

South Bend

Redevelopment Commission

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

SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

April 13, 2017

9:30 a.m.

Presiding: Dave Varner, Vice-President

227 West Jefferson Boulevard

South Bend, Indiana

The meeting was called to order at 9:30 a.m.

Vice-President Varner noted that the room was standing room only which is unusual for this Public Meeting. Mr. Varner presented how the Redevelopment Commission Meeting is conducted. Mr. Varner stated today's agenda has one item 5A1 that is open to public comment; all other items the public is welcome to stay and listen to but are for Commission comments only.

1. ROLL CALL

Members Present:	Dave Varner, Vice-President Don Inks, Secretary Gavin Ferlic, Commissioner Kintae Lark, Commissioner
Members Absent:	Marcia Jones, President John Anella, Commissioner
Legal Counsel:	Benjamin Dougherty, Esq.
Redevelopment Staff:	David Relos, Associate Mary Brazinsky, Recording Secretary

Others Present:

Brian Pawlowski	DCI
Elizabeth Leonard Inks	DCI
Corbitt (Patrick C. Kerr)	DCI
Michael Divita	DCI
Austin Gammage	DCI
Debrah Jennings	DCI
Angelina Billo	DCI
John Murphy	Admin/Finance
Suzanna Fritzberg	Mayor's Office
Tracy Skibins	Code Enforcement
Santiago Garces	Innovation
Mark Neal	Hibberd
Conrad Damian	718 E Broadway
Mo Miller	Unavailable
Thomas H. Kosel	54166 Pine Road
Mark Peterson	WNDU
Eric Watson	WNDU
Erin Blasko	South Bend Tribune
Molly Jirasek	WSBT

2. Approval of Minutes

A. Approval of Minutes of the Regular Meeting of Thursday, March 23, 2017

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, March 23, 2017.

3. Approval of Claims

A. Claims Submitted April 13, 2017

	Claims submitted	Explanation of Project	Items added after Agenda Distributed
REDEVELOPMENT COMMISSION			
Redevelopment Commission Claims April 13, 2017 for approval			
<u>324 RIVER WEST DEVELOPMENT AREA</u>			
Christopher B. Burke Engineering, LLC	14,468.00	South Bend Dam Capital Planning	
Kolata Enterprises LLC	742.50	Professional Services	
Plew Shadley Racher & Braun LLP	225.50	Bosch/Honeywell	
IDEM	1,012.50	Site Assessment Oliver-Plow	
United Consulting Engineers Inc		Coal Line Trail	8,958.00
Abonmarche		Western Ave & Olive St. Intersection Improvements	23,800.00
Hibberd Realty, Inc.		Gates Automotive Group Rent	1,431.85
<u>422 FUND WEST WASHINGTON DEVELOPMENT TIF</u>			
Lehman & Lehman	2,420.00	City Cemetery Master Plan	
<u>429 FUND RIVER EAST DEVELOPMENT TIF</u>			
C & S Masonry Restoration, LLC	143,526.00	Newman Center Masonry Repairs	
Smithgroup JJR	18,336.00	Riverfront Parks and Trails Master Plan	
<u>430 FUND SOUTH SIDE TIF AREA #1</u>			
McCormick Engineering, LLC	3,442.50	Bowen St Drainage	
Southgate Church		Chruch	21,000.00
Total	184,173.00		55,189.85
Total Both Columns	239,362.85		

Benjamin Dougherty added one additional item to the claims list presented in the amount of \$1,431.85 paid to Hibberd Realty, Inc. that will coincide with item number 5B3 of today's agenda subject to that items approval.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the claims submitted with the additional amount of \$1,431.85 on Thursday, April 13, 2017 subject to approval of item 5B3.

4. Old Business
 None

5. New Business

A. Public Hearings

1. Public Hearing On Resolution No. 3386

Mr. Varner noted that Resolution No. 3386 is open to the Public for comments after the item is presented.

Beth Leonard Inks presented Resolution No. 3386 (Certified Technology Park). Mrs. Leonard Inks states that Resolution No. 3386 appropriates \$2.2M to be used for the Certified Technology Park Funds; Fund 439. \$1.8M will satisfy the agreement with the University of Notre Dame for Innovation Park.

Mr. Varner asked for public comments on Resolution No. 3386. No members of the public spoke regarding the resolution. The floor was closed by Vice-President Varner for Public Comments.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved Resolution No. 3386 submitted on April 13, 2017.

B. River West Development Area

1. Real Estate Purchase Agreement (SBCC Development Corp)

Brian Pawlowski presented Real Estate Purchase Agreement (SBCC Development Corp). A map of the area to be purchased was presented to the Commissioners as a visual aid. Mr. Pawlowski stated he has been in discussion with Mark Tarner, owner of South Bend Chocolate Corporation for approximately 2 years on finding a new location for SBCC's new facility. The City worked with the Airport in which the City provided funding for a new ramp project to allow Corporate Wings to build a new facility at the Airport, and in turn the Airport annexed and rezoned land to the City. The intent of the City is to put the annexed land to good use, being mindful of its natural setting. The Real Estate Purchase Agreement is for a minimum overall investment by SBCC of \$5M to build a new facility and museums. Mr. Tarner will then pursue additional financing or state aid and grants.

Mr. Pawlowski then addressed two items. The first being the acreage amount and the effects on the natural setting of this property. The second is the notion of the City giving away property for a nominal amount. The Commission already understands that this is not truly the case. When a determination is made by the City that we are going to sell property for a nominal amount, it is based on a sizeable investment by the private investor. It is our philosophy to utilize properties that are sitting idle and turn them into something that will generate taxes, jobs, and are a benefit to the community.

Many read the article in the South Bend Tribune and took the word “factory” and “acreage” and combining them thinking what Mr. Tarner was going to do was develop large factories on the entire parcel of land. On the map provided to the Commission, it shows where Mr. Tarner is planning to place his factory with museums and the distance to the nature areas of the parcel. If you look at the Purchase Agreement, it specifies about 60,000 square feet of land near US 20 and the Bypass.

Mr. Pawlowski states that Mr. Tarner was part of the group that supported bringing the bog into trust, to make sure it was preserved well into the future. His future vision for this property includes incorporating the environmental ecosystem area into the overall development. The City has worked hard to ensure that the development will not only be successful but that it will complement this area. We have talked with our community partners about the potential that this development would have as a state and regional draw and have their full support.

Mr. Pawlowski states that the property has gone through annexation and rezoning, which includes multiple meetings at the Area Plan Commission and Common Council, and then through the Commission’s disposition process. The property was advertised and open for public bids, with none being received.

Vice President Varner mentioned that this approximates a couple acres of land for a factory and museums. He also thanked Mr. Tarner for his investments within the community of South Bend.

Commissioner Lark asked with \$5M being invested, it sounds good, but what’s the bigger picture; how long does the process take and how much money actually goes into this at the end of the day.

Mr. Pawlowski states that \$5M is the amount that the City has made mandatory as a minimum amount of investment. The buildings will equal what the investment is. In addition to that you will have other improvements that will be made which can include landscaping and entryways but in reality, jobs will be created. There will also be property taxes that will start when the property is into private ownership. The investment term is to be completed in five years.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the Real Estate Purchase Agreement (SBCC Development Corp) submitted on April 13, 2017.

2. Development Agreement (Hibberd Realty Inc)

Brian Pawlowski presented the Development Agreement (Hibberd Realty Inc). This contemplates the Gates sales lot at the NW corner of Main and Western that is currently under lease and has gone through the disposition process. The developer has decided on a public space as part of the development. The \$350,000 funding as part of this Agreement will be for the development of that public space and site work and improvements.

Mark Neal, with Hibberd Realty and Hibberd Development, LLC stated the plans for the building at 321 S. Main continue to expand. The current owners are moving. The development plan is a mixed use space for apartments, office and retail. As part of the building's acquisition the lot to its south was also acquired. Renderings were shown of the area with Mr. Neal describing the green space usage including a water run off area being turned into a French drain feature with a plaza on top. The expectation is to begin improvements fourth quarter 2017 or first quarter 2018. This will be ideally positioned to connect Four Winds Field with this planned plaza. If possible, we will look into re-structuring the alleyways. Right now the cost is \$5.8M. We are looking at a total of 14 units with one bedrooms and some studios which will be market based. Two commitments are made for the retail space; one more is currently in the works.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved Development Agreement (Hibberd Realty Inc) submitted on April 23, 2017.

3. First Amendment to Real Estate Purchase Agreement (Hibberd Development LLC)

Benjamin Dougherty noted that this is an Amendment to the Purchase Agreement that was approved by the Redevelopment Commission in December 2016. This is adjusting the name on the deed and assigning the Gates lease to Hibberd Realty Inc. instead of Hibberd Development LLC. This is also where the addition to the claims list comes in the amount of \$1,431.85 for the pro-rated share of the April Gates rent payment already made to the City. Hibberd Realty will be entitled to this when they close on the property this afternoon.

It was noted that both the City and Mr. Neal have worked with Matt Hellenkamp and Mr. Gates in their search for a new property for their car lot.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the First Amendment to Real Estate Purchase Agreement (Hibberd Development LLC) submitted on April 13, 2017.

4. Resolution No. 3375 (Nello Inc.)

Brian Pawlowski presented Resolution No. 3375. The funding approved by the Commission to purchase equipment over a three period has mostly been acquired. This Resolution will transfer ownership of that equipment to Nello, thereby allowing them to finance expansion of their facility.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved Resolution No. 3375 (Nello Inc.) submitted on April 13, 2017.

5. Budget Request (Code Enforcement)

Brian Pawlowski presented a Budget Request for the Code Enforcement Dept., requesting \$250,000 for the demolition of commercial structures that are vacant and abandoned. These properties have continued to be blight in our community. All structures have affirmed demolition orders.

Brian introduced Tracy Skibins, Deputy Director Code Enforcement who re-iterated the request for approval in the amount of \$250,000, which is needed to fund these vacant and abandoned commercial structures, noting a collection process will be added to try to collect demo costs on all properties being demolished. Ms. Skibins noted that all properties go through a complete process prior to any action, including code hearings and determinations.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the Budget Request (Code Enforcement) submitted on April 13, 2017.

6. Project Budget for Western Avenue Streetscape Improvements

Michael Divita presented a Project Budget for Western Avenue Streetscape Improvements. Requested is a project budget of \$2,875,000 from the River West Development Area for construction and related costs. The Commission approved an initial project budget of \$375,000 in June 2016 for engineering and preliminary construction cost estimates.

As part of the West Side Main Street Revitalization Plan, continued streetscape improvements to Western Avenue will create an environment more inviting to commercial and residential investment. This project includes the section of Western between Olive Street and Bendix Drive. The Board of Public Works is opening bids on the project April 25th and we expect to start construction after Memorial Day.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the Project Budget for Western Avenue Streetscape Improvements submitted on April 13, 2017.

C. River East Development Area

1. Resolution No. 3390 (South Bend Eddy Street Major Moves)

Benjamin Dougherty recommends that we table this item. We would like to wait to make sure the payment schedules for the Major Moves loans are set.

John Murphy states that there were two different schedules, one for the Triangle and one for Eddie Street Commons. All payments are current through 2016.

Mr. Dougherty states the plan is to accelerate the Major Moves payments so the loan gets paid off as soon as possible without affecting the coverage on the bonds.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved tabling Resolution No. 3390 on April 13, 2017.

2. Budget Request (State Road 23 INDOT Remnants)

David Relos presented the Budget Request (State Road 23 INDOT Remnants). Mr. Relos states we have been in contact with INDOT for three years as they determined remnant parcels as part of the realignment of State Road 23, at the old 5 points area. Now that their project is complete, INDOT has determined which remnants remain, and there are eighteen we would like to acquire. These are mainly on the south side of SR 23. We would like to set a budget of \$15,000. Some of these remnants will be incorporated in to Fredrickson Park, some as right of way we already maintain, and some sold where it's expected we will recoup this cost.

Upon a motion by Secretary Inks, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the Budget Request (State Road 23 INDOT Remnants) submitted on April 13, 2017.

D. Other

1. License Agreement for Temporary Use of Redevelopment Commission Property (DTSB)

Mary Brazinsky presented the License Agreement for Temporary Use of Redevelopment Commission Property (DTSB). Ms. Brazinsky states that the Temporary Use Agreement is for Downtown South Bend to use the Gridiron for various activities throughout the summer months starting in May running through October. These projects have been approved by Dan Boecher with JSK, in consideration of the Marriott construction. The proposal includes First Fridays, Summer Fitness Series, Summer Film Series and Art Beat. We ask for Commission approval.

Upon a motion by Secretary Inks, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the License Agreement for Temporary Use of Redevelopment Commission Property (DTSB) submitted on April 13, 2017.

2. First Amendment to Engineering Services Agreement

Brian Pawlowski presented the First Amendment to Engineering Services Agreement. The agreement started last year for engineering services has not only been very efficient but also very cost effective. The engineers are involved in every project from day one and are able to look at the projects right away saving hours of backlog. This amendment will extend the agreement for an additional five years with the department.

Upon a motion by Secretary Inks, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved First Amendment to Engineering Services Agreement submitted on April 13, 2017.

3. Resolution No. 3389 (Honoring Brian Pawlowski for Extraordinary Service to the South Bend Community & South Bend Redevelopment Commission)

Dave Varner, Vice-President of the Redevelopment Commission read and presented Brian Pawlowski with Resolution No. 3389, honoring him for extraordinary service to the South Bend community & South Bend Redevelopment Commission.

Mr. Ferlic noted that the City has been able to make some great progress recently and this largely has to do with Mr. Pawlowski's outstanding efforts in the Mayor's office and his leadership with Community Investment. Mr. Ferlic thanked Brian for his service.

Mr. Inks echoed Mr. Ferlic's comments and also noted beyond the professional work and the seriousness it takes to complete these details, he appreciates Brian's light sense of humor when some of these projects are tough.

Mr. Varner mentioned he thinks Brian picked a job he didn't think he was going to get, serving not only as Assistant Executive Director, but as Interim Executive Director too. Mr. Varner stated Brian will do well in his private endeavors. You've done great things for the Commission and we've appreciated you.

Mr. Pawlowski said the humor keeps things sane. He thanked the people in the department. He appreciated the Commission's ability to quickly digest complex projects and move with the speed of business, helping complete progress and be pro economic growth within the City, and he thanks you all for that.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved Resolution No. 3389 (Honoring Brian Pawlowski for Extraordinary Service to the South Bend Community & South Bend Redevelopment Commission) submitted on April 13, 2017.

6. Progress Reports

A. Tax Abatement

B. Common Council

C. Other

1. IEDC Grant Funding

The City would like to match a grant from the IEDC to develop a technology resource center. Santiago Garces, Chief Innovation Officer explained that the City of South Bend and the University of Notre Dame are creating a partnership to pursue a \$20M grant from the National Science Foundation. On top of the \$20M there is an expected investment of \$400M for research of advanced wireless, including how vehicles will talk to each other and 5G. We are working with the State to create this resource center.

We are creating a test center that will be inclusive. This will be for our neighbors to be close to and for work force development. We believe we are the ideal size City to be the first test site.

Mr. Pawlowski said we expect to fund \$2M to \$3M for the project. The IEDC has approved this project.

2. VA Building
The VA building has been through our disposition process and we are in discussions for its sale.
3. Michigan Street Shops
Like the VA building, we are also in discussions for this property's sale.

7. Next Commission Meeting:

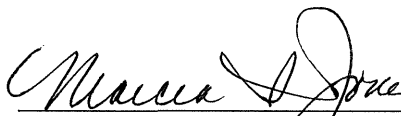
Thursday, April 27, 2017, 9:30 a.m.

8. Adjournment

Thursday, April 13, 2017, 10:35 a.m.



David Relos, Economic Resources



Marcia I. Jones, President