



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

**SOUTH BEND REDEVELOPMENT COMMISSION
 REGULAR MEETING**

December 12, 2019
 4:00 p.m.
 Presiding: Marcia Jones, President

227 West Jefferson Boulevard
 South Bend, Indiana

The meeting was called to order at 4:00 p.m.

1. ROLL CALL

Members Present:	Marcia Jones, President Quentin Phillips, Secretary Gavin Ferlic, Commissioner	
Members Absent:	Don Inks, Vice-President Lesley Wesley, Commissioner	
Legal Counsel:	Sandra Kennedy, Esq.	
Redevelopment Staff:	David Relos, RDC Staff Mary Brazinsky, Board Secretary - Absent	
Others Present:	Jitin Kain Daniel Buckenmeyer Tim Corcoran Amanda Pietsch Zach Hurst Kyle Silveus Charlotte Brach Conrad Damian Jim Bognar Karl Edmonson Penelope Kilkes Jania Sandoval Mae Kilker Matt Wetzel Marco Mariana Dzeneta Taso Zerina Cardaklija Sue Kesim Rolanda Hughes	DCI DCI DCI DCI Engineering Engineering Engineering 718 E Broadway 807 W Washington 1102 W Jefferson 1221 Sunnymede 112 E Ewing Ave 1221 Sunnymede 108 N Main St 803 Lincolnway West 503 Chamberlin 503 Chamberlin - 1029 Riverside

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2. Approval of Minutes

- **Approval of Minutes of the Regular Meeting of Thursday, November 14, 2019**

Upon a motion by Commissioner Ferlic, seconded by Secretary Phillips, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, November 14, 2019.

- **Approval of Minutes of the Regular Meeting of Thursday, November 25, 2019**

Upon a motion by Commissioner Ferlic, seconded by Secretary Phillips, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, November 25, 2019.

3. Approval of Claims

- **Claims Submitted December 12, 2019**

	Claims submitted	Explanation of Project	Items added after Agenda Distributed
REDEVELOPMENT COMMISSION Redevelopment Commission Claims December 12, 2019 for approval			
<u>324 FUND RIVER WEST DEVELOPMENT AREA</u> Midland Engineering Co, Inc.	140,049.00	Vested Interest Building Roof Repair	
Slatlie Roofing & Sheet Metal Co.,	55,812.00	315 & 319 W. Jefferson Exterior Renovations - Div. A	
Abonmarche	8,700.00	Mayflower Rd & Adams Rd Traffic Impact Study	
DLZ		Cleveland S Flouride Tk	4,400.00
<u>422 WEST WASHINGTON FUND DEVELOPMENT AREA</u> Riley-Riley Construction Co., Inc.	139,135.72	Gemini Site Improvements	
<u>429 FUND RIVER EAST DEVELOPMENT TIF</u> Water Works General Fund	62,694.00	Cascades SDC Charges	
<u>433 FUND REDEVELOPMENT GENERAL</u> HC3 LLC dba St. Clair Development	14,193.72	510 S. Main St. Building Improvements	
<u>452 FUND TIF PARK BOND</u> Smithgroup, Inc.	20,355.00	So. Bend Seltz Parking Prelim & Final Eng.	
Total	440,939.44		4,400.00
Total Both Columns	445,339.44		

Upon a motion by Commissioner Ferlic, seconded by Secretary Phillips, the motion carried unanimously, the Commission approved the claims submitted on Thursday, December 12, 2019.

4. Old Business

A. Permanent Supportive Housing Update

Mr. Kain presented an update on Permanent Supportive Housing. Mr. Kain showed a presentation that presented a change from the Gateway project to the Gemini project. In March 2018 the RDC approved \$1.5m towards the Gateway project. In August 2019 Mayor Pete announced a City strategy to address homelessness. The strategy addressed permanent housing for the homeless population. There were two aspects to this. One was a site project with the other being vouchers for scattered housing sites around the City. The Gateway project was meant to be a short-term means to address immediate concerns. We are reaching out to the Redevelopment Commission to re-allocate the funds from the

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Gateway project to the Gemini project. The Gemini Apartments (or Washington/Colfax Apartments) are within the project boundaries of West Washington and River West TIF areas. The project has proceeded in two phases - the West Washington and Colfax facing buildings. We are asking to re-direct the money from the Gateway project to the second phase of the Gemini project. As part of the second phase that allows South Bend Heritage, the owner, to proceed with six housing vouchers. At the November 14, 2019 meeting we came to RDC and asked the staff to re-allocate the dollars. The Commission, at that time, asked us to go back and look at additional outreach. We have reached out to the Near West Side Neighborhood Organization and shared the plan also to Council members. A commitment from South Bend Heritage is to maintain 6 units for permanent supportive housing out of the 60 total units. South Bend Heritage is proposing to put 6 vouchers in the Gemini project. One of the questions was the use of TIF. This project sits on River West and West Washington Development Areas. This project is an allowable use for those TIF dollars.

Sandra Kennedy, City Attorney states that this is an allowable use of TIF. It serves the area. It is physically connected. Under two statutes we are allowed to use it for the purpose.

Mr. Kain states that we are asking for the use of \$1M towards the infrastructure of Gemini Phase II. This is for roof, masonry and fire stairs. The way TIF allocations work is the money is allocated towards a project and is not allocated to an owner. The money goes to a City project manager who then contracts the work out and works with the contractor until the job is complete. That is the intention of this project. The \$500,000 left will go to the Single Site Project. The site has run into a few issues. The site that the City was pursuing was not approved for re-zoning by the Common Council. The City has had additional conversations about outreach. No progress has been made at this time, but we will work with the correct organizations in the first quarter of 2020. Once Commission acts today, we will work with South Bend Heritage Foundation on an amendment to the Development Agreement of Phase I.

A letter was received from South Bend Heritage where they have committed within the Development Agreement yet to come that no more than 6 permanent supportive housing vouchers will be distributed through the entire Gemini complex.

President Jones opened the floor for public comment.

Jim Bogнар, 807 West Washington Street, South Bend: Mr. Bogнар states that he neither supports or has any opposition towards South Bend Heritage. He has a problem with the funds coming out of certain TIF funds. This is a directed transfer from one TIF area to another with no issue of repayment. It sets a difficult precedent and he refuses to believe that the Commission wants to approve. Each TIF area has a yearly review of funds. At that review there can be changes. All the TIF have this review and were approved in early summer. These did not include servicing in different areas. This includes TIF funds for outside TIF projects. If this was such an important issue for DCI this should have been discussed and changed. The second direction is to adjust the TIF boundaries the TIF areas to include these areas. The City has just adjusted those boundaries. The City has worked for years with TIF districts to redact areas such as the City Cemetery and around River West. DCI has a funding request in this meeting for a first phase of the City Cemetery. I believe it is a serious matter to move TIF from one area to the other. He questions the strength of the legal standing. If legal feels the law is on their side, the need to issue both chapter and verse of what gives the Commission ability to do this. If this was a policy change, this needs to be presented to City Council at a minimum we must accept

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that this is not a simple action. The Commission must view this as a change in TIF funding procedures and it needs to be fully vetted by the Administration and City Council. It does not matter if you are a Mayoral City appointment, your service is to the City of South Bend and actions like this make folks cynical and ruins public moral and makes people think why try when the system is rigged at times; I felt this and so have my neighbors. Members of the Commission, DCI believes the proper direction is to finance this project, then let them bring Washington/Colfax into the River West TIF district and give both Council and the public the ability to voice opposition. We will all be better off if time is taken to do it properly. If after all of that come back to the Commission. I am asking that the President of this Commission take accurate roll call so it will be officially documented the vote on these proceedings. I thank you for the privilege of your time and wish you a happy and healthy holiday season.

Rolanda L. Hughes, 1029 Riverside Drive speaks in support of the \$1M to the Gemini apartments. She applauds the fact that South Bend Heritage stepped up to save the historic building and she has lived there herself. It would have been a huge loss to the neighborhood. A lot of people in the neighborhood were looking for a way to save this building as it has fallen into disrepair. Now its being saved. We have a huge shortage of low to moderate housing in our community. Six units in this apartment will make a huge difference. Six is a non-problematic number and I am in hopes the Commission finds a way to support that. If in fact the City finds its way to do a Gateway center after all, I hope the City community foundation helps to find the dollars that may be needed for that allocation. Thank you very much.

Sue Kesim, 422 Kennedy Drive her two concerns that the Gateway is actually needed and hates to see the money go away. The purpose was to bring people in and figure out the proper resources for them. It still isn't being done very well. She feels like we discounted something that was on a positive path. She doesn't like seeing the Gateway not funded. The second thing is she wants to know the cost of these units because it seems extremely high. For the same amount of money other things could have been built and more things could be serviced. Gateway is still needed, and it seems like a high cost per unit. Thank you.

John Nagy and his wife Alicia live with their 8 children at 705 W Washington Street, two doors west of the W Washington side of the apartments and he thanks you for your time. He is not sure what he has heard of the actual technical way of how this works. Forgive him if he revisits the way it works. Today he is asking the Commission to ensure the City and South Bend Heritage commit in writing to a permanent binding amendment of no more than six vouchers in the entire Gemini complex for the condition of the work that the City proposes to undertake to complete the building rehabilitation. We ask that this should be written in for any entity that South Bend Heritage might sell or otherwise transfer ownership of the complex to. We are worried without a legal commitment being placed that the deal will take shape without it. Gemini Apartments being a place of more than 10% of the units occupied by voucher benefits will be damaging for the Near West Side, crushing its fragile hopes for the long-term revival of South Bend Heritage in the past. We would like for our intentions be clear to be the best neighbors to the tenants that reside there. Like all our neighbors on the Near West Side, we encourage the City's investment in our neighborhood, which has a unique Chicago style with the brick buildings such as the Gemini Apartments and buildings that are really preserved. We hope we will soon be discussing other amenities for our neighborhood that are found in other parts of the neighborhoods. Neighborhood parks, well lit streets, basic road repair for the west side and enticements to creation of new small businesses. These things came up in August and were articulated by members of the community of every economic background. While

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the City is investing in Gemini, we would like them to know all home and business owners throughout the Near West Side are investing in the future as well. While we acknowledge the City's effort in housing the chronically homeless, we count ourselves as a family, that are ready to do our part. We are disappointed that South Bend Heritage has forgotten us and the neighborhood. One of the parents in the neighborhood organization meeting in the past year has conveyed that they fail to understand something fundamental. While they try to find housing for the homeless, people and not organizations are the most important stake holders of all. There was no dialog back in June and no dialog with neighbors this time around. No fact finding about who we are or our needs or concerns. What's more South Bend Heritage has forgot once the bills are paid and the bricks are snug the true success or failure of this social experiment is going to depend on relationships. South Bend Heritage in the real estate business should be in the relationship business. The business of making sure the neighborhood works for all those who live there. Does the leadership of South Bend Heritage or the City know how many children live in a two-block radius of these apartments? I know antidotally that kids walk by these apartments every day. They roller blade on the sidewalk and should feel the same level of comfort as kids feel playing on their blocks every day. It would be an enormous benefit if South Bend Heritage and partners would come into the neighborhood and train us, reassure us how to be the best possible new neighbors to new people coming in. What's been thought, written or done with people who have created this kind of arrangement in their communities. In 19 days, we will begin a new year and I've heard incoming Council members articulate a need for a new plan and responsibilities. Members of the west side, Rum Village neighborhood and the 6th district are stepping forward and would like to see people stepping up in the other districts in the City. Thank you for your time.

Alicia Nagy, John Nagy's wife 705 W Washington, states this is something from her heart. She is a Catholic and what Pope Francis talked about the deserted vacation of the cities when there aren't families there. When we moved to West Washington, I was very scared because I had small children that needed to play outside. My friends said I was crazy for moving to this neighborhood. I wanted to help put the smile back in the City. There aren't children in the downtown area. Then you don't have long term investment or life in the City. I've known people in the area for a long time and I have no reason to be afraid. When I see that the City wants to not be transparent but underhandedly taking some issue and have us support them, which I've heard has been in the past, I heard there was a lot of community investment and dialog. I feel nervous and scared about the heritage of these older places. Many 21st Century City's feel like we have brought smiles back into the City by bringing children in. We should make investment in the City with the whole City of South Bend. Thank you very much.

Karl Edmonson 1102 W Jefferson Blvd. He is in the unique position of living in the Near West Side neighborhood and being a member of the Board of South Bend Heritage. He would like to rebut a lot of what was just said. The idea that we should start discriminating against low income people who in a project that has no obligation to actually disclose the financial or personal information of their tenants. Sets a very dangerous precedent in his mind. The idea that this is not supporting the community and trying to solve a problem in the community is something he doesn't understand. He understands people fearing something they don't know but that doesn't make it a bad idea. He owns property in the City and neighborhood and can rent his property to whoever he wants. Rich people, poor people, felons and whatever he wants, and he doesn't have to tell anyone. South Bend Heritage

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has been transparent on who they want to be in their apartments to many more than one neighborhood association. He gets upset of the idea that somehow South Bend Heritage has been trying to pull one over on everybody. They have allowed these processes to happen. We are sitting here right now because everyone is involved in the situation. This idea that South Bend Heritage or the City is trying to do all these things without anyone having any say is ridiculous because we are here right now talking.

Jitin Kain answered questions.

The TIF question was answered by legal who clearly said the use of TIF adjacent to a TIF area is allowed.

Sandra Kennedy stated Indiana Code Section 36-7-14-39, Section E3G and B3J specifically states reimburse the unit for expenditures made by or for local public improvements which include buildings, parking facilities and other items that are physically located in or physically connected to that allocation area.

Mr. Kain pointed out this is physically connected to the River West allocation area.

Mr. Kain states we are allowed to pay for expenses incurred by the Redevelopment Commission for local public improvements that are in the allocation area or serving the allocation area. The consensus is this will serve the entire City. It will serve all the TIF districts. The legal opinion is that this will serve a proper use, under the statute of TIF funds.

Mr. Kain addressed the next question of the Gateway being needed. His understanding Gateway was two things. A physical building or pods donated to the City and also the coordinated entry process which allowed any agency to look at the needs of the population and direct resources to them. The process is still in place, it's the physical portion of that process that is not proceeding, which is the pods. As we shift the funding it will go to Gemini and the entry process is still in place.

The TIF resources will not go to the six vouchers. They are going to the infrastructure of the building. They are not going to rehab an individual unit. The thought of the per unit cost is extremely high is inaccurate as the money is going towards the actual structure of the building as a whole.

Regarding the commitment of no more than six vouchers. There is a commitment letter that has been discussed previously. The Redevelopment Commission will pass an Amendment to the Development Agreement with South Bend Heritage which will spell out the commitment.

Discussion amongst Commission and staff is to make sure once the document is in place, to make sure it is recorded.

Commissioner Ferlic thanked everyone for coming out and participating. He remembers when the Gemini wasn't the best property and is thankful that South Bend Heritage has stepped up and the City is participating as well. Mr. Ferlic also

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notes that regarding permanent supportive housing that this is a Council priority and the City will be addressing this. Six units is reasonable, and every area needs to address this issue. This building and neighborhood need a good partner and landlord and South Bend Heritage will be that.

Upon a motion by Commissioner Ferlic, seconded by Secretary Phillips, the motion carried unanimously, the Commission approved the Permanent Supportive Update project submitted on Thursday, December 12, 2019.

5. Public Hearing

A. Public Hearing 2019 Additional Appropriations

1. Resolution No. 3511 (Airport Bond Debt Service)

Ms. Pietsch presented Resolution No. 3511 (Airport Bond Debt Service). This first Resolution is to transfer funds from our debt service reserve Fund 315 into River West Fund 324. We have continued to earn interest, and this transfers that \$7,000. Commission approval is requested.

President Jones opened the floor for public comment. No public comment was made. The floor was closed to public comment.

Upon a motion by Commissioner Ferlic, seconded by Secretary Phillips, the motion carried unanimously, the Commission approved Resolution No. 3511 (Airport) submitted on Thursday, December 12, 2019.

2. Resolution No. 3512 (RWDA)

Ms. Pietsch presented Resolution No. 3512 (RWDA). This Resolution gives an additional appropriation of \$5,080. Commission approval is requested.

President Jones opened the floor for public comment. No public comment was made. The floor was closed to public comment.

Upon a motion by Commissioner Ferlic, seconded by Secretary Phillips, the motion carried unanimously, the Commission approved Resolution No. 3512 (Airport) submitted on Thursday, December 12, 2019.

6. New Business

A. River West Development Area

1. Budget Request (City Cemetery Improvements)

Mr. Corcoran presented a Budget Request (City Cemetery Improvements). Staff is requesting an additional \$75,000 budgeted for the next phase of City Cemetery entrance as part of the master plan. It's anticipated the project will commence in Spring 2020. Commission approval is requested.

President Jones opened the floor for public comment. No public comment was

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made. The floor was closed to public comment.

Upon a motion by Commissioner Ferlic, seconded by Secretary Phillips, the motion carried unanimously, the Commission approved Budget Request (City Cemetery Improvements) submitted on Thursday, December 12, 2019.

2. Development Agreement (SBCC Development Corp)

Mr. Buckenmeyer presented a Development Agreement (SBCC Development Corp). This is for phase I of the South Bend Chocolate Company. This is an 81,000 square foot building with a factory and dinosaur museum. It will later have a farmer's market, winery and hotels. This is for the commitment of \$1.4 TIF for infrastructure for sewer and water, which will also benefit the area, along with the SDC charge. It is a \$7.4M private investment in phase I with 54 jobs being retained and 70 new jobs. Mr. Turner sends his regrets as he is travelling and cannot be here. Commission approval is requested.

President Jones opened the floor for public comment. No public comment was made. The floor was closed to public comment.

Upon a motion by Commissioner Ferlic, seconded by Secretary Phillips, the motion carried unanimously, the Commission approved Development Agreement (SBCC Development Corp) submitted on Thursday, December 12, 2019.

3. Temporary Access Agreement (United Way St. Joseph County)

Ms. Maradik presented a Temporary Access Agreement (United Way St. Joseph County). This is an access agreement so they can work on development of the neighborhood center they would like to place there. Commission approval is requested.

President Jones opened the floor for public comment. No public comment was made. The floor was closed to public comment.

Upon a motion by Commissioner Ferlic, seconded by Secretary Phillips, the motion carried unanimously, the Commission approved a Temporary Access Agreement (United Way St. Joseph County) submitted on Thursday, December 12, 2019.

4. Second Amendment to Development Agreement (Jefferson 315, LLC)

Mr. Hurst presented a Second Amendment to Development Agreement (Jefferson 315, LLC). This is a minor amendment. \$1,150 to fund the brick repair. There will be one more final change order. The increase is on the private side. Commission approval is requested.

President Jones opened the floor for public comment. No public comment was made. The floor was closed to public comment.

Upon a motion by Commissioner Ferlic, seconded by Secretary Phillips, the motion carried unanimously, the Commission approved a Second Amendment

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to Development Agreement (Jefferson 315, LLC) submitted on Thursday, December 12, 2019.

5. Second Amendment to Development Agreement (Bald Mountain)

Mr. Hurst presented a Second Amendment to Development Agreement (Bald Mountain). This is the new Barnes and Thornburg building at Jefferson & Main. They would like to use the remaining public investment to reconstruct the public right away that they have disturbed. This gives us the feature of a performance bond which gives us a proper record and commitment of replacing the right of way. Commission approval is requested.

President Jones opened the floor for public comment. No public comment was made. The floor was closed to public comment.

Upon a motion by Commissioner Ferlic, seconded by Secretary Phillips, the motion carried unanimously, the Commission approved Second Amendment to Development Agreement (Bald Mountain) submitted on Thursday, December 12, 2019.

6. Fourth Amendment to Development Agreement (Ziker)

Mr. Silveus presented Fourth Amendment to Development Agreement (Ziker Sample Street LLC). This is for roof repair on Vested Interest of \$22,000 and paid by the owner. Commission approval is requested.

President Jones opened the floor for public comment. No public comment was made. The floor was closed to public comment.

Upon a motion by Commissioner Ferlic, seconded by Secretary Phillips, the motion carried unanimously, the Commission approved Fourth Amendment to Development Agreement (Ziker) submitted on Thursday, December 12, 2019.

7. Progress Reports

A. Tax Abatement

1. Confirming resolutions on four tax abatements, all on the westside of town. This year we did 18 tax abatements vs. 6 in 2018. The incentives and support encouraged \$86.5M in new private investment and created 954 new and retained jobs with 830,000 sf of new construction under roof. This is just tax abatements. \$2.1 TIF towards private projects that resulted in \$12M in private investment. We've done \$14.7M in TIF infrastructure projects. This shows what we are putting back into the City.

B. Common Council

C. Other

1. Update on the Double Tracking Bonds. They were sold on the fourth and went out to the open market. We received six bids with 5 within 10 basis points. We only had to issue \$7.9M vs. an anticipated not to exceed \$11M. There was \$1.4M in premium about 50 basis points of what we anticipated. We anticipate closing on December 18, 2019.

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8. Next Commission Meeting:

Thursday, January 9, 2020, 9:30 a.m.

9. Adjournment

Thursday, December 12, 2019, 4:52 p.m.



David Relos, Property Development Manager



Marcia Jones, President

APPROVED

**SOUTH BEND
REDEVELOPMENT COMMISSION**



Pres/V-Pres

ATTEST:

Secretary/V-Pres

DATE: January 9, 2020