

4000030



Lt. Governor Katherine L. Davis  
Secretary Manager

January 26, 2004

Mr. Robert Case, Senior Economic Development Planner  
City of South Bend, Department of Economic Development  
1200 County – City Building  
South Bend, Indiana 46601

Dear Mr. Case:

The Indiana Development Finance Authority (IDFA) has reviewed your letter of January 5, 2004 regarding the status of what we mutually refer to as the "Bosch Brownfields Project." Thank you for the comprehensive explanation of the progress that has been made to date on the project. We acknowledge that, despite unforeseen project delays, substantial progress has been made towards completing this vital redevelopment project.

Based on the information you provided, we concur with your assessment that a second quarter 2004 completion date is reasonable for the project generally, and more specifically for completion of the Economic Development Goals identified in the Loan, Servicing and Disbursement Agreement (Agreement), the Revenue Bond Series 2001 B (2001 B Bond), and the associated Attachment found therein (Attachments). Given the substantial time and financial investments made in the project by the City of South Bend and the Bosch Corporation, and considering that the Economic Development Goals will be met in the near future, the IDFA hereby approves your request for a deadline extension. The new deadline for IDFA's receipt of the deliverables referenced in the Agreement, the 2001 B Bond, and the Exhibits, is June 22, 2004. This extension does not alter any other aspect of the project agreement(s), and the repayment provisions currently referenced in the Agreement and the 2001 B Bond will be enforced if the applicable deliverables are not received by the new June 22, 2004 deadline.

To acknowledge this extension and the new deadline, please obtain a signature from the appropriate City of South Bend representative in the below signature area. We look forward to celebrating the successful completion of this project with you in the near future. Please do not hesitate to contact this office with questions or comments.

Sincerely,

W. Calvin Kelly  
Deputy Director

cc: South Bend Loan file  
Matt Tuohy, IDFA  
Kevin Davis, IDEM

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ACKNOWLEDGED and accepted this \_\_\_\_ day of January, 2004

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

TRANSACTION REPORT

P.01

JAN-26-2004 MON 03:29 PM

FOR: IDFA

317 232 6786

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
JAN-26	03:29 PM	815742359021	45"	3	SEND	OK	156	

TOTAL : 45S PAGES: 3

INDIANA DEVELOPMENT FINANCE AUTHORITY  
AUTOMATIC FACSIMILE TRANSMISSION REQUEST

DATE: 1.26.04  
NUMBER OF PAGES: 3  
(including this page)

TO: Bob Euse  
(574) 235-9021

INDIANA DEVELOPMENT FINANCE AUTHORITY  
AUTOMATIC FACSIMILE TRANSMISSION REQUEST

DATE: 1.26.04

NUMBER OF PAGES: 3  
(including this page)

TO: Bob Case

(574) 235-9021  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FROM: Sara Westrick  
\_\_\_\_\_  
\_\_\_\_\_

SENDER'S FAX #: (317) 232-6786

MESSAGE: Bob: Please see attached. A hard copy is to follow  
by mail - give us if call if you have questions.

Thanks!  
Sara Westrick  
\_\_\_\_\_  
\_\_\_\_\_

1200 COUNTY-CITY BUILDING  
SOUTH BEND, INDIANA 46601-1830



PHONE 574/ 235-9371  
FAX 574/ 235-9021  
TDD 574/ 235-5567

CITY OF SOUTH BEND STEPHEN J. LUECKE, MAYOR  
**COMMUNITY & ECONOMIC DEVELOPMENT**

January 5, 2004

INDIANA DEVELOPMENT  
FINANCE AUTHORITY

JAN 12 2004

Indiana Development Finance Authority  
attn: W. Calvin Kelly  
One North Capitol, Suite 900  
Indianapolis, IN 46204

Dear Mr. Kelly:

As per your letter dated December 3, 2003 and previous phone conversations to the IDFA offices I am writing a response in regards to our loan for the "Bosch Project". The City of South Bend has been working with the Robert Bosch Corporation as you know for the past several years on the rehabilitation of their facility. Unfortunately, from the very beginning we have had several delays in the project. Hopefully, with this letter we can illustrate some of these delays and how the City is working to resolve any issues and finish the project in a timely fashion within the first quarter of 2004.

The City of South Bend started working with the Robert Bosch Corporation in 2000 to come up with a way to keep them here in the City. Through cooperative efforts on the part of the State of Indiana, St. Joseph County and the City we were able to save an extremely valuable company and keep them here in Indiana. Below are the original development goals from the loan application. After a brief explanation of these goals this letter will describe activities that have taken place since the beginning of the project.

**Economic Development Goals: Bosch Rehabilitation and Retention Project**

The Bosch Corporation is a very important employer and a significant contributor to the City's present economic well-being and future growth. Therefore, we have worked very closely with the company over the past few years to find a way of keeping them in the community. At the present Bosch employs approximately 435 people with an annual payroll of over \$27 million. Last year total annual purchases from over 232 Indiana companies was \$82 million. The Bosch Braking facility also provides means of employment in secondary markets throughout the area.

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COMMUNITY DEVELOPMENT  
PAMELA C. MEYER  
574/235-9660  
FAX: 574/235-9697

ECONOMIC DEVELOPMENT  
DONALD E. INKS  
574/235-9371

FINANCIAL & PROGRAM  
MANAGEMENT  
ELIZABETH LEONARD  
574/235-9371

The multiplier effect from this company ripples throughout our entire state and community.

The loss of Bosch would be particularly troublesome for the City in light of Bosch's current level and type of employment. The battles between the States of Indiana and Michigan for large stable employers are pitched. We have gone face to face with the State of Michigan many times and find the Michigan incentives difficult to match. In light of the border wars Bosch like any significant employer has real options.

The following would constitute the economic goals of the City and the Bosch Corporation:

- Maintain a valuable employer within the City of South Bend
- Long-term commitment of the Bosch Corporation in the City
- The efficient use of existing space at their current facility
- Utilization of historically significant manufacturing building
- Safe working environment for its employees
- Provide a means for the continued growth of the Bosch Corporation

The first goal has been established because of the economic impact that the City would face if Bosch were to leave. The Bosch corporation pays approximately \$1.2 million in annual taxes and has approximately \$ 7.0 million in local purchases. The next goal was a long term commitment from the Bosch Corporation. This was accomplished as part of a signed agreement between the City of South Bend and the Bosch Corporation. In order to fulfill this part of the goals the City of South Bend purchased Bosch's existing facilities and in turn the Bosch Corporation signed a lease for 20 years. The next four goals were set based on the actual physical structure of the existing facility. Total size of the current buildings is 482,000 square feet, but only 270,000 square feet are utilized. The objective was to create workable space that Bosch could move into but at the same time demolish areas that are not within their long-term plans. As part of the rehabilitation plans we abated all present and potential contaminants from the areas being rehabilitated and those being demolished as seen in the Building 103 final deactivation report (see attachment). Several activities have already concluded in order to finalize these economic and business goals for Bosch and the City of South Bend. Maintaining Bosch and locking them into a long-term commitment, and have almost completed revitalizing the existing structures.

As part of the agreement the City has committed \$3.5 million dollars into this project and the State and St. Joseph County have committed \$5.3 million in grants and loans. However, the IDFA loan plays a major role in this commitment. The loan is directly tied to every economic goal from maintaining the site to efficient use of space. Without the \$1.3 million it would be impossible to rehabilitate this old manufacturing facility and turn it into a modern R&D facility. The IDFA loan would be used to demolish 147,000 square feet of existing buildings with remaining portion of the funds utilized for asbestos and lead abatement throughout the complex and remove any other potential contaminants from the site.

In conclusion, out of the dollars that have been compiled for this project we have spent over \$1.13 million in environmental and demolition cost for a total of over \$10.7 million on the

rehabilitation of the facility (see attached Project Cost spreadsheet). Phase III or the Final Phase of the project entails much of the total demolition cost. The Phase III cost totals around \$800,000 of which about \$270,000 has been invoiced already, so we are over 30% complete. If the Indiana Development Finance Authority needs additional information, such as "Pay Applications", feel free to call me at (574) 235-5836 office or (574) 876-6362 cell. We look forward to completing this project by Spring of 2004 and do appreciate all of the assistance that your agency has given Bosch and the City.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Case", with a stylized flourish extending from the end.

Robert D. Case  
Sr. Economic Development Planner  
City of South Bend

PROJECT COST LINE ITEMS	GRANT FUNDS	LOCAL FUNDS	OTHER FUNDS	TOTAL COSTS
1.) Administrative Expenses	\$ 0	\$ 0	\$ 0	\$ 0
2.) Professional/Engineering Fees	\$ 0	\$ 0	\$ 876,102	\$ 876,102
3.) Land, Structures, Right of Way	\$ 1,500,000	\$ 0	\$ 0	\$ 1,500,000
4.) Demolition & Removal	\$ 1,023,621.00	\$ 0.00	\$ 0	\$ 1,023,621.00
5.) Construction Improvements				
A.) Separate Power Feed	\$ 407,625.00	\$ 0.00	\$ 0	\$ 407,625.00
B.) Rehabilitation of Buildings 103, 104	\$ 1,401,884.00	\$ 0.00	\$ 0	\$ 1,401,884.00
	\$ 0	\$ 5,377,375	\$ 0	\$ 5,377,375
D.) Other**				
1.) Environmental	\$ 115,059	\$ 0	\$ 0	\$ 115,059
2.)	\$ 0	\$ 0	\$ 0	\$ 0
Total Project Cost:	\$ 4,448,189.28	\$ 5,377,374.83	\$ 876,102	\$ 10,701,665.65



December 22, 2003

Mr. Mark Walker  
Senior Leader  
Environmental, Health and Safety  
Robert Bosch Corporation  
Chassis Division  
401 North Bendix Drive  
South Bend, IN 46628

Re: Building 104 Deactivation  
Bosch - South Bend, IN

File: 6407/33178

Dear Mark:

This letter report describes the deactivation activities completed for Building 104 at the Robert Bosch Corporation site in South Bend, Indiana (Bosch) prior to demolition.

### **I. Background**

O'Brien & Gere Engineers, Inc. (O'Brien & Gere) was retained by Bosch to oversee the environmental deactivation of Building 104 prior to its demolition. In an agreement with the City of South Bend, Bosch is responsible for preparing the building for demolition and the City is responsible for demolition.

The environmental issues associated with the site were presented in the Building 104 Characterization Report, prepared by O'Brien & Gere on February 12, 2001. The characterization report included sampling and analysis of potential areas of environmental concern. This letter report summarizes the overall program objective, a description of the building 104 characterization, and a description of the environmental deactivation activities completed prior to demolition.

### **II. Project Objective**

The overall project objective was to safely and cost-effectively decommission Building 104 prior to demolition. In meeting this objective, Bosch retained O'Brien & Gere to assist in three phases of work:

- Building 104 characterization,
- Evaluation of current conditions prior to construction, and
- Limited "spot check" inspection during environmental deactivation.

### **III. Building Characterization**

O'Brien & Gere completed the Building 104 characterization between October and September

2000. Work included:

- Review of Building 104 history
- Site inspection and walkthrough
- Preparation and implementation of a sampling and analysis plan (SAP) to identify potential environmental areas of concern
- Preparation of a characterization report for Building 104

The following environmental items were identified in the Building 104 Characterization Report as requiring action prior to demolition:

- Removal of friable asbestos containing materials (ACM), which was located throughout Building 104
- Removal of light fixtures, including fluorescent and sodium vapor types
- Removal of other hazardous materials including, but not limited to, chlorofluorohydrocarbons (air conditioning units and drinking fountains) and free mercury (mercury switches)
- Draining and disposal of residual oil within the "Chrysler Unit" located on the first floor.

A copy of the February 2001 *Building 104 Characterization Report* is on file with the Bosch Environmental Health & Safety Manager.

#### **IV. Construction Activities**

This section describes the deactivation activities completed prior to demolition.

1. Kick-off Meeting & Evaluation of Current Conditions - On June 5, 2003, O'Brien & Gere personnel attended a kick-off meeting to develop a deactivation program strategy with Bosch and Preferred Environmental (PE). PE was the contractor hired by Bosch to complete the environmental deactivation activities. As a result of this meeting, O'Brien & Gere updated previous report data tables and performed a walkthrough of Building 104 on Monday June 9, 2003. During the walkthrough, O'Brien & Gere, Bosch, and PE personnel evaluated current conditions and developed a list of equipment that PE would need to clean and/or remove. Following this meeting, O'Brien & Gere prepared a summary memo (Attachment A) identifying changes to the summary tables submitted in the Building 104 Characterization Report.

2. Inspection Services - Bosch requested that O'Brien & Gere perform limited "spot check" inspection services during deactivation. The spot checks included a visual review of the deactivation activities conducted by PE, preparation of field notes during spot checks, and documentation that work in specific areas was completed. Removal of asbestos containing material (ACM) was confirmed by ACM Environmental Services, Inc. During the spot checks, photos were not collected due to the lack of lighting throughout Building 104.

Chad Krieter, a Senior Technician with O'Brien & Gere, supported the initial Building 104 characterization and completed the two spot check inspections during deactivation. The first spot check took place on July 10, 2003 and consisted of a building walkthrough to identify work completed to date. The second spot check took place on July 18, 2003 and was considered the final site walkthrough. The final walkthrough consisted of confirmation that the previously mentioned items, with exception of ACM, had been completed. Based on the results of this final walkthrough, the areas of concern previously listed were adequately addressed by PE.

Bosch coordinated and contracted directly with the asbestos air monitoring firm (ACM Environmental Inc.), who provided final clearance and a Certificate of Completion for asbestos removal work zones established by PE. A copy of the final clearance documentation by ACM Environmental Inc. is included as Attachment B.

Upon completion of deactivation work, PE provided a Project History Report, which is included as Attachment C. The following are items included in the PE report:

- Preferred Environmental Services Invoice to Bosch
- Notification of Demolition and Renovation Operations
- Certificate of Liability Insurance
- Daily Project Logs
- Visitor Logs
- Daily Respirator Logs
- Contaminated Work Area Personnel Logs
- Safety Meeting Minutes
- Air Monitoring Results
- Asbestos Waste Shipment/Disposal Record
- Certificate of Disposal
- Certifications

Based on the above described deactivation activities, the environmental areas of concern identified for Building 104 were adequately addressed by PE prior to demolition.

Thank you for the opportunity to have been of service to Bosch. Please feel free to contact either Chad Krieter or me at (248) 661-3745 if you have any questions about this report.

Very truly yours,

O'BRIEN & GERE ENGINEERS, INC.

Scott L. Cormier, P.E.  
Senior Managing Engineer

Enclosures

cc: CA Krieter – O'Brien & Gere Engineers, Inc.  
M. Traister – O'Brien & Gere Engineers, Inc.

Robert Bosch Corporation

**Sent by:** \_\_\_\_\_ **Date:** \_\_\_\_\_ **Time:** \_\_\_\_\_

PAGE 1 of

## **Final Report**

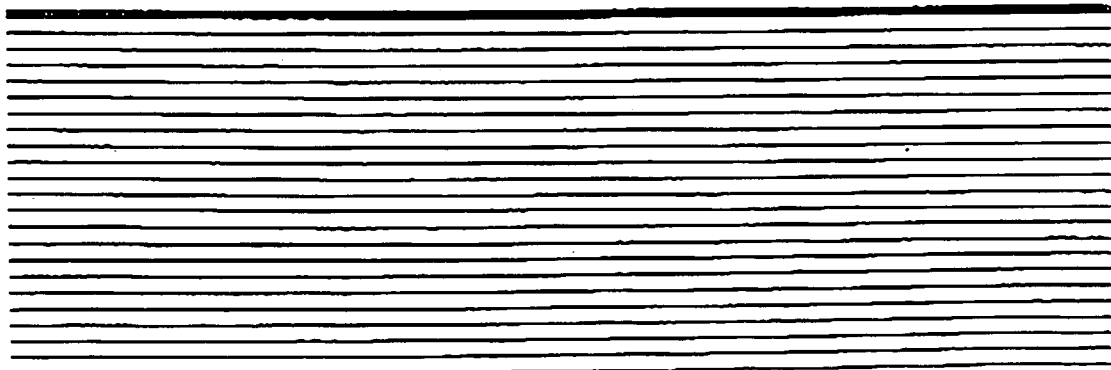
# **Bldg. 103 Deactivation Report**

Robert Bosch Corporation  
South Bend, Indiana

July 2002



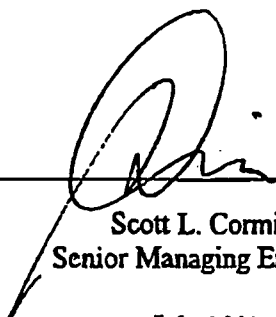
**O'BRIEN & GERE**  
ENGINEERS, INC.



## FINAL REPORT

### Building 103 Deactivation Report

*Robert Bosch Corporation  
South Bend, Indiana*



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Scott L. Cormier  
Senior Managing Engineer

July 2002



**O'BRIEN & GERE**  
ENGINEERS, INC.

33469 West 14 Mile Road, Suite 150  
Farmington Hills, Michigan 48331  
Phone: 248-661-3745

## 1. Introduction

O'Brien & Gere Engineers, Inc. (O'Brien & Gere) was retained by Robert Bosch Corporation (Bosch) to oversee the environmental deactivation of Building 103 at the South Bend, Indiana in preparation of demolition and renovation. Previously, O'Brien & Gere completed a building characterization (which included the preparation of a building characterization report), and assisted in bid phase services, including the preparation of demolition specifications and contract drawings. This report summarizes the project objective, provides a brief history of the building, a description of the building characterization, and a description of environmental deactivation activities.

### 1.1. Objective

The overall project objective was to safely and cost-effectively decommission Building 103 prior to demolition and renovation. In meeting this objective, Bosch retained O'Brien & Gere to assist in three phases of work: building characterization, bid phase services, and environmental deactivation services.

### 1.2. Building 103 background

Building 103 is a part of the original Bendix Corporation industrial complex that began with construction of the first manufacturing building in 1923. In 1983, Allied Corporation purchased the Bendix Corporation. In 1987, Allied Corporation and Signal Corporation merged to form AlliedSignal Corporation. In 1996, the Robert Bosch Corporation purchased the Braking Systems Divisions of AlliedSignal, and the portion of the original Bendix Complex operated by Braking Systems was leased to Robert Bosch. In September 2000, The City of South Bend purchased the building from AlliedSignal (renamed Honeywell), and in turn leased those buildings back to Robert Bosch. Honeywell retains ownership of the property, and responsibility for remediation of soil and groundwater contamination present throughout the complex. As a result of that transaction, Robert Bosch is beginning a large-scale renovation of its buildings, which will include some demolition of Building 103.

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*1. Introduction*

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- Preparation and distribution of demolition specifications and contract drawings
- Assistance during the pre-bid meeting
- Evaluation of contractor bids.

**1.4.1 Environmental cleanup specification / contract drawing**

Environmental cleanup specifications and contract drawings were prepared to address current conditions, the need for decontamination, proper transport and disposal options, personnel monitoring requirements, and to address possible construction related issues. The Building 103 Deactivation Contract Documents (December 2000) and contract drawings were developed to provide bidders necessary information to develop an accurate construction estimate.

The bid package, which included environmental deactivation specifications, contract drawings, and the Building 103 Characterization Report, was submitted to four contractors, three of which submitted bids.

**1.4.2 Bid evaluation**

Upon receipt of bids from the contractors, the bids were evaluated based on the completeness of the bid, price, and schedule. Preferred Environmental Services, Inc. (Preferred) of Fort Wayne, Indiana was preliminarily awarded the deactivation project in February 2001.



## 2. Abatement Activities

As mentioned previously, Preferred was preliminarily awarded the Building 103 deactivation job in February 2001 pending final receipt of state funding for the project. Preferred was officially awarded the project on March 12, 2001.

### 2.1. Pre-construction meeting

A pre-construction meeting was held at the South Bend facility on March 14, 2001. Topics discussed include:

- Schedule /start date
- Performance bond
- Lead paint waste management
- Lighting fixtures
- Project flow
- Overall schedule
- Detailed operations plan
- Specific health and safety plan
- Lump sum vs. time and materials with not-to-exceed
- Contractor agreement
- Contractor safety agreement

Copies of the pre-construction and weekly meeting minutes are attached in Appendix A.

### 2.2. Permitting / submittals

Prior to beginning deactivation activities, the following submittals were made by Preferred:

- Required city and state permits were obtained by Preferred. A copy of the Notification of Demolition and Renovation Operations permit related to the deactivation of Building 103 is located in Appendix B.
- Work plan and health and safety plan. A site-specific health and safety plan was provided directly to the Bosch Braking Systems EHS manager prior to the start of work. A copy of the work plan is located in Appendix C.

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## 2. Sampling and analysis

3,000 gal and two 1,000 gal-holding tanks. Prior to being released into the City of South Bend sewer system, the filtered water was sampled by Avant Group, Inc., of South Bend, Indiana. Analytical results, included in Appendix F, were submitted to the City of South Bend for approval. Separate samples were collected from water generated in each work area (three total). Sample results from the second and third sections of Building 103 indicated elevated levels of zinc. Wastewater generated in these areas was not approved by the City of South Bend for release to the sewer system. Approximately 1,800 gallons of wastewater was pumped and transported by Central Systems, Inc. to Metal Working, Indianapolis, Indiana for disposal.

Abated lead paint was containerized in properly labeled 55-gal drums and, prior to shipment of fourteen drums (44,820 lbs.) for off-site disposal at Chemical Waste Management in Emelle, AL, stored in a portion of Building 103 designated by Bosch personnel. Waste disposal manifests are on-file at the Bosch South Bend facility.

### **2.3.4 Asbestos abatement**

ACM Environmental was subcontracted by O'Brien & Gere to perform oversight and air sampling/analysis during asbestos abatement activities. Asbestos abatement, which was completed concurrently with lead-based paint removal activities, included the removal of approximately 14,000 lb of pipe insulation and pipe fittings, 1 above ground storage tank (AST) with asbestos insulation, and 8,624 sq ft of asbestos floor tile (located in the old office area). A P.E.-stamped report describing asbestos abatement activities, air monitoring results, copies of asbestos waste shipment/disposal records as well as copies of ACM Environmental's on-site inspector's field notes, and the signed certification of completion of asbestos abatement activities is attached as Appendix G.

### **2.3.5 PCB-impacted equipment removal**

Preferred completed the removal of PCB-impacted equipment including two crane motors, one transformer, and a drum of PCB oil and absorbent material. These items were removed from the building for offsite disposal at Chemical Waste Management, Inc. in Emelle, Alabama.

### **2.3.6 Lighting removal**

Preferred completed the removal of fluorescent and sodium vapor lights and ballasts in areas scheduled for demolition, as well as the former office area on the south side of the plant. Fluorescent tubes and ballasts labeled as non-PCB were removed from the building for offsite disposal at Superior Special Services in Columbus, Ohio. Lighting ballasts not labeled as non-PCBs were assumed to be PCB-containing and were placed in 55-gal drums and were also transported to Superior Special Services (Columbus, Ohio) for offsite disposal.

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2. Sampling and analysis

- *Conveyer drive located in bay O14.* Approximately ½ gal or residual oils were drained from the conveyer drive and placed in 55-gal drums for offsite disposal. The drive unit was then removed and placed in a roll-off container for offsite disposal as scrap metal.
- *Compressor units located in bay E4.* Following a visual inspection for the presence of residual materials, two compressor units were removed from the building and placed in roll-off containers for offsite disposal as scrap metal.

### 3. Project acceptance

Following completion of the Building 103 deactivation activities, a final site walkthrough was completed on May 24, 2001 by O'Brien & Gere and Bosch representatives for final acceptance of the project. Upon completion of the walkthrough and completion of minor punchlist items, photographs were taken to provide proof of completed items (Appendix H), and Preferred proceeded to mobilize off-site. Refer to Appendix I for a signed copy of the Contractor Scope of Work Completion Form.