



CITY OF SOUTH BEND

REDEVELOPMENT COMMISSION

Redevelopment Commission Agenda Item

DATE: Dec. 19, 2022

FROM: Caleb Bauer, Executive Director of DCI

SUBJECT: Resolution Authorizing Execution of Lease with South Bend Redevelopment Authority

_____ Pres/V-Pres

ATTEST: _____ Secretary

Date: _____

APPROVED

Not Approved

Funding Source* (circle one) River West; River East; South Side; Douglas Road; West Washington; RDC General

*Funds are subject to the City Controller's determination of availability; if funds are unavailable, as solely determined by the City Controller, then the authorization of the expenditure of such funds shall be void and of no effect.

Purpose of Request: Authorization of Proposed Lease with South Bend Redevelopment Authority for issuance of Tax-Exempt Lease Rental Revenue Bonds, Series A, and Taxable Lease Rental Revenue Bonds, Series B

Specifics: The proposed lease would initiate the process of issuance of a pair of TIF-funded bonds to finance a number of Public Improvement Projects in the River West and River East TIF Districts, including:

River East

- Lasalle Avenue Streetscape Improvements (between MLK and Eddy St)
- Phase I and Phase II of shared-use path to improve bicycle and pedestrian access between downtown and Notre Dame
- Mishawaka Avenue Streetscape Improvements (Between Longfellow and Emerson)
- Coquillard Park Splash Pad Upgrades

River West

- Kennedy Park Funding Match for state grant program to make significant improvements to the park
- Portage-Elwood Sidewalk Project to improve pedestrian safety and activate storefronts near Portage-Elwood intersection
- Martin Luther King Jr. Dream Center park Improvements, including splashpad, playground, basketball courts
- Linden Avenue Streetscape Improvements (between College and Birdsell)
- Southeast Park improvements, including splashpad and playground resurfacing

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- River Bridge Connector Pedestrian Bridge to connect trail systems across the St. Joseph River
- Walker Field and Connection to Rum Village Improvements to enhance the historic Walker Field pavilion and provide better pedestrian connection to Rum Village

The Taxable Lease Rental Revenue Bond, Series B would fund the construction of two structured parking garages and other site preparation work to support the Beacon Integrative Health and Lifestyle District, which will support more than \$350 million in private investment.

If approved, South Bend Common Council will hear resolution authorizing bond issuance.

RESOLUTION NO. 3565

A RESOLUTION OF THE SOUTH BEND REDEVELOPMENT COMMISSION AUTHORIZING THE EXECUTION OF A LEASE BETWEEN THE SOUTH BEND REDEVELOPMENT AUTHORITY AND THE SOUTH BEND REDEVELOPMENT COMMISSION, AND ALL MATTERS RELATED THERETO

WHEREAS, the South Bend Redevelopment Commission (the “Commission”), the governing body of the South Bend Department of Redevelopment and the Redevelopment District of the City of South Bend, Indiana (the “District”), exists and operates under the provisions of Indiana Code 36-7-14, as amended from time to time (the “Act”); and

WHEREAS, the Commission, pursuant to declaratory resolutions previously adopted by the Commission and amended from time to time, the Commission has declared (i) a certain area of the City of South Bend (the “City”) known as the “River East Development Area” (the “River East Area”) as a redevelopment area and an allocation area under the Act and approved a redevelopment plan for the Area (ii) a certain area of the City of South Bend (the “City”) known as the “River West Development Area” (the “River West Area”) as an economic development area and an allocation area under the Act and approved an economic development plan for the Area; and

WHEREAS, the Commission has given consideration to undertaking local public improvement projects in the River West Area including all or any portion of the following: (i) River Bridge Connector (plus Madison) to South Bend-Notre Dame Trail which consists of Phase 3 of the trail project (the “Trail Project”) to construct a pedestrian bridge to connect the trail from the University of Notre Dame campus to the City’s downtown, and any related improvements; (ii) Linden improvements which consists of streetscape improvements in coordination with the Martin Luther King Jr. Dream Center, from College to Birdsell, including improvements for bikes and pedestrians, and any related improvements; (iii) Kennedy Park improvements which consist of natural and aquatic improvements to the existing park and any related improvements to increase accessible recreation resources on the west side of the City; (iv) South East Park improvements which consist of improvements to the park, including splashpad improvements and playground resurfacing, and any related improvements; (v) Martin Luther King Jr. Dream Center improvements which consist of exterior park redevelopment, including without limitation splashpad, playground, basketball court, other related park amenity improvements, and any related improvements; (vi) Rum Village Park Plan improvements which consist of enhancements to the historic pavilion and the Park including exterior restoration and stabilization of the fieldstones, broad arches, and courtyard, and any related improvements; and (vii) all projects related to any of the projects described in clauses (i) through and including (vi) (clauses (i) through and including (vii), collectively, the “River West Improvements”); and

WHEREAS, the Commission has given consideration to undertaking additional local public improvements in the River West Area to support and provide incentives to foster the development of the Beacon Integrated Health and Lifestyle District project, said project having been awarded up to a \$11,780,000 Regional Economic Acceleration and Development Initiative grant by the South Bend-Elkhart Regional Development Authority, which local public

improvements include, without limitation, site work, construction of up to two (2) public parking garages and a skyway improvement, and any projects related to the foregoing (collectively, the “Beacon District Improvements”); and

WHEREAS, the Commission has given consideration to undertaking local public improvement projects in the River East Area including all or any portion of the following: (i) LaSalle Streetscape which consists of a road diet with a focus on bike and pedestrian improvements from Martin Luther King Boulevard to Eddy Street and any related improvements; (ii) Hill Street Trail (South Bend Avenue to LaSalle Street) which consists of Phase 2 of the Trail Project to construct a shared use path and any related improvements to improve bicycle and pedestrian facilities between the University of Notre Dame campus and the City’s downtown; (iii) South Bend Avenue (Hill Street to Notre Dame Avenue) and Hill Street Intersection which consists of Phase 1 of the Trail Project to construct a shared use path and any related improvements to improve bicycle and pedestrian facilities between the University of Notre Dame campus and the City’s downtown; (iv) Mishawaka Avenue Streetscape Improvements which consist of a road diet and improved parking from Longfellow Street to Emerson Street, storm sewer separation, and any related improvements; (v) Coquillard Splashpad which consists of upgrading the splashpad at Coquillard Park to modern health, safety, and experiential standards, and any related improvements; and (vi) all projects related to any of the projects described in clauses (i) through and including (v) (clauses (i) through and including (vi), collectively (collectively, the “River East Projects” and collectively with the River West Projects and the Beacon District Improvements, the “Projects”); and

WHEREAS, the South Bend Redevelopment Authority (the “Authority”) has been established pursuant to the applicable provisions of Indiana Code 36-7-14 as a separate body corporate and politic, and as an instrumentality of the City to finance local public improvements for lease to the Commission; and

WHEREAS, on December 8, 2022, the Commission at a duly advertised and noticed public meeting, adopted its Resolution No. 3564 approving a proposed form of lease (the “Lease”) with the Authority, as Lessor, for all or a portion of Portage Avenue in the City from its intersection with Cleveland Road to its intersection with Angela Boulevard (the “Leased Premises”) in order to provide increased redevelopment and economic development and job creation opportunities for the residents of the City and the Commission scheduled a public hearing regarding the Lease to be held on December 19, 2022, at 9:30 a.m. (local time), in Room 1308 of the County-City Building located at 227 West Jefferson Boulevard, South Bend, Indiana, and published notice of such public hearing on the Lease in accordance with applicable Indiana law; and

WHEREAS, on this date said public hearing has been held, and all interested parties have been provided the opportunity to be heard at the hearing; and

WHEREAS, the Commission intends to pay rent to the Authority (the “Rental Payments”) pursuant to the terms of the Lease, at a rate not to exceed Ten Million Five Hundred Thousand Dollars (\$10,500,000.00) per year, in semiannual installments, with a term no longer than Twenty (20) years beginning on the date the Authority acquires an interest in the Leased Premises, and ending on the day prior to a date not later than twenty (20) years after such date of acquisition by the Authority; and

WHEREAS, the Commission expects the Authority to consider the issuance of lease rental revenue bonds in one (1) or more series for the purpose of (i) financing the cost of funding all or any portion of the costs of the Projects and related expenses; (ii) funding a debt service reserve fund, if necessary in connection with the issuance of bonds to finance the costs of the Projects or purchasing a surety bond to satisfy a reserve requirement; and (iii) pay costs incurred in connection with the issuance of said bonds and which bonds will be payable from the Rental Payments; and

WHEREAS, the Commission seeks to authorize execution of the Lease and authorize the publication, in accordance with Indiana Code. 36-7-14-25.2 and Indiana 6-1.1-20-5, of a Notice of Execution and Approval of Lease;

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH BEND REDEVELOPMENT COMMISSION, AS FOLLOWS:

SECTION 1. The Commission hereby finds and determines that (i) the terms of the Lease are based upon the value of the Leased Premises, and the Rental Payments to be paid by the Commission, pursuant to the terms of the Lease, at a rate not to exceed Ten Million Five Hundred Thousand Dollars (\$10,500,000.00) per year, in semiannual installments, with a term no longer than twenty (20) years beginning on the date the Authority acquires an interest in the Leased Premises and ending on the day prior to a date not later than twenty (20) years (the “Term”) after such date of acquisition by the Authority, are fair and reasonable, (ii) the use of the Leased Premises throughout the term of the Lease will serve the public purpose of the City and is in the best interests of its residents, and (iii) the execution and delivery of the Lease is needed.

SECTION 2. The President or Vice-President and the Secretary of this Commission are hereby authorized and directed, on behalf of the City, and subject to obtaining approval from the Common Council of the City (the “Common Council”), to execute, attest, and deliver the Lease in substantially the form presented at this public meeting with such changes in form or substance as the President or Vice-President of this Commission shall approve, such approval to be conclusively evidenced by the execution thereof; provided that the Rental Payments and the Term shall not exceed the amounts set forth in Section 1 hereof.

SECTION 3. The Secretary of the Commission is hereby directed to transmit to the Common Council a copy of this Resolution and the Lease and to request the Common Council to adopt a Resolution approving the Lease and its execution by the Commission and the Authority, prior to the execution of the Lease.

SECTION 4. The Commission hereby authorizes the publication, in accordance with Indiana Code 5-3-1 and 36-7-14-25.2, of the Notice of Execution and Approval of Lease, following execution of the lease by the Commission.

SECTION 5. The President, Vice-President and Secretary of this Commission, and each of them, is hereby authorized and directed to take all such further actions and to execute all such documents or instruments as are desirable to carry out the transactions contemplated by this Resolution, in such forms as the President, Vice-President or Secretary executing the same shall deem proper, such desirability to be conclusively evidenced by the execution thereof.

SECTION 6. This Resolution shall be in full force and effect from and after its adoption

by the Commission.

ADOPTED at a meeting of the South Bend Redevelopment Commission held on December 19, 2019, in Room 1308, County-City Building, 227 West Jefferson Boulevard, South Bend, Indiana, 46601.

SOUTH BEND REDEVELOPMENT COMMISSION

By: _____
Marcia I. Jones, President

ATTEST:

Troy Warner, Secretary