



South Bend

# Redevelopment Commission

227 West Jefferson Boulevard, Room 1308, South Bend, Indiana

## SOUTH BEND REDEVELOPMENT COMMISSION RESCHEDULED MEETING

June 30, 2016

9:33 a.m.

Presiding: Marcia Jones, President

227 West Jefferson Boulevard  
South Bend, Indiana

The meeting was called to order at 9:32 a.m.

### 1. ROLL CALL

Members Present:

Marcia Jones, President  
Dave Varner, Vice President  
Don Inks, Secretary  
Greg Downes, Commissioner  
Gavin Ferlic, Commissioner  
John Anella, Commissioner

Legal Counsel:

Benjamin Dougherty, Esq.

Redevelopment Staff:

David Relos, Associate  
Mary Brazinsky, Recording Secretary

Others Present:

Aaron Kobb, Director, Economic Resources  
Chris Dressel, Community Investment Planning Team  
Tim Corcoran, Director Planning  
Mark Turner, South Bend Chocolate Company

### 2. APPROVAL OF MINUTES

#### A. Approval of Minutes of the Rescheduled Meeting of Monday, June 13, 2016

Upon a motion by Commissioner Ferlic, seconded by Commissioner Downes, the motion carried 5-0, the Commission approved the minutes of the rescheduled meeting of Monday, June 13, 2016.

**3. APPROVAL OF CLAIMS**

**A. Claims Submitted June 30, 2016**

	Claims submitted	Explanation of Project	Items added after Agenda Distributed
Redevelopment Commission Claims submitted June 30, 2016 for approval			
<u><b>324 RIVER WEST DEVELOPMENT AREA</b></u>			
Weaver Consultants Groups LLC	11,918.95	Ivy Tower/Millennium Comfort and Site Sta	
Kolata Enterprises LLC	922.50	Professional Services	
Hull & Associates Inc.	4,683.02	General Consulting / Add'l Assessment & Remediation at Oliver Industrial Pk	
Great Dane Trailers	90,600.00	Trailers Model Year 2017	
The Lincoln Electric Company	57,662.34	Equipment purchase	
Peddinghaus Corporation	748,107.00	Equipment purchase	
United Consulting	62,964.00	Coal Line Trail (Phase II)	
Troyer Group	17,735.70	Harrison Ct	
The Bank of New York Mellon Trust Company		Indiana Bond Bank special Program Bonds, Series 2011a (SB TIF Districts)	1,503,996.75
Well Fargo		SB Redev Auth Lease Rental rev Ref bonds of 2009 (Morris Performing Arts Center	526,400.00
<u><b>422 FUND WEST WASHINGTON DEVELOPMENT TIF</b></u>			
Lehman & Lehman Inc.	550.00	City Cemetery Master Plan	
<u><b>429 FUND RIVER EAST DEVELOPMENT TIF</b></u>			
S/T Bancroft	85,658.51	Colfax Ave. & Hill St. Street Improvements	
Walsh & Kelly Inc.	95,731.50	East Bank Sewer Separation PH5 (Division B)	
<u><b>430 FUND SOUTH SIDE TIF AREA #1</b></u>			
Sandra J Case	1,945.20	Relocation Entitlement	
Lawson-Fisher Associates P.C.	57,855.72	Roundabout Intersection Improvements	
<u><b>432 FUND SOUTH SIDE TIF AREA #3</b></u>			
Well Fargo Bank, N.A.		City of SB Taxable Economic Development Rev Bonds Erskine Village Ser 2005A	123,667.50
Subtotal by Column			
	\$1,236,384.44		2,029,396.75
Total Of Both Columns			3,265,731.19

Upon a motion by Commissioner Downes, seconded by Commissioner Inks, the motion carried 5-0, the Commission approved the Claims submitted June 30, 2016.

**4. Old Business**

**5. New Business**

**A. River East Development Area**

**(1) Approval of Bid Specifications and Design Considerations for Property in the River East Development Area (Newman Center).**

Mr. Relos presented Bid Specifications and Design Considerations for Property in the River East Development Area (Newman Center). These items are being presented to the Commission to begin the disposition process on property. This is for the Newman Center by the Farmer's Market whereas last meeting the Commission agreed to accept the property from the Board of Works. Vice President Varner has asked that we consider that space for a future Fire Station

if it meets specifications. Mr. Relos states he has read letters in the editorial section of the newspaper stating citizens would like to see that usage as well, but believes the property is outside the River Park station's territory.

Upon a motion by Commissioner Ferlic, seconded by Commissioner Secretary Inks the motion carried 5-0, the Commission approved the Approval of Bid Specifications and Design Considerations for Property in the River East Development Area (Newman Center) submitted June 30, 2016.

**(2) Approval of Resolution No. 3340 Establishing the Offering Price of Property in the River East Development Area (Newman Center).**

Mr. Relos presented Resolution No. 3340. This resolution establishes the offering price of property in the River East Development Area (Newman Center) and sets the fair market value based on the two appraisals. The Newman Center has been vacant for the past 2 years.

Upon a motion by Commissioner Ferlic, seconded by Commissioner Secretary Inks the motion carried 5-0, the Commission approved Resolution No. 3340 Establishing the Offering Price of Property in the River East Development Area (Newman Center) submitted June 30, 2016.

**(3) Authorization to Publish the Notice of Intended Disposition of Property with Publication Dates of July 8 and July 15, 2016 for the former Newman Center.**

Mr. Relos presented Authorization to Publish the Notice of Intended Disposition of Property with Publication Dates of July 8 and July 15, 2016 for the former Newman Center.

Upon a motion by Commissioner Ferlic, seconded by Commissioner Secretary Inks the motion carried 5-0, the Commission approved Authorization to Publish the Notice of Intended Disposition of Property with Publication Dates of July 8 and July 15, 2016 for the former Newman Center submitted June 30, 2016.

**B. River West Development Area**

**(1) Hull & Associates Proposal for Samplings at Ignition Park (former Studebaker Complex)**

Mr. Dressel presented Hull & Associates Proposal for Samplings at Ignition Park (former Studebaker Complex). Hull & Associates are asking for approval from the Commission in the amount of \$57,210 for continued professional engineering, environmental services at the Ignition Park site (former Studebaker) consistent with the voluntary remediation program. Work is expected to start

next month with specific components to include installing new soil vapor probes and collecting gas samples, collecting up to 136 ground water samples for up to one year and conducting other testing as necessary.

Upon a motion by Commissioner Ferlic, seconded by Commissioner Secretary Inks the motion carried 5-0, the Commission approved Hull & Associates Proposal for Samplings at Ignition Park (former Studebaker Complex) submitted June 30, 2016.

## **(2) Real Estate Purchase Agreement & Lease Termination Agreement (South Bend Chocolate Café)**

Mr. Relos presented Real Estate Purchase Agreement & Lease Termination Agreement (South Bend Chocolate Café). In March this was taken through the disposition process with no bids received. The Commission entered into a lease with South Bend Chocolate December of 1997. It was a 20 year lease term with two (2) five (5) year irrevocable options to renew. At the time the building was in deplorable conditions. South Bend Chocolate took a great undertaking in rehabbing the property and has made it a successful business in Downtown South Bend. As part of the lease South Bend Chocolate retained ownership rights to the improvements made to the building, and at a later time could be compensated at a fair market value of the property back then vs their current based appraised value. We are seeking Commission approval for the real estate purchase agreement in the amount of \$65,156.61, which is the fair market value set back in 2003 and some pro-rated rent. This action will terminate the lease.

Upon a motion by Vice President Varner, seconded by Commissioner Downes the motion carried 5-0, the Commission approved Real Estate Purchase Agreement & Lease Termination Agreement (South Bend Chocolate Café) submitted June 30, 2016.

## **(3) Funding Request – Chet Waggoner Drive**

Mr. Relos presented a Funding Request for Chet Waggoner Drive. As development has expanded off of 80/90, a request for a new street on the east side of Dylan and not go all the way to Mayflower. The street will be 28' wide x 1600' long with a culdesac at the end. This will include a new water main and sanitary sewer. The street will open up approximately 45 acres for development and spur an estimated thirty plus million dollars in private investment. The project will go to bid in July with work beginning early September with a completion date by the end of this year's construction season. Utilities should be in by October as there is utility work already happening for another project there. We are asking for Commission approval not to exceed \$650,000.

Upon a motion by Vice President Varner, seconded by Commissioner Downes the motion carried 5-0, the Commission approved the Funding Request for Chet Waggoner Drive submitted June 30, 2016.

**(4) Purchase Agreement & Reciprocal Access Easement Agreement (300 Block S. Lafayette)**

Mr. Relos presented Purchase Agreement & Reciprocal Access Easement Agreement (300 Block S. Lafayette). This is a parking lot between the old Shillings building and the computer store on the corner, on the west side Lafayette. This covers the southern row. This is being sold to Jones Petrie Rafinski who bought and are rehabbing the Schillings building for office space. This will allow additional parking spaces for their employees in addition to their customers. The city retains the remainder of the parking lot for city employees. The Reciprocal Access Easement is due to a curb being cut off for their entrance. The Agreement allows us both to use the same entry way so no further lot changes are necessary. The agreement can be terminated at any time by either party. If the city lot is sold, JPR can still access their lot from the alley way.

Upon a motion by Secretary Inks, seconded by Commissioner Downes the motion carried 5-0, the Commission approved Purchase Agreement & Reciprocal Access Easement Agreement with Jones Petrie Rafinski (300 Block S. Lafayette) submitted June 30, 2016.

**(5) Memorandum of Understanding – Transfer of FERC Exemption for Hydroelectric Power Facility**

Michael Schmidt, Assistant City Attorney presented Memorandum of Understanding – Transfer of FERC Exemption for Hydroelectric Power Facility. This Exemption is being driven by the Federal Government. The MOU binds us in good faith with Notre Dame on a ground lease agreement in the future (terms to come). The FERC notifies the Federal Government that we have taken the next step in meeting their standards to receive the exemption. The University of Notre Dame will take pro-active measures and provide funding in the maintenance of the dam for an ongoing period at an undecided amount. They will repair Seitz Park to the as is or better condition (details to come). There is no financial commitment from the City at this time. Parks Department, Board of Public Works and Redevelopment will be signatories to this agreement. The details have not been finalized, we should have details by the end of summer. The construction will take place in the underground channels and take approximately one year all in the Seitz Park area.

Upon a motion by Commissioner Downes, seconded by Secretary Inks the motion carried 5-0, the Commission approved the Memorandum of Understanding – Transfer of FERC Exemption for Hydroelectric Power Facility submitted June 30, 2016.

**(6) Approval of Small Business Administration Subordination Agreement (Xanatek/412 SB LLC)**

Mr. Dougherty presented Approval of Small Business Administration Subordination Agreement (Xanatek/412 SB LLC). Parking lot on the SE corner of Lafayette and Western. This is an SBA supplement to the PNC loan from a recent Redevelopment Commission Meeting. This is coordinated financing between the two entities that just came in late. We are asking for the Commissions approval.

Upon a motion by Commissioner Downes, seconded by Secretary Inks the motion carried 5-0, for the Approval of Small Business Administration Subordination Agreement (Xanatek/412 SB LLC) submitted June 30, 2016.

**(7) Environmental Testing/Remediation-former Gates Service Center**

Mr. Relos presented Environmental Testing/Remediation-former Gates Service Center. There is interest in the building, however, there needs some environmental clean-up prior to the building being ready for another business to be brought in. There are twelve in ground hydraulic lifts in which the center shafts were removed, however, the exterior shafts are intact. Due to the hydraulic fluids used in those the ground around them testing is needed. All lifts will be removed and filled with concrete. There are two in-ground oil/water separators floor drains within the buildings that will be pumped out and sealed. The trench drains will be cleaned out along the sides. A ground penetrating radar will make sure there are no underground storage tanks underneath. Total cost for remediation and clean-up is \$11,910. Environmental assessment and testing is \$9,388 for the GPR and survey. IF the GPR survey uncovers any anomalies underground we would need soil borings to see what they were and cost would be \$5,671. The City currently has EPA grant money that is available for the testing component only. We are asking Commission approval for a total of \$26,969.

Upon a motion by Vice President Varner, seconded by Commissioner Downes the motion carried 5-0, Approving Environmental Testing/Remediation-former Gates Service Center submitted June 30, 2016.

**(8) First Amendment to Agreement to Buy and Sell Real Estate Oliver Plow Partners L.P.**

Mr. Dougherty presented a First Amendment to Agreement to Buy and Sell Real Estate Oliver Plow Partners L.P. We are adding fifteen days to the due diligence agreement.

Upon a motion by Secretary Inks, seconded by Commissioner Ferlic the motion carried 5-0, approving the First Amendment to Agreement to Buy and Sell Real Estate Oliver Plow Partners L.P. submitted June 30, 2016.

**C. Other**

**(1) Resolution No. 3341 – Update Procedures for Temporary Use Agreements**

Mr. Relos presented Resolution No. 3341. This updates signers in the Community Investment Department for Temporary Use Agreements and removes employees no longer with the department.

Upon a motion by Secretary Inks, seconded by Commissioner Downes the motion carried 5-0, the Commission approved Resolution No. 3341 – Update Procedures for Temporary Use Agreements submitted June 30, 2016.

**6. Progress Reports**

A. Tax Abatement  
None

B. Common Council  
None

C. Other  
None

**7. Next Commission Meeting:**

Thursday, July 14, 2016, 9:30 a.m.

**8. Adjournment**

Monday, June 30, 2016, 9:53 a.m.

  
\_\_\_\_\_  
Aaron Kobb, Director of Economic Resources

\_\_\_\_\_  
Marcia I. Jones, President