



South Bend

Redevelopment Commission

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

SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

May 25, 2017

9:34 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

Members Absent:

John Anella, Commissioner

Legal Counsel:

Benjamin Dougherty, Esq.

Redevelopment Staff:

David Relos, Associate
Mary Brazinsky, Recording Secretary

Others Present:

Pete Buttigieg	Mayor's Office
Suzanna Fritzberg	Mayor's Office
James Mueller	DCI
Austin Gammage	DCI
Chris Dressel	DCI
Tim Corcoran	DCI
Beth Leonard Inks	DCI
Mark Peterson	WNDU
Eric Watson	WNDU
Mo Miller	Hayes Towers
Jeff Rea	St Joseph Chamber
Regina Emberton	St Joseph Chamber
Shawn Peterson	Ice Miller
Randy Rampola	Barnes & Thornburg
George Baker	
Amanda Smith	Seven Entropy Design
Kasey Watkins	Cressy & Everett
Melody Eby	Cressy & Everett
Mike King	

2. Election of Officers

Upon a motion by Vice-President Varner, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved continuing 2017 with the same slate of officers (Marcia Jones, President, Dave Varner, Vice-President and Don Inks, Secretary) on Thursday, May 25, 2017.

3. Approval of Minutes

A. Approval of Minutes of the Regular Meeting of Thursday, May 11, 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, May 11, 2017.

4. Approval of Claims

A. Claims Submitted May 25, 2017

	Claims submitted	Explanation of Project	Items added after Agenda Distributed
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	
AECOM		Fiber Optic Cable which will feed the new Four Winds Casino in SB	2,000.00
<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		2,000.00
Total Of Both Columns	925,090.49		

Upon a motion by Secretary Inks, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the claims submitted on Thursday, May 25, 2017.

5. Old Business

None

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.

David Relos presented the Receipt of Bids for the Burke Building at 1019 S. Michigan St. and three vacant lots at 913 – 1001 S. Michigan St. These properties are located between Sample and Garst. Bids were due as of 9:00 a.m. this morning, with none being received.

B. River West Development Area

1. First Amendment to Development Agreement (Union Station Properties LLC)

David Relos presented the First Amendment to Development Agreement (Union Station Properties LLC). In October 2012 the Commission entered in to a Development Agreement with Union Station Properties LLC, committing \$3.5M for the stabilization and building improvements to the Building 84 complex, the six story Studebaker manufacturing building which overlooks downtown, on the south side of the railroad tracks from the Cove.

The Renaissance District has been approved for a Regional Cities matching grant. Because of various funding sources that are involved with the exterior rehab of Building 84 (the Commission's TIF commitment, Regional Cities grant, and private investment), to align these funding sources, an Economic Revenue Bond is planned to be issued. With Commission, and then Common Council approval, this would allow the project to move forward seamlessly. The Amendment approves the Bond financing and adds RDistrict Two, LLC as a party to the agreement.

Shawn Peterson, with Ice Miller, explained that this is an exciting phase of the project. To date the developer has spent \$30M in renovations, in addition to purchasing the building. The renovations start to become visible as tenants come on board. New beautiful windows and masonry work will give this six story structure a professional look.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the First Amendment to Development Agreement (Union Station Properties LLC) submitted on May 25, 2017.

2. Resolution No. 3392 (Pledge/Studebaker Project)

David Relos presented Resolution No. 3392 (Pledge/Studebaker Project). This pledges the \$3.5M TIF commitment previously approved by the Commission to pay the principal only of the bond issuance. As a special note, Resolution No. 3392 was updated to eliminate the naming of a particular bond trustee, who will be determined at a later date.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved Resolution No. 3392 (Pledge/Studebaker) submitted on May 25, 2017.

3. South Shore MOU

Mayor Pete Buttigieg presented the South Shore MOU. Mayor Buttigieg thanked the Commissioners for the work they do. Mayor Buttigieg noted that the Chicago area is the only city projected to reach the Mega City level of 10 Million people or more, and the only way they have to grow is east. The idea of double tracking the South Shore in certain areas, along with realigning its entrance at the Airport will reduce travel time between South Bend and Chicago. He has taken this project to the President of the United States and asked for help. With Regional Cities we received a new opportunity to have a new funding partner. We also have the State that has acted in the legislature this year to support the project but ultimately it will fall on different counties throughout the region in order to get it done. What this means to South Bend is two things: (1) what it means to people who already live here and (2) what it does to grow/attract new people to the region. For those who live here, a more affordable way to go to Chicago. It also means economic growth opportunities. We think that there will be more jobs open to those in a community from the companies that will come here, grow here and stay here due to easier access and the closeness of global cities like Chicago. This may also increase the value of the Westside of South Bend. In cities where you are closer to transit sites such as a subway or a bus stop the greater the value of your home. The value enhancement going from over two hours down to a 90 minute ride to or from Chicago will be remarkable for the area.

We also find that a lot of the skilled professionals are coming in pairs. When you talk to recruiters, if there is a spouse that specializes in their field and we do not have a job for them in South Bend, the deciding factor of whether they move here is if they would have access to another job market. We have families that find a way to make this work. Connectivity has become the major currency for cities today. Now we have the ability to reach the physical and geographical connectivity of our region. The commitment is not trivial but the payoff will be tremendous.

Jeff Rea, President & CEO of the South Bend Regional Chamber of Commerce, noted this is the top priority of the business community. It is being helped federally, on the State level, and locally, which is incredible. Our businesses are telling us the attraction of talent is priority one with this project. This means access to one of the largest economies in the world and I think it will have a great economic impact to our area. The City has been a real driver on this initiative including the Mayor and his team, raising the issue at the State House and we are grateful. Although we are early in the process, we still have a lot of key steps to accomplish.

Regina Emberton, President & CEO of Michiana Partnership, noted the theme/tagline for the Regional Development Authority is forty-seven smart connected communities. This project is one in which the RDA allocated Regional

Cities funding, which means it is a big priority for the Michiana Partnership and the groups it represents, since it can help attract top talent and the connectivity to the market in Chicago.

Upon a motion by Commissioner Ferlic, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved the South Shore MOU submitted on May 25, 2017.

4. Real Estate Purchase Agreement (Firehouse/ Seven Entropy)

David Relos presented the Real Estate Purchase Agreement (Firehouse/Seven Entropy). This is for the old Firehouse on Portage, and is with Seven Entropy Design Studio of San Diego, California. The Firehouse was taken through the disposition process and on February 23, 2017, we received one bid from Seven Entropy Design Studio. The minimum bid was \$47,000. Seven Entropy bid \$60,000. On February 23rd the Commission referred the bid proposal to staff for review and recommendation. On March 23, 2017, the Commission accepted the bid and approved moving forward with the Purchase Agreement. We are here today to finalize that Purchase Agreement. Included in today's Agreement is a sixty day due diligence period with a minimum investment of \$115,000 over a 3 year period, in collaboration with the Historic Preservation Commission for exterior improvements. Plans for the building are a mixed use, commercial / residential and a possible café in the future.

Upon a motion by Secretary Inks, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the Real Estate Purchase Agreement (Firehouse/Seven Entropy) submitted on May 25, 2017.

5. Second Amendment to Real Estate Purchase Agreement (Newmark Grubb Cressy and Everett)

David Relos presented the Second Amendment to Real Estate Purchase Agreement (Newmark Grubb Cressy and Everett). This agreement will extend the due diligence period for the Blackthorn Lots out 45 days, as they look in to the potential environmental impacts from the State Police Post. This will the due diligence period to late July.

Upon a motion by Commissioner Ferlic, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved Second Amendment (Newmark Grubb Cressy and Everett) submitted on May 25, 2017.

6. Budget Request (Portage Prairie Area Sewer)

Corbitt Kerr, Director of Redevelopment Engineering presented a budget request (Portage Prairie Area Sewer). This is a budget request for \$12,500 to perform a sewer study of the Portage Prairie area. A study was done previously but since then the area has been developed differently. This will ensure all future developments in that area will have adequate utility services.

Sewer service was originally planned to continue to Mayflower and south to a lift station, however, the Auten Road connector was not completed and the majority of service has followed along Dylan Dr. There is new development occurring north of Adams Road and is planned to tie into this system, which is near or at capacity. Rather than continue to strain an existing system we want to provide a solution for current and future needs.

Upon a motion by Vice-President Varner, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the Budget Request (Portage Prairie Area Sewer) submitted on May 25, 2017.

7. Budget Request (Monroe Parking Lot and Street Improvements)

Corbitt Kerr presented a budget request (Monroe Parking Lot and Street Improvements). This budget request is for an additional \$30,000 on top of the previous \$250,000 already approved. We recently received bids that came in \$4,000 over the original budget, however it is important to have extra funds to address contingency possibilities. The scope of the project does cover more of Monroe Street than was originally planned. If the money approved is not used it will be re-allocated back to the TIF.

Upon a motion by Secretary Inks, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved the Budget Request (Monroe Parking Lot and Street Improvements) submitted on May 25, 2017.

C. Douglas Road Development Area

1. Resolution No. 3395 (Releasing Assessed Value for Douglas Road)

Beth Leonard Inks presented Resolution No. 3395 (Releasing Assessed Value for Douglas Road). We are expected to pay off the last debt service payment in August, and will not need revenue next year. Once we determine the final amount received, we will be able to close the Douglas Road Economic Development Area early next year. This Resolution will be filed with the Common Council.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved Resolution No. 3395 (Releasing Assessed Value for Douglas Road) submitted on May 25, 2017.

D. Other

1. Resolution No. 3394 (Determining Tax Increment to be Collected in Year 2018)

Beth Leonard Inks presented Resolution No. 3394 (Determining Tax Increment to be collected in Year 2018). Other than the Douglas Road Economic Development Area, this determines tax increment is needed in the other Development Areas. There is a June 15, 2017 deadline to file this Resolution, and will be taken to the Common Council prior to that deadline.

Upon a motion by Vice-President Varner, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved Resolution No. 3394 (Determining Tax Increment to be Collected in Year 2018) submitted on May 25, 2017.

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

Thursday, May 25, 2017, 9:55 a.m.



David Relos, Economic Resources

Marcia I. Jones, President