



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

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

November 10, 2022 – 9:30 am
http://tiny.cc/RDC__ or **BPW Conference Room 13th Floor**

Presiding: Marcia Jones, President

The meeting was called to order at 9:31 a.m.

1. ROLL CALL

Members Present:	Marcia Jones, President – IP Troy Warner, Secretary – IP Eli Wax, Commissioner Vivian Sallie, Commissioner – IP Leslie Wesley, Commissioner - V	IP = In Person V = Virtual
Members Absent:	Donald Inks, Vice-President	
Legal Counsel:	Sandra Kennedy, Esq. Danielle Campbell-Weiss, Esq.	
Redevelopment Staff:	Mary Brazinsky, Board Secretary Joseph Molnar, RDC Staff	
Others Present:	Caleb Bauer Erik Glavich Laura Althoff Tim Corcoran Rachel Boyles Jennifer Huddleston Charlotte Brach Rachel Tomas Morgan Matt Barrett Jordan Smith Jeff Jarnecke WNDU	DCI - IP DCI – IP DCI – V DCI – IP DCI – V Neighborhoods – IP Engineering – V Council – V Resident – IP Ice Miller - V 101 N Michigan St Media - IP

2. Approval of Minutes

- **Approval of Minutes of the Regular Meeting of Thursday, October 27, 2022**

Ms. Brazinsky noted that some small portions of the minutes were not recorded due to technical issues. The votes and memo information were recorded by hand.

Upon a motion by Commissioner Wax, seconded by Secretary Warner, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, October 27, 2022.

3. Approval of Claims

- Claims were tabled to the next meeting

4. Old Business

5. New Business

A. River West Development Area

1. **Resolution No. 3561 (Accepting Transfer of Property from BPW Salvation Army 114 Monroe)**

Mr. Molnar presented Resolution No. 3561. This resolution is to accept a tiny parcel that is adjacent to the Salvation Army building. At the last meeting we presented most of that site including the building and all the land. After further review, we noticed there was a small parcel to the east along Monroe that was not included. We are adding this portion in under RDC ownership from BPW. Commission approval is requested.

Upon a motion by Secretary Warner, seconded by Commissioner Wax, the motion carried unanimously, the Commission Resolution No. 3561 (Accepting Transfer of Property from BPW Salvation Army 114 Monroe) submitted on Thursday, November 10, 2022.

2. **Resolution No. 3562 (Scatter Site RFP RWDA & WWDA)**

Mr. Corcoran presented Resolution No. 3562 (Scatter Site RFP RWDA & WWDA). The city is soliciting proposals from private developers, including nonprofit entities, of selected city owned parcels identified from the document given to the commission. Applicants must submit proposals for one or multiple sites. The RFP does not commit the commission to award a contract or pay costs incurred with corporation of the proposal responding to this. The RFP includes project requirements, developer requirements, mission requirements, evaluation criteria and the process for evaluation.

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Mr. Corcoran stated that the principles usually talked about are urban design principles. Mr. Corcoran walked the commission through the document outlining the map and the seven selected sites but also including other sites that the city is looking at. There are residential areas from low to medium and high-density development. There are some mixed-use opportunities and some industrial or office uses flexing between those. The document suggestions is just one way in which the sites can be developed. If a proposal comes in that follows the guidelines and keeps the general character, city staff will look into developing the site.

This is about getting the properties out to developers, marketed and advertised and trying to garner interest is the ultimate objective. The project requirements must adhere to the general design principles and is laid out in the documents and zoning ordinance; they must be urban and reflect the architectural area in which they will sit. The housing units will have a scale for workforce or affordable housing as well as market rate housing. The commission reserves the right to reject all proposals for any reason as deemed by staff.

Mr. Corcoran walked the commission through some requirements of valuation criteria. Some of these included organizational information that details the qualification, skills, and background of the organization, also a description of the project, and the purchase price. The city has acquired appraisals on all of the properties. The city will require a detailed description of the building type with the projected project, construction cost, timelines, and evidence of financial means. The city would ensure that the developer would have experience doing projects of similar type size and scale complexity.

This RFP will be issued upon approval today, which is November 10, 2022. The city plans to keep the RFP open. Some sites are more valuable than others. Mr. Corcoran gave the commission a glimpse of one possible area. One is on Lincolnway West and is part of the greater streetscape project which has been ongoing for the past five or six years. During this project all the infrastructure under the road and into the sewer and water laterals are already there. This helped to prepare the sites for development.

The city will be doing a press conference on Monday at the site to highlight the Scattered Sites RFP. A three-dimensional mockup was provided. This is just a benchmark for interested parties.

Mr. Bauer noted that this RFP will be paired with another RFP that will be issued on Monday that uses already appropriated American Rescue Plan funds to support new construction housing development projects. It was designed to pair these together so there is a financial piece out of the RFP which does not need to come before the Redevelopment Commission but could pair with the property piece to further close the appraisal gap, we know exists in South Bend.

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Commissioner Wax clarified that these ideas are not set just ideas for somebody assuming they meet zoning requirements. He appreciates the great project ideas.

Mr. Corcoran states that is correct. These principles are usually urban design principles. Questions such as how does the site get loaded, where do the trucks go? Where do the cars go, is there a parking lot? Should the building be closer to the street or further back? Or in the case of the Birdsell mansion, just to the south of it, we wanted one of the sides that normally you would not have thought about being nice to be developed much nicer. In the future you could potentially see a little place developing around there. But there are hundreds of ways that the sites could be developed.

Secretary Warner commented that this is a great idea. A database of city properties for sale and marketing the properties and providing potential investment opportunities shows that the city is an interested partner. This is a great proactive step.

Mr. Corcoran stated that some of these are great sites; this is a way to gain interest in the properties and see what comes of it.

Secretary Warner stated that developers like projects that get put on their radar.

Councilmember Rachel Tomas Morgan @ 114 Chapin Street commented that she is excited about the development of the RFP and thanked Community Investment for pushing these properties. They have remained vacant for decades. Providing RFP's and seeing what developers are interested in and what the market looks like is a real positive step forward for our city.

Upon a motion by Secretary Warner, seconded by Commissioner Sallie, the motion carried unanimously, the Commission approved Resolution No. 3562 (Scatter Site RFP RWDA & WWDA) submitted on Thursday, November 10, 2022.

- 3. Resolution No. 3563 (South Bend RDC Additional Appropriation Resolution)**
Mr. Bauer presented Resolution No. 3563 (South Bend RDC Additional Appropriation Resolution). This is an additional appropriation coming before you related to a previous resolution about the issuance of an economic development loan through the EDC statute and this request would just appropriate the \$2.7M out of River West TIF district to be used to fund that loan. The loan was approved through the Economic Development Commission yesterday. The next step is for it to go before the Common Council for their approval or for their consideration. There is one item to note, the Commissions previous resolution allowed us to negotiate through the terms of the loan agreement and have final terms. The only change was a clarification in the loan agreement; that the \$15.4M was definitively conditional. In private investment was conditional for the forgiveness. There was a lack of clarity in the original agreement we shared with you and that language has been tightened up. This was the only significant change in the loan agreement from the previous meeting.

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Jeff Jarnecke, Executive Director of Business Development Visit South Bend/Mishawaka @ 101 N Michigan Street Suite 300. He stated that he was representing the 5.3M visitors that come though St. Joseph County each year and spend more that \$700 million. The result of that is more than 8,300 jobs in tourism within the county. He stated that tourism for Visit South Bend/Mishawaka is all about the experience and that experience is better with this project from Mr. Tarner which is indeed different. It's an experience for the senses and will be a year-round product offer. He compared this project to the Fair Oaks farms just out of Crown Point and states that the development has brought in more than 500,000 visitors annually to that area, including 120,000 individuals who participate in those activities which has resulted in numerous restaurants and two hotels.

Mr. Jarnecke states that these opportunities with an Agri business work. Mr. Jarnecke noted that Mr. Tarner is a proven business leader within our community that we support including this initiative. He notes that Mr. Tarner supports South Bend and takes his brand around the country to further support what we do here in South Bend/Mishawaka. We appreciate his support and working with Mr. Tarner and his team to promote this and to help finish this facility. Mr. Jarnecke and his team encourages the Commission support.

Upon a motion by Secretary Warner, seconded by Commissioner Sallie, the motion carried unanimously, the Commission Resolution No. 3563 (South Bend RDC Additional Appropriation Resolution) submitted on Thursday, November 10, 2022.

A. Other

1. Mortgage Release (Richie Jr and Garrett)

Ms. Huddleston, Neighborhoods Grant Manager presented a Mortgage Release (Richie Jr and Garrett). They were entered into the home repair program in 1999. Their loan has zero balance and are refinancing their home. They are asking the Commission to approve their mortgage release.

Ms. Huddleston notes for those not familiar with the mortgage releases; the city had home repair programs in the past that assisted residents of certain income levels with much needed repairs. Once paid in full as mortgage release is necessary to release any liens on the properties.

Mr. Barrett, a resident, asks how many of these loans are there? What was the terms of the loan? Is the city doing anything about the loans that are not current?

Ms. Huddleston notes these are old home repair programs with approximately 20 outstanding loans. Not all are current on their payments.

Mr. Bauer stated that the reason the city moved away from the programs is we did not want to potentially take ownership of primary residence homes. This puts us in a difficult position as city government. There would be a lien placed against the homes for nonpayment.

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Commissioner Wax states from a legal perspective assuming there is a first mortgage or a second or third mortgage, by time all the legal expenses are tacked onto the mortgage nothing really gets paid. While he agrees with the sentiment that people should not just be able to get away with nonpayment, he does agree with a PR standpoint and practical reasons that it is not in the city's best interest to pursue these types of loans.

Mr. Bauer states that is why we bring the mortgage releases to the Commission only when there is a zero balance or there is a sale of property to clear the lien.

Mr. Barrett states the city has five core values that appear in most documents. We've heard about innovation, excellence, and empowerment, and what about accountability. He states one of his themes is accountability. Short of foreclosure there are alternate remedies such as public shaming and listing those properties. He is asking us to think about accountability.

Commissioner Wax asked the feasibility of the Commission getting a list of these properties in the next few months.

Upon a motion by Secretary Warner, seconded by Commissioner Wax the motion carried unanimously, the Commission approved Mortgage Release (Richie Jr and Garrett) submitted on Thursday, November 10, 2022.

2. Mortgage Release (Gammage)

Ms. Huddleston presented a Mortgage Release (Gammage). Ms. Gammage has paid the balance on her loan and has now sold her home. She is asking for Commission approval of a mortgage release.

Upon a motion by Secretary Warner, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved the Mortgage Release (Gammage) submitted on Thursday, November 10, 2022.

3. Third Amendment to Redevelopment Supervisory Services Agreement

Mr. Bauer presented the Third Amendment to the Redevelopment Supervisory Services Agreement. This is the standard three-year supervisory services agreement for staff from DCI who primarily serve the Redevelopment Commission to ask for a portion of their salaries funded through TIF. This is for the Executive Director, Director of Growth and Opportunity and Property Development Manager. This covers 1/3 of the Executive Director salary, and 1/2 of each of the other salaries. This is not in addition to their salaries. Commission approval is requested.

Mr. Barrett, a resident asked about the structure with BPW is it a separate entity or together.

Mr. Bauer states they are separate entities.

It was noted that the Redevelopment Commission is a volunteer commission that receives no payment.

Upon a motion by Commissioner Wax, seconded by Commissioner Sallie, the motion carried unanimously, the Commission approved Third Amendment to Redevelopment Supervisory Services Agreement submitted on Thursday, November 10, 2022.

4. Fifth Amendment to Engineering Services Agreement

Mr. Bauer presented the Fifth Amendment to the Engineering Services Agreement. This agreement is for the Engineering Services Agreement as you know when the Commission approves the development agreement and appropriates tax increment financing funds to support a project that is the start of a much longer process in which the engineering team works with the developers to identify which expenses are TIF eligible. Zach Hurst is one of the engineers in this agreement, however, this is really a team effort with other engineers that are very involved with the Redevelopment Commission. This is the standard agreement for their services. This has increased by \$2,000 and we assume the 2% increase that happens annually. If it is different, we will adjust accordingly. Commission approval is requested.

Upon a motion by Commissioner Wax, seconded by Secretary Warner, the motion carried unanimously, the Commission approved the Fifth Amendment to Engineering Services Agreement submitted on Thursday, November 10, 2022.

5. Budget Request (2023 Non-Project Budget)

Mr. Bauer presented Budget Request (2023 Non-Project Budget Request). This is a standard budget request that we bring annually to the Commission which would fund the non-project requests. These are for non-development agreement expenditures coming out of the different tax increment financing districts. Generally, this is like the professional services, which we just covered in the previous two agreements as well as an ongoing professional services agreement with the legal department and then debt service primarily.

There are no substantial changes from last year except the redevelopment general fund; last year there was only a \$4,500 budget request for professional services. Now there is a request for a \$763,000 interfund transfer out for debt service and that is for the hotel motel tax revenues that are transferred out of debt service on the Morris and Potawatomi Zoo bonds that were issued in 2022.

The other item to notice is a decrease of \$19,000 in the debt service interest and fees out of River East residential as we've had some debt service roll off this year.

Commissioner Wax asked Mr. Bauer to speak to the river west professional services.

Mr. Bauer stated that would cover a portion of the professional services agreements for the Engineering services agreement. The Legal Services agreement and the DCI staff agreement.

Commissioner Wax asked if there is a reason funds are specifically coming out of River West TIF?

Mr. Bauer notes that has generally been where it has come out of but a portion of it does come out of River East. Funds normally come from the two largest districts. Mr. Bauer stated that he will confirm the reason with Admin and Finance and relay that message to Commissioners.

Upon a motion by Secretary Warner, seconded by Commissioner Sallie, the motion carried unanimously, the Commission approved Budget Request (2023 Non-Project Budget) submitted on Thursday, November 10, 2022.

6. Progress Reports

A. Tax Abatement

1. Mr. Bauer noted there is a tax abatement going to Council for one of the two office towers where St. Joseph Hospital was located. Approximately 69 units of the office building with 20% affordable units.

B. Common Council

1. Commissioner Wax states the South Bend Chocolate proposal is going to be presented at Council Monday.

C. Other

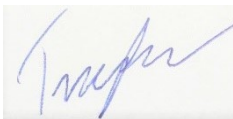
1. Mr. Barrett, a resident, asked the Commission about an accountability report from Mr. Matthews as the December 31st deadline is approaching with regards to the substantial completion of his project. Mr. Barrett has filed two public records requests for reports and has received none. He respectfully request Commissioners that legal matters should arise by sending a letter of default. He would hope there was a grocery store but is sensing there will not be. This is from sections 4.7, 4.5 and 4.13 of the agreement. He notes that reasonable requests have not been answered. Mr. Barrett again stated the city's five core values, one of these issues is accountability.
2. Secretary Warner asked legal to provide their thoughts by the next meeting on this subject.

7. Next Commission Meeting:

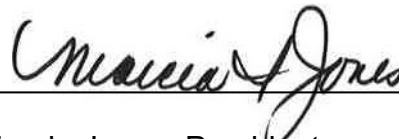
Thursday, November 21, 2022

8. Adjournment

Thursday, November 10, 2022, 10:24 a.m.



Troy Warner, Secretary



Marcia Jones, President