

South Bend

Redevelopment Commission

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

SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

September 28, 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
Kintae Lark, Commissioner

Members Absent:

Don Inks, Secretary
Gavin Ferlic, Commissioner
John Anella, Commissioner

Legal Counsel:

Benjamin Dougherty, Esq.

Redevelopment Staff:

David Relos, Associate
Mary Brazinsky, Recording Secretary

Others Present:

James Mueller	DCI
Dan Buckenmeyer	DCI
Pete Buttigieg	Mayor of South Bend
Mark Bode	Mayor's Office
Austin Gammage	DCI
Chris Dressel	DCI
Jeff Parrott	South Bend Tribune
Bryan Glendening	IngenAE
Sue Kesin	South Bend
John Bickel	South Bend
Randy Rompola	Barnes & Thornburg
James Dudeck	South Bend
Marie Clark	South Bend
John & Joe Tiffany	Prism
Mark Seaman	Prism
Eric Henderson	Prism
John Martinez	COSB – VPA
Ken Praer	South Bend
Matt Eckerle	UMBAUGH
Bill Lamie	Alliance Architects
Matt Wetzel	Bradley

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2. Approval of Minutes

A. Approval of Minutes of the Regular Meeting of Thursday, September 14, 2017

Upon a motion by Commissioner Lark, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, September 14, 2017.

3. Approval of Claims

A. Claims Submitted September 28, 2017

	Claims submitted	Explanation of Project	Items added after Agenda Distributed
REDEVELOPMENT COMMISSION Redevelopment Commission Claims September 28, 2017 for ratified and approval			
<u>324 RIVER WEST DEVELOPMENT AREA</u>			
Transpro	100,000.00	Semi-Annual pymt for Main & Colfax Garage Lease	
Premium Concrete Services, Inc.	86,133.65	Main St. at Washington St Roadside Improv.	
Hull & Associates	6,258.39	GW Assess & Remedy Ign Pk./Groundwater Oliver Ind Pk	
Earth Exploration	2,979.70	Coal Line Trail - PH I & II	
The Lincoln Electric Company	171,124.89	PH XVI Equipment Purchase for Nello	
Seleg Construction Co., Inc.	573,946.15	Western Ave & Olive St. Intersection Improvement	
Abonmarche	16,930.00	Western & Olive, Lincoln & Charles Martin & Portage Prairie Study	
HGR Group, Inc.	115,229.49	JMS Façade Work	
Lawson-Fisher Associates	29,691.75	West Bank Improvements/Fellow St. Raised Crosswalk at Riley High	
Jones Petrie Rafinski	35.00	Monroe Parking Lot & Street Improvements	1,958.75
Jones Petrie Rafinski	47,814.04	Leighton Plaza, Field Survey for Colfax	
Botkin & Hall, LLP	9,229.96	Legal Services	
South Bend Tribune		Ads 100 Wayne St. Plaza	65.00
<u>422 FUND WEST WASHINGTON DEVELOPMENT TIF</u>			
DLZ	65,778.00	Design of Cemetery Entrance Colfax	
<u>429 FUND RIVER EAST DEVELOPMENT TIF</u>			
Smithgroup JJR	6,425.81	Riverfront Parks and Trails Master Plan Amendment 1	
Walsh & Kelly Inc.,	65,745.51	East Bank Sewer Separation Ph. V	
Abonmarche	32,609.87	Perly Primary Center Safe Routes to School Construction Inspection Srv.	
Abonmarche	4,323.75	Howard St Traffic Study	
South Bend Tribune		Ads Demo Howard Pk / Newman Center	112.44
<u>430 FUND SOUTH SIDE TIF AREA #1</u>			
McCormick Engineering, LLC	41,848.75	Bowen St. Improvements	
American Structurepoint, Inc.	1,470.00	Menards Traffic Impact Study	
Southgate Church	13,000.00	Signage Replacement	
<u>436 FUND TIF NORTHEAST RESIDENTIAL</u>			
City of South Bend	186,218.00	Eddy Street Commons	
Total	1,576,792.71		2,136.19
Total Both Columns	1,578,928.90		

Upon a motion by Vice-President Varner, seconded by Commissioner Lark, the motion carried unanimously, the Commission approved the claims submitted on Thursday, September 28, 2017.

4. Old Business

5. New Business

Upon a motion by Vice-President Varner, seconded by Commissioner Lark, the motion carried unanimously, the Commission approved moving Item 5B1 Resolution No. 3414 (2018 Parks Bond) to be the first New Business discussed on the Agenda of September 28, 2017.

1. Resolution No. 3414 (2018 Parks Bond)

James Mueller presented Resolution No. 3414. Mr. Mueller stated that Aaron Perri, the Director of Venue, Parks and Arts, apologizes for not being able to attend the meeting this morning. This is a great investment for a historic plan for parks across South Bend. Venue, Parks and Arts then played a short video highlighting the vision of a 21st Century City and what the South Bend Parks and Trails will be.

Mayor Buttigieg thanked everyone for the work they do. The Mayor said this project is a priority for the Administration and asked that we think about it from a wider angled lens than just thinking about parks and recreation. The Mayor has always loved parks and recreation. It has been an education process for him to come to understand the importance that it has on a number of other issues that he used to think of as competing, but it actually comes to support. One that we talk about constantly is economic development. One thing that we see in well designed, well maintained, and well used parks is economic value, and this boosts the values of homes; this lets us know that South Bend is accelerating.

The second thing the City is paying attention to is public health. We know that one of the most important things we can do for public health is make sure that people have safe, fun, user friendly options to live active lifestyles. There is a lot of data that tells us that the majority of people's health comes from green spaces, parks and trails.

Third I think a lot of equity considerations are at stake. When we talk about great venues at parks, we want to make sure we talk about having opportunities for families that aren't in the position to take the whole family out to the movies, or activities that are more expensive, and we want to make sure we are setting up for the next generation a whole network of parks and trails that are available. A vast majority of programming that are friendly and free of charge.

As we look out at the urban forest filled with green space, it's hard to believe we have a thriving city beneath all of it. We are conscience of the scale of this investment but we also want to make sure there is a sense of the impact we can have. There is a framed print of the Kessler plan in my office; his plan has really shaped this community and did for the century after. His plan was one of the first places that you see division for one of the green spaces along the river; there is a ribbon of green as well as Rum Village Park that have come to pass. I think we have a chance to make a century long impact. This is set up between a stack of

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funds both private and public inside and outside, and leverages Regional Cities and TIF funding.

This will cover Howard Park, one of the most distinctive parks in the city, along with river front upgrades including the West Bank Trail, Leeper Park, and Pulaski Park, which will mean a lot to the neighborhood. These are just pieces of things we are planning to do, including a new dog park in Rum Village and the expansion to the Charles Black Center, which just broke ground. All of this makes our City more equitable, greener, and friendlier.

Mr. Mueller stated that bond council is present for any technical questions.

Vice-President Varner asked Randy Rompola, Barnes & Thornburg, what the proposed term, length, and size of the bond is planned to be.

Mr. Rompola stated that Resolution No. 3414 is a preliminary Resolution and it does provide for the issuance of bonds for an amount not to exceed \$12.2 million, which will include all the project costs. The projects listed in the Resolution are improvements to Pulaski, Leeper, Seitz and other River Park Trail systems, and this is in conjunction with, as the Mayor said, the Parks Board. The Parks Board met earlier this week and took preliminary action for its own Park District Bond, which will come solely from the Park District Fund.

The Resolution before you provides for a bond that is payable from TIF Revenues but also has a tax back up. This is a common financing mechanism that cities have used around the state, to leverage TIF dollars with the potential of a tax back up to provide added security to the bond market. Matt Eckerle is here from Umbaugh and can speak to the numbers, but the intent is that the tax levy never be used. It is there just as security. I liken it to people that need to borrow money and go to a bank. The more money you have in a bank account, the cheaper it is to borrow money. The tax levy back up is there to provide security to the bond market, and allows the Redevelopment Commission and the City to enjoy a lower interest rate by getting the best rating on the bonds possible. If we were to do these solely as TIF Revenue bonds, the interest rate would be higher and it would be more expensive to borrow the money.

Vice-President Varner asked the length of term for the bond. And is it within the length of the TIF district.

Matt Eckerle with Umbaugh stated this is 15 year bond. There are chunks of the River West allocation area which actually expire before the end of the bond's term, but that is built into the revenue calculations. We have accounted for areas that will start expiring in the late 2020's in the structuring of the bonds. We are estimating coverage coming in of about \$5.5 million dollars to over \$11 million dollars annually over the life of the bonds. Given the size of this area there would have to be a significant loss of revenue.

Mr. Rompola stated this Resolution approves the preliminary issuance of the bonds, approves a public hearing at the next Redevelopment Commission

meeting where we will come back with a formal bond Resolution and an appropriation Resolution. The hearing would be on the appropriation of the bond proceeds and it allows for all of the notices to be published. This will also authorize any expenses that are being incurred prior to the issuance of the bonds. Mr. Rompola mentioned, that with respect to the Park District Bond, that bond is likely to be issued before the end of the year, pending all of the approvals. In respect to the Redevelopment District Bond, the intent is not to issue those bonds until early next year. The reason they presented this now is to coincide with the Park District Bonds so the entire package is approved at the same time by the Council.

Ben Dougherty stated that the action proposed for the next Redevelopment Commission meeting is the first bond Resolution, but the bonds would not close until much later. This is the upfront work for the funding of the bonds for next year.

Mr. Rompola stated that is absolutely right. Once the Council approval process is completed, work will stop on this bond until the issuance and sale process in 2018.

President Jones asked the actual amount expected to be available. Mr. Mueller stated in terms of projects, up to \$10.6 million.

Mr. Varner asked if we are up against the tax caps, where is the extra revenue coming from. Mr. Mueller stated that it is included in our budget projections. Mr. Eckerle stated the Hall of Fame levy is expiring; the parks bond is being structured to fill in the levy that is rolling off, so it is rate neutral and limit the tax effect. This will not require a special levy as long as it is approved by the Council. Mr. Mueller stated that circuit breakers will be in effect on the new levy and this amount was budgeted in.

Vice-President Varner asked if this is still subject to the tax caps and will the state still allow us to bond beyond. Mr. Rompola stated that yes, this is subject to the tax caps. The Hall of Fame bond was around six cents a year. That was exempt from the property tax caps. As that expires the new bond issue will count against the caps. As Mr. Mueller has stated, this is budgeted in and covered.

Upon a motion by Vice-President Varner, seconded by Commissioner Lark, the motion carried unanimously, the Commission approved Resolution No. 3414 (2018 Redevelopment Commission District Parks Bond) submitted on September 28, 2017.

A. Receipt of Bids (126 N. Niles Avenue)

Mr. Relos stated that today at 9:00 a.m. was the deadline for the Receipt of Bids for 126 N. Niles Avenue. We received four sealed bids before 9:00 a.m. Mr. Relos asked Commission approval to open the bids, read who they are from and the dollar amount today. The minimum offering price was \$64,400 which was the average of the two appraisals.

1. Susan and Barton Bennett through Hannah Maria, LLC offered \$80,000
2. Greater Lowell Holding, LLC offered \$72,000
3. Matthews, LLC offered \$80,001
4. John Bickel offered \$64,400

Mr. Dougherty stated that under the Redevelopment Act, the staff takes the time to review each bid to make sure that the necessary documents are in each of the bid packets. The Commission will be entitled, at their discretion, to either accept or reject the bids depending on the proposed plans for the property. The selection will be based on how the best bid will fit in with the East Bank. The recommendation from the staff is informal. It is the Commission's discretion to choose. Unlike other City projects, we do not have to choose based on the highest dollar amount, but under the terms of the statute, the highest and best bids will be considered, so we have considerations that go beyond just a dollar value, i.e, intentions and what the use would be.

Mr. Relos asked Commission approval to refer the bids to staff, for review and recommendation. Staff will develop a grid for the bids and report back to the Commission.

Upon a motion by Vice-President Varner, seconded by Commissioner Lark, the motion carried unanimously, the Commission approved Staff Review of Receipt of Bids submitted on Thursday, September 28, 2017.

B. River West Development Area

2. Resolution No. 3413 (LWE Property Acceptance)

Mr. Relos presented Resolution No. 3413. This is to accept from the Board of Public Works a vacant lot at 1036 Lincoln Way East. The lot has been owned by the City since the late 1800's and at one point was used to house Fire Station #10. It has been vacant for years. This is across the street from the Crooked Ewe. On Tuesday, September 26 the Board of Public Works approved transferring this property to the Commission, subject to Commission approval of this Resolution. Commission approval to accept the transfer of 1036 Lincoln Way East is requested.

Upon a motion by Vice-President Varner, seconded by Commissioner Lark, the motion carried unanimously, the Commission approved Resolution No. 3413 (LWE Property Acceptance) submitted on September 28, 2017.

3. Budget Request (Hull Contract Amendment)

Mr. Dressel presented the Budget Request for the Hull contract amendment. Staff is seeking approval of this contract from Hull & Associates, Inc. in the amount of \$61,500, for professional engineering/environmental services to address activities south of Indiana Avenue and adjacent to Area A (the former Studebaker/current Ignition Park site) as a continuation of ongoing activities consistent with enrollment in the IDEM Voluntary Remediation Program.

We are honing in on some plumes and collecting soil gas samples. This will help us pinpoint the source. Commission approval is requested, so work can continue on this project.

Upon a motion by Vice-President Varner, seconded by Commissioner Lark, the motion carried unanimously, the Commission approved the Budget Request (Hull Contract Amendment) submitted on Thursday, September 28, 2017.

C. Administration

1. Budget Request (Big Box Retail Appraisal Services)

Mr. Relos presented this budget request, which is to validate the assessments of big box retail stores. This will cover the stores on Ireland within the Southside TIF and Portage Road retail area, which is in the River West TIF. Commission approval of a \$50,000 budget allocation from River West and \$20,000 from the South Side, for the appraisal and related services. Both would be assessed as market value in use. It was agreed upon from St. Joseph County, Mishawaka and South Bend to come together to assess the values of these big box retail appeals.

Upon a motion by Vice-President Varner, seconded by Commissioner Lark, the motion carried unanimously, the Commission approved the Budget Request (Big Box Retail Appraisal Services) submitted on Thursday, September 28, 2017.

6. Progress Reports

A. Tax Abatement

1. Vice-President Varner spoke about a minimum wage requirement for tax abatements, making the same as the City's minimum wage. This would make it mandatory for everyone that receives a tax abatement. Check back with Council for further discussion.
2. There are two abatements that will be going through at October 9th Council meeting. Both are time sensitive. One is starting a new building.

B. Common Council

C. Other

7. Next Commission Meeting:

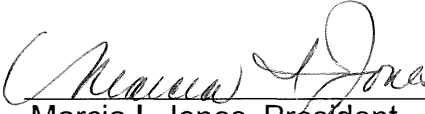
Thursday, October 12, 2017, 9:30 a.m.

8. Adjournment

Thursday, September 28, 2017, 10:11 a.m.



David Relos, Economic Resources



Marcia I. Jones, President