



CITY OF SOUTH BEND

REDEVELOPMENT AUTHORITY

October 10, 2019
3:00 p.m.
Mayor's Conference Room

County-City Building
227 West Jefferson Boulevard
South Bend, IN 46601

The meeting was called to order at 3:08 p.m.

1. ROLL CALL

Members Present: Erin Hanig, President
Anthony Fitts, Vice-President

Members Absent: Richard Klee, Secretary-Treasurer

Redevelopment Staff: Mary Brazinsky, Board Secretary

Legal Counsel: Sandra Kennedy, Esq.

Attending: Amanda Pietsch, DCI
Benjamin Dougherty, Admin & Finance
Phil Faccenda, Barnes & Thornburg
Mike Noland, NICTD

2. APPROVAL OF MINUTES

A. Approval of Minutes of the Regular Meeting of June 5, 2019

Upon a motion by Anthony Fitts, Vice-President seconded by Erin Hanig, President the motion carried unanimously, the Authority approved the Minutes of the Meeting on June 5, 2019.

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3. NEW BUSINESS

A. Resolution No. 205 (Approving Lease – South Bend – Double Track 2019)

Amanda Pietsch states that the city and county have been working on the South Shore Double Track project. They have come to an agreement in an MOU that the city shall fund \$9.125M of that project. We are seeking to issue bonds.

Mike Noland, NICTD explained there are two major projects on the South Shore agenda. The west shore is a brand-new extension from Hammond to Dyer right down the Indiana/Illinois border. It is a \$816M construction project financed by the state, Lake County and 15 municipalities. The Northwest Indiana Regional Development Authority is putting in \$14M per year with the state putting in \$6M a year for 30 years plus an additional grant. On Friday the Federal Transit Administration said the project has advanced in the three steps to get a grant. First is project development; the sounding out of the project and environmental. Once that is complete, the next is for the project to be completed and examined through and through. The third step is to proceed with the grant. We found we needed to have more money from the state of Indiana for the project. We went back and spoke with the general assembly in March and by the end of April the state came back and put in an additional \$205M. Jane Williams, FTA said that we are now in the engineering stage. On the phone we spoke about the Double Track Project. Jane said that the project was applied for and in the engineering stage. If the 4 counties would split 4 ways 50/50 the state would match it. The state came up with \$6M a year per year for 30 years. Each county at \$18.25M. In St. Joseph County the county said they would put in \$18.25M if the city would put in \$25M to put in for the double track and a new station. The goal is 90 minutes from South Bend to Chicago. We have been engaging with a study between county, city and the airport for placement. The proposal now is \$9.125M by the county for the future station and the city/county will split \$18.25M on the double track project. The federal government said for double tracking they wanted additional funding. The Governor thinks it's a great economic development project, therefore, the state stepped up and put in \$205M towards the double track share to get us to the 62% mark. The finance plan is finished. We have applied for engineering. We have applied for a product rating. We were told we are in great shape. We now have to have our finance in place, so we are ready to proceed to engineering. We want to start revenue service in 2023. In addition, an ask to NICTD if St. Joseph County/South Bend puts those dollars in, NICTD will promise service for at least 20 years. On September 30, 2019 an agreement was approved from after the last dollar is spent. That is an important commitment level.

Amanda Pietsch states that it is important to note that we are going to put in the \$9.125M now for double tracking then when the station is decided they will contribute the remainder of \$9.125M.

Phil Faccenda, Barnes & Thornburg states this is lease financing. The reason for this is it is intended that the bonds will be paid by TIF with a tax back up, however, we will never levy that tax back up as there is enough to cover the bonds. There will be a trust indenture that will be selected for these bonds, at a yet to be determined institution. The county just finished with the same thing and is closing on their bonds next week, wiring the Indiana Finance Authority \$9.125M. Those funds will be kept separate in escrow and only for this use. The legislation a couple years ago allowed for either cash participants or state in financing. Lake and Porter counties through their Redevelopment Authority are participating with state bonds. As far as Laporte and St. Joseph counties, they have opted to be state purchased bonds. The way it breaks down between the four, Laporte is using surplus major bridge funds. Michigan City will be doing identical. South Bend is using lease rental to avoid debt limit issue with the Redevelopment Commission. Even though we don't intend to use a special tax levy, we are still subject to the redevelopment districts debt limit at 2% overall; this allows for lease rental options. The asset is actually a portion of Cleveland Road. What does that have to do with double tracking? Nothing, however, you have to have an asset. There is an equivalent segment of Cleveland Road value wise that will correspond to the amount being borrowed that will finance the bonds which sits in the River West area.

Upon a motion by Erin Hanig, President seconded by Anthony Fitts, Vice-President, the motion carried unanimously, the Authority approved Resolution No. 205 (Approving Lease – South Bend – Double Track 2019) submitted on October 10, 2019.

4. ADJOURNMENT

Upon a motion by Anthony Fitts, Vice-President seconded by Erin Hanig, President, the motion carried unanimously, the Authority adjourned the meeting at 3:29 p.m.



Mary Brazinsky
Board Secretary,
Community Investment



Tony Fitts, Vice-President
South Bend Redevelopment Authority