



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

**SOUTH BEND REDEVELOPMENT COMMISSION
 RE-SCHEDULED REGULAR MEETING**

May 26, 2022 – 9:30 am

<https://tinyurl.com/RDC52622> or Common Council 4th Floor

Presiding: Donald Inks, Vice-President

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

1. ROLL CALL

Members Present:	Don Inks, Vice-President – IP Troy Warner, Secretary – IP Eli Wax, Commissioner – IP Vivian Sallie, Commissioner – IP Leslie Wesley, Commissioner - V	IP = In Person V = Virtual
Members Absent:	Marcia Jones, President	
Legal Counsel:	Sandra Kennedy, Esq. - IP Danielle Campbell-Weiss, Esq. - IP	
Redevelopment Staff:	Mary Brazinsky, Board Secretary - V	
Others Present:	Caleb Bauer Joseph Molnar Chris Dressel Tim Corcoran Laura Althoff Michael Divitia Rachel Boyles Jordan Smith Conrad Damian Emma Adlam Katrina	DCI – IP DCI – IP DCI – V DCI – IP DCI – V DCI – V DCI – V DCI – V Resident – V Resident – V Baker Tilly – V Resident - V

2. Approval of Minutes

- **Approval of Minutes of the Regular Meeting of Thursday, May 12, 2022**

Upon a motion by Commissioner Sallie, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, May 12, 2022.

3. Approval of Claims

- **Claims Submitted for May 10, 17 and 24, 2022**

Secretary Warner asked about the first claim ROW site work with Robert Henry.

Mr. Bauer notes this was for street lighting, improvements, gas meter and water utility upsizing feed services at the United Way Center.

Upon a motion by Commissioner Sallie, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved the claims May 10, 17 and 24, 2022, submitted on Thursday, May 26, 2022.

4. Old Business

5. New Business

A. River West Development Area

1. **Resolution No. 3552 Accepting Property from BPW (117 and 119 Lafayette)**
Mr. Molnar presented Resolution No. 3552 Accepting Property from BPW (117 and 119 Lafayette). This resolution is transferring the property at 117 and 119 Lafayette Street. It is right across from the county-city building directly south of the Lafayette building. This will no longer be needed by the city. This will be tied to the future use of the Lafayette building. This was approved by the Board of Public Works on Tuesday. Commission approval is requested.

Secretary Warner noted that he likes the idea of adding parking to the building and getting business into that area again.

Upon a motion by Secretary Warner, seconded by Vice-President Inks, the motion carried unanimously, the Commission approved Resolution No. 3552 Accepting Property form BPW (117 and 119 Lafayette) submitted on Thursday, May 26, 2022.

2. **Estoppel Certificate (Merchants LaSalle Apartments-Parking Lease)**

Mr. Bauer Presented an Estoppel Certificate (Merchants LaSalle Apartments-Parking Lease). This agenda item along with the next items 5A3, 5A4 and 5A5 are related to the parking lease for the lot owned by the Redevelopment Commission just south of the LaSalle Building. You may recall that lease is part of the original development agreement with RealAmerica, the company that

redeveloped the LaSalle building. These are negotiations we had with the developer related to the planned sale of the property to another entity. The parking lease does not require redevelopment. Commission is asked to approve this to transfer to a new buyer of the building. We had engaged with the new buyer TMO to gauge their interest and began potential negotiations, terminating that lease. The city Redevelopment Commission could potentially collect rent from the tenant. The tenants for parking spaces in a future parking garage as it relates to the Morris expansion plans. The senior lender for TMO indicate that an agreement to terminate the lease would threaten their financing for the closing of their deal with Real America, however, TMO has committed in writing in a letter with us to continue negotiations related to the termination of that lease following the close of the purchase. Real America did achieve their goals laid out in the development agreement and have exceeded their investment goals. Commission approval is requested.

Secretary Warner asked that in the future when submitting the certificate that we include the agreement so we can look back. He asked what some of the requirements were and can we summarize what the requirements were.

Mr. Bauer noted that Joseph Molnar will respond, however, it did include a timeline for the investment and conditions included in the parking lease. Both were met.

Joseph Molnar stated the original agreement was November 2014 and the main developer obligations were to develop a mixed use multi-family building providing 8000 sq ft. of retail and restaurant space. Develop sixty-seven apartments and invest \$7.5M. The investment was over \$10.6M and the space was completed as per the agreement.

Upon a motion by Secretary Warner, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved Estoppel Certificate (Merchants LaSalle Apartments-Parking Lease) submitted on Thursday, May 26, 2022.

3. Assignment and Assumption of Agreements (COSB/LaSalle)

Mr. Bauer Presented Assignment and Assumption of Agreements (COSB/LaSalle). As related to document 5A2. Commission approval is requested.

Upon a motion by Vivian Sallie, seconded by Secretary Warner, the motion carried unanimously, the Commission approved Assignment and Assumption of Agreements (COSB/LaSalle) submitted on Thursday, May 26, 2022.

4. Acknowledgement of Substantial Completion (COSB/LaSalle)

Mr. Bauer presented Acknowledgement of Substantial Completion (COSB/LaSalle). As related to document 5A2. Commission approval is requested.

Upon a motion by Commissioner Wax, seconded by Secretary Warner, the motion carried unanimously, the Commission approved Acknowledgement of Substantial Completion (COSB/LaSalle) submitted on Thursday, May 26, 2022.

5. Memorandum of Assignment First Right of Refusal (COSB/LaSalle)

Mr. Bauer presented Memorandum of Assignment First Right of Refusal (COSB/LaSalle). As related to document 5A2. Commission approval is requested.

Vice-President Inks asked what is the First Right of Refusal?

Ms. Kennedy noted in this case we are acknowledging the assignment from Real America to the Michael's organization. The Michael's organization could step in and build the parking garage so they can acquire the property and then build the parking garage. That is the option. If there is a third party interested, then we have to offer the Michael's organization the right to come in and build them. Building apartments on top of the parking garage makes it attractive to other developers.

Upon a motion by Secretary Warner, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved Assignment First Right of Refusal (COSB/LaSalle) submitted on Thursday, May 26, 2022.

6. First Amendment to Real Estate Purchase Agreement (RealAmerica)

Ms. Kennedy presented First Amendment to Real Estate Purchase Agreement (RealAmerica). In July 2021 we entered into an agreement with Real America to purchase certain property as it was subject to their receipt of certain tax credits. That did not happen. They were very close, so they are applying again, therefore amending this agreement. Commission approval is requested.

Commissioner Wax asked what is their plan if they do not receive the tax credits? Can they move forward with their plans?

Mr. Bauer noted that they would move forward with their plans for 60 market rate units on the site and then they would continue to apply for tax credits for the 60 affordable units.

Commissioner Wax asked if they would be allowed to do this under the current agreement.

Ms. Kennedy noted that is correct.

Upon a motion by Commissioner Wax, seconded by Secretary Warner, the motion carried unanimously, the Commission approved First Amendment to Real Estate Purchase Agreement (RealAmerica) submitted on Thursday, May 26, 2022.

B. River East Development Area

1. Resolution No. 3549 (River East TIF Area Confirming and Hearing)

Mr. Dressel Presented Resolution No. 3549 (River East TIF Area Confirming and Hearing). Mr. Dressel shared a brief presentation with the commission. This Resolution No. 3549 is for the passage of the River East TIF district. Just a

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reminder, there were 2 open public meeting. We have presented at South Bend Planning Commission and Common Council where respective resolutions have been passed. There are approximately 47.3 acres, 88 parcels but we have identified 53 unique property owners. We have made updates to the boundary map in the legal description. This gives us greater flexibility and negotiation process with property owners if needed. We have sent notices to effected property owners and posted notice in the South Bend Tribune on May 5, 2022. We offered virtual options but there were no attendees to the public meetings. A few phone calls were received. Commission Approval is requested.

Commissioner Wax asked while we did not have a lot of interaction from the public, we did receive a few calls. What did they ask about the process?

Mr. Dressel noted that the calls were informational what is it, what does it all mean and what will the results be.

Secretary Warner noted this was his council district and he received about 5 calls with mostly what does this mean, will it increase taxes, is the city trying to acquire all the properties? Once we capture the growth, there's going to be a very large investment in that area that's going to need infrastructure improvements and we will be able to capture that tax growth from the investment. Once we explained that to residents, no one objected as it is an investment tool that allows the city to capture tax dollars and provide growth.

Emma Adlam, Baker Tilly noted that the draft impact statement was given and summarized. The expansion of the River East will be capturing two new developments that we anticipate in the area. There is an owner-occupied residential component that does not get captured by the TIF and that immediately flows through to the overlapping units and also TIF cannot be captured by the cannot capture the school referendum rates which there are two and so all of that TIF assessed value flows through to the school corporation's referendum rates. So, there's a benefit during the period of TIF capture.

This item was opened to the public for the hearing portion.

There was no comment from the public.

The public portion was closed and a motion to approve was given.

Upon a motion by Secretary Warner, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved Resolution No. 3549 (River East TIF Area Confirming and Hearing) submitted on Thursday, May 26, 2022.

6. Progress Reports

A. Tax Abatement

B. Common Council

1. Commissioner Wax noted there was a resolution for a tax abatement that was approved. There were a couple of non-compliance waivers.
2. Mr. Bauer noted that was for their 933 form. We also just passed the CF1 submission deadline and so there will be waivers coming to Council that have missed the deadline.
3. Mr. Bauer noted that there was a tax abatement for GLC Spec 5 warehouse at Portage Prairie (7 yr. abatement). There are two waivers of non-compliance for real property and personal property abatements for Imagine Finishing Technologies.

C. Other

7. Next Commission Meeting:

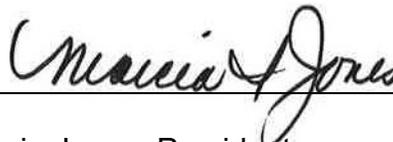
Thursday, June 9, 2022

8. Adjournment

Thursday, May 26, 2022, x a.m.



Troy Warner, Secretary



Marcia Jones, President