



South Bend

Redevelopment Commission

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

SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

October 12, 2017

9:30 a.m.

Presiding: Marcia Jones, President

227 West Jefferson Boulevard

South Bend, Indiana

The meeting was called to order at 9:33 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
Dan Buckenmeyer	DCI
Aaron Perri	Venue Parks & Arts
Lory Timmer	DCI
Austin Gammage	DCI
Tim Corcoran	DCI
Elizabeth Leonard Inks	DCI
Sue Kesin	Michiana Observer
Randy Rompola	Barnes & Thornburg
Matt Eckerle	Umbaugh
Emma Allum	Umbaugh
Anne Mannix	Neighborhood Dev. Assoc.
Marco Mariani	South Bend Heritage Foundation
Mark Seaman	Prism
Dave Matthews	401 E Colfax Ave
Jen Hockenhull	Admin & Finance
Robert L. Danner	22888 W. Edison Rd
Marty Wolfson	809 Park Avenue
Yolanda Collins	55478 Moss Road
Richard & M Collins	55478 Moss Road
Ginny Garner Kapsa	55212 Sundown Road

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Others Present:	Kevin Hoggard Conrad Damian Marci Reed Clifford Buck Marie Clark Sandy Clark Patti Peters Lance Peters Norma West Jerry D. Lewis Nate Levin-Asperson	125 W Marion St 718 E Broadway Resident Resident 24333 Ardmore Trail 5581N 800E New Carlisle Resident Resident 23306 Grove Ardmore 23306 Grove Ardmore Indivisible IN District 2
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2. Approval of Minutes

A. Approval of Minutes of the Regular Meeting of Thursday, September 28, 2017

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, September 28, 2017.

3. Approval of Claims

A. Claims Submitted October 12, 2017

REDEVELOPMENT COMMISSION Redevelopment Commission Claims Oct 12, 2017 for approval	Claims submitted	Explanation of Project
<u>324 RIVER WEST DEVELOPMENT AREA</u>		
Abonmarche Consultants of Inc.	10,670.00	Lincoln Way W & Charles Martin Intersection
Abonmarche Consultants of Inc.	1,391.25	Portage Prairie Area Sewer Study
Abonmarche Consultants of Inc.	3,700.00	Western Ave & Olive St Intersection Improvement
Jones Petrie Rafinski	19,177.54	Downtown Streetscapes
IDEM	112.50	Remediation
Associated Property Counselors, Ltd.	30,705.00	4 Appraisal Reports for Assessment Yrs 08, 09, 10 & 11 Meijer's - Portage Rd
Botkin & Hall, LLP	2,783.50	Meijer - Portage / Bremen Highway
Kolata Enterprises LLC	562.50	Professional Services
US Bank	2,000.00	Paying Agent Fee
Seleg Construction Co., Inc.	680,101.56	Western Ave & Olive St. Intersection Improvement
<u>422 FUND WEST WASHINGTON DEVELOPMENT TIF</u>		
DLZ	3,800.00	South Bend Colfax Ave Two-Way
<u>429 FUND RIVER EAST DEVELOPMENT TIF</u>		
Abonmarche Consultants of Inc.	6,200.00	Seltz Park Survey
<u>430 FUNDSOUTH SIDE TIF AREA #1</u>		
Kil Architecture Planning	7,532.14	Erskine Clubhouse Remodelling Assessment
Farrington Appraisals	8,000.00	4 Appraisal Reports Kohl's Ireland Assessment Yrs 08, 09, 10 & 11
McCormick Engineering, LLC	9,922.50	Bowen St. Improvements
Total	786,658.49	

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved the claims submitted on Thursday, October 12, 2017.

4. Old Business

5. New Business

President Jones noted that due to a potential scheduling conflict, it is requested to move item 6.C(b), Progress Reports Budget Hearing Schedule, to the beginning of today's agenda. Beth Leonard Inks thanked the Commissioners. Beth stated we had originally planned to have the 2018 TIF Appropriation public hearings at today's meeting, but a mix up in the publication dates has caused them to be held at the next Commission meeting on October 26th.

A. River West Development Area

1. South Shore Feasibility Study

Eric Horvath, Director of Public Works, presented the South Shore Feasibility Study. Mr. Horvath stated that this is a transformational project not only for South Bend, but for many of the connecting communities from here to Chicago. We want to make sure we cover all the due diligence items, not only in terms of time savings and safety, but the impact to our community, and plan to hire AECOM to do the analysis. We are taking a pause in the existing study to take a look at other options, including four potential new station locations as follows:

1. The site of a new tourist destination featuring South Bend Chocolate's factory, museum, and buffalo farm in an area bounded by the US 31 bypass, Business US 20, Pine and Edison Roads, with a focus on parcels closest to the southwest corner of the interchange.
2. Along the current tracks across Westmoor Street from Honeywell Aerospace, between Sheridan Street and Bendix Drive.
3. The current Amtrak station at Washington and Meade Streets.
4. In / near downtown near the Union Station Technology Center, along the existing Norfolk Southern freight tracks.

The study will look at three things: construction feasibility; rail operations impact, and economic impact, and look at land for facilities, parking, commuter access, what rail alignment would look like, dimensions, grades, land acquisitions needed both to businesses and residents; also socio economic impacts and would be high level on either existing or adjacent land.

For rail operations, it would be looking at primarily what it does for travel time to get from South Bend to Chicago, as well as service schedules and what type of ridership there would be along the route.

In terms of economic development, the study will look at transit oriented real estate development and do an analysis for potential development and redevelopment, looking for specific underutilized properties and redevelopment opportunities there might be, as well as doing a benefit cost analysis which will monetize the benefits, so we're not just focused on capital cost but also focused on long term benefits to the community.

Lastly, a high level approximation of all the impacts it would have as part of the process. It will take about 15 weeks to complete the study.

Vice-President Varner asked if they will make attempts to contact the Norfolk Southern or Grand Trunk Western see if they have interest in sharing any of the railroads as part of this project, or is that going to proceed as an assumption that can't happen.

Mr. Horvath answered that is definitely part of this. They will look at those things. Part of the decision is whether new tracks can fit within the existing right of way. Some of that determination is if the railroad company feels there is room for additional track or hold onto it for future operations for themselves. We will have to have some additional conversations whether or not that's in play.

Vice-President Varner stated that's really important because the plan was for the multi-modal station downtown years ago to receive either the South Shore or Amtrak. The plan was never allowed to come to fruition because of the railroad. Mr. Varner thinks if there is a plan we need to know up front what the cooperation will be as it will eliminate some of the possibilities.

Vice-President Varner asked if a new station would be taxable. Randy Rompola stated it would be exempt.

Commissioner Ferlic thanked Community Development and Public Works for the responsiveness to area residents on this issue.

Commissioner Anella added to look at this with the economic options in the long term, and to do this with minimal disruptions to the community.

President Jones stated this is in response to community concerns. Let's look at how this impacts everyone, which is our intent. Thank you for being interested. We love to have you here and listen to the process and understand the way it works, just understand that it is not quick. We will take our time and try to get it right.

Mr. Horvath stated that the study will take approximately 15 weeks to 4 months. The results will then be utilized to look at alternatives. They will have to look at socio economic impacts, businesses, residents, the section 4F, historic properties, cemeteries, alternative analysis and they'll use that to come up with a preferred alternative.

Upon a motion by Commissioner Ferlic, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved the South Shore Feasibility Study submitted on October 12, 2017.

2. Resolution No. 3415 (Redevelopment District Park Bond)

Aaron Perri, Executive Director, Venue Parks and Arts presented Resolution No. 3415. This item was mentioned a couple of weeks ago and Mr. Perri was out speaking in New Orleans about this very initiative to the Annual Parks Association. This will be just a small part of what we're calling the most significant investment in South Bend Parks and Trails in the city's history. We are looking at investing over \$40 million dollars throughout the entire city. This aims to tackle a lot of deferred maintenance, many underserved areas, and focus on economic development, health and wellness, public safety, neighborhood improvements and ecological impacts. Today's Bond focuses on the areas of Seitz, Pulaski and Leeper Parks. This also includes connectivity like the Lincolnway corridor from Miami to Sample and the Riverwalk, which some would not even be useable in sections. We have representatives from Barnes & Thornburg and Umbaugh here if you have any questions on the bonds.

Vice-President Varner asked what dollar amount will be for Seitz Park and how much is to mitigate the changes in the Notre Dame plan.

Matt Eckerle, with Umbaugh, stated that \$5 million is earmarked for Seitz Park. The hydro project partnership with Notre Dame and the City is scheduled to start late this year, and once completed ND will contribute \$1 million towards the reconstruction of Seitz Park. Vice-President Varner asked if there will be any payments coming back into the City for the use of the Park. Mr. Eckerle stated after the project is completed there will not be.

Commissioner Anella gave thanks for all the work done on this project. He thinks the Commission helps to bring this all together. He stated that the Potawatomi Zoo attracts 250,000 people per year. He is wondering how the Zoo fits into the grand scheme of things.

Mr. Perri stated this investment, while significant, does not touch every part of South Bend. The Zoo is a very important part of the Parks system. We know that there will be additional work. We are looking at the public/private contract with the Zoo that expires in 2018 and capital expenditures. That will be next year's discussion and we've already been entertaining those conversations.

Upon a motion by Commissioner Ferlic, seconded by Secretary, Inks, the motion carried unanimously, the Commission approved Resolution No. 3415 (Redevelopment District Park Bond) submitted on October 12, 2017.

Ben Dougherty mentioned Randy Rampola made an adjustment on the interest rate in Section II A. This was not in the packet circulated in the meeting.

Upon a motion by Commissioner Ferlic, seconded by Secretary, Inks, the motion carried unanimously, the Commission approved the amendment to Resolution No. 3415 (Redevelopment District Park Bond) submitted on October 12, 2017.

3. Resolution No. 3416 (Redevelopment District Bond Additional Appropriation)

Randy Rompola presented Resolution No. 3416 (Redevelopment District Bond Additional Appropriation). What's before you is the appropriation resolution for the Parks bond. There is a requirement for a public hearing before we consider those, which appropriates the proceeds of the bonds listed for the Riverfront Parks and Trails that Aaron Perri spoke to.

Ben Dougherty stated there was no Public Hearing required for Resolution No. 3415 but there is for Resolution No. 3416.

President Jones opened the floor for Resolution No. 3416 for the public to speak.

Randy Rompola stated this is for an appropriation not to exceed \$12.2 million. The proceeds are to be used for the parks projects. This will be used for the bonds and reserves funding for the bonds and is appropriating the proceeds of \$12.2 million dollars. I will mention that if approved today, it will go before Council at an upcoming meeting for their approval.

Benjamin Dougherty stated the Commission has already voted and adopted Resolution No. 3415; that approval did not require a public hearing. We have now moved onto Resolution No. 3416 which does require a public hearing along the lines of which were stated by Mr. Rompola.

Dave Matthews stated he thinks this is fantastic, there has been a lot of downtown activity in the past year. This will not only expand parks in downtown but throughout the entire city. It is a win for all.

Vice-President Varner stated when the item comes to Council it will come in the form of a Public Hearing. The floor is now closed.

Upon a motion by Commissioner Ferlic, seconded by Secretary Inks, the motion carried unanimously, the Commission approved Resolution No. 3416 (Redevelopment District Park Bond) submitted on October 12, 2017.

4. Budget Request (Lafayette Building Repairs)

Tim Corcoran presented the budget request for the Lafayette Building repairs. We are requesting \$1.5 million for the remediation and immediate repairs of the Lafayette Building, located at 115 South Lafayette Boulevard. The building was built in 1901 with further expansion in 1903. It is an important part of the historic fabric of South Bend. Currently we are working with the County to gain ownership of the building through the tax sales process. We are expected to have ownership by the end of January 2018. Part of this funding will be for immediate repairs to get us through the winter. A lot of the renovation downtown has been through existing buildings rather than new.

Vice-President Varner asked if the money is to stabilize and sell or keep the building. Mr. Corcoran stated the funding will stabilize the building. We are in high level talks with groups but we do not own the building yet. We are looking

into what a partnership with the City would look like after ownership. Right now there is asbestos, mold remediation, roof, skylights, and exterior work that needs completed to stabilize the building. Once title is acquired and the building safe, we would partner with other private entities.

Commissioner Ferlic asked what the possible uses of the building would be. Mr. Corcoran stated there are no limits on what the building could be. We are open to suggestions. It could go from retail on the ground, to offices, micro apartments, etc. We don't think we want to limit ourselves to what it could be.

Secretary Inks asked if the repairs will take place prior to ownership. Mr. Corcoran stated that since we do not yet own the building, there are legal issues in doing repairs to the building. We can do external repairs but we cannot do anything internally. We are working with Code Enforcement and Legal to be sure things are done properly.

Commissioner Lark asked if we don't legally own it why we would put \$1.5 million into it. Mr. Corcoran stated money is being approved now so we can work on contracts for when we do own the building. We would like to stabilize the roof and skylights prior to winter.

Commissioner Lark asked if there would be some kind of benefit for local businesses that would not otherwise be able to afford such a location once it is restored. Mr. Corcoran stated the benefit to the public is keeping the historic fabric that created downtown. The second benefit would be to getting the building back into tax production and providing back to the community. This is really making sure the building is back to being used. This is the same thing we did with the LaSalle Hotel. It took a long time but we can all see now what a value it is.

Upon a motion by Commissioner Ferlic, seconded by Secretary, Inks, the motion carried unanimously, the Commission approved Budget Request (Lafayette Building Repairs) submitted on October 12, 2017.

5. Development Agreement (Historic Lincoln Way West Homes)

Lory Timmer presented the Development Agreement (Historic Lincoln Way West Homes), seeking approval of a Development Agreement (DA) between the South Bend Redevelopment Commission and South Bend Heritage Foundation, Inc. and Neighborhood Development Associates, LLC. The DA provides the project with \$1,000,000 of TIF investment to convert the Classic Boutique/Brewery building at 1636 Lincolnway West into 25 (1 and 2 bedroom) affordable apartments. The project also includes new construction 16 single-family homes on scattered nearby vacant lots currently owned by the Urban Enterprise Association (UEA), 3 which would be group homes for developmentally disabled adults via a partnership with Logan Center. The project will improve a critical area on Lincolnway West between the Airport and downtown, and will complement the West Side Main Streets plan, in particular the Wilber Street node.

The developers are seeking low income housing tax credits from the Indiana Housing and Community Development Authority (IHCDA). This is a competitive process, with the application to IHCDA due November 6, 2017, and awards announced February 22, 2018. If not awarded in that round, the project will be re-submitted to IHCDA July 30, 2018, with awards announced November 15, 2018. In addition to the tax credit equity, historic tax credits and a conventional first mortgage loan will finance the project. TIF funds are requested to close the funding gap in the project. Highlights of the DA are:

- Private investment of no less than \$11,000,000
- If the project is not awarded tax credits in either round, the DA terminates December 31, 2018
- If tax credits are awarded, project completion is required (36) months after the Effective Date of the DA
- Developer will pursue a goal of contracting no less than 8% of total private investment with MBE and/or WBE contractors
- 25 (1- & 2-BR) apartments and (16) single-family homes will be created for low-moderate income tenants

Neither developer owns the building. You do not have to own the property to apply for the tax credits but there does have to be a purchase agreement.

Benjamin Dougherty stated there are two edits to note. One is to reduce the private investment from \$12 million to \$11 million. Second is the potential scope of the project, which is Exhibit B. The developer doesn't wish to over promise in this agreement because it may need to be rezoned.

Marco Mariani, Executive Director South Bend Heritage Foundation noted this is a long standing historic property, on the National Register but also a problem property. We are trying to save this by trying to adapt and re-use it. Having these funds are critical to help this project come together, and has many moving parts. I should also highlight that this project was identified in the West Side Corridors project as the Wilbur node, and an important piece in the overall planning in Lincolnway West. It is halfway between downtown and the Airport. The other important piece is we are using blight elimination lots, if you remember the vacant and abandon initiative; here we are trying to reuse those difficult areas to stabilize those neighborhoods.

Commissioner Ferlic asked about tax credits. Anne Mannix stated you never know as it's dramatic and it's scary at the same time, and they like that. The building is very exciting. Marco Mariani stated they are applying for historic tax credits. Anne Mannix states that there is a lot of competition.

Marco Mariani noted that they are bringing this in as South Bend Regional Homes co-op model with 24 homes along Lincoln Way West; this is where they continue neighborhood engagement component where the residents will be in charge.

Secretary Inks commented that the per unit cost is a little high. How much of that is driven by the renovation of the historic structure vs the new structures. Anne Mannix stated they are about the same. You cannot cut the rehab cost. The construction costs are high now. Marco Mariani stated these are fee laden deals due to the tax credits.

Vice-President Varner stated he came up with the same numbers.

Anne Mannix states that they receive approximately \$11 million in cash. There is \$11 million in equity. There are rules per unit since they are low income for the tax credits.

President Jones noted she is a member of the South Bend Heritage Board and receives no compensation for being a member of the Board.

Upon a motion by Commissioner Ferlic, seconded by Vice-President Varner, the motion carried unanimously, the Commission approved Development Agreement (Historic Lincoln Way West Homes) submitted on October 12, 2017.

6. Budget Request (Coal Line Trail)

Tim Corcoran presented the Budget Request (Coal Line Trail). Staff is seeking approval of this proposal from Earth Exploration, Inc., in the amount of \$17,820 for geotechnical engineering services associated with ongoing design of the Coal Line Trail, a multiuse trail project expected to be completed in 2021. The specific components of the proposal are:

- Performing up to ten exploratory test borings to an average depth of 10 ft. and up to five test borings to a depth of 30 ft for the proposed retaining walls.
- Performing appropriate laboratory tests in accordance with INDOT guidelines including visual soil classification, hand penetrometer readings, moisture content, unconfined compressive strength, topsoil testing, and Atterberg limit determinations; and
- Preparing a technical report which will include a summary of the findings and recommendations for geotechnical considerations

This is necessary for INDOT requirements in order to complete the environmental reports.

Upon a motion by Secretary, Inks, seconded by Commissioner Ferlic, the motion carried unanimously, the Commission approved Budget Request (Coal Line Trail) submitted on October 12, 2017.

7. Real Estate Purchase Agreement (Jones, Petrie, Rafinski)

James Mueller presented the Real Estate Purchase Agreement (JPR). This is the continuation of previous actions on the Shillings lot. Now that the renovation has been completed, JPR is looking to expand. This agreement gives them the remainder of the parking lot to their north, subject to an easement to the City for parking on the northern most row. There are also terms for the transfer to the City of the lot they own across the Lafayette. The easement for the City could be

released if there is a mixed use project fronting Lafayette.

Benjamin Dougherty noted the deed will contain language for the easement for parking purposes that is being reserved to favor the City. The document provides that JPR has a right to terminate the easement only in the event that it prevents a development along Lafayette.

Upon a motion by Commissioner Ferlic, seconded by Secretary, Inks, the motion carried unanimously, the Commission approved Real Estate Purchase Agreement (Jones, Petrie, Rafinski) submitted on October 12, 2017.

6. Progress Reports

A. Tax Abatement

1. Gavin Ferlic stated there were four tax abatements.
2. Dan Buckenmeyer added there will be a TIF amount for GLC coming to the next meeting.
3. Vice-President Varner stated in regards to TIF, we need to look aggressively at abatements in the future.
4. James Mueller stated when it is a public investment like parks, we are less concerned about return on investment because it is a public benefit. When it is a private investment we look at the whole picture, including what the return on investment is to the City. Sometimes we go a little more aggressively because the factors become game changers. If there is not some kind of "x" factor then we are looking at pure return.
5. Vice-President Varner stated we should look at a couple of these as case studies; maybe GLC and the Matthews' project. There should be further discussion and look into something in November.

B. Common Council

C. Other

1. Mr. Relos stated for the bids received for 126 N. Niles, an internal committee will meet right after the Redevelopment Commission meeting today to look at each bid and discuss each proposal. We hope to bring back a recommendation at the next Commission meeting.

7. Next Commission Meeting:

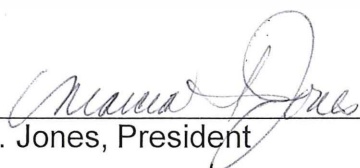
Thursday, October 26, 2017, 9:30 a.m.

8. Adjournment

Thursday, October 12, 2017, 10:25 a.m.



David Relos, Economic Resources



Marcia I. Jones, President