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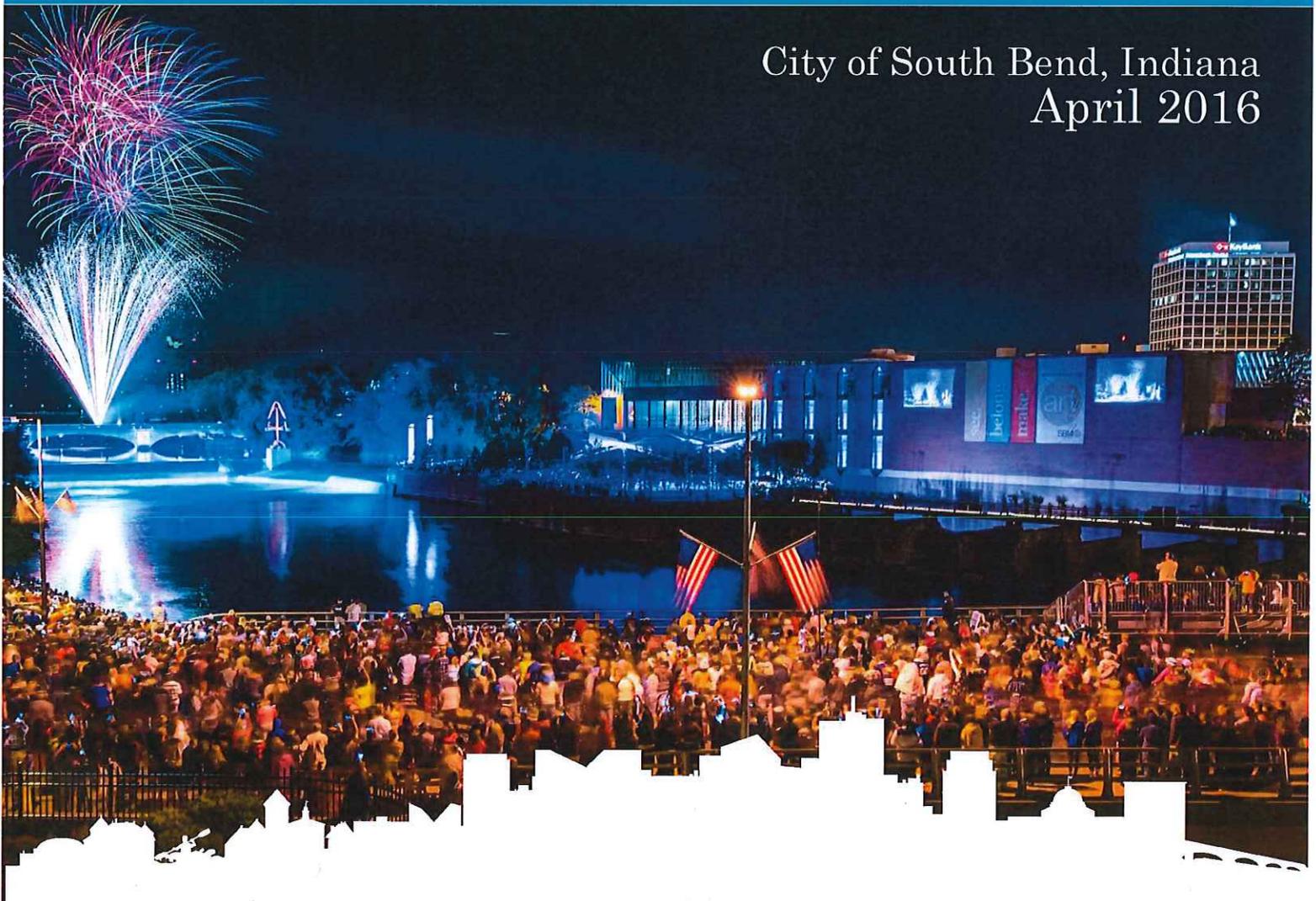
APR 20 2016

KAREEMAH FOWLER
CITY CLERK, SOUTH BEND, IN

ANNUAL REPORT

DEPARTMENT OF COMMUNITY INVESTMENT

City of South Bend, Indiana
April 2016



2015 ANNUAL REPORT

I. Mission Statement:

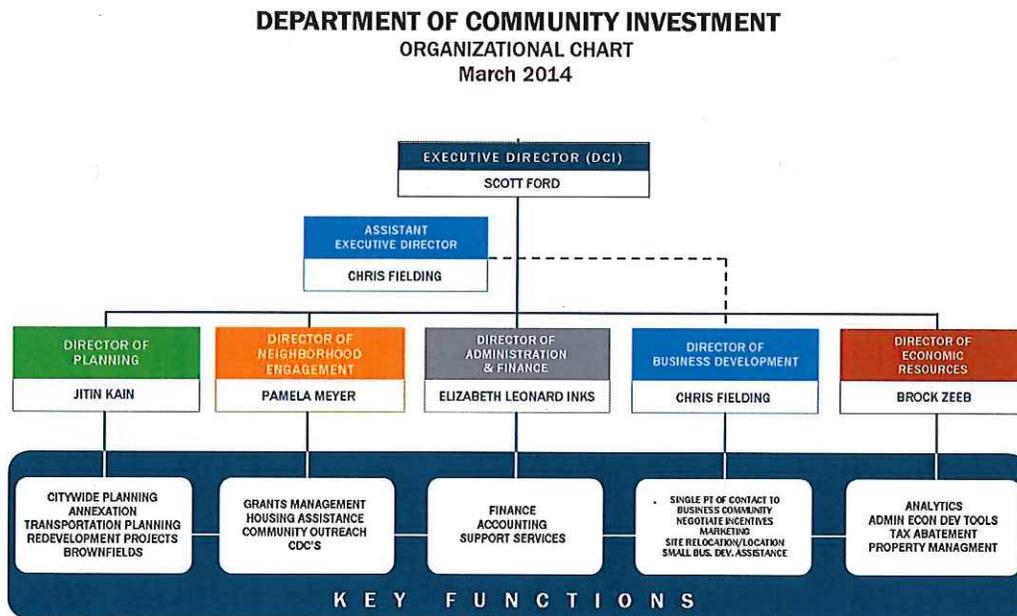
Our mission is to spur investment in a stronger South Bend. We achieve this by:

- Attracting and retaining growing businesses;
- Connecting residents to economic opportunities; and
- Planning for vibrant neighborhoods.

II. Department Structure

In 2012 the Department of Community and Economic Development was restructured and rebranded as the Department of Community Investment. The new structure is intended to promote an integrated approach to economic development that incorporates a broad array of perspectives and expertise in all of the Department's activities. No new positions were added to the Department, but rather one role, formerly CED Specialist VI was converted into the Assistant Executive Director/Director of Business Development position. This position was created to be the 'single point of contact' to assist businesses in navigating City departments and the processes/procedures related to any issue that may arise with their operation.

There were no changes to the Department's organization in 2015. The Department's organizational structure can be illustrated as follows:



III. Leadership



Scott Ford
Executive Director



Chris Fielding
Assistant Executive Director



Brock Zeeb
Director of Economic Resources



Beth Leonard Inks
Director of Admin & Finance



Jitin Kain
Director of Planning



Pam Meyer
Director of Neighborhood Engagement

IV. KPI's for 2015:

Key performance indicators to track departmental activity in 2015.

1. Announced Job Creation for approved projects: 907
2. Commercial Private Investment: \$163,748,376
3. Project Incentives:
 - a. Total Tax Abatement Phase-In: \$ 10,390,101
 - b. Redevelopment Commission TIF: \$ 7,326,065
 - c. Industrial Revolving Loan Fund: \$ 2,155,444
4. Additional Annual Payroll from Approved Projects: \$13,360,394
5. Households Assisted via Housing Programs and Counseling: 307
6. Ancillary economic info:
 - a. Unemployment for the City of South Bend dropped from 7.7% in January 2015 to 5.5% in December 2014, nearly a 29% reduction. The number of employed members in the workforce increased from 42,290 to 43,526, an increase of 1,296 jobs while the total labor force experience a modest increase from 45,834 to 46,072.
 - b. Total Private Investment: As reported in the Building Department construction permit activity report, \$178,793,982 was invested in construction in the City in 2015. This represents an 11.2% increase over the same figure for 2014.

- c. Population: Census estimates suggest that the City experienced its largest year over year increase in more than twenty years, with the net addition of 200 residents in the 2014 population estimate for a total count of 101,190. This modest increase represents an inflection in the population trend. More concrete information will become available with the Census in 2020.

V. Top Achievements for 2015:

The main achievements of the Department are organized according to Mayor Buttigieg's three top priorities: 'Invest in People and Places', 'Deliver Good Government', and the 'Make the Basics Easy':

A. Invest in People and Places:

1. Smart Streets: Smart Streets is a series of public right-of-way improvement projects throughout the City of South Bend. This initiative includes conversion of downtown one-way streets into two-way, plus streetscape improvements downtown, in the East Bank, and on major west side streets. In 2014, streetscape improvements to East Jefferson Boulevard and the two-way conversion of William Street and Lafayette Boulevard were completed. The South Bend Redevelopment Commission and Common Council then approved a \$25 million TIF Infrastructure Bond to support further Smart Streets projects, including the conversion of the entire one-way street system in South Bend. In 2015, Marion and Madison Streets were converted to two-way, and construction documents were completed to permit construction on Main and Michigan/St. Joseph Streets to begin in spring 2016.
2. Former College Football Hall of Fame: In April, the City announced the sale of the former College Football Hall of Fame (HOF) and the adjacent Jefferson Street surface parking lot to JSK Development. The \$10+M development includes a five story, 139 hotel room hotel with ground floor retail. The Courtyard Marriot hotel will be connected to the Century Center via the subterranean tunnel at the HOF. Anticipated completion for the hotel is in the late summer of 2017.
3. Aloft / Chase Tower Redevelopment: In September, the City announced the redevelopment of the Chase Tower. The Tower at Washington Square, LLC will redevelop the landmark building into \$35 Million mixed-use development with 183 hotel rooms in the new Aloft Hotel, 3,750 square feet of meeting space, and over 80 apartments above the hotel. The ground floor will feature retail and a new entrance on Main Street that is to coincide with the two-way conversion in 2016. Interior demolition activity began in Fall of 2015 with anticipated hotel opening in 2017.
4. Downtown Residential Projects: (e.g. LaSalle Hotel, Hoffman Hotel, JMS). Progress continued with the continued resurgence in downtown residential development. RealAmerica broke ground on the redevelopment of the LaSalle Hotel in April. \$12M project will generate 66 market rate units to be available in the fall of 2016. Great Lakes Capital will invest \$8M to renovate the historic JMS to generate another 50+ units of market rate apartments along with 10,000 sf of office space and ground floor retail. Hill & Colfax Partners broke ground in the construction of a 16 unit mixed-use project at the intersection of Hill & Colfax. Matthews LLC announced the development of a new residential project at Sycamore and LaSalle Streets as well.

5. Lincoln Park Mutual Homes: South Bend Mutual Homes, in partnership with South Bend Heritage, Indiana Housing and Community Development LIHTC program, the Federal Home Loan Bank of Indianapolis, 1st Source Bank, and the City of South Bend, broke ground on the development of 24 single family homes. The project is notable for several reasons: As a housing cooperative, the project will be owned and operated by the residents of the development. Moreover, the infill development has occurred on lots where vacant and abandoned homes had been demolished to prepare for future development. The City's support has come through a tax abatement for the homes as well as the contribution of several vacant lots and \$100,000 in HOME funds for construction.
6. West Side Main Streets Revitalization: : Lincolnway West and Western Avenue both underwent drastic transformations as key action steps identified in the West Side Main Streets Revitalization Plan were completed with \$5.61 million of funding from the City and Redevelopment Commission. Lincolnway West was restriped as a three lane street with on-street parking and bicycle facilities. More than 300 new trees were planted. Approximately \$2.8 million was spent on Western Avenue to make approximately 2.5 miles of street improvements. The street was restriped, trees were planted, and sidewalks in poor repair were replaced, while a targeted three-block area between Dundee Street and Bendix Drive saw full replacement of pavement, curbs, and sidewalks and the addition of decorative lighting and trees. A new façade matching grant program for Western Avenue leveraged an investment of more than \$465,000 to small businesses along the streets.
7. Various Workforce Development Programs: SMART (Supporting Manufacturers and Regional Talent) continued in its second year of operations and underwent a format adjustment in July to accommodate feedback that we had received from manufacturers and course participants. In September, in an effort to meet needs in several sectors in the South Bend market, we expanded SMART to be a sector-based training program to meet the demand beyond manufacturing. Program outcomes include over the last two years include the following:
 - i. 40 South Bend residents have been enrolled in training, of which 1 is still working towards completion. 26 of the initial 39 graduates are currently employed.
 1. Manufacturing Track / 17 residents – of which 11 are employed
 2. Hospitality track / 11 residents – of which 7 are employed
 3. Certified Nursing Assistant track/ 5 residents – of which 4 are employed
 4. Commercial Driver's License track / 2 residents – 4 are employed

Moreover, to help spur a larger candidate base and ensure that these programs were being marketed in those communities where the needs may be greatest, the City developed the Pathways Program, that has established a single point of contact/coordinator for outreach and recruitment efforts as well as to establish a database of potential candidates for jobs and workforce programs. Program was initiated in late 2015 and will be underway in earnest in 2016.

B. Deliver Good Government

Department Recognition: The Department Received national recognition through several awards received in 2015 including: the Harvard Kennedy School's Bright Ideas in Government award for the engagement with the Drucker Institute to develop a Playbook for Public Sector Leadership. Additionally the *Smart Streets Plan* was received an Merit Award by the International Downtown Association and the *West Side Main Streets Plan* received a Merit Award by the Congress for the New Urbanism for its vision of placemaking and community building.

8. Vacant and Abandoned Housing Initiative: 1,000 homes in 1,000 days: The Department led the successful completion of the effort to meet the Mayor's ambitious goal to address 1,000 vacant and abandoned homes within 1,000 days. In summary, over the course of the initiative, over \$11.6M of local, State, Federal and private funds were invested in various blight remediation and redevelopment efforts to address 1,122 properties, yielding the following outcomes:

433	Houses Repaired (6 under construction at 1000 th day)
679	Houses Demolished
10	Houses Deconstructed

9. Community Plans: Cemetery and SE Area: The Department undertook concurrent community planning projects in the Near West Side neighborhoods that border the City's historic cemetery as well as for the Southeast Side – an area bounded by Lincolnway East, Fellows, Miami and Michigan streets. Both plans call for a number of streetscape and public space improvements that will help to facilitate neighborhood revitalization through activities such as new 'infill' residential development. Implementation of both plans to get underway in 2016.

C. Make the Basics Easy

10. Food Truck Ordinance: The Department led an intergovernmental process over 16 months that culminated with the successful adoption of the Ordinance by the South Bend Common Council in September. The Ordinance enables the operations of Food Trucks in South Bend and St. Joseph County. The process established new business licensing categories and clarified how a culinary entrepreneur could become a mobile food vendor. In addition to enabling the operations of Food Trucks the marketing/information pamphlets developed by the Department provide clear and concise information for how to obtain the license.

VI. Summary of Redevelopment Activities by Area

South Bend has both redevelopment areas and economic development areas, all governed by the South Bend Redevelopment Commission. In 2014, the City's redevelopment and Economic Development areas underwent boundary changes to incorporate commercial areas primarily along Lincolnway West and Western Avenue. The expansion allowed the city to better align its priorities with funding sources.

Redevelopment Areas: Redevelopment areas use acquisition, clearance, and disposition of land and public improvements to reclaim blighted land for new development. Design review sets and maintains high development standards for the reclaimed land.

Redevelopment Areas:

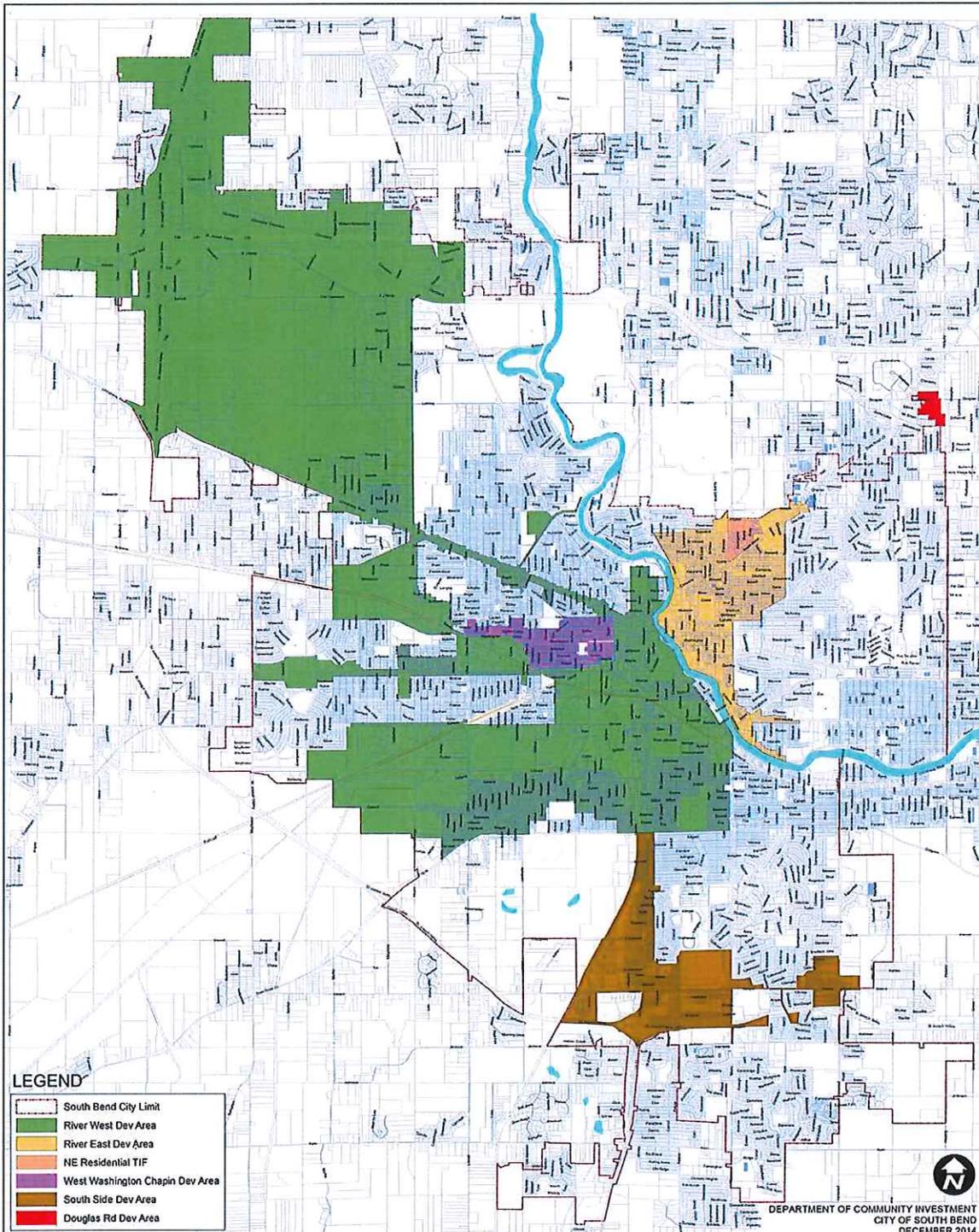
- River East Development Area
- South Side Development Area
- West Washington-Chapin Development Area

Economic Development Areas: The declaration of an economic development area does not require the finding of blighted conditions, and does not have the right of eminent domain. South Bend currently has two economic development areas.

- River West Development Area
- Douglas Road Economic Development Area

A map of these areas is included in the following page:

SOUTH BEND DEVELOPMENT AREAS



A. River West Development Area (RWDA) *Formerly AEDA; includes west side of SBCDA*

1. Former College Football Hall of Fame: Entered into a development agreement with JSK Hospitality to develop the parking lot South of the former College Football Hall of Fame (HOF) into a new Marriot Courtyard Hotel that will be connected to HOF. Construction is anticipated in the Spring of 2016.
2. Ignition Park:
 - a. Notre Dame Turbo Machinery Laboratory and a Multi-tenant high tech building (Catalysts 1 and 2) were under construction by Great Lakes Capital.
 - b. Phase 1B of Ignition Park infrastructure began and neared completion by the end of 2015.
 - c. New wayfinding and signage work bid out and underway for 2016 spring installation.
 - d. Continued Ignition Park South acquisitions and demolitions in preparation for redevelopment of the site.
3. Renaissance District Environmental Remediation work completed.
4. Closed on the sale of the LaSalle Hotel: Mixed-use project under construction
5. Initiated Master Plan for Southeast Neighborhood by Riley High School to provide a vision and strategies for the revitalization of the neighborhood in partnership with a new non-profit 466 Works.
6. Completed tree planting and new striping along Lincolnway West.
7. New curbs, sidewalks, decorative lighting and trees within 3 blocks of Western and new striping along the entire stretch of the street.
8. Completed conversion of Marion & Madison into two way streets.
9. New Business Development Projects:
 - a. Advanced Center for Cancer Care
 - b. Nello
 - c. Chase Plastics
 - d. Corporate Wings
 - e. Fedex
 - f. Heraeus Kulzer
 - g. Hubbell Raco
 - h. Kruc Electric
 - i. Master Built
 - j. MTI
 - k. Noble America
 - l. Norress
 - m. Schafer Gear
 - n. SB Cubs/Swing Batter Swing Performance Center
 - o. Renaissance District
 - p. South Bend Chemical
 - q. Spec Building at Ameriplex
 - r. Success Academy
 - s. Thermolite
 - t. Unifirst

- B. River East Development Area (REDA) *Formerly NNDA; includes East side of SBCDA*
 - 1. Closed on the sale of the Hill & Colfax lot; Mixed-use project under construction
 - 2. Allocated resources for infrastructure improvements around the former Transpo Headquarters site on Northside Blvd to supplement the work of CSO Phase 5 implementation.
 - 3. Allocated resources to support work of Matthews, LLC along riverbank/Emporium Building.
- C. Douglas Road Economic Development Area (DREDA)
- D. South Side Development Area (SSDA)
 - 1. Final completion of Fellows St. improvements and drainage (between Chippewa and Ireland)
 - 2. Funded and completed engineering work on the Chippewa and Michigan Roundabout.
- E. West Washington Chapin Development Area (WWCDA)
 - 1. Initiated master plan for City cemetery to improve access and make it a neighborhood asset

VII. Tax Abatement

The City of South Bend offers a Tax Abatement Program designed to help new and expanding businesses improve real property or acquire new equipment. The program also provides tax abatement for the construction of new residences.

Tax abatement provides tax relief to the owner while supporting new development which would not have occurred without public support. The increase in taxes, generated by the new investment, is phased in over a defined number of years.

Approvals in 2015 included sixteen real property tax abatements and ten personal property tax abatements. The abatements contributed towards attracting an expected \$140,306,376 of new investment and 655 jobs created with an annual payroll of \$13,360,394. Additionally, there were four residential abatements approved.

IX. Industrial Revolving Loan Fund

The Industrial Revolving Loan Fund (IRF) provides low-interest gap financing to help companies in South Bend expand their operations and facilities, and assists start-up companies in the area. In 2015, the Industrial Revolving Fund closed five loans to businesses totaling \$2,155,444 of investment that will support the creation of 37 jobs.

X. Federal Grants for Neighborhood Development

The Neighborhood Engagement Team administers annual federal entitlements to the City of South Bend from the U.S. Department of Housing and Urban Development (HUD). These funds benefit low to moderate income persons and/or eliminate slum and blight. The City conducts an annual application/request for proposal and award processes for Community Development Block Grant (CDBG), HOME, and Emergency Solutions Grant (ESG) funds.

The Housing & Community Development Plan (HCD Plan, also sometimes called the Consolidated Plan) explains how and why HUD funding will be used. The HCD Plan requires the community to combine submission of all its HUD funded grants into one document to allow for better coordination of resources. In essence, the HCD Plan is an application for the following HUD grants: Community Development Block Grant, HOME Investment Partnership Program, and Emergency Shelter Grant. In addition, because the City of South Bend, the City of Mishawaka, and St. Joseph County entered into an Inter-local Government Agreement in 1991 to establish the St. Joseph County Housing Consortium, the three jurisdictions develop the HCD Plan together.

Key Federal resource programs include the following:

- A. Community Development Block Grant (CDBG) funds can be used for a variety of community development opportunities such as providing affordable housing, a suitable living environment, and economic opportunities for individuals and families with incomes below 80 percent of the area median income. CDBG funds can also be used for the elimination of slum and blight. South Bend and Mishawaka each administer their own CDBG entitlement funds.
- B. HOME Investment Partnership Program (HOME) funds are used to develop affordable housing opportunities for households with incomes under 80 percent of the area median income. HOME funds are distributed countywide through the St. Joseph County Housing Consortium.
- C. Emergency Solutions Grant (ESG) Program provides support to homeless individuals through basic shelter and essential supportive services; as well as Rapid Re-housing of the homeless. Funds can assist with operational costs of a qualified shelter facility, various housing related items, and administration of the grant.

The key subject areas for grant activities were the following:

- Affordable Housing
- Housing Counseling
- Permanent Supportive Housing Rental Assistance
- Capacity Building
- Homeless/Rapid Re-Housing

Key Activities

Affordable Housing: Assistance with housing issues is provided directly through City programs such as the South Bend Home Improvement Program (SBHIP), as well as through various external agencies that produce housing and offer housing services to residents of the community. Activity in 2015 included:

- A. Home Purchase: 17 first time homebuyers received closing costs and mortgage assistance through the CHC and NNRO Mortgage Investment programs.
- B. Existing Owner-Occupied Home Repairs: 62 households assisted:
 - a. 43 through SBHIP
 - b. 19 through Rebuilding Together (RT)
- C. Acquisition/Rehab/Resale – 4 properties
 - a. South Bend Heritage Foundation Sold:
 - 218 Chapin
 - b. Near Northwest Neighborhood sold
 - 719 Lindsey
 - 917 Lindsey
 - 625 Cushing
- D. Rental Rehab: 27 units (2 in South Bend, 25 in County)
 - a. South Bend Heritage Foundation
 - 301-307 Chapin
 - b. Housing Assistance Office
 - Prairie Village
- E. New Construction/Sale –4 residences sold:
 - a. Habitat for Humanity
 - 2123 Irvington
 - 825 Twyckenham
 - 1727 Chapin (Sold)
 - 617 N. Peter
- F. Special Needs Housing Assistance – 77 individuals assisted:
 - a. Tenant Based Rental assistance to severely mentally ill
 - Oaklawn, 11 individuals
 - b. Permanent Supportive Housing Rental Assistance:
 - Oaklawn 66 individuals

HUD Certified Housing Counseling: The City of South Bend is a HUD certified Housing Counseling Agency. Counseling services as well as assistance under the Indiana Foreclosure Prevention Network and the Hardest Hit Funds program are available to eligible individuals.

Total Households Counseled: 307
 Mortgage Default 204
 o Pre-Purchase 93
 o Post Purchase 10

Capacity Building: funded via Community Development Block Grants: Notable activity in 2015 included:

- Neighborhood Resources Connection: Funding for staff services related to the Neighborhood Leadership Academy, Neighborhood Roundtables, technical assistance to developing neighborhood groups and, EYEN (Engaging Youth Engaging Neighborhoods) program..

Homeless Assistance Emergency Solutions Grant: Funding for 6 area shelters, which together served 3196 individuals. Our partners include:

- | | |
|---------------------------|------|
| • Center for the Homeless | 600 |
| • Aids Ministries | 31 |
| • Youth Service Bureau | 165 |
| • YWCA | 600 |
| • Life Treatment Center | 1800 |

