



South Bend

Redevelopment Commission

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

Agenda

Regular Meeting, May 25, 2017 9:30 a.m.

- 1. Roll Call**
- 2. Election of Officers**
- 3. Approval of Minutes**
 - A. Minutes of the Regular Meeting of Thursday, May 11, 2017
- 4. Approval of Claims**
 - A. Claims Submitted May 25, 2017
- 5. Old Business**
- 6. New Business**
 - A. Receipt of Bids
 1. Burke Building at 1019 S. Michigan St and three vacant lots at 913 – 1001 S Michigan St.
 - B. River West Development Area
 1. Amendment to Development Agreement (Studebaker)
 2. Resolution No. 3392 (Pledge/Studebaker)
 3. South Shore MOU
 4. Real Estate Purchase Agreement (Firehouse/Entropy)
 5. Second Amendment to Real Estate Purchase Agreement (Newmark Grubb Cressy and Everett)
 6. Budget Request (Portage Prairie Area Sewer)
 7. Budget Request (Monroe Parking Lot and Street Improvements)
 - C. Douglas Road Development Area
 1. Resolution No. 3395 (Releasing Assessed Value for Douglas Road)
 - D. Other
 1. Resolution No. 3394 (Determining Tax Increment to be Collected in Year 2018)

7. Progress Reports

- A. Tax Abatement
- B. Common Council
- C. Other

8. Next Commission Meeting:

Thursday, June 15, 2017, 9:30 a.m.

9. Adjournment

NOTICE FOR HEARING AND SIGHT IMPAIRED PERSONS
Auxiliary Aid or Other Services are Available upon Request at No Charge.
Please Give Reasonable Advance Request when Possible.



South Bend

ITEM: 3A

Redevelopment Commission

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

SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

May 11, 2017

9:30 a.m.

Presiding: Marcia Jones, President

227 West Jefferson Boulevard
South Bend, Indiana

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

1. ROLL CALL

| | |
|------------------|-----------------------------|
| Members Present: | Marcia Jones, President |
| | Dave Varner, Vice President |
| | Don Inks, Secretary |
| | Gavin Ferlic, Commissioner |
| | Kintae Lark, Commissioner |
| | John Anella, Commissioner |

Members Absent:

| | |
|----------------|--------------------------|
| Legal Counsel: | Benjamin Dougherty, Esq. |
|----------------|--------------------------|

| | |
|----------------------|-------------------------------------|
| Redevelopment Staff: | David Relos, Associate |
| | Mary Brazinsky, Recording Secretary |

| | | |
|-----------------|-------------------------|--------------------|
| Others Present: | James Mueller | DCI |
| | Chris Dressel | DCI |
| | Tim Corcoran | DCI |
| | Angelina Billo | DCI |
| | Beth Leonard Inks | DCI |
| | Mark Peterson | WNDU |
| | Eric Watson | WNDU |
| | Erin Blasko | South Bend Tribune |
| | Mo Miller | Hayes Towers |
| | Ed Bradley | Cressy & Everett |
| Tim Janowiak | Studebaker Drivers Club | |

2. Approval of Minutes

A. Approval of Minutes of the Regular Meeting of Thursday, April 27, 2017

Upon a motion by Secretary Inks, seconded by Vice President Varner, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, April 27, 2017.

3. Approval of Claims

A. Claims Submitted May 11, 2017

| | Claims submitted | Explanation of Project | Items added after Agenda Distributed |
|--|------------------|---|--------------------------------------|
| <u>REDEVELOPMENT COMMISSION</u> Redevelopment Commission Claims May 11, 2017 for approval | | | |
| <u>324 RIVER WEST DEVELOPMENT AREA</u> | | | |
| Tri County News | 169.89 | Berlin Place BP#2 Mechanical, Electrical and Plumbing | |
| Jones Petrie Rafinski | 10,442.50 | Leighton Plaza, Field Survey | |
| IDEM | 131.25 | Comm-Oliver Plow | |
| Abonmarche | 22,500.00 | Western Ave & Olive St. Intersection Improvements | |
| Great Latkes Capital | 97,845.30 | Rent | 158,217.84 |
| Y & S Technologies | | Equipment Purchase for Nello | 243.76 |
| South Bend Tribune | | Notice to Bidders | |
| <u>429 FUND RIVER EAST DEVELOPMENT TIF</u> | | | |
| C & S Masonry Restoration, LLC | 15,124.00 | Newman Center Masonry Repairs | |
| <u>430 FUND SOUTH SIDE TIF AREA #1</u> | | | |
| McCormick Engineering, LLC | 1,620.00 | Bowen St Drainage | 1,080.00 |
| Lawson-Fisher Associates P.C. | 32,826.71 | Roundabout Intersection Improvements | |
| <u>439 FUND CERTIFIED TECHNOLOGY PARK</u> | | | |
| ND | 1,800,000.00 | Certified Technology Park | |
| Total | 1,980,659.65 | | 159,541.60 |
| Total Both Columns | 2,140,201.25 | | |

Upon a motion by Secretary Inks, seconded by Vice President Varner, the motion carried unanimously, the Commission approved the claims submitted on Thursday, May 11, 2017.

4. Old Business

None

5. New Business

A. River West Development Area

1. Real Estate Purchase Agreement (VA Building/Cressy & Everett)

David Relos presented the Real Estate Purchase Agreement (VA Building/Cressy & Everett). It is expected the VA Clinic in South Bend will be vacating their current facility on Western Avenue for their new building in Mishawaka later this year. Cressy & Everett has made an offer to purchase this building for \$125,000.

The Redevelopment Commission will retain ownership of the parking lot and the two out lots which are parts of vacated Franklin St. At closing a parking lot use agreement would be entered in to. The Agreement has a 90 day due diligence period, is subject to the current VA lease, and requires Cressy to invest a minimum of \$300,000 in building improvements over a 24 month period.

Ed Bradley, Senior V.P. with Cressy, spoke about the buildings reuse difficulties because of its construction and former uses. Cressy's concept is to update the outside esthetics so they blend with current redevelopment occurring in the area. The south end of the building will house office space, with the north end becoming an urban self-storage space to complement the many apartments coming online in the downtown area. Mr. Bradley feels that people will need extra storage space and this is a great use for the building.

Upon a motion by Commissioner Ferlic, seconded by Vice President Varner, the motion carried unanimously, the Commission approved Real Estate Purchase Agreement (VA Building/Cressy & Everett) submitted on May 11, 2017.

- 2. Personal Property Transfer Agreement (Guardhouse Property/RDistrict One LLC)** Chris Dressel presented the Personal Property Transfer Agreement (Guardhouse Property/RDistrict One LLC). When the former Studebaker site was being cleared for future development, there was a strong desire to preserve items with historic significance, including the main entry guardhouse and gates along Sample St. The guardhouse was palletized piece by piece, with a diagram of how to put it back together. These items have been stored in Building 84 for over 10 years. Tim Janowiak with the Studebaker Driver's Club, and Kevin Smith, owner of Building 84, were able to find a suitable new site within the Renaissance District which will bring prominence to the building. With this Agreement, future maintenance for these items will reside with RDistrict One LLC.

Upon a motion by Vice President Varner, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the Personal Property Transfer Agreement (Guardhouse Property/RDistrict One LLC) submitted on May 11, 2017.

- 3. Professional Services: R.E. Pitts & Associates (HOF Tax Appeal)** David Relos presented the Professional Services: R.E. Pitts Associates (HOF Tax Appeal). These services are for Rick Pitts, a MAI Certified Indiana Appraiser, to attend the Hall of Fame tax appeal PTABOA hearing, for an amount not to exceed \$1,500 for his time to prepare and attend.

Upon a motion by Commissioner Ferlic, seconded by Vice President Varner, the motion carried unanimously, the Commission approved Professional Services: R.E. Pitts & Associates (HOF Tax Appeal) submitted on May 11, 2017.

4. Budget Request (Portage Avenue Bridge)

Chris Dressel presented a budget request of \$60,000 for the Portage Avenue Bridge. St. Joseph County is planning to replace the Portage Ave. Bridge over the former Norfolk Southern Railroad. We would follow the County's plan to widen the sidewalk for pedestrians and cyclists. These investments will provide small customizations such as decorative railing and lighting along the bridge's deck to align them with future improvements along Portage. This will also connect the multi-use trail planned for the rail corridor, making a safer connection.

Upon a motion by Vice President Varner, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the Budget Request (Portage Avenue Bridge) submitted on May 11, 2017.

5. Budget Request (Coal Line Trail)

Chris Dressel presented a budget request for the Coal Line Trail. Approximately a year ago the Commission approved a funding request to begin planning to convert a portion of the former Norfolk Southern rail line, commonly referred to as the Coal Line, running from Lincoln Way West to Michigan at Angela. United Consulting Engineering Services of Indianapolis was hired to plan the conversion of this former rail line to a multi-use trail. We are now ready for additional planning services, in the amount of \$254,300. Federal funding is in place for an 80/20 match, so at a future date we will be reimbursed.

Upon a motion by Vice President Varner, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the Budget Request (Coal Line Trail) submitted on May 11, 2017.

6. Resolution No. 3393 (Amending Resolution No. 3361)

Benjamin Dougherty presented Resolution No. 3393 (Amending Resolution No. 3361). This Resolution is to correct a typographical error that occurred last year when the Commission conveyed the Wayne Street Garage to the Board of Public Works. Both the garage and the storefront were included in the original deed, but only the garage should have been transferred. This Resolution will correct the deed's legal description so the storefront remains Commission owned, allowing for its possible future disposition.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved Resolution No. 3393 (Amending Resolution No. 3361) submitted on May 11, 2017.

B. River East Development Area

1. Budget Increase Request (Seitz Park Survey)

Tim Corcoran presented a budget increase request for the recently completed Seitz Park survey. An additional \$1,000 is requested to update this survey to allow a different vertical datum to be used. Older surveys of this area were performed using a different vertical datum, and to be consistent with those, we would like the current survey to reflect that datum.

Upon a motion by Vice President Varner, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved Budget Increase Request (Seitz Park Survey) submitted on May 11, 2017.

6. Progress Reports

A. Tax Abatement

1. Re-Confirmed tax abatements for JSK Marriott. They will now be starting construction on the Ireland Road/933 Marriott.

B. Common Council

C. Other

7. Next Commission Meeting:

Thursday, May 25, 2017, 9:30 a.m.

8. Adjournment

Thursday, April 27, 2017, 9:50 a.m.



David Relos, Economic Resources

Marcia I. Jones, President

ITEM: 4A

| | Claims submitted | Explanation of Project |
|---|---------------------|--|
| REDEVELOPMENT COMMISSION Redevelopment Commission Claims May 25, 2017 for approval | | |
| <u>324 RIVER WEST DEVELOPMENT AREA</u> | | |
| Usbank | 785,000.00 | Bonds, Series 2012 (Police & Fire Station Project) |
| Hull Associates, Inc. | 11,153.77 | General Consulting Groundwater / GW Assessment Ignition Pk |
| United Consulting | 30,948.55 | Coveleski Utility Relocation |
| <u>429 FUND RIVER EAST DEVELOPMENT TIF</u> | | |
| Smithgroup JJR | 30,560.00 | Riverfront Parks and Trails Master Plan |
| <u>430 FUND SOUTH SIDE TIF AREA #1</u> | | |
| Lawson-Fisher Associates P.C. | 600.00 | Roundabout Intersection Improvements |
| Reith Riley Construction Co., Inc. | 64,511.97 | One Way to Two Way St. Conversion |
| <u>433 FUND SOUTH SIDE AREA #1</u> | | |
| Faegre Baker Daniels | 316.20 | Legal Services |
| | Total | |
| | 923,090.49 | |
| Total Of Both Columns | 923,090.49 | |

RESOLUTION NO. 3392

RESOLUTION OF THE SOUTH BEND REDEVELOPMENT COMMISSION PLEDGING TAX INCREMENT

WHEREAS, the South Bend ("City") Redevelopment Commission ("Redevelopment Commission") adopted a declaratory resolution on February 23, 1990 establishing the Airport Economic Development Area and the Airport Economic Development Area Allocation Area No. 1 ("1990 Declaratory Resolution"), which was effective as of that date and was confirmed by a confirmatory resolution adopted on June 27, 1990 ("1990 Confirmatory Resolution");

WHEREAS, the Redevelopment Commission adopted a declaratory resolution on April 16, 1993 establishing the Sample-Ewing Development Area and the Sample-Ewing Allocation Area (South Bend Allocation Area No. 8) ("1993 Declaratory Resolution"), which was effective as of that date and was confirmed by a confirmatory resolution adopted on May 21, 1993 ("1993 Confirmatory Resolution");

WHEREAS, the 1990 Declaratory Resolution, the 1990 Confirmatory Resolution, the 1993 Declaratory Resolution and the 1993 Confirmatory Resolution are hereinafter collectively referred to as the "Original Declaratory Resolution";

WHEREAS, the Redevelopment Commission on June 19, 2007, adopted an amending declaratory resolution, as further amended on August 28, 2014 (collectively, as amended, "Amending Declaratory Resolution"), as confirmed by an amending confirmatory resolution adopted on July 20, 2007, as further amended on November 10, 2014 (collectively, "Amending Confirmatory Resolution"), consolidating, expanding and renaming the consolidated and expanded area the River West Development Area ("Area"), as an economic development area under IC 36-7-14 and IC 36-7-25;

WHEREAS, the Original Declaratory Resolution, the Amending Declaratory Resolution and the Amending Confirmatory Resolution are hereinafter collectively referred to as the "Area Resolution";

WHEREAS, the Area Resolution approved the economic development plan, as amended ("Plan") for the Area which Plan contained specific recommendations for economic development in the Area, and the Area Resolution consolidated, expanded and renamed consolidated and expanded allocation area the River West Development Area Allocation Area No. 1 in accordance with IC 36-7-14-39 ("Allocation Area") for the purpose of capturing property taxes generated from the incremental assessed value of real and depreciable personal property located in the Allocation Area ("Tax Increment");

WHEREAS, the City is issuing its Taxable Economic Development Revenue Bonds, Series 2017 (Studebaker Project) ("Bonds") pursuant to a Trust Indenture between the City and 1st Source Bank serving as trustee for the Bonds, dated June 1, 2017 ("Trust Indenture"), the proceeds of which will be used to finance the reskinning and restoration of Building 84 and other related improvements and expenses, if any, in connection with the remediation and rehabilitation

of the former Studebaker manufacturing facilities, in or physically connected to the Area ("Project") pursuant to a Financing and Covenant Agreement, dated as of June 1, 2017 ("Financing Agreement"), between RDistrict Two LLC, an Indiana limited liability company ("Developer") and the City;

WHEREAS, in order to finance a portion of the Project the Redevelopment Commission has determined that it is in the best interest of the City and its residents to pledge \$3,500,000 of Tax Increment funds on hand generated in the Allocation Area and currently held in the Allocation Fund, which moneys are to be separated from all other moneys in said Fund as of the day of closing, and pledged to the City for payment of the Bonds, for so long as the Bonds remain outstanding ("TIF Revenues") and which pledge constitutes a non-shareholder contribution to the Developer for federal income tax purposes; and

WHEREAS, the Redevelopment Commission believes that pledging the TIF Revenues for payment of the principal on the Bonds will help further the accomplishment of the Plan;

NOW, THEREFORE, BE IT RESOLVED by the South Bend Redevelopment Commission, that:

1. The Redevelopment Commission hereby finds that the pledge of TIF Revenues for the payment of the principal on the Bonds which are being issued to finance a portion of the construction of the Project (which pledge constitutes a non-shareholder contribution to the Developer) will help accomplish the Plan for the Area and will promote the economic development of the City and the Area.

2. The Redevelopment Commission hereby irrevocably pledges the TIF Revenues to the payment of principal on the Bonds (but not interest) for a term of years not to exceed the term of the Bonds.

3. The Commission hereby represents and covenants that debt service or lease rentals due on any and all outstanding bonds or leases payable from Tax Increment have been accounted for and set aside separate and apart from the TIF Revenues pledged herein and there are no other prior liens, encumbrances or other restrictions on the Redevelopment Commission's ability to pledge the TIF Revenues.

4. This resolution shall be effective upon passage.

Adopted May 25, 2017.

SOUTH BEND REDEVELOPMENT COMMISSION

Marcia I Jones, President

Attest:

Donald E. Inks, Secretary

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE ST. JOSEPH COUNTY BOARD OF COMMISSIONERS AND THE
SOUTH BEND REDEVELOPMENT COMMISSION**

§ 1. Background

The South Shore Line, which carries commuters between South Bend and Chicago, has been approved for significant funding for major improvements over the next five years. Various improvements are planned for the South Shore Line, including extension of the railroad by nine miles from Hammond to Dyer, adding a second track between Gary and Michigan City as well as moving the street-running tracks in Michigan City, rerouting the approach to South Bend International Airport, the purchase of new rail cars, and the completion of a federally-mandated safety project named Positive Train Control. All of these improvements should result in better and faster service for commuters going between South Bend and Chicago.

§ 2. Parties Involved

The parties involved in this Memorandum of Understanding (this “MOU”) are the St. Joseph County Board of Commissioners (the “County”) and the City of South Bend, Department of Redevelopment, acting by and through its governing body, the South Bend Redevelopment Commission (the “Commission”).

§ 3. Objectives

The County and the Commission agree to cooperate with the purpose of making improvements that would shorten the trip from South Bend to Chicago from two and one-half hours to approximately ninety minutes.

§ 4. Rationale

The South Shore Line currently operates mostly on a single track that is shared with freight rail. Adding a continuous second track between Gary and Michigan City as well as moving the street-running tracks in Michigan City would allow for more trains and more frequent service and would reduce delays and speed up travel times to and from Chicago. In addition, rerouting the approach to South Bend International Airport would take the rail line directly into the airport, significantly reducing travel time.

§ 5. Activities

The objectives indicated in § 3 (the “Objectives”) will be achieved by means of cooperative activities on DoubleTrack NWI and rerouting the approach to South Bend International Airport.

The County agrees to make reasonable efforts to assist in the addition of a continuous second track between Gary and Michigan City as well as moving the street-running tracks in Michigan City.

The Commission agrees to make reasonable efforts to assist in the rerouting of the approach to South Bend International Airport for the South Shore Line.

The parties agree that they will cooperate and consult one another on matters of mutual interest in order to perform their respective activities under this MOU.

The parties agree to work together in good faith, through cooperation in accordance with the provisions of this MOU, in order to implement the objectives set forth above. As a material inducement for carrying out the actions contemplated in this MOU, the parties mutually intend to rely upon on another's commitments hereunder.

Each party will bear its own costs in carrying out its respective activities under this MOU.

§ 6. Financing

The County and the Commission agree to use separately funded financing, subject to the appropriate government approvals, to carry out their respective agreed-upon activities in the furtherance of the Objectives. The County, by means determined in its sole discretion, intends to provide cash financing of approximately Eighteen Million Dollars (\$18,000,000.00), and the Commission, by means determined in its sole discretion, intends to provide financing of approximately Twenty-Five Million Dollars (\$25,000,000.00).

§ 7. Duration of the Agreement

This MOU is valid for five (5) years starting on the date that it is signed by the County and the Commission. The MOU can be terminated by either one of the two parties by providing sixty (60) days' written notice to the other party. It may also be extended by mutual agreement of the parties involved.

§ 8. Records

Each party shall retain all its records relating to this MOU for a period of three years following expiration or termination of the MOU, or following resolution of a dispute under this MOU, whichever occurs later.

§9. Notices

Any notice required or permitted to be given by either the County or the Commission pursuant to the terms of this MOU shall be in writing and shall be deemed given when delivered personally or deposited in the U.S. mail, First Class with postage prepaid, and addressed to the parties as follows:

If to the County: Andrew Kostielney, President
St. Joseph County Board of Commissioners
7th Floor
227 W. Jefferson Blvd.
South Bend, Indiana 46601

If to the Commission: City of South Bend
Department of Community Investment
227 W. Jefferson Blvd., Ste. 1400 S
South Bend, Indiana 46601
Attn: Executive Director

With a copy to: South Bend Legal Department
227 W. Jefferson Blvd., Ste. 1200 S
South Bend, Indiana 46601
Attn: Corporation Counsel

§ 10. Miscellaneous

Nothing in this MOU is intended or will be deemed to create a partnership or joint venture between the parties. The parties expressly disclaim the existence of any third-party beneficiaries of this MOU.

Neither party may assign, transfer, pledge or make other disposition of this MOU.

Any waiver by a party of a breach of a provision of this MOU will not operate or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this MOU. A failure by a party to insist upon strict adherence to any term of this MOU on one or more occasion will not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this MOU. Any waiver must be in writing and signed by the party against who enforcement is sought.

This MOU will be construed in accordance with the laws of the State of Indiana. In the event of a dispute, controversy or claim arising out of or relating to this MOU or to any agreement(s) concluded pursuant to this MOU, the parties will use their best efforts to promptly settle such dispute through direct negotiation. Any dispute that is not settled within sixty (60) days from the date a party has notified the other of the nature of the dispute and of the measures that should be taken to rectify it shall be resolved by litigation in the Circuit or Superior Courts of St. Joseph County, Indiana.

If any term of this MOU is found to be invalid, illegal or unenforceable, it is the intention of the parties that the remainder of this MOU will not be affected thereby.

IN WITNESS WHEREOF, St. Joseph County Board of Commissioners and the South Bend Redevelopment Commission enter into this MOU as evidenced by their duly authorized signatures below.

ST. JOSEPH COUNTY
BOARD OF COMMISSIONERS

SOUTH BEND REDEVELOPMENT
COMMISSION

Printed: _____

Its: _____

Date: June __, 2017

Marcia I. Jones, President

ATTEST:

Donald E. Inks, Secretary

Date: May 25, 2017

4000.0000097 48787352.003



Department of
Community Investment

Redevelopment Commission Agenda Item

DATE: May 25, 2017
FROM: David Relos, Economic Resources *DR*
SUBJECT: Real Estate Purchase Agreement (Seven Entropy Design Studio)

On February 23, 2017, one bid was received for the disposition of the old Firehouse on Portage Avenue. The bid received was from Seven Entropy Design Studio, located in San Diego, California, in the amount of \$60,000. This bid met the \$47,000 minimum offering price, and was referred to staff for review and recommendation.

On March 23rd the Commission approved staff's recommendation to accept the bid and move forward with a Purchase Agreement (Agreement).

Included in the Agreement is a 60 day due diligence period, with a minimum investment of \$115,000 over a three year period. Since the building is a locally designated historic structure, exterior work will be coordinated with the Historic Preservation Commission.

Staff requests approval of the Real Estate Purchase Agreement with Seven Entropy Design Studio, for the redevelopment of this historic structure to accommodate a mix of residential and commercial uses.

INTERNAL USE ONLY: Project Code:___(sale of property)_____
Total Amount new in budget:___N/A_____; broken down by:
Acct # _____
Going to BPW for Contracting? No Is this item ready to encumber now? N/A
Existing PO#_____Inc/Dec \$_____



REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement (this “Agreement”) is made on May __, 2017 (the “Contract Date”), by and between the City of South Bend, Indiana, Department of Redevelopment, acting by and through its governing body, the South Bend Redevelopment Commission (“Seller”) and Seven Entropy Design Studio, Inc., a California corporation with its principal place of business at 3623 Eastham Drive, Los Angeles, California 90232 (“Buyer”) (each a “Party” and together the “Parties”).

RECITALS

A. Seller exists and operates pursuant to the Redevelopment of Cities and Towns Act of 1953, as amended, being Ind. Code 36-7-14 (the “Act”).

B. In furtherance of its purposes under the Act, Seller owns certain real property located in South Bend, Indiana (the “City”), and more particularly described in attached **Exhibit A** (the “Property”).

C. Pursuant to the Act, Seller adopted its Resolution No. 3374 on January 26, 2017, whereby Seller established an offering price of Forty-Seven Thousand Dollars (\$47,000.00) for the Property.

D. Pursuant to the Act, on January 26, 2017, Seller authorized the publication, on February 3, 2017, and February 10, 2017, respectively, of a notice of its intent to sell the Property and its desire to receive bids for said Property on or before February 23, 2017, at 9:00 a.m.

E. As of February 23, 2017, at 9:00 a.m., Seller received one (1) proposal for the purchase and redevelopment of the Property (Buyer’s “Bid”), which Buyer timely submitted in accordance with Seller’s published notice. Seller opened and read aloud Buyer’s Bid at its public meeting commencing at 9:30 a.m. on February 23, 2017.

F. Buyer’s Bid contained an offer to purchase the Property for Sixty Thousand Dollars (\$60,000.00) and a proposal to redevelop the Property into a mixed-use project including commercial and residential elements.

G. In accordance with Section 22 of the Act, Seller hereby accepts Buyer’s bid amount and desires to sell the Property to Buyer on the terms stated in this Agreement.

THEREFORE, in consideration of the mutual covenants and promises in this Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller agree as follows:

1. OFFER AND ACCEPTANCE

A copy of this Agreement, signed by Buyer, constitutes Buyer’s offer to purchase the Property on the terms stated in this Agreement and shall be delivered to Seller, in care of the following representative (“Seller’s Representative”):

Brian Pawlowski, Acting Executive Director
Department of Community Investment
City of South Bend
1400 S. County-City Building
227 W. Jefferson Blvd.
South Bend, Indiana 46601

This offer shall expire thirty (30) days after delivery unless accepted by Seller. To accept Buyer’s offer, Seller shall return a copy of this Agreement, counter-signed by Seller in accordance with applicable laws, to the following (“Buyer’s Representative”):

Andrew Caspers, President
Seven Entropy Design Studio, Inc.
3623 Eastham Drive

2. PURCHASE PRICE AND EARNEST MONEY DEPOSIT

A. Purchase Price. The purchase price for the Property shall be Sixty Thousand Dollars (\$60,000.00) (the "Purchase Price"), payable by Buyer to Seller in cash at the closing described in Section 10 below (the "Closing," the date of which is the "Closing Date").

B. Earnest Money Deposit. With its Bid, Buyer submitted a cashier's check in the amount of Six Thousand Dollars (\$6,000.00), which sum Seller holds as an earnest money deposit (the "Earnest Money Deposit"). The Earnest Money Deposit shall be credited against the Purchase Price at the Closing or, if no Closing occurs, refunded or forfeited as provided in this Agreement.

C. Termination During Due Diligence Period. If Buyer exercises its right to terminate this Agreement by written notice to Seller in accordance with Section 3 below, the Earnest Money Deposit shall be refunded to Buyer. If Buyer fails to exercise its right to terminate this Agreement by written notice to Seller within the Due Diligence Period, then the Earnest Money Deposit shall become non-refundable.

D. Liquidated Damages. If Seller complies with its obligations hereunder and Buyer, not having terminated this Agreement during the Due Diligence Period in accordance with Section 3 below, fails to purchase the Property on or before the Closing Date, the Earnest Money Deposit shall be forfeited by Buyer and retained by Seller as liquidated damages in lieu of any other damages.

3. BUYER'S DUE DILIGENCE

A. Investigation. Buyer and Seller have made and entered into this Agreement based on their mutual understanding that Buyer intends to redevelop the Property into a mixed-use project including commercial and residential elements (the "Buyer's Use"). Seller acknowledges that Buyer's determination whether Buyer's Use is feasible requires investigation into various matters (Buyer's "Due Diligence"). Therefore, Buyer's obligation to complete the purchase of the Property is conditioned upon the satisfactory completion, in Buyer's sole discretion, of Buyer's Due Diligence, including, without limitation, Buyer's examination, at Buyer's sole expense, of zoning and land use matters, environmental matters, physical inspections of the Property, real property title matters, and the like, as applicable. Seller agrees to exercise good faith efforts to assist Buyer in its Due Diligence, provided, however, that Seller will not be required to expend any money in such efforts unless expressly provided for in this Agreement.

B. Due Diligence Period; Seller's Insurance and Indemnification. Buyer shall have a period of sixty (60) days following the Contract Date to complete its examination of the Property in accordance with this Section 3 (the "Due Diligence Period"). During the Due Diligence Period, Seller will maintain adequate property and liability insurance covering the Property, including such coverage as may be provided under the City's self-insurance program. Seller agrees to indemnify and hold harmless Buyer and Buyer's representatives from and against all claims, damages, or liabilities arising from any act or omission of Seller or Seller's representatives during the Due Diligence Period.

C. Authorizations During Due Diligence Period. During the Due Diligence Period, Seller authorizes Buyer, upon Buyer providing Seller with evidence that Buyer has general liability insurance reasonably acceptable to Seller, in the amount of at least One Million Dollars (\$1,000,000), naming Seller as an additional insured and covering the activities, acts, and omissions of Buyer and its representatives at the Property, to

(i) enter upon the Property or to cause agents to enter upon the Property for purposes of examination; provided, that Buyer may not take any action upon the Property which reduces the value thereof and Buyer may not conduct any invasive testing at the Property without Seller's express prior written consent; further provided, that if the transaction contemplated herein is not consummated, Buyer shall promptly restore the Property to its condition prior to entry, and agrees to defend, indemnify and hold Seller harmless, before and after the Closing Date whether or not a closing occurs and regardless of any cancellations or termination of this Agreement, from any liability to any third party, loss or expense incurred by Seller, including without limitation,

reasonable attorney fees and costs arising from acts or omissions of Buyer or Buyer's agents or representatives; and

(ii) file any application with any federal, state, county, municipal or regional agency relating to the Property for the purpose of obtaining any approval necessary for Buyer's anticipated use of the Property. If Seller's written consent to or signature upon any such application is required by any such agency for consideration or acceptance of any such application, Buyer may request from Seller such consent or signature, which Seller shall not unreasonably withhold. Notwithstanding the foregoing, any zoning commitments or other commitments that would further restrict the future use or development of the Property, beyond the restrictions in place as a result of the current zoning of the Property, shall be subject to Seller's prior review and written approval.

D. Termination of Agreement. If at any time within the Due Diligence Period Buyer determines, in its sole discretion, not to proceed with the purchase of the Property, Buyer may terminate this Agreement by written notice to Seller's Representative, and Buyer shall be entitled to a full refund of the Earnest Money Deposit.

4. SELLER'S DOCUMENTS; ENVIRONMENTAL SITE ASSESSMENT

Upon Buyer's request, Seller will provide Buyer a copy of all known environmental inspection, engineering, title, and survey reports and documents in Seller's possession relating to the Property. In the event the Closing does not occur, Buyer will, within 10 days, return all such reports and documents to Seller's Representative with or without a written request by Seller. In addition to reviewing any environmental reports provided by Seller, Buyer may, at Buyer's sole expense, obtain a Phase I environmental site assessment of the Property pursuant to and limited by the authorizations stated in Section 3.

5. PRESERVATION OF TITLE

After the Contract Date, Seller shall not take any action or allow any action to be taken by others to cause the Property to become subject to any interests, liens, restrictions, easements, covenants, reservations, or other matters affecting Seller's title (such matters are referred to as "Encumbrances"). Seller acknowledges that Buyer intends to obtain and to rely upon a commitment for title insurance on the Property (the "Title Commitment") and a survey of the Property (the "Survey") identifying all Encumbrances as of the Contract Date. The Property shall be conveyed to Buyer free of any Encumbrances other than Permitted Encumbrances (as defined in Section 7 below). Buyer will pay all costs of obtaining the Survey, if any.

6. TITLE COMMITMENT AND POLICY REQUIREMENTS

Promptly following the Contract Date, Seller, at Seller's expense, shall obtain the Title Commitment for an owner's policy of title insurance issued by Meridian Title Corporation (the "Title Company") to be delivered to Buyer within ten (10) days of the Contract Date. The Title Commitment shall show good, marketable, and indefeasible fee simple title to the Property (including public road access) in the name of the Buyer for the full amount of the Purchase Price upon delivery and recordation of a special warranty deed (the "Deed") from the Seller to the Buyer, and provide for issuance of a final ALTA owner's title insurance policy, with any endorsements requested by Buyer, subject to the Permitted Encumbrances. Seller shall be responsible for all title search charges and all costs of the Title Commitment and owner's policy.

7. REVIEW OF TITLE COMMITMENT AND SURVEY

Buyer shall give Seller written notice of any objections to the Title Commitment or the Survey, within five (5) days after Buyer's receipt of the Title Commitment or the Survey, as the case may be. Any exceptions identified in the Title Commitment or Survey to which written notice of objection is not given within such period shall be a "Permitted Encumbrance." If the Seller is unable or unwilling to correct the Buyer's title and survey objections within the Due Diligence Period, Buyer may terminate this Agreement by written notice to Seller prior to expiration of the Due Diligence Period, in which case the Earnest Money Deposit shall be promptly refunded. If Buyer fails to so terminate this Agreement, then such objections shall constitute "Permitted

Encumbrances” as of the expiration of the Due Diligence Period, and Buyer shall acquire the Property without any effect being given to such objections.

8. DISPUTE RESOLUTION

A. Forum. The Parties agree to exercise reasonable, good-faith efforts to resolve any disputes under or to enforce any terms or conditions of this Agreement without resorting to legal action. If the Parties exhaust all reasonable attempts to resolve issues without the need to commence legal proceedings, then any action to enforce the terms or conditions of this Agreement or otherwise concerning a dispute under this Agreement shall be commenced in the courts of St. Joseph County, Indiana, unless the Parties mutually agree to an alternative method of dispute resolution.

B. Waiver of Jury Trial. Both Parties hereby waive any right to trial by jury with respect to any action or proceeding relating to this Agreement.

9. NOTICES

All notices required or allowed by this Agreement, before or after Closing, shall be delivered in person or by certified mail, return receipt requested, postage prepaid, addressed to Seller in care of Seller’s Representative (with a copy to South Bend Legal Department, 1200 S. County-City Building, 227 W. Jefferson Blvd., South Bend, IN 46601, Attn: Corporation Counsel), and to Buyer in care of Buyer’s Representative at their respective addresses stated in Section 1 above. Either Party may, by written notice, modify its address or representative for future notices.

10. CLOSING

A. Timing of Closing. Unless this Agreement is earlier terminated, the Closing shall be held at the office of the Title Company, and the Closing Date shall be a mutually agreeable date not later than thirty (30) days after the end of the Due Diligence Period.

B. Closing Procedure.

(i) At Closing, Buyer shall deliver the Purchase Price to Seller, conditioned on Seller’s delivery of the Deed, in the form attached hereto as **Exhibit B**, conveying the Property to Buyer, free and clear of all liens, encumbrances, title defects, and exceptions other than Permitted Encumbrances, and the Title Company’s delivery of the marked-up copy of the Title Commitment (or pro forma policy) to Buyer in accordance with Section 6 above.

(ii) Possession of the Property shall be delivered to the Buyer at Closing, in the same condition as it existed on the Contract Date, ordinary wear and tear and casualty excepted.

C. Reserved.

D. Closing Costs. Title Company’s closing and/or document preparation fees shall be shared equally by the Parties and any recordation costs associated with the transaction contemplated in this Agreement shall be paid by the affected Party.

11. BUYER’S POST-CLOSING DEVELOPMENT OBLIGATIONS

A. Property Improvements; Proof of Investment. Within thirty-six (36) months after the Closing Date, Buyer will expend an amount not less than One Hundred Fifteen Thousand (\$115,000.00) (the “Private Investment”) to complete its exterior redevelopment (the “Exterior Improvements”) and interior redevelopment (the “Interior Improvements”) (collectively, the “Property Improvements”) of the existing building on the Property to accommodate a mix of residential and commercial uses. The Exterior Improvements will include replacing the building’s roof with like material and, as needed, all of the following: replacing gutters, tuck pointing the brick façade, replacing windows and repairing window wells, painting exterior elements of the building, repairing or replacing the metal awning on the building, repairing or replacing the metal roll-up door with suitable historic materials, and cleaning and maintaining the grounds surrounding the building. Buyer will complete all Exterior Improvements in accordance with any and all necessary approvals and procedures required by the Historic Preservation Commission under Chapter 21, Article 13 of the South Bend Municipal Code. Within thirty (30) days after completing

the Exterior Improvements, Buyer will submit to Seller satisfactory records, as determined in Seller's sole discretion, proving Buyer's completion of the Exterior Improvements and will permit Seller to inspect the Property to ensure that the Exterior Improvements were completed to Seller's reasonable satisfaction. The Private Investment will include Buyer's costs and expenses incurred in completing the Property Improvements, including the payment of all consultants, legal advisers, and workers, the costs of all labor and materials used to complete the Property Improvements, and all other costs reasonably and directly related to Buyer's completion of the Property Improvements.

B. Certificate of Completion. Promptly after Buyer completes the Exterior Improvements and satisfactorily proves the same in accordance with the terms of Section 11.A. above, Seller will issue to Buyer a certificate acknowledging such completion and releasing Seller's reversionary interest in the Property (the "Certificate of Completion"). The Parties agree to record the Certificate of Completion immediately upon its issuance by Seller, and Buyer will pay the costs of recordation.

C. Remedies Upon Default; Reversion; Mortgage. Subject to any force majeure beyond Buyer's control, including, but not limited to, acts of God, labor strikes, or political upheaval that delays or makes impossible Buyer's performance of the Exterior Improvements, in the event Buyer fails to complete the Exterior Improvements, or satisfactorily prove such performance, in accordance with Section 11.A above, then, in addition to pursuing any other remedies available at law or in equity, Seller shall have the right to re-enter and take possession of the Property, excluding any personal property belonging to Buyer, or its representatives or workers, and to terminate and re-vest in Seller the estate conveyed to Buyer at Closing and all of Buyer's rights and interests in the Property, without offset or compensation for the value of any improvements to the Property made by Buyer. The Parties agree that Seller's conveyance of the Property to Buyer at Closing will be made on the condition subsequent set forth in the foregoing sentence. Further, the Parties agree that Seller's reversionary interest in the Property will be subordinate to the first-priority mortgage encumbering the Property, if any, arising out of Buyer's contemporaneous financing of the redevelopment of the Property, provided that Buyer notifies Seller in advance of the execution or recording of such first-priority mortgage.

12. ACCEPTANCE OF PROPERTY AS-IS; HISTORIC DESIGNATION

Buyer agrees to purchase the Property "as-is, where-is" and without any representations or warranties by Seller as to the condition of the Property or its fitness for any particular use or purpose. Seller offers no such representation or warranty as to condition or fitness for any particular use, and nothing in this Agreement will be construed to constitute such a representation or warranty as to condition or fitness for any particular use. Without limiting the foregoing two sentences, Buyer acknowledges that the Property was designated as a local historic landmark by City of South Bend Ordinance No. 6242-77 and, therefore, is subject to the provisions and requirements of Chapter 21, Article 13 of the South Bend Municipal Code.

13. TAXES

Buyer, and Buyer's successors and assigns, shall be liable for any and all real property taxes assessed and levied against the Property with respect to the year in which the Closing takes place and for all subsequent years. Seller shall have no liability for any real property taxes associated with the Property, and nothing in this Agreement shall be construed to require the proration or other apportionment of real property taxes resulting in Seller's liability therefor.

14. REMEDIES

Upon any default in or breach of this Agreement by either Party, the defaulting Party will proceed immediately to cure or remedy such default within thirty (30) days after receipt of written notice of such default or breach from the non-defaulting Party, or, if the nature of the default or breach is such that it cannot be cured within thirty (30) days, the defaulting Party will diligently pursue and prosecute to completion an appropriate cure within a reasonable time. In the event of a default or breach that remains uncured for longer than the period stated in the foregoing sentence, the non-defaulting Party may terminate this Agreement, commence legal proceedings, including an action for specific performance, or pursue any other remedy available at law or in equity. All the Parties' respective rights and remedies concerning this Agreement and the Property are cumulative.



15. COMMISSIONS

The Buyer may, at its option, choose to be represented in part or in full, or to keep as an advisor, a broker in connection with the transaction contemplated in this Agreement. Buyer will pay all costs and fees of any such broker and agrees to indemnify and hold harmless Seller from any claim for commissions or fees in connection with the transaction contemplated in this Agreement.

16. INTERPRETATION; APPLICABLE LAW

Both Parties having participated fully and equally in the negotiation and preparation of this Agreement, this Agreement shall not be more strictly construed, nor shall any ambiguities in this Agreement be presumptively resolved, against either Party. This Agreement shall be interpreted and enforced according to the laws of the State of Indiana.

17. ENTIRE AGREEMENT

This Agreement embodies the entire agreement between Seller and Buyer and supersedes all prior discussions, understandings, or agreements, whether written or oral, between Seller and Buyer, including the contents of Buyer's Bid, concerning the transaction contemplated in this Agreement.

18. ASSIGNMENT

Buyer and Seller agree that this Agreement or any of Buyer's rights hereunder may not be assigned by Buyer, in whole or in part, without the prior written consent of Seller. Seller agrees that it will not unreasonably withhold its consent to Buyer's proposed assignment of this Agreement, provided that the proposed assignee proves, to Seller's reasonable satisfaction, to be financially capable, willing, and able to carry out Buyer's duties, promises, and all other representations as described in this Agreement. In the event Buyer wishes to obtain Seller's consent regarding a proposed assignment of this Agreement, Seller may request and Buyer shall provide any and all information reasonably demanded by Seller in connection with the proposed assignment and/or the proposed assignee.

19. BINDING EFFECT; COUNTERPARTS; SIGNATURES

All the terms and conditions of this Agreement will be effective and binding upon the Parties and their successors and assigns at the time the Agreement is fully signed and delivered by Buyer and Seller. This Agreement may be separately executed in counterparts by Buyer and Seller, and the same, when taken together, will be regarded as one original Agreement. Electronically transmitted signatures will be regarded as original signatures.

20. AUTHORITY TO EXECUTE; EXISTENCE

The undersigned persons executing and delivering this Agreement on behalf of the respective Parties represent and certify that they are the duly authorized representatives of each and have been fully empowered to execute and deliver this Agreement and that all necessary corporate action has been taken and done. Further, the undersigned representative of Buyer represents and warrants that Buyer is duly organized, validly existing, and in good standing under the laws of the State of California.

[Signature page follows.]



IN WITNESS WHEREOF, the Parties hereby execute this Real Estate Purchase Agreement to be effective as of the Contract Date stated above.

BUYER:

Seven Entropy Design Studio, Inc.,
a California corporation

 
Printed: Amanda Shults, President Andrew Caspers, Vice President
Its: Amanda Shults, President Andrew Caspers, Vice President
Dated: 5/18/2017

SELLER:

City of South Bend, Department of Redevelopment,
by and through its governing body, the South Bend
Redevelopment Commission

David Varner, Vice President

ATTEST:

Donald E. Inks, Secretary

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EXHIBIT A

Description of Property

Lots Numbered One (1), Two (2) and Three (3) as shown on the recorded Plat of St. Joseph County Agricultural Society's Addition recorded December 16, 1871 in Plat Book 3, page 1 in the Office of the Recorder of Saint Joseph County, Indiana.

Parcel Key No. 018-1057-2411

Commonly known as 701 Portage Avenue, South Bend, Indiana

EXHIBIT B

Form of Special Warranty Deed

SPECIAL WARRANTY DEED

THIS INDENTURE WITNESSETH, that the City of South Bend, Department of Redevelopment, by and through its governing body, the South Bend Redevelopment Commission, 1400 S. County-City Building, 227 W. Jefferson Boulevard, South Bend, Indiana (the "Grantor")

CONVEYS AND SPECIALLY WARRANTS to Seven Entropy Design Studio, Inc., a California corporation with its principal place of business at 3623 Eastham Drive, Los Angeles, California 90232 (the "Grantee"),

for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the following real estate located in St. Joseph County, Indiana (the "Property"):

Lots Numbered One (1), Two (2) and Three (3) as shown on the recorded Plat of St. Joseph County Agricultural Society's Addition recorded December 16, 1871 in Plat Book 3, page 1 in the Office of the Recorder of Saint Joseph County, Indiana.

Parcel Key No. 018-1057-2411
Commonly known as 701 Portage Avenue, South Bend, Indiana

The Grantor warrants title to the Property only insofar as it might be affected by any act of the Grantor during its ownership thereof and not otherwise.

The Grantor hereby conveys the Property to the Grantee free and clear of all leases or licenses; subject to real property taxes and assessments; subject to all easements, covenants, conditions, restrictions, and other matters of record; subject to rights of way for roads and such matters as would be disclosed by an accurate survey and inspection of the Property; subject to all applicable building codes and zoning ordinances; and subject to all provisions and objectives contained in the Grantor's development area plan for the River West Development Area, as thereafter amended from time to time, and any design review guidelines associated therewith.

The Grantor conveys the Property to the Grantee pursuant to the terms of that certain Real Estate Purchase Agreement dated May __, 2017, by and between the Grantor and the Grantee (the "Agreement"). Capitalized terms not otherwise defined in this deed will have the meanings stated in the Agreement. Pursuant to Section 11 of the Agreement, the Grantor conveys the Property to the Grantee by this deed subject to certain conditions subsequent. In the event the Grantee fails to perform the Exterior Improvements, or satisfactorily to prove such performance, in accordance with Section 11 of the Agreement, then the Grantor shall have the right to re-enter and take possession of the Property and to terminate and revert in the Grantor the estate conveyed to the Grantee by this deed and all of the Grantee's rights and interests in the Property without offset or compensation for the value of any improvements to the Property made by the Grantee. The recordation of a Certificate of Completion in accordance with Section 11 of the Agreement will forever release and discharge the Grantor's reversionary interest stated in this paragraph.

The Grantor conveys the Property to the Grantee subject to the limitation that the Grantee, and its successors and assigns, shall not discriminate against any person on the basis of race, creed, color, sex, age, or national origin in the sale, lease, rental, use, occupancy, or enjoyment of the Property or any improvements constructed on the Property.

Each of the undersigned persons executing this deed on behalf of the Grantor represents and certifies that s/he is a duly authorized representative of the Grantor and has been fully empowered, by proper action of the governing body of the Grantor, to execute and deliver this deed, that the Grantor has full corporate capacity to convey the real estate described herein, and that all necessary action for the making of such conveyance has been taken and done.

GRANTOR:

CITY OF SOUTH BEND,
DEPARTMENT OF REDEVELOPMENT

David Varner, Vice President

ATTEST:

Donald E. Inks, Secretary

STATE OF INDIANA)
) SS:
ST. JOSEPH COUNTY)

Before me, the undersigned, a Notary Public, in and for said County and State, personally appeared David Varner and Donald E. Inks, known to me to be the Vice President and Secretary, respectively, of the South Bend Redevelopment Commission and acknowledged the execution of the foregoing Special Warranty Deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the ____ day of _____, 2017.

My Commission Expires:

Notary Public
Residing in St. Joseph County, Indiana

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. Benjamin J. Dougherty.

This instrument was prepared by Benjamin J. Dougherty, Assistant City Attorney, 1200 S. County-City Building, 227 W. Jefferson Blvd., South Bend, Indiana 46601.



Department of
Community Investment

Redevelopment Commission Agenda Item

DATE: May 21, 2017
FROM: Patrick C. Kerr, Ph.D., P.E., Director of Redevelopment Engineering
SUBJECT: Budget for Portage Prairie Area Sewer Study

PURPOSE OF REQUEST:

In working with Redevelopment staff, Public Works has identified a need to address the service of utilities to the Portage Prairie area. It is anticipated that in order to serve future developments in the Portage Prairie area, the existing system capacity may be insufficient and that improvements to the system may be required.

The budget funds will be utilized for professional engineering services to study the Portage Prairie service area. Staff requests approval of \$12,500 from the RWDA for the project.

INTERNAL USE ONLY: Project Code: TBD
Total Amount new/change (inc/dec) in budget: _____; broken down by:
Acct # 324-1050-460-31.02 Amt: \$12,500; Acct # _____ Amt: _____;
Acct # _____ Amt: _____; Acct # _____ Amt: _____;
Going to BPW for Contracting? Y/N Is this item ready to encumber now? Yes
Existing PO# _____ Inc/Dec \$ _____





Department of
Community Investment

Redevelopment Commission Agenda Item

DATE: May 21, 2017
FROM: Patrick C. Kerr, Ph.D., P.E., Director of Redevelopment Engineering
SUBJECT: Budget for Monroe Parking Lot and Street Improvements

PURPOSE OF REQUEST:

On May 23rd, 2017, Public Works opened Bids for Monroe Parking Lot and Street Improvements and awarded the project subject to RDC approval of additional funding. The project came in roughly \$4,000 over the original budget. The original project scope was to construct a parking lot; however it became apparent through the course of the project that the vacated street should be used as a gateway feature for the ballpark. In addition, the project includes salvaging brick from the street for the city to use to repair other city brick streets.

The budget funds will be utilized for construction. Staff requests approval of an additional \$30,000 from the RWDA for the project to account for the additional construction cost as well as contingency for any construction related issues.

INTERNAL USE ONLY: Project Code: TBD
Total Amount new/change (inc/dec) in budget: \$280,000, inc \$30,000; broken down by:
Acct # 324-1050-460-42.01 Amt: \$254,875; Acct # _____ Amt: _____;
Acct # 324-1050-460-31.02 Amt: \$25,125 ; Acct # _____ Amt: _____;
Going to BPW for Contracting? /N Is this item ready to encumber now? Yes
Existing PO# _____ Inc/Dec \$ _____



ITEM: 6C1

RESOLUTION NO. 3395

RESOLUTION OF THE SOUTH BEND REDEVELOPMENT COMMISSION DETERMINING THAT THE ASSESSED VALUE OF THE DOUGLAS ROAD ECONOMIC DEVELOPMENT AREA TO BE COLLECTED IN THE YEAR 2018 MAY BE ALLOCATED TO THE RESPECTIVE TAXING UNITS AND OTHER RELATED MATTERS

WHEREAS, the South Bend Redevelopment Commission (the "Commission"), the governing body of the South Bend, Indiana, Department of Redevelopment (the "Department") and of the Redevelopment District of the City of South Bend, Indiana (the "Redevelopment District"), exists and operates under the provisions of IC 36-7-14, as amended from time to time (the "Act"); and

WHEREAS, the Commission has previously adopted resolutions, which have been amended from time to time, declaring the Douglas Road Economic Development Area to be an economic development area within the meaning of the Act (the "Area") and designating such Area as Allocation Area No. 1 (the "Allocation Area") under Section 39 of the Act; and

WHEREAS, the Commission, in accordance with the Act, has previously established an allocation fund for the Allocation Area (the "Allocation Fund"); and

WHEREAS, Section 39 of the Act requires the Commission to determine and give notice of the amount, if any, by which the assessed value of the taxable property in the Allocation Area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the Allocation Area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds payable from the Allocation Fund, plus the amount necessary for other purposes described in Section 39 of the Act; and

WHEREAS, under Section 39 of the Act, if the amount of excess assessed value determined by the Commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds payable from the Allocation Fund plus the amount necessary for other purposes described in Section 39 of the Act, the Commission shall submit to the Common Council its determination of the excess assessed value that the Commission proposes to allocate to the respective taxing units for confirmation or modification of such finding by the Common Council; and

NOW, THEREFORE, BE IT RESOLVED by the South Bend Redevelopment Commission as follows:

1. The Commission hereby determines that, for tax year payable 2018, all of the assessed value in the Allocation Area is excess assessed value and may be allocated to the respective taxing units in the manner prescribed in Section 39 of the Act because the Commission hereby finds that the amount by which the assessed value of the taxable property

in the Allocation Area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the Allocation Area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds payable from the Allocation Area, plus the amount necessary for other purposes described in Section 39 of the Act. In making this determination, the Commission has considered the effect that such determination will have on the property tax rate in the Redevelopment District.

2. This determination for 2018 shall not be construed to affect any future determination of the Commission with respect to the capture of assessed value of the taxable property in the Allocation Area in the years following 2018.

3. The President or Vice President of the Commission is hereby authorized and directed to immediately notify or cause to be notified the South Bend Common Council of its determinations made herein and thereafter to provide notice to the St. Joseph County Auditor, the Common Council, the Department of Local Government Finance, and the officers who are authorized to fix budgets, tax rates, and tax levies under Indiana Code 6-1.1-17-5 for each taxing unit located wholly or partly within the Allocation Area of the determination made by the Common Council, by way of a letter substantially in the form attached hereto as **Exhibit A**, which notice is intended to satisfy the requirements of Section 39 of the Act and to constitute notice to the St. Joseph County Auditor under 50 IAC 8-2-4(b).

ADOPTED AND APPROVED at a meeting of the South Bend Redevelopment Commission held on the 25th day of May, 2017, at 1308 County-City Building, 227 West Jefferson Boulevard, South Bend, Indiana 46601.

**CITY OF SOUTH BEND,
DEPARTMENT OF REDEVELOPMENT**

Marcia I. Jones, President

ATTEST:

Donald E. Inks, Secretary

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EXHIBIT A

(Form of letter)

Date

Mr./Ms. [Name] Taxing Unit Address

Subject: Release of Incremental Assessed Value for tax year payable 2018

Dear Mr./Ms. [Name]:

In accordance with the provisions of IC 36-7-14-39, as subsequently confirmed by the South Bend Common Council, the South Bend Redevelopment Commission has determined that, for the tax year payable 2018, all of the assessed value in Allocation Area No. 1 of the Douglas Road Economic Development Area may be allocated to the respective taxing units in the manner prescribed in IC 36-7-14-39.

Very truly yours,

Marcia Jones,
President
South Bend Redevelopment Commission

RESOLUTION NO. 3394

**RESOLUTION OF THE SOUTH BEND REDEVELOPMENT COMMISSION
DETERMINING THAT THE TAX INCREMENT WHICH MAY BE COLLECTED IN
THE YEAR 2018 IS NEEDED TO SATISFY OBLIGATIONS OF THE COMMISSION
AND THAT NO EXCESS ASSESSED VALUE MAY BE ALLOCATED TO THE
RESPECTIVE TAXING UNITS AND OTHER RELATED MATTERS**

WHEREAS, the South Bend Redevelopment Commission (the "Commission"), the governing body of the South Bend, Indiana, Department of Redevelopment (the "Department") and of the Redevelopment District of the City of South Bend, Indiana (the "Redevelopment District"), exists and operates under the provisions of IC 36-7-14, as amended from time to time (the "Act"); and

WHEREAS, the Commission has previously adopted resolutions, which have been amended from time to time, declaring various portions of the City of South Bend to be economic development areas or redevelopment areas within the meaning of the Act (the "Areas") and designated territory within such Areas as allocation areas (the "Allocation Areas") under Section 39 of the Act, which Allocation Areas are listed in Exhibit A attached hereto; and

WHEREAS, the Commission, in accordance with the Act, has previously established an allocation fund for each of the Allocation Areas (the "Allocation Funds"); and

WHEREAS, Section 39 of the Act requires the Commission to determine the amount, if any, by which the assessed value of the taxable property in the Allocation Areas for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the respective Allocation Areas, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds payable from the Allocation Fund, plus the amount necessary for other purposes described in Section 39 of the Act; and

WHEREAS, Section 39 of the Act requires the Commission to provide to the St. Joseph County Auditor, the Common Council, the Department of Local Government Finance, and the fiscal officers for each taxing unit located wholly or partly within the respective Allocation Areas written notice stating (i) the amount, if any, of excess assessed value that the Commission has determined may be allocated to the respective taxing units in the manner prescribed in Section 39 of the Act, or (ii) that the Commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in Section 39 of the Act; and

NOW, THEREFORE, BE IT RESOLVED by the South Bend Redevelopment Commission as follows:

1. The Commission hereby determines that there is no excess assessed value in the Allocation Areas that may be allocated to the respective taxing units in the manner prescribed in Section 39 of the Act because the Commission hereby finds that, for each respective Allocation

Area, the assessed value of the taxable property in the Allocation Area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the Allocation Area, will not exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds payable from the Allocation Fund of the Allocation Area, plus the amount necessary for other purposes described in Section 39 of the Act. Accordingly, for tax year payable 2018, the Commission determines that no amount of assessed value of the Allocation Areas will be allocated to the respective taxing units in the manner prescribed in Section 39 of the Act. In making this determination, the Commission has considered the effect that such determination will have on the property tax rate in the Redevelopment District.

2. This determination for 2018 shall not be construed to affect any future determination of the Commission with respect to the capture of assessed value of the taxable property in the Allocation Areas in the years following 2018.

3. The President or Vice President of the Commission is hereby authorized and directed to immediately notify or cause to be notified the St. Joseph County Auditor, the South Bend Common Council, the Department of Local Government Finance, and the officers who are authorized to fix budgets, tax rates, and tax levies under Indiana Code 6-1.1-17-5 for each of the other taxing units wholly or partly located within the Allocation Areas of the determinations made herein by the Commission, by way of a letter in substantially the form attached hereto as Exhibit B, which notice is intended to satisfy the requirements of Section 39 of the Act. Further, the Commission acknowledges that, based on its determination herein, no notice is due to the St. Joseph County Auditor under 50 IAC 8-2-4(b).

ADOPTED AND APPROVED at a meeting of the South Bend Redevelopment Commission held on the 25th day of May, 2017, at 1308 County-City Building, 227 West Jefferson Boulevard, South Bend, Indiana 46601.

**CITY OF SOUTH BEND,
DEPARTMENT OF REDEVELOPMENT**

Marcia I. Jones, President

ATTEST:

Donald E. Inks, Secretary

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EXHIBIT A

Allocation Areas

- 1) River West Development Area
- 2) West Washington Development Area
- 3) River East Development Area Allocation Area #1
- 4) River East Development Area Allocation Area #2
- 5) South Side General Development Area #1

EXHIBIT B

(Form of Letter)

Date

Mr./Ms. [Name]
Taxing Unit Address

Subject: Request Regarding Capture of Incremental Assessed Value for the City of South Bend

Dear Mr./Ms. [Name]:

In accordance with the provisions of IC 36-7-14-39, the Redevelopment Commission of the City of South Bend, Indiana, has determined (by Resolution #3394, passed 5/25/17) that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1) of IC 36-7-14-39(b).

The Allocation Areas of the City of South Bend covered by this letter are as follows:

River West Development Area
West Washington Development Area
River East Development Area Allocation Area # 1
River East Development Area Allocation Area #2
South Side General Development Area #1

Very truly yours,

Marcia Jones,
President

South Bend Redevelopment Commission