces states that his team went to City Executives with a proforma and a business model to be considered for this project. The program would be drawing companies from a National level including Smart City projects. We have been receiving a growing number of calls from interested businesses that want more

information about our program.

Mr. Buckenmeyer states from an Economic Development perspective it is a wonderful development. We have had West Coast Venture Capitalist with existing companies talking about moving multiple businesses and including their families here based on this resource.

Upon a motion by Vice-President Varner, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the Budget Request (Technology Resource Center) submitted on June 28, 2018.

**6. Certificate of Completion (Southhold LLC)**

Mr. Buckenmeyer presented Certificate of Completion (Southhold LLC). The new Marriott opened on a record weekend with Notre Dame's Graduation. Their development agreement had committed to \$10 million in private investment and the actual was over \$12 million. They had committed to hiring 38 employees and they hired 42. They have 5 hotels in the South Bend area with one opening on the Southside soon. We are happy to report that they have exceeded their development agreement terms and would like to present them with the Certificate of Completion.

Upon a motion by Secretary Inks, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved the Second Amendment to Certificate of Completion (Southhold LLC) submitted on June 28, 2018.

**7. Fifth Amendment to Development Agreement (Southhold LLC)**

Mr. Buckenmeyer presented the Fifth Amendment to Development Agreement (Southhold LLC). We have worked hard to create a great outcome for the city. This development agreement was started several times never coming to fruition due to many factors including HVAC, maintenance and the interior of the building. The city also had a clause in the contract for a 3 year maintenance agreement after purchase. When we combined the liability factor with the HVAC system (that takes up one whole floor), various maintenance issues, utilities, and non-payment of property taxes that we have and would have been facing with upgrades to the building, we decided to reduce the sale price to \$525,000. We removed the 3 year maintenance clause from the City. It allows the developer to take control and there is no better developer with their flagship hotel next door.

Dan Boecher, thanked the Commission for the Certificate of Completion and expressed his gratitude. Mr. Boecher states that the Marriott is the new rate leader in South Bend and the Marriott now sets the standard that the other hotels in South Bend are going by.

In regards to the Hall of Fame it is a major pivot from their original plan as a welcome center. They are dedicated to make it work even though it is a major project from a development stand point. He stated it has been on the market for over a year and a half with many developers looking at the property and they have all passed on it. Getting clear title is a big deal to them and they are looking forward to that. We feel having clear title will give us the freedom to negotiate with

our tenants.

Upon a motion by Commissioner Phillips, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the Fifth Amendment to Development Agreement (Southhold LLC) submitted on June 28, 2018.

## **B. South Side Development Area**

### **1. Budget Request (Small Drainage Design and Repair #118-063)**

Mr. Silveus presented the Budget Request (Small Drainage Design and Repair #118-063). This project includes the design and construction to remedy various small drainage issues throughout the South Side TIF District. Three projects identified as Hawbaker Street, 2700 S Main Street and Overlook Court have been identified as part of this study. Hawbaker Street experiences flooding on the north side of the road. The southern portion of the 2700 block of South Main Street drains into a private parking lot flooding the basement and garage. Overlook Court experiences on-going flooding as a result of improper and incomplete drainage construction. The budget request will include topographic survey, design plans and the construction. We ask Commission approval for \$300,000.

Upon a motion by Vice-President Varner, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the Budget Request (Small Drainage Design and Repair #118-063) submitted on June 28, 2018.

## **C. West Washington Development Area**

### **1. Development Agreement (South Bend Heritage Foundation/Washington Colfax Apartments)**

Mr. Mueller presented the Development Agreement (South Bend Heritage Foundation/Washington Colfax Apartments). We generally try to save buildings in South Bend. This is one of the cases where we feel we can bring a great deal of residential units at with a great rent rate to the area. We are looking at \$1 million in commitment at ½ this year and ½ next.

Mr. Marco Mariani, South Bend Heritage said that the Washington building has been vacated and sealed by the city. This project has been a bit of a puzzle. We do have a signed purchase agreement and we will be closing on the property in a few weeks. This is different type of project for South Bend Heritage Foundation as there are no federal funds, no block grants involved. We do have a social obligations and we do plan on keeping rent in the HUD fair market rate rents of \$600 to \$900 per month which is for anyone with an annual income of \$26,000 to \$36,000. If we can command some larger rents for the larger rents we will do that. We are borrowing so money but that will not go far. We are focusing on the Washington Street side and have moved some residents from Washington Street to the Colfax Street side. So once that happens there will be some cash flow from rents. Again, we could not do this without TIF investment. There is so much weight on one of the roofs that it could go at any time but we are optimistic.

South Bend Redevelopment Commission Regular Meeting – June 28, 2018

We plan to structure our work in pods and bring the work online one unit at a time. We may have to moth ball units as cash flows. We have a matrix where some of the units are in good working order and others need to be completely renovated. We have to work on our HVAC system with a new boiler system but I think we have this figured out. South Bend Heritage has hired a new property manager that will work with these units as well as existing units. The million dollars will be for exterior for the roof, possibly the exterior stairs, site work and masonry. Neighbor works America will help with some initial costs and they may help with some dollars next year as well. We hope to ask for some private funding and see what happens.

President Marcia Jones abstained from the voting as she is a long standing member of the South Bend Heritage Board.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the Development Agreement (South Bend Heritage Foundation/Washington Colfax Apartments) submitted on June 28, 2018.

**D. Other**

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

Mr. Relos presented TIF Neutralization Professional Services Proposal (H.J. Umbaugh & Associates). This is required by state statute TIF Neutralization. This looks at each TIF area and then adjusts them by each area growth. This is the fourth year that Umbaugh has performed this at the same rate. We ask for Commission approval.

Upon a motion by Secretary Inks, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved the TIF Neutralization Professional Services Proposal (H.J. Umbaugh & Associates) submitted on June 28, 2018.

**6. Progress Reports**

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

a. RDC Law Updates: James Mueller presented house bill 1282 that passed this year which added some requirements to the Redevelopment Commission in Section 32. IC 36-7-25-8 Indiana Code as follows:

South Bend Redevelopment Commission Regular Meeting – June 28, 2018

Sec. 8. a. Each redevelopment commission shall annually present information for the governing bodies of all taxing units that have territory within an allocation area of the redevelopment commission. The presentation shall be made at a meeting of the redevelopment commission, and must include the following:

1. The commission's budget with respect to allocated property tax proceeds.
2. The long term plans for the allocation area.
3. The impact on each of the taxing units.

b. The governing body of a taxing unit that has territory within an allocation area of the redevelopment commission may request that a member of the redevelopment commission appear before the governing body at a public meeting of the governing body.

**7. Next Commission Meeting:**

Thursday, July 12, 2018, 9:30 a.m.

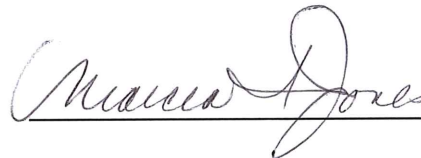
**8. Adjournment**

Thursday, June 28, 2018, 9:48 a.m.



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David Relos, Property Development Manager



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Marcia Jones, President