

**SOUTH BEND REDEVELOPMENT COMMISSION
RESCHEDULED REGULAR MEETING**

April 15, 2015

9:30 a.m.

Presiding: David Varner, Vice President

227 West Jefferson Boulevard
South Bend, Indiana

The meeting was called to order at 9:31 a.m.

1. ROLL CALL

Members Present:	David Varner, Vice President Don Inks, Secretary Greg Downes Gavin Ferlic John Anella
Members Absent:	Marcia Jones, President
Legal Counsel:	Benjamin Dougherty, Esq.
Redevelopment Staff:	David Relos, Associate II Debrah Jennings, Associate I Tracy Oehler, Recording Secretary
Others Present:	Pete Buttigieg, Mayor Scott Ford, Executive Director Brian Pawlowski, Deputy Chief of Staff Chris Fielding, Assistant Executive Director Jitin Kain, Director Elizabeth Leonard-Inks, Director Aaron Kobb, Associate III Jacob Alexander, Associate Conrad Damian Mo Miller Mark Seaman Zach Crenshaw Leanna Beleu A.J. Patel Norman Patel Joe Kernan

2. APPROVAL OF MINUTES

A. Approval of Minutes of the Regular Meeting of Thursday, March 26, 2015.

Upon a motion by Commissioner Downes, seconded by Commissioner Ferlic the motion carried 4-0 (President Jones absent), the Commission approved the Minutes of the Regular Meeting of Thursday, March 26, 2015.

3. APPROVAL OF CLAIMS

324 Fund River West Development Area

System Clean Inc.	10,556.00	Equipment Walk Behind Floor Scrubber
MGLM Architects, LTD	7,369.82	Southeast Neighborhood Master Plan
Fabe Custom Downstream Systems	29,078.00	Equipment Purchase for Norres North
Interstate Environmental Service	75,898.92	Removal of Lead Based Paint at Ivy Tower
Meridian Title Corporation	2,535.00	Document Preparation
DHA	683.10	Boundary Maps for Reconfigured TIF District
Barnes & Thornburg LLP	4,440.00	Legal Services
Abonmarche	1,650.00	Colfax & Hill Drainage Improvements
DLZ	5,858.00	Engineering
Weaver Consultants Group	6,987.22	Ivy Tower
Abonmarche	24,850.00	Ignition Park Infrastructure Phase 1C
		Buildings 1 and 2
Kolata Enterprises, LLC	4,395.00	Environmental & Brownfields Consulting
Balint/Ryder Handling Equipment	34,800.00	Equipment Purchase
R.E. Pitts & Associates, Inc.	1,250.00	Appraisal Report Coveleski Park Replat
		Lots 2, 3, and 4
David Waszak Appraisals, Inc.	2,700.00	Appraisal Report Coveleski Park Replat
		Lots 2, 3, and 4
IDEM	1,745.05	Oliver Plow
Hull & Associates, Inc.	5,773.22	General Consulting & Evaluate
		Remedy/ACA/Amend RWP
City of South Bend	18,112.50	Legal Services

422 Fund West Washington Development Area

Troyer Group	7,344.00	City Cemetery Strategic Master Plan
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429 Fund River East Development Area

Meridian Title Corporation	2,535.00	Document Preparation
DHA	703.80	Boundary Maps Reconfigured TIF District

430 Fund South Side Development Area #1

Lawson Fisher Associates	31,994.50	Roundabout Intersection Improvement
Meridian Title Corporation	2,535.00	Document Preparation
DHA	683.10	Boundary Maps Reconfigures TIF District
Barnes & Thornburg LLP	2,788.00	Legal Services

287,265.23

Upon a motion by Commissioner Downes, seconded by Commissioner Ferlic the motion carried 4-0 (President Jones absent), the Commission approved the Claims submitted April 15, 2015.

4. COMMUNICATIONS

None.

5. OLD BUSINESS

None.

6. NEW BUSINESS

A. River East Development Area

None.

B. River West Development Area

(1) Economic Update

Mr. Ford stated in 2009 when the National Football College Hall of Fame (HOF) announced their departure from South Bend, the City has been engaged in a community conversation on how best to utilize this community resource. Through these conversations, three dominant themes emerged: a desire to create an entity that would be a magnet for visitors and investment in the downtown; the preservation of the Wall of the Gridiron as a public space for the community; and finding a sustainable business model that would contribute to the tax base and add to the vitality of the downtown.

Mayor Buttigieg gave an anecdotal story about patience and how it relates to the HOF property in making the right choices and gathering accurate information to ensure a good outcome in meeting the City's goals.

Mr. Fielding announced the negotiated terms of the project that accomplished all three of the goals set by the Mayor's office as previously noted as well as the creation of 60 new jobs. Staff has completed negotiations with JSK Hospitality (JSK) for the property and has a signed letter of intent. The tenants of the letter of intent include the building of a major brand hotel with approximately 120 rooms (it is approximately a 10 to 12 million dollar project); the HOF will serve as the lobby of the hotel and space for the development of the company headquarters; the Gridiron will remain available to the public 30 times per year with a minimum of 60 days' notice by the City at no cost; the developer's willingness to dedicate 5,000 square feet in the lower level at no charge to the City for future opportunities; and the development of a new retail component along St. Joseph Street. The purchase price for the Jefferson lot is set at \$1.00 where the hotel will be built and the purchase price for the HOF building will be \$1.2 million paid in installments over five years. JSK has agreed that any failure to take advantage of the option and exercise their

right under this option, will immediately revert to a lease between the Commission at \$12.00 per square foot for the upper level and \$6.00 per square foot for any space utilized on the lower level.

A future request will be made for a \$700,000 TIF infrastructure to be invested in the new hotel site and staff will process a nine year tax abatement to be proposed to the City Council for the new hotel space and a two year vacant building abatement while under construction. The maintenance cost for the HOF's HVAC system will be covered by the Commission for up to 36 months. Staff will assist with obtaining 100 parking spaces in the Leighton garage and is currently working with the Century Center Board to provide parking for employees at the Century Center parking lot. The project is expected to generate approximately \$5.4 million in revenue net in tax abatements over the next nine years, which will provide a 4.2 year return on investments. Staff is requesting permission to countersign the letter of intent and move into the draft of the development agreement with JSK, which will be brought back to the Commission at a later date.

Ms. Belevu, representative of the Century Center, addressed the Commission regarding lost business and the importance of having available meeting space with connections to the hotels.

A discussion followed between the Commission and staff regarding the proposed opening date for the hotel being scheduled for the first quarter of 2017 and the tax abatement requests being brought forth to Council within the next 45 days.

Mr. Patel, representative of JSK Hospitality, stated groundbreaking is proposed within six months after the finalization of the agreements and expressed how the SmartStreets project led the company to their decision for purchasing the property.

Upon a motion by Commissioner Downes, seconded by Commissioner Ferlic the motion carried 4-0 (President Jones absent), the Commission authorized staff to countersign the letter of intent and to proceed with the development agreement.

(2) Industrial Development Grant Fund Grant Agreement (Indiana Economic Development Corporation)

Mr. Fielding stated in June 2014, the creation of the ND Turbomachinery facility in Ignition Park was announced with one of the five partners being the Indiana Economic Development Commission (IEDC). The State IEDC has awarded the project \$2 million in funding through an Industrial Development Grant and can only be awarded to a municipality, which the Commission will be the conduit for the project.

A discussion followed between the Commission and staff that the grant is an additional \$2 million and clarification was made that there is no administrative fees being collected as this is already a function performed for each project undertaken.

Upon a motion by Commissioner Downes, seconded by Commissioner Ferlic the motion carried 4-0 (President Jones absent), the Commission approved the Industrial Development Grant Fund Grant Agreement with the Indiana Economic Development Corporation in the amount of \$2 million.

(3) Professional Services Proposal for the Replat of 111 South St. Joseph Street – Hall of Fame Building (Danch Harner & Associates)

Mr. Relos stated the proposal is to provide a survey to locate existing improvements and create a 2 or 3 Lot Minor Subdivision for the parcel that encompasses the Hall of Fame Building in order to keep certain parking areas available for public parking.

Upon a motion by Commissioner Downes, seconded by Commissioner Ferlic the motion carried 4-0 (President Jones absent), the Commission approved the professional services proposal for the replat of 111 South St. Joseph Street with Danch Harner & Associates in a not-to-exceed amount of \$6,000.

(4) Construction Invoice for Utility Relocation in Ignition Park South (Comcast Cable Communications, Inc.)

Mr. Relos stated the construction invoice is for relocation of Comcast's lines in Ignition Park South in order to release their easements.

Upon a motion by Commissioner Downes, seconded by Commissioner Ferlic the motion carried 4-0 (President Jones absent), the Commission approved the Comcast construction invoice for utility relocation in Ignition Park South in a not-to-exceed amount of \$11,300.

Vice President Varner requested Items 6.B.(5); 6.B.(6); and 6.B.(7) to be considered simultaneously as they pertain to the disposition of property for the Coveleski Park Minor Subdivision.

Mr. Relos gave the staff report.

(5) Resolution Nos. 3284, 3285, and 3286 Approving the Fair Market Value of Property (Lots 2, 3, and 4 of the Coveleski Park Minor Subdivision)

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks the motion carried 4-0 (President Jones absent), the Commission approved Resolution Nos. 3284, 3285, and 3286 approving the fair market value for Lots 2, 3, and 4 of the Coveleski Park Minor Subdivision.

(6) Approval of Bid Specifications and Design Considerations for Property (Lots 2, 3, and 4 of the Coveleski Park Minor Subdivision)

Upon a motion by Secretary Inks, seconded by Commissioner Ferlic the motion carried 4-0 (President Jones absent), the Commission approved the bid specifications and design considerations for Lots 2, 3, and 4 of the Coveleski Park Minor Subdivision.

(7) Authorization to Publish the Notice of Intended Disposition of Property with Publication Dates of April 24, 2015 and May 1, 2015 for Property (Lots 2, 3, and 4 of the Coveleski Park Minor Subdivision)

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks the motion carried 4-0 (President Jones absent), the Commission approved the authorization to publish the Notice of Intended Disposition of Property with publication dates of April 24, 2015, and May 1, 2015, for Lots 2, 3, and 4 of the Coveleski Park Minor Subdivision.

(8) Resolution No. 3287 Approving and Authorizing the Execution of an Addendum to the Master Agency Agreement (Bartlett Street Improvements Project)

Mr. Kain stated the addendum sets a construction budget for the Bartlett Street Improvement Project Phase 1 consisting of improvements to the main entrance of Memorial Hospital, a realignment of Bartlett Street, parking lot improvements, and the creation of a new roundabout at Bartlett and Michigan. River West Development Area TIF resources will cover the improvements to the hospital entrance and the Bartlett Street parking lot and TIF infrastructure bond proceeds are expected to cover the realignment of Bartlett Street and the roundabout in the amount of \$2.6 million.

Upon a motion by Commissioner Downers, seconded by Commissioner Ferlic the motion carried 4-0 (President Jones absent), the Commission approved Resolution No. 3287 approving and authorizing the execution of an Addendum to the Master Agency Agreement for the Bartlett Street Improvements Project in the amount of \$2.6 million.

(9) Resolution No. 3288 Regarding Parking Lease for the Hotel LaSalle Development Project (The LaSalle Apartments, LLC)

Mr. Relos stated on March 26, 2015, the Commission approved Resolution No. 3282, approving various agreements referenced within the Development Agreement, one of which was the Parking Lease. To allow LaSalle Apartments, LLC, to include the parking lot between the LaSalle and Morris and the Waterworks parking lot fronting Main Street in their title commitment at closing, it is necessary to revise the

signing of the Parking Lease now with the effective date remaining the same, i.e., upon substantial completion of the project.

Upon a motion by Commissioner Ferlic, seconded by Commissioner Downes the motion carried 4-0 (President Jones absent), the Commission approved Resolution No. 3288 regarding the Parking Lease with the LaSalle Apartments, LLC, for the Hotel LaSalle Development Project.

C. West Washington-Chapin Development

None.

D. South Side Development Area

None.

E. Douglas Road Development Area

None.

7. PROGRESS REPORTS

Mr. Fielding noted two tax abatements were proposed at the Common Council meeting and both declaratory resolutions were approved. One tax abatement is for Rainbow Daycare for renovations of a new facility at the corner of Douglas Road and State Road 23. They will be creating 25 to 30 new jobs with total taxes to be abated in the amount of \$63,612 with a \$1,255,000 private investment. The other tax abatement is for Bamar Plastics with the creation of three new jobs and total taxes abated in the amount of \$14,156 over five years with an investment of \$365,000 in new equipment.

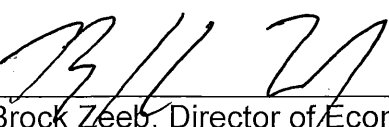
Vice President Varner requested on future tax abatement updates the total taxes are stated in order to clarify how much taxes are actually being paid by the applicant.

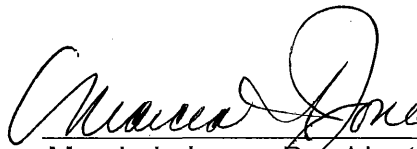
8. NEXT COMMISSION MEETING

Thursday, April 30, 2015, at 9:30 a.m.

9. ADJOURNMENT

Vice President Varner adjourned the meeting at 10:03 a.m.


Brock Zeeb, Director of Economic Resources


Marcia I. Jones, President