



CITY OF SOUTH BEND

ECONOMIC DEVELOPMENT COMMISSION

DATE: 12/7/23

FROM: Erik Glavich, Director, Growth & Opportunity

SUBJECT: Monreaux Project

PURPOSE OF REQUEST: Project Report and Resolution Approving Financing and Form of Loan Agreement

SPECIFICS: The Commission will consider two separate items: (1) a Project Report on the Monreaux Project and (2) a Resolution that would approve the form of a loan agreement.

The developer of the Monreaux Project would be provided a \$2.3 million forgivable economic development loan to support the construction of the 60-unit apartment development (known as the Monreaux). This project has been awarded Low Income Housing Tax Credits from the Indiana Housing and Community Development Authority and will provide 46 income-qualified affordable housing units and 14 market rate housing units.

This transformative development will revitalize the “Fat Daddy’s” site on the corner of Michigan and Monroe streets.

The forgivable loan would be funded utilizing Tax Increment Financing funds controlled by the South Bend Redevelopment Commission, but requires approval of Common Council, Redevelopment Commission, and Economic Development Commission in order to be issued.

The bond would be forgivable provided the development is completed within the required timeframes and private investment exceeds \$13.7 million.

PROJECT REPORT OF THE SOUTH BEND ECONOMIC DEVELOPMENT COMMISSION CONCERNING THE ISSUANCE AND FUNDING OF THE TAXABLE ECONOMIC DEVELOPMENT REVENUE NOTE, SERIES 2023 (MONREAUX PROJECT) FOR THE PROPOSED LOCAL PUBLIC IMPROVEMENTS TO SERVE ECONOMIC DEVELOPMENT FACILITIES FOR DELTA VENTURES LTD.

The South Bend Economic Development Commission proposes to recommend to the Common Council of the City of South Bend, Indiana, that it issue and fund its Taxable Economic Development Revenue Note, Series 2023 ("Series 2023 Note") and loan the proceeds of the Series 2023 Note to Delta Ventures Ltd., an Indiana Nonprofit Corporation ("Borrower") and Monreaux LLC, which is under common control, to financing the construction of site work and infrastructure improvements ("Local Public Improvements") needed to serve the redevelopment and development of: (i) a four-story building containing at least sixty-five thousand (65,000) square feet which will include the incorporation of the historic masonry features preserved by the hereinafter defined Redevelopment Commission; and (ii) a minimum of sixty (60) total apartment units of which no fewer than twenty-three (23) apartment units will be exclusively available for tenants at fifty percent (50%) or lower of the area median income ("AMI") and no fewer than an additional twenty-three (23) apartment units will be exclusively available for tenants at eighty percent (80%) or lower of AMI (collectively, "Development"), on certain real estate acquired by the Borrower, at an investment of approximately \$13,700,000 for construction of the Local Public Improvements and the Development and create approximately 8 new full-time jobs, thus strengthening the economic well-being of the Area and encouraging additional growth by contributing to the revitalization of and adding vibrancy to the neighborhood; each in or physically connected to the River West Development Area and the River West Development Area Allocation Area No. 1 (collectively, "Area"). The Local Public Improvements and Development are located generally at 505, 507, 511 and 513 S. Michigan Street, South Bend, Indiana. Funds to be provided for the construction of a portion of the Local Public Improvements needed for the Development shall be from the issuance and funding of the Series 2023 Note, the proceeds of which will be loaned to the Borrower in an amount estimated not to exceed Two Million Three Hundred Thousand (\$2,300,000) without further approvals, including costs of issuance of the Series 2023 Note.

No other public facilities to be paid for by the government will be made necessary on account of the proposed Local Public Improvement and Development.

The estimated investment in the Development is \$13,700,000. It is also estimated that upon completion of the Local Public Improvements and the Development, the operation will create approximately 8 full-time jobs with a total estimated payroll of approximately \$266,240.

Adopted this 11th day of December, 2023.

SOUTH BEND ECONOMIC DEVELOPMENT
COMMISSION

President

Attest:

Secretary