



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

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

December 19, 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 9:30 a.m.

1. ROLL CALL

Members Present:	Marcia Jones, President – IP Donald Inks, Vice-President - IP Troy Warner, Secretary – V Eli Wax, Commissioner - IP Vivian Sallie, Commissioner – IP Leslie Wesley, Commissioner - V	IP = In Person V = Virtual
Members Absent:		
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 Michael Divita Benjamin Dougherty Zach Hurst Charlotte Brach Rachel Tomas Morgan Randy Rampola Emma Adlam Brian McMorrow Matthew Barrett	DCI - IP DCI – IP DCI – V DCI – V Admin & Finance – V Engineering – V Engineering – V Council – V Barnes & Thornburg – IP Baker Tilly – V Resident - V Resident - IP

2. Approval of Minutes

- **Approval of Minutes of the Regular Meeting of Thursday, December 8, 2022**

Upon a motion by Commissioner Wax, seconded by Commissioner Sallie, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, December 8, 2022.

3. Approval of Claims

- **Claims Submitted for December 6 and December 13, 2022**

Upon a motion by Vice-President Inks, seconded by Commissioner Sallie, the motion carried unanimously, the Commission approved the claims for December 6 and December 13, 2022, submitted on Monday, November 19, 2022.

4. Old Business

5. New Business

A. River West Development Area

1. **Resolution No. 3565 (Approving Execution of Lease COSB 2023 Project Financing) – Public Hearing**

Mr. Bauer Presented Resolution No. 3565 (Approving Execution of Lease COSB 2023 Project Financing). This agenda item is considered a public hearing item. Before you today is the Redevelopment Commission's portion of approval for the execution of the lease rental revenue bonds project which was outlined in the previous meeting.

Randy Rampola, Barnes, and Thornburg stated that the Redevelopment Commission adopted the resolution at the previous meeting approving the lease. Since then, a notice was published of the public hearing for today's meeting. The resolution authorizes the execution of the lease. This is subject to commission signing the lease. It will go to the Common Council for approval of the release. That approval is anticipated for January 2023. The second step in this series with the commission is to approve the lease and, authorize the execution of the rental resolution not to exceed \$10.5M for 20 years. The lease does have provisions that the actual lease rental term will be modified following the sale of the bonds returned in April 2023. The Redevelopment Authority is meeting later today to approve the form of relief.

Secretary Warner asked once Redevelopment Authority approves, we go to Council, does it come back to RDC or is this the final step.

Mr. Rampola stated this is the final step on this resolution. Later in the Spring 2023 the commission would indicate their intent to pay the lease rentals from TIF REDA and RWDA and provide for the tax back. That will be the last action. The

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market knows that the Redevelopment Commission is sensibly using TIF and is structured through Baker Tilly. With this knowledge, they note that there is sufficient increment to pay the bonds to be able to get the best interest rate in the market. We would pledge to levy that tax if need be.

Secretary Warner asked when taking on this lease rental, would it affect the city's bond rating.

Mr. Rampola states that it shouldn't; the city is structured so this won't put us at risk financially. The city has sufficient coverage even after the debt is issued. The city has more than sufficient coverage and the coverage is the TIF revenue that is remaining after you pay all of the debts. The city will go through the credit process, but it should not negatively impact as the purpose for the bond is to improve the city.

Commissioner Wax asked what is the total bond amount?

Mr. Rampola states that it is \$64M but it will be slightly less. This includes both REDA and RWDA improvements.

Commissioner Wax asked what the estimated payback amount will be.

Emma Adlam from Baker Tilly states that it will be a little over \$100M combined with both the Beacon project and the public improvements in REDA and RWDA.

Mr. Bauer introduced a PowerPoint presentation (this was previously presented). This is the neighborhood improvement bond with \$34M bond funded with River West and River East TIF revenues to fund transformative infrastructure and park improvements. The ongoing annual debt service of approximately \$1.5 to \$2M for River West TIF and \$2M for River East TIF Districts. In 2023 our revenue projections are roughly \$18.3M in RW and just shy of \$10M in RE. The past few years, we have exceeded these revenues.

River West project improvements include Walker field with pedestrian connection to Rum Village. SE park upgrades with a splash pad installation and resurfacing with playgrounds. Then \$5M to match a potential \$5M grant award for Kennedy Park improvements with a possible aquatic facility. \$2M Portage/Elwood project for a streetscape update. \$3M for River bridge pedestrian connection bridge crossing St Joseph River south of Leeper Park and connecting to the broader trail system. \$2M for Linden streetscape project to accompany \$3M for the Martin Luther King Jr. Dream Center Park improvements. \$3M Mishawaka Avenue streetscape improvements including a road diet to include pedestrian and bicycle safety. \$300k for splash pad upgrades and modernization of the splash pad and Coquillard Park with \$2M for Hill Street trail project and \$2M for South Bend Avenue streetscape improvements to include the addition of a multi-use trail. We are working with Notre Dame as an interested partnership to fund a portion of the multi-use trail. Those are the ongoing projects.

The taxable lease rental revenue bond is for the construction of two structured parking garages to support the Beacon integrative health and lifestyle district which is to the south of existing Memorial Hospital. The two surface parking lots that you see to the south would be where this project will be located. This would add more than 900 structured public parking spaces and the project includes more than \$140M in private investment as well as supporting Beacon Health Systems' \$232M tower expansion project which recently broke ground. Permits were issued on the project and Walsh construction is moving forward with a completion set 2027/2028. The health and lifestyle district includes just shy of 150 market rate apartment units and 92 income qualified department units. This will be a use of the 4% low income housing tax credits we often hear about and 9% tax credit deals which are competitive.

There are 4% tax credits available through the Indiana Housing and Community Development Authority in a non-competitive process. We are excited to see the developer take a look at those for this project 105 Bed Hotel, 50,000 square foot Beacon Health and Fitness Center and then 35,000 square feet of medical office space and the structured parking spaces including 8500 square feet of retail. The structured parking spaces would additionally serve to house the vehicles for the new 550 full-time employees at Memorial Hospital that will be added with the new tower project. These items will come before the Common Council on January 23rd and then would come back before you in February for that tax backup authorization.

Commissioner Wax asked what amount the third-party grants amount to.

Mr. Bauer states they would be in excess of \$10M between all of the different projects.

Commissioner Wax asked if there is an early re-payment on the lease.

Mr. Rampola states that will be structured. Typically, it is a 10-year period.

President Jones opened this up for the public hearing portion of the meeting. President Jones closed the public comment portion.

Commissioner Sallie commented that this is a very exciting and tremendous change for both River West and River East, and it is long overdue. This is absolutely wonderful.

Secretary Wax states that it is exciting to see these things come to fruition; there were things from 20 years ago but nothing ever happened. This is part of the neighborhood plans, and we need private investors to come in and build the housing and some businesses. We've seen both Howard Park and other areas of the city on Western as we develop in our infrastructure and parks. I think since we are getting leverage with some of the dollars and we are not raising taxes; we have got the TIF revenue to do this.

Commissioner Sallie stated that we heard about community pride in almost every meeting previously, but this will certainly bring back community pride. This emphasizes that the city is interested in improving our community and we will become more of a destination.

President Jones asked when people will begin to see things happening.

Mr. Bauer stated that it will depend on the project, however, a number of the projects will begin next construction season. The larger projects will begin in 2024.

Upon a motion by Secretary Warner, seconded by Commissioner Sallie, the motion carried unanimously, the Commission approved Resolution No. 3565 (Approving Execution of Lease COSB 2023 Project Financing) submitted on Monday, November 19, 2022.

B. South Side Development Areas

1. Budget Request (South Main Street)

Ms. Brach Presented a Budget Request (South Side Main Street). This is a budget request for Main Street South between Dean and Sherwood. This came to the commission in June 2022 for original request of \$300k. This project will reconfigure the parking and realign the travel lane so it goes straight through and protect park cars. The bids came in over budget. We are requesting an additional \$100k for a total of \$400k.

Commissioner Wax stated this was one where they needed to re-adjust so parking was consistent. The parked cars were frequently hit there. We tried a temporary solution of putting delineators up and those were hit.

Secretary Wax asked what the solution for that is.

Ms. Brach states a wider tree lawn so we are basically bumping in the parking and re-aligning the travel lanes, so it goes straight through without a job.

Upon a motion by Vice-President Inks, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved Budget Request (South Side Main Street) submitted on Monday, November 19, 2022.

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6. Progress Reports

- A. Tax Abatement
- B. Common Council
- C. Other

7. Next Commission Meeting:

Thursday, January 12, 2023

8. Adjournment

Monday, December 19, 2022, 9:58 a.m.

Troy Warner, Secretary

Marcia Jones, President