



CITY OF SOUTH BEND

REDEVELOPMENT AUTHORITY

February 10, 2023 – 10:00 am
BPW Conference Room, 13th Floor or via: <http://tiny.cc/RDA21023>

The meeting was called to order at 10:00 am

1. ROLL CALL

Members Present: Richard Klee, President
Erin Linder Hanig, Vice-President
Anthony Fitts, Secretary

Redevelopment Staff: Mary Brazinsky, Board Secretary

Legal Counsel: Sandra Kennedy, Esq.
Jenna Throw, City Attorney

Attending: Erik Glavich, Director Growth & Opportunity
Randy Rampola, Barnes, and Thornburg

2. ELECTION OF OFFICERS

President: Upon a motion by Richard Klee, seconded by Anthony Fitts, the motion carried unanimously, the Authority elected Erin Linder Hanig as President of the Redevelopment Authority for 2023.

Vice-President: Upon a motion by Richard Klee, seconded by Erin Linder Hanig, the motion carried unanimously, the Authority elected Anthony Fitts as Vice-President of the Redevelopment Authority for 2023.

Secretary: Upon a motion by Erin Linder Hanig, seconded by Anthony Fitts, the motion carried unanimously, the Authority elected Richard Klee as Secretary of the Redevelopment Authority for 2023.

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3. APPROVAL OF MINUTES

A. Approval of Minutes of the Regular Meeting of December 19, 2022

Upon a motion by Vice-President Fitts seconded by Secretary Klee, the motion carried unanimously, the Authority approved the Minutes of the Meeting of December 19, 2022.

4. NEW BUSINESS

A. Resolution No. 214 (Accepting Transfer of Roads)

Jenna Throw Presented Resolution No. 214 (Accepting Transfer of Roads). This resolution will allow the Redevelopment Authority to accept the transfer of streets from the Board of Public Works with the purpose of leasing them to the Redevelopment Commission. The description of the property that is being leased for purposes of the transaction is all of the cities' interests and all or a portion of the property which consists of College Avenue from its intersection with Cleveland Road to its intersection with Angela Boulevard.

President Linder Hanig asked if this is part of the South Bend/Notre Dame Trail Project.

Ms. Throw noted overall this is one of the components of the project. This is forming the basis for the lease between Redevelopment Authority and the Redevelopment Commission.

Vice-President Fitts asked if all other improvement areas are already collateral or will this lease encompass them.

Ms. Throw stated that the other improvements are items that would be funded by the bonds and Mr. Rampola can speak more about that in Resolution No. 215. The Board of Public Works will consider a similar resolution to transfer the roads to the Redevelopment Authority.

Upon a motion by Secretary Klee seconded by President Linder Hanig, the motion carried unanimously, the Authority approved Resolution No. 214 (Accepting Transfer of Roads) on February 10, 2023.

B. Resolution No. 215 (Bond Resolution SB 2023 Projects Financing)

Randy Rampola, Barnes, and Thornburg Presented Resolution No. 215 (Bond Resolution SB 2023 Projects Financing). In December, the Commission approved a form of lease and released Portage Avenue.

Today you will consider a lease which will enable you to issue bonds and the proceeds of the bond will impart be used to fund projects in the River West and River East TIF areas.

The public infrastructure improvements that we talked about and then the other component of the third component of the improvements are the Beacon Improvement District project. This resolution is the actual bond resolution authorizing the issuance of the bonds. This item was presented at both the Redevelopment Commission and Common Council to approve the form of the lease. Today we need to sign the lease. There is no formal action required because this Commission approved the lease at the previous meeting. It could not be signed prior to the Common Council meeting which happened on Monday where they approved the financing.

This resolution authorizes the issuance of your bonds. Those bonds would be paid from the lease that will enter into with the Redevelopment Commission. That lease will be payable from tax increment revenues that will be collected from the River East and River West TIF districts. There are sufficient TIF to pay those lease rentals. The bond resolution in Section I authorizes bonds in an aggregate principal amount not to exceed \$69M for a term of not more than twenty years. There are not to exceed interest rates there as well for taxable and not exempt bonds. The lease itself is a parameters resolution meaning that the par amount the principal amount of the bonds will likely be less than \$69M. The first series Series A is supposed to be approximately \$32M and we expect the interest rates to be significantly lower that what is listed.

The balance of the resolution gets into the technical aspect of the bonds you are appointing U.S. Band and Trust Company to serve as the bond trustee. They will hold the bond proceeds and trust. They will also then receive the lease payments of the TIF revenues as the bonds are being paid down and they would pay the bondholders.

Section 5 and 6 talk about the bond sale. The Commission is authorizing Baker Tilly Municipal Advisors to prepare an official statement and that document would be used to sell the bonds. Section 6 provides for competitive or negotiated sales. The city's intent is to provide for a negotiated sale with an underwriter for which they are currently going through a selection process.

The balance of the resolution relates to the technical aspects of the Resolution and authorizes the Commission to sign documents relating to the issuance of the bond in two series. The first series is expected to be issued later at the end of March/April and would fund the River West and River East infrastructure improvements. The second series of bonds will come later and will fund the

Beacon Project improvements. We are contemplating two series in this resolution.

Mr. Glavich asked when the optional redemption in Section 2 ever came into effect.

Mr. Rampola stated that the typical market is seven to ten years for an optional redemption and that would come into play say you issue the bonds in April and the interest rate is 4% (making that number up). And say the tax-exempt rate drops over the next several years of seven or eight years out; you could refund these bonds and then you would redeem the outstanding bonds.

Vice-President Fitts asked if US Bank typically oversees most of the bond issuance.

Mr. Rampola stated that they have for a number of years and have served as the bond trustee. The city has been happy with their service and the expenses charged.

Upon a motion by Secretary Klee seconded by Vice-President Fitts, the motion carried unanimously, the Authority approved Resolution No. 215 (Bond Resolution SB 2023 Projects Financing) on February 10, 2023.

5. ADJOURNMENT

The Authority adjourned the meeting at 10:17 am.

Anthony Fitts
South Bend Redevelopment Authority

Rick Klee
South Bend Redevelopment Authority

Erin Linder Hanig
South Bend Redevelopment Authority