



South Bend  
**Redevelopment Commission**  
 227 West Jefferson Boulevard, Room 1308, South Bend, IN

**SOUTH BEND REDEVELOPMENT COMMISSION  
 RE-SCHEDULED REGULAR MEETING**

July 14, 2022 – 9:30 am  
<https://tinyurl.com/RDC71422> or BPW Conference Room, 13<sup>th</sup> Floor

Presiding: Marcia Jones, President

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

**1. ROLL CALL**

Members Present:	Marcia Jones, President – IP Don Inks, Vice-President – IP Troy Warner, Secretary - IP Eli Wax – IP Vivian Sallie – IP	IP = In Person V = Virtual
Members Absent:	Leslie Wesley, Commissioner	
Legal Counsel:	Sandra Kennedy, Esq.- IP Danielle Campbell-Weiss, Esq. - V	
Redevelopment Staff:	Mary Brazinsky, Board Secretary - V Joseph Molnar, Property Manager - IP	
Others Present:	Caleb Bauer Andrew Netter Laura Althoff Charlotte Brach Lori K. Hamann Maricela Juarez Richard Harte Devoreaux & Ron WNDU Matt Barrett	DCI – IP DCI – V DCI – V Engineering – V Council/Resident - V Admin & Finance - V Resident - V Item 5A1 - V Media - IP Resident - IP

## 2. Approval of Minutes

- **Approval of Minutes of the Regular Meeting of Thursday, June 23, 2022**

Upon a motion by Vice President Inks, seconded by Commissioner Sallie, the motion carried with Troy Warner abstaining as he was not in attendance, the Commission approved the minutes from the regular meeting of Thursday, June 23, 2022.

## 3. Approval of Claims

- **Claims Submitted for June 7, June 21, June 28, and July 8, 2022**

Mr. Inks asked about four separate memos from Dan Parker with a GBL for tracking what are those for?

Ms. Althoff replied that the GBL are tracking numbers used in DFO. The memos have the total of the details and Ms. Althoff noted she has more details if requested.

Mr. Inks replied that answered his question.

Upon a motion by Vice-President Inks, seconded by Commissioner Sallie, the motion carried unanimously, the Commission approved the claims June 7, June 21, June 28 and July 8, 2022, submitted on Thursday, July 14, 2022.

## 4. Old Business

## 5. New Business

### A. River West Development Area

#### 1. **Real Estate Purchase Agreement (The Monreaux, LLC.)**

Mr. Bauer Presented a Real Estate Purchase Agreement (The Monreaux, LLC.). The agreement before the Commission is for parcels on south Michigan Street. The purchase agreement is contingent on the award of low-income housing tax credits as a part of the proposed development by Deveraux Peters. The development is for 60 housing units, 46 which would be income based and 14 at market rate. The development would include commercial space and some live workspace. This would be a four-story building. An application for tax credits was filed to IHEDA and the developer expects to hear back in November 2022. Commission approval is requested.

Deveraux Peters, developer states they have been working on this project for a few years. Ms. Peters went to the University of Notre Dame and wanted to give back to the community. Working with the city on this project, we wanted to create a catalyst of redevelopment for that area of downtown and push further development in the area and they felt they could do this by providing mixed

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income and a mixed-use building. They wanted to create a building that fit in the area and paid attention to design. They will include a fitness center, business center, parking deck and walking path for the tenants. They wanted to provide an entrepreneurial community with artists and things of nature while also giving it a commercial feel.

Mr. Bauer states the purchase price would be \$1,000. The average appraisal is \$176,000 and this will go to support the tax credit.

Commissioner Wax asked if a tax abatement would be applied for?

Mr. Bauer stated yes along with a development agreement.

Commissioner Wax asked what the development agreement would entail.

Mr. Bauer noted it would potentially entail a TIF contribution to support the project and that it might look to be in the range of \$1M to \$1.5M but is contingent on the tax credits.

Councilmember Wax asked what the total estimate of the project?

Mr. Bauer replied approximately \$17M but deferred to Devereaux Peters.

Ms. Peters stated just under \$17M.

Councilmember Wax stated the city would provide 5% to 10%.

Mr. Molnar states that the development agreement stipulates a minimum of \$16M in investment and the developer is above that number.

Secretary Warner asked how many developers applied for the tax credit?

Mr. Bauer states three applied in this category and there is one other development in a separate tax credit category that related to an integrated permanent supportive housing. Real America Diamond View project, Marquette School and this project.

Secretary Warner inquired about Real America and Marquette School 2<sup>nd</sup> attempt at the tax credits.

Mr. Bauer states that yes, those projects were waitlisted last year and that was the first time IHADA had ever had a waitlist because they contemplated if additional federal funding would be available then they would be able to fund the waitlisted projects.

Secretary Wax thanked Ms. Peters for her investment in the community and taking this step forward. We have a shortage of housing and I want to thank you for the work you have done so far and wish you the best of luck hoping there is success for the project.

Upon a motion by Secretary Warner, seconded by Commissioner Sallie, the motion carried unanimously, the Commission approved Real Estate Purchase Agreement (The Monreaux, LLC.) submitted on Thursday, July 14, 2022.

**2. Assignment and Assumption (Bear Brew, LLC.)**

Mr. Bauer Presented Assignment and Assumption (Bear Brew, LLC.) This item is related to Bare Hands brewing redevelopment at the former Gates automotive site. The first piece is an assignment and assumption agreement that would assign the existing development agreement from 410 West Wayne Street LLC to Bear Brew, LLC. The principle of Bear Brew, LLC is Chris Gerard but the change stems from Jim Priebe no longer a member of the LLC. Commission approval is requested.

Commissioner Wax asked what the date of default was?

Mr. Molnar stated March 31, 2022.

Commissioner Wax asked if the city has taken steps to give the notice of default.

Commissioner Wax asked without amending the agreement what is the status in default and is this still the belief of the city that this is the best option for the property.

Mr. Bauer states we believe that the project is according to the owner, imminently prepared to move forward and so we do believe if the development meets the timelines, it is the best use. If they are not met, we do plan on taking back the property.

President Jones asked if anyone else has been interested in the property?

Mr. Bauer states that yes there are other interested parties, but no formal meetings have taken place.

Secretary Warner asked what sparks the belief that progress is eminent, when he drives past the building the sign states coming soon in 2018. He understands the COVID period and understands change in ownership.

Mr. Bauer states the owner does have finances in place to move forward. In Mr. Bauer's opinion, we will know by September 1, 2022, if the developer intends to move forward on the project.

Commissioner Sallie stated since we can participate electronically, it would be nice, in the future, if the developer could join the meeting and notes that it would show commitment to the project.

Upon a motion by Commissioner Wax, seconded by Vice-President Inks, the motion carried unanimously, the Commission approved Assignment and Assumption (Bear Brew, LLC.) submitted on Thursday, July 14, 2022.

3. **Sixth Amendment to Real Estate Purchase Agreement (Bear Brew, LLC.)**  
Mr. Bauer Presented Sixth Amendment to Real Estate Purchase Agreement (Bear Brew, LLC.). This request updates the agreement and sets up a commencement date for construction to begin no later than September 1, 2022. It also adds a completed rough inspection deadline of February 1, 2023, with a project completion on September 1, 2023. There is no change to the minimum investment for the previously amended agreement of a minimum investment of \$455,828. Mr. Gerard had intended on being present but had a family illness. Commission approval is requested.

Upon a motion by Commissioner Wax, seconded by Vice-President Inks, the motion carried unanimously, the Commission approved Sixth Amendment to Real Estate Purchase Agreement (Bear Brew, LLC.) submitted on Thursday, July 14, 2022.

## **B. Douglas Road Development Area**

### **1. Budget Request (Douglas Road Development Area)**

Ms. Althoff Presented a Budget Request (Douglas Road Development Area). This is a budget request in the amount of \$30,594.13 to repay the obligation for the sewer rehab capital account at this location and the replacement of the Douglas Road lift station. Once paid this is the final payment for the program. Commission approval is requested.

Upon a motion by Vice-President Inks, seconded by Secretary Warner, the motion carried unanimously, the Commission approved Budget Request (Douglas Road Development Area) submitted on Thursday, July 14, 2022.

## **6. Progress Reports**

### **A. Tax Abatement**

1. Mr. Bauer stated that Council approved and extension of the designation period on a personal property tax abatement for Toyo Seiko North America. They had some shipping costs that impacted the acquisition of new equipment. They still intended to make the purchase. This designation period has been extended for two years with the abatement. In addition, the Council approved a waiver of non-compliance on a real property tax abatement. They have met their investment commitments but had failed to file the appropriate forms with the St. Joseph County auditor's office.

### **B. Common Council**

### **C. Other**

1. Board Secretary Brazinsky gave an update per the last meeting request regarding public participation and moving of the meeting times from 9:30 a.m. It was noted from July 2019 to December 31, 2019, the meeting time was moved to 4:30 pm. to receive greater public participation and the

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Redevelopment Commission noted that they had less participation from the public during those six months. In June of 2012 to December 31, 2012, the meeting time was moved to 4:00 p.m. for better public participation and it was noted that there was less public participation.

2. Mr. Barrett, resident asked for an update on the various Matthews redevelopment agreement questions he had.

Ms. Kennedy stated we entered into an agreement with Mr. Matthews in 2016. This was co-dependent on the Regional Development Authority agreement. The two are directly linked by the terms. Since RDA extended their agreement, we are obligated to extend our deadline to December 31, 2022.

Mr. Barrett states that the agreement is 13 months in breach. The city took no action on a breach.

Ms. Kennedy states that we are obliged to follow the agreement and terms of the RDA. The city feels it is in the best interest of our residents to have a grocery store in that location than it is to fight with Mr. Matthews over it. We will work with Mr. Matthews to make sure that this happens as there is somewhat of a food desert in the area. The city and council have authorized giving Mr. Matthews a certain dollar amount to help this to happen.

Ms. Kennedy answered another of Mr. Barrett's questions regarding Mr. Matthews overdue water bill. In 2020/2021 there was a moratorium on water shutoffs. A lot of people were not paying their water bill. They also were not having the water shut off. There is an outstanding bill with Mr. Matthews that is a fraction of the \$250k that Mr. Barrett stated. Water shutoffs have recommenced as of June/July of this year. If he has an outstanding water bill, the process of water shutoffs will be followed up by the water works department.

Mr. Barrett states that also breaches the agreement.

Ms. Kennedy states it does not because it is a utility, which is a separate section of the city. He has to abide by all laws in the contract and the Redevelopment Commission does not control the utilities.

Mr. Barrett states that the developer agrees to pay all costs.

Ms. Kennedy states that is all cost of construction.

Ms. Kennedy replied to Mr. Barrett's question regarding the Niles and Jefferson parking lot. This item is being addressed by the zoning department. That department will review this and look into fining Mr. Matthews on a weekly basis, as permitted. When it gets to a certain amount, it will go through the court system.

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Mr. Barrett asked what is the amount?

Mr. Bauer answered that his two violations for the site are at approximately \$40k.

Mr. Barrett asked about the removal of the paved parking lot on the site at the time of the Redevelopment agreement. He stated that there was a paved parking lot over a substantial portion of the corner lot which had been removed during construction. There was a notice of default sent in September.

Ms. Kennedy responded that the agreement has expired. The city had not acted on that for ten years and we do not feel we are in a strong legal position to act on it after a ten-year period. We are working with Mr. Matthews through other avenues.

Mr. Barrett asked about Sycamore.

Ms. Kennedy replied that is part of the Regional Development Authority agreement. Mr. Matthews is obligated to finish that by December 31, 2022.

Mr. Barrett states that he understands that the RDA stated it was not necessary for him to complete that as it was part of the amendment. So, since the Redevelopment agreement with the city on 228 Sycamore he purchased the property for approximately \$8,000 that was appraised at \$33,000. That agreement has never been commended by the Redevelopment Commission.

Ms. Kennedy stated that she was not aware of the agreement and her guess is that it is over ten years old and was not acted upon. We can only speak to what we would do now, and I don't think this board/Commission and staff would stand for this. Ms. Kennedy states that Mr. Barrett was present in a previous meeting with the list of agreements Mr. Molnar will be acting on that are out of compliance such as the Bare Hands agreement. This is the sort of action we intend to take with future developers. As far as the last 10 to 20 years, I am sorry.

Mr. Barrett states that he noticed that the press is in attendance, and it seems the only remedy is to take Mr. Matthews story public on default of his three agreements.

Mr. Bauer states there are remedies to the 300 E LaSalle agreement is in place and we expect compliance with the new deadline set by the RDA. In addition, zoning violations are being levied weekly.

Mr. Barrett wants to know how an agreement on the corner of Niles and Jefferson, where a parking lot that was paved is now removed and the property that was listed for redevelopment in 2019 within the 10-year development agreement.

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Mr. Bauer responded that he believes that there could have been enforcement on that agreement in the past, but it lacked enforcement over the past few years. With the advice received from legal counsel, it would not be wise to use taxpayer dollars to pursue litigation in this case.

Mr. Barrett asked is there any reporting from the written contract in the 2016 agreement?

Mr. Bauer states that it is a past failure of the staff in submitting a semi-annual report in line with development agreements. Going forward, Mr. Molnar will be present a semi-annual report for review with the expectations moving forward.

Mr. Barrett asked if an invitation was extended to Mr. Matthews to speak to the Redevelopment Commission?

Mr. Bauer notes that an invitation was extended but Mr. Matthews has not provided a date of appearance.

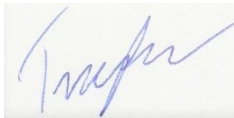
The meeting was adjourned with no further questions.

**7. Next Commission Meeting:**

Thursday, July 28, 2022

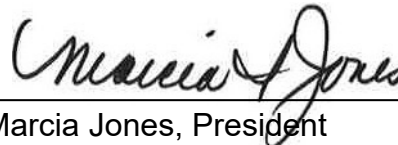
**8. Adjournment**

Thursday, July 14, 2022, 10:07 a.m.



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Troy Warner, Secretary



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Marcia Jones, President