



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

**SOUTH BEND REDEVELOPMENT COMMISSION  
 SCHEDULED REGULAR MEETING**

May 11, 2023 – 9:30 am

<https://tinyurl.com/RedevelopmentCommission> or **BPW 13th Floor**

Presiding: Marcia Jones, President

The meeting was called to order at 9:35 a.m.

**1. ROLL CALL**

Members Present:	Marcia Jones, President – IP Troy Warner, Vice-President – V Vivian Sallie, Secretary - IP Eli Wax, Commissioner - IP David Relos, Commissioner –	IP = In Person V = Virtual
Members Absent:		
Legal Counsel:	Sandra Kennedy, Esq. Danielle Campbell, Asst. City Attorney	
Redevelopment Staff:	Mary Brazinsky, Board Secretary Joseph Molnar, RDC Staff	
Others Present:	Caleb Bauer Erik Glavich Rosa Tomas Charlotte Brach Zach Hurst Patrick Sherman Conrad Damian Matt Barrett Katrina Marquardt Mark Peterson Jordan Smith Brad Emberton	DCI DCI DCI Engineering Engineering Public Works Resident Resident Resident WNDU Resident 615 W Colfax Ave

## 2. Approval of Minutes

- **Approval of Minutes of the Regular Meeting of Thursday, April 27, 2023**

Upon a motion by Commissioner Relos, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, April 27, 2023.

## 3. Approval of Claims

- None

## 4. Old Business

## 5. New Business

### A. River East Development Area

#### 1. Budget Request (LaSalle Park Improvements)

Patrick Sherman, Manager Public Works, Presented a Budget Request (LaSalle Park Improvements). This budget request is for improvements to the park by Charles Black Center. The city is looking to add exterior restrooms that were requested by the community. The design will include adding paths, a skating loop, and a park pavilion. Bid requests were advertised and two bids have been received through the Board of Public Works. Both of the bids were above our engineers' estimates. This budget request is to bridge that funding gap in order for the project to proceed (\$905k). The EPA has mandated a soil management plan on the site and there are certain restrictions on digging and excavation and soil removal that adds a higher level of risk for the contractors. That is the primary reason besides the complex bidding environment.

Secretary Sallie asked what the time frame for the project would be.

Mr. Sherman stated that we have been planning the project since 2020. If we can award the bid, the project should begin this year and hope to be completed by the end of 2023.

Commissioner Wax asked in light of the higher than anticipated construction costs, is this still considered a good value? Does administration feel like this is the right way to go?

Caleb Bauer stated that part of the rationale for requesting this is to be able to afford this project, it had to undergo remediation at LaSalle Park. This has been a long ongoing project. As part of the goal, once remediation is complete, we can finally move forward with improvements to the part that the community has been asking for now in the past several years. Yes, we do have a challenging bidding environment and I think generally on pricing, we are seeing things stabilize but because of the environmental limitations of what a contractor can do, regardless of

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the pricing environment, this was always going to come in a little higher than just looking at materials and labor due to the higher risk for a contractor to do the work. The project is still a priority for the city. To take out the bathrooms which could potentially get this closer to the original estimate really was a lot to be desired for the park and access to the park due to the kids going into the community center on the weekends and evenings. Having restaurants and facilities really makes a big difference. It has become a standard expectation for all of our parks. All of the other SP150 or SP parks and trails parks, putting in outdoor bathroom facilities has become a top priority. Also, a bathroom is required within 300 feet of a splash pad; the bathrooms are a code requirement.

Commissioner Wax asked where the code comes from.

Mr. Sherman notes it is an Indiana State Code for pools.

Commissioner Relos asked if all the remediation has been completed.

Mr. Sherman stated yes.

Commissioner Relos noted there are certain areas where they can't remediate because of the cap, so it is capped, and it is dicey to dig sewer lines.

Mr. Bauer stated any excavation work has to follow the zone master plan that is approved by the EPA. Which means that the soil is to remain on site or get trucked to a specific landfill for soils.

Secretary Sallie noted for events that happen there now there are porta potties. The bathrooms would replace those which is nice, or the kids would have to go into the music center which is not always open.

Vice-President Warner stated he approves of keeping the bathrooms as those are a necessity in the community and thinks it is worth spending a little extra money.

Upon a motion by Commissioner Relos, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved Budget Request (LaSalle Park Improvements submitted on Thursday, May 11, 2023).

### **2. Purchase Agreement (Salvation Army Building Only)**

Joe Molnar Presented a Purchase Agreement (Salvation Army Building Only). Today the city is looking at a proposed real estate purchase agreement for the former Salvation Army building at 510 S. Main Street. Mr. Molnar showed a proposed outline of the parcels. The city purchased the building in 2019 as a temporary location for weather amnesty. The city has used this site for a temporary homeless shelter during the winter months for the last four years in the northern half of the building. The city had light renovations in the building to make it possible to use for weather amnesty. The city has partnered with Center for the Homeless and has provided \$1M in support for them to expand at their current location to accommodate amnesty services.

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In the future, with the build out at Center for the Homeless, they will provide seventy-five beds each winter for the homeless. The city feels that if an issue arises at the center, the matter can be handled quicker than at the former Salvation Army building.

The Momentum Group, the proposed buyer of the Salvation Army building, intends to redevelop the building into a mixed-use site consisting of retail space, office space and a large commissary kitchen. A rendering of the space was provided. The building would receive a new facelift including new glass. The details of the purchase agreement is a sale price of \$1,000 and construction must begin within twelve months of the closing date. Momentum wants to begin quickly. The agreement states thirty days for due diligence and thirty days to close. Construction is to be completed within thirty-six months of closing with a minimum investment of \$6M in private investment. The company also received a Ready grant for this project which is not part of the \$6M private investment. If the improvements are not completed, the Redevelopment Commission has the right to retake possession of the building.

Mr. Molnar states there is a lot of proposed development on the South side of downtown. Real America Diamond View site was awarded the LIHTC grant in January 2023. That project will be one hundred twenty-seven units in which sixty will be affordable income.

A vacant apartment building downtown just received a tax abatement and will be renovated into twelve new apartments of which three are affordable income restricted.

The Devereaux Peters/Monroe site, which also received the LIHTC grant, will build sixty units of mostly affordable housing.

Including the former Salvation Army purchase agreement, there will be a lot of construction in the two blocks. The total of all four projects is approximately \$46.5M in two blocks and that is probably low. The total is one hundred ninety-nine residential units of which one hundred and nine will be affordable housing units.

Brad Emberton representing the Momentum Group asked the Commissioner's if they had any questions.

Secretary Sallie asked for an overview from his perspective of how they see their proposal improving the South Side area and the building.

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Mr. Emberton stated that they have been excited about development in the downtown area for quite a while. They are currently developing the Soma Apartments adjacent to the former Salvation Army building to the south. There are three property owners in the immediate area of the building. His team feels that together this will dramatically change the south end of downtown. The density of people that are in this area is vacant. Creating activity in the southern part of downtown is a great answer to the current office environment. While their plans do include some traditional office space on the second floor the first floor will primarily be a co-working with a focus around an entrepreneurial center where we do programming and offer services to people, classes, and training related to entrepreneurship.

Commissioner Relos asked why the purchase agreement is for only part of the site.

Mr. Molnar states that they will be coming back for the rest of this once we are finished paving the parking lot.

Mr. Emberton states that they wanted to get started on some due diligence to complete the overall development of half the block. They want to get started as quickly as possible on the north portion which will still be retail. For what we are currently doing, we will not need access to that portion right now.

Mr. Bauer states that portion and the parking lot to the south will potentially be coming before the Redevelopment Commission in the future as it relates to this development

Vice-President Warner asked for more information on the commissary kitchen; what will it look like and what will the function be.

Mr. Emberton stated that it will be a private commissary kitchen, not for public use. This will be leased space by the Navarre hospitality partners. Navarre hospitality currently has seven restaurants that are able to do private events and prep work for their restaurants. This space will be for both catering and to serve their restaurants. That will take up about seventy-five to eighty percent of the building and the left is open for retail space which is approximately 2,000 square feet of the entire development. That will make retail space walkable to the community.

Commissioner Wax asked if this project will be asking for a tax abatement.

Mr. Emberton noted that they are in discussions with the city at this time with no exact agreement, but they would like to be able to. He thinks this big project will be an important part of the transformation in that area.

Commissioner Wax asked staff questions about the contract such as attorney fee provisions in the purchase agreement.

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Mr. Bauer stated that he believes we have updated the development agreement moving forward but that change is not included in real estate purchase agreements. It is something that we will take a look into.

Commissioner Wax asked if progress reports are required other than the certificate of completion within the time frame.

Mr. Molnar stated that in a purchase agreement we do not typically have progress reports as we have a commencement date. We work through the building department with the permits being pulled and the dollar amounts, and we ensure that they did spend the amount stated in the agreement.

Mr. Bauer states that the Center for the Homeless renovation is ongoing, and they are on track for the weather amnesty site Winter 2023. It remains a priority of the administration to work on citing the low barrier intake center. That was a recommendation from the implementation group a few years ago. Citing a facility like that is difficult as there are a lot of challenges and needs for a site like that. We are still working on identifying the perfect site and I think there has been good progress. We hope to have more to share in the near future with an intake center. Between those two pieces we have a short-term solution with Center for the Homeless really adjusting their mission. We are excited about their new weather amnesty space and what they will be able to offer and then the longer-term solution adding an intake center into the broader service strategy is still a goal of the administration.

Commissioner Relos stated that it is exciting to see this project move forward as it will be difficult to renovate that space with the older kitchen and a lot of little rooms.

Mr. Molnar stated that the southern portion of the building is interesting. It is chopped up, but this project will address that.

Mr. Emberton stated that the goal is to open the space up and expose the structure of the building using that as a design element.

Upon a motion by Commissioner Wax, seconded by Commissioner Relos, the motion carried unanimously, the Commission approved Purchase Agreement (Salvation Army Building Only) submitted on Thursday, May 11, 2023.

**6. Progress Reports**

**A. Tax Abatement**

1. Erik Glavich stated that Council approved two declaratory resolutions for tax abatements for the new owners of the South Bend Ethanol Plants. Bio North America purchased the plant and closed it on May 1<sup>st</sup>. They will be investing \$230M into the facility to modernize the existing operating and providing long term viability of the facility. They will also be adding to the production of renewable natural gas. They will be converting what is currently waste into a new pipeline running natural gas and injecting it right into the NIPSCO system. They will build ten new buildings and bring in new manufacturing equipment. One abatement was a five-year personal tax abatement and the other was an eight-year real property abatement.

**B. Common Council**

**C. Other**

1. Joe Molnar noted that we have signed a 2-year extension with Fat Bird restaurant that is currently on the Palais ground floor. They completed their three-year lease in June with an optional two-year lease which required only staff signatures. They have been good tenants. This does have a three percent rent increase over the next two years.

**7. Next Commission Meeting:**

Thursday, May 25, 2023

**8. Adjournment**

Thursday, May 11, 2023, 10:02 a.m.



Vivian Sallie, Secretary



Marcia Jones, President