



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

**SOUTH BEND REDEVELOPMENT COMMISSION  
 SCHEDULED REGULAR MEETING**

April 13, 2023 – 9:30 am  
<http://tiny.cc/RDC2023> or **BPW 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 Troy Warner, Vice-President – IP Vivian Sallie, Secretary - IP David Relos, Commissioner – IP Leslie Wesley, Commissioner - V	IP = In Person V = Virtual
Members Absent:	Eli Wax, Commissioner	
Legal Counsel:	Sandra Kennedy, Esq. Danielle Campbell, Asst. City Attorney	
Redevelopment Staff:	Mary Brazinsky, Board Secretary Joseph Molnar, RDC Staff	
Others Present:	Caleb Bauer Erik Glavich Tim Corcoran Rosa Tomas Aaron Perri Zach Hurst Charlotte Brach Jordan Gathers Alyssa Alstott Alyson Herzig Katrina Marquardt Phil Garrett WNDU Dr. Catherine Lamberg Mark Neal AJ, General Manager at Desmond Upchurch	DCI - IP DCI – IP DCI – V DCI – V VPA - IP Engineering – IP Engineering – V Mayor’s Office – V Resident – V Resident – V Resident – V Resident - V Media – IP SB Housing Authority - IP Bradley Aloft Hotel Resident

## 2. Approval of Minutes

- **Approval of Minutes of the Regular Meeting of Thursday, March 9, 2023**

Upon a motion by Commissioner Sallie, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, March 9, 2023.

## 3. Approval of Claims

- **Claim Submitted for March 7, March 21, and April 3, 2023**

Upon a motion by Commissioner Relos, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved the claims allowances for March 7, March 21, and April 3, 2023

## 4. Old Business

## 5. New Business

### A. River West Development Area

#### 1. Budget Request (Morris Final Design)

Aaron Perri Presented a Budget Request (Morris Final Design). A PowerPoint presentation was shared. In front of the Commission today is a request for the final design phase of the Morris 100 projects. This is an initiative in celebration of the Morris 100<sup>th</sup> anniversary. Approximately \$10M of work has been completed in the historic building including a new floor, roof, mechanics, HVAC, plumbing, and new lighting along with a lot more. It is a brand-new theater. Phase II, which moves us into the final design includes an entire reimagination of the Jon Hunt Plaza including updating the fountain from one into two. It will remain somewhat of a performance plaza outdoors with a new drop-off area. The outdoor sculpture gardens are now more useable space. We are excited about the opportunities that it extends for outdoor performances and uses on show nights.

The real star is the inclusion of the new 22,000 square foot extension of the Morris Performing Arts Center. The lot between the Morris and the LaSalle Hotel will be named the Raclin Murphy Encore Center in recognition of the family that made the leap gift (\$5m) for this project to be possible with just over \$17M. They are more than 85% of the way to the goal in fundraising therefore, feeling good about moving into the final design element which the city is committed to covering. The request out of the River West TIF area will take this into a first-class center with new circulation, new elevators, new stairwells, new restrooms, new concession area and of course additional performance space for the shows that don't quite fit in the Morris. Mr. Perri noted that this item was originally set for last fall, and he apologized for not updating with new dates. All the terms and conditions with prices remain the same. Commission approval is requested.

Commissioner Relos asked what the vision of the parking lot on LaSalle will be.

Mr. Perri noted that contractually the city conveyed the LaSalle Hotel over to the developers and it was promised that they would have access to that parking lot up until a parking garage was developed. This phase of the project, Phase II does not include a parking garage, so we have to keep the surface parking secured and available to LaSalle Hotel patrons. We will have to reconfigure that parking lot as part of this project because there will be a 22,000 square foot building on a portion of it. It will load off of Main Street with some new exit into entrance, exit restriped and drainage. That is part of this contract.

Secretary Sallie asked for the projected completion date for this project.

Mr. Perri noted that is a bit of a difficult question. They are chasing fundraising which makes it difficult. We are moving into final design phase which will be about six months from now. If we have all of the dollars in hand, we will take a public bid out through Public Works and run through that process. Best case scenario is starting construction this time next year or Spring 2024; about a year long construction project and opening 2025. With staging the building part of the plaza work will be offline for a period of time and need to be redeveloped with all the mechanics put back in.

Upon a motion by Vice-President Warner, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved Budget Request (Morris Final Design) submitted on Thursday, April 13, 2023.

## **2. Development Agreement (Liberty Tower)**

Erik Glavich Presented a Development Agreement (Liberty Tower). Before the Commission today is a development agreement with Liberty Tower (213 W Washington Street) which is the largest building in South Bend. They have undergone a multi-year rehabilitation of the building and are getting ready to enter Phase III which is the final phase of the project. Previous phases include the development of the alarm to hotel and commercial space. The second phase is all of the ground floor retail and the exterior of the building. The latest phase calls for completion of the apartment residences on the top nine floors of the building in addition to the rehabilitation of the parking garage and creation of the new public space on the seventh floor including an outdoor rooftop access bar and lounge.

The development agreement would provide the developer \$1.6M to complete the renovation of the parking garage. Any remaining funds from that amount would be used on the outdoor space on the seventh floor which would be open to the public. The parking garage is also open to the public. The current garage needs repair and is important to the project. Private investment from the developer in this phase is \$13.1M and the completion date is by the end of next year.

The developer has already invested over \$43M in the building. When the building was purchased in 2014 there was a discussion that the building was beyond repair. They had considered demolishing the building but the owner from New York has invested a significant amount of money. The property is now a bit of a

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jewel as you come into the downtown area and people come into the city to stay at the Aloft Hotel, which is extremely successful. The apartments within the building will be market rate apartments that we anticipate a significant demand for. It is a very exciting project and staff supports the development agreement with financial support to rehabilitate the garage since the public is able to use it. Commission approval is requested.

Vice-President Warner wonders if the project is much bigger than anticipated with \$13M. He knows the owner has been committed to this project.

Mark Neal, Bradley Company noted that this is nine floors at about 10,500 square feet and approximately ten units per floor. Mr. Neal remarks that the owner has been conservative with the initial cost estimates, but he has demonstrated that he is going to do what needs to be done to get the project completed. The final architectural drawings will hopefully be complete in the next sixty days so they can begin recording cost to see what the final numbers are going to be. There is no question that the current budget will be aggressive, but the owner understands that he has to finish it and that is what his focus is.

Vice-President Warner noted that although we have \$13.1M it is very realistic to expect a whole lot more being invested to get the project done.

Mr. Neal stated that when he and A.J. spoke, they realized that it was going to cost a bit more, but they cannot say how much. The owner gutted the building before it fell into the street. When it was a shell, he completed all of the windows (\$3M in 2016) the windows today would cost double to triple that amount. They have also completed infrastructure work in preparation for the upper floors. The HVAC, boiler and elevator systems are updated. These have not been roughed in for the individual apartments as the designs have changed a bit in terms of the mixture of units. Half of those will be one bedroom, a quarter will be two bedrooms and another quarter will consist of ten studios.

Vice-President Warner states that this will be the marquee building in downtown and is very exciting to have these. The apartments will be gems and in high demand with the view of downtown. Speaking with different developers, I understand downtown is full of no vacancies and it is tough to find an apartment in the City of South Bend. He thanked the developer and owner for their investment and knows that the owner is willing to spend what it takes to get the job done and get it done right. He also remembers the discussion whether we were going to tear it down and how much we would have to put into it. There was a proposal from a developer in Illinois to give him money to tackle the building.

Commissioner Relos asked if this includes the top floor.

Mr. Neal stated that it does and it will include a couple of larger units. The developer decided that the seventh floor is where he wants to take advantage of more commercial space and quite honestly a little bit of a cost consideration in terms of the build out on the top floor will be spectacular views, unique views of the city.

Commissioner Relos noted that the outside space on the seventh floor is really cool. When working for Valley American Bank and Trust their department was located on the seventh floor. It is a nice amenity.

Secretary Sallie noted that this project was the catalyst for many other things to come into downtown.

Upon a motion by Vice-President Warner, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved Development Agreement (Liberty Tower) submitted on Thursday, April 13, 2023.

**3. Budget Request (Monroe Circle Demolition and Planning)**

Caleb Bauer Presented a Budget Request (Monroe Circle Demolition and Planning). Before the Commission are two different pieces of funding as part of a broader plan for the rehabilitation of Monroe Circle and Rabbi Shulman Block which you may know as South Western Avenue, West of Taylor. What we are requesting are demolition funds for a portion on the units contained on that block. This will include planning funds from the Housing Authority and city jointly applying for a grant. This is an 8.8-acre site with ninety-one vacant two- and three-bedroom townhomes. The residents of those townhomes have been relocated with vouchers provided by the South Bend Housing Authority as the townhomes are at the end of life. Remodel repair is cost prohibitive and are built on concrete slabs with significant utility issues. You would have to jackhammer up the slabs and so the decision has been made by the Housing Authority to move forward with a demo and a full redevelopment. Additionally, on that site is the one-hundred twenty-seven-unit Rabbi Shulman building which is currently mothballed therefore those residents have also been relocated with vouchers as there was significant deferred maintenance cost there, boiler issues as well as other utility repairs that were cost prohibitive. All residents were relocated.

What we are asking for is that the Redevelopment Commission approve funding for two pieces. One is for \$1.6M that would fund the demolition of the Monroe Circle townhomes. This would not address the Rabbi Shulman building at this point. As we mentioned, cost prohibitive to really remodel those as well as security is an issue with many separate units. Whereas with the Rabbi Shulman building is one large multi-family complex and it is a lot easier to keep secure into the future.

If the Commission were to approve this budget request, we are on track for the demolition to proceed this summer. The Housing Authority has already been working on the bid specs and has graciously shared those with us. We would be able to move forward in short order with a request to Board of Public Works to pair up with a request for \$500k in planning and grant writing as the Housing Authority applies for the Choice Neighborhoods grant initiative through HUD. This is the modern duration of what use to be called Hope Six Funding and it is designed to support locally driven strategies that address struggling neighborhoods with distress public or HUD assisted housing through a comprehensive approach neighborhood transformation.

We are requesting these funds through the city in partnership with the Housing Authority to proceed with applying directly for the implementation of funds. This grant opportunity has a planning round which is currently open and accepting applications. If we were to participate in the planning round, it would push out the potential implementation about not finding out about an award until 2025. This is equivalent of what the federal government would provide as far as planning funds. It would be a max award of \$500k for the planning side. We are requesting that instead to be funded by the Commission so that the Housing Authority can move directly into applying for the implementation route.

Mr. Bauer provided a drawing of a recent Choice Neighborhoods initiative awardee in Knoxville Tennessee. The Western Heights neighborhood which had been public housing that had aged and was at end of life was selected and is now under construction; what they had proposed was selected by HUD. The Choice Neighborhood Grants are issued in September with a January application due date. HUD can choose to change those timelines and have in recent years. Commission approval is requested.

Dr. Lamberg, South Bend Housing Authority noted that Mr. Bauer covered what was needed. It is difficult to contain and manage several different buildings in this location. She looks forward to moving forward with the project.

Commissioner Relos noted he is a little confused on the \$500k for grant writing; by doing it this way do we possibly gain one year.

Mr. Bauer stated yes, that's the goal. Instead of applying for the planning round as in the example, we would have to wait a year to apply for a grant, now we will not have to wait. The goal is to go straight for implementation with the funding provided instead of by the federal government but by the city for the plan and speed it up a year, possibly more.

Commissioner Relos asked and with grant would include design.

Mr. Bauer stated so we would need to hire a grant writer that is familiar with Choice Neighborhoods initiative and then an urban design firm with some conceptual designs for this block. There would be an engagement process with the broader neighborhood as well as the city and the Housing Authority and partnership work towards an application with the due date of January or February. The notice of funding opportunity would be out in September so we would know exactly the criteria for the HUD request.

Mr. Bauer noted that there would be a match requirement from HUD and so we would expect the Commission to control funds to play a role in that match. We would come back to the Commission to request matching funds. The city support has not been worked out at this time whether they will come from Council or Commission appropriated funds.

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Vice-President Warner stated that he never speaks for the whole Council, but he thinks most of the Council is very excited about this critical piece of property in downtown with contributions towards construction on rebuilding that block is exciting.

Commissioner Relos asked if the detached bungalows between Alonzo, Watson and Chapin are part of the Housing Authority; they are still occupied and not supported by this project.

Dr. Lamberg stated those are the quad units and are not part of this project.

Mr. Bauer notes that the Housing Authority did receive funding from HUD that would have allowed them to proceed with this demolition, but with the Commission stepping in, the funds would be freed for the Housing Authority to address existing units within their portfolio, units in need of repairs.

Desmond Upchurch, resident asked when the townhomes were built and what makes it end of life.

Dr. Lamberg stated that they have looked at financial analysis on this definition of end of life and it is a formula they looked at when making a determination on the cost to rehab units versus the replacement of the unit; particularly with infrastructure as they are sitting on a slab and getting to those infrastructure because of its age you would have to jackhammer through a living room floor and every unit had significant costs making it cost prohibitive to make the necessary repairs in their existing state.

Upon a motion by Secretary Sallie, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved Budget Request (Monroe Circle Demolition and Planning) submitted on Thursday, April 13, 2023.

### **6. Progress Reports**

#### **A. Tax Abatement**

1. On April 10, 2023, Common Council confirmed a mixed-use abatement for Liberty Tower.
2. The Common Council confirmed a residential abatement for a group named Soma Capital that is rehabilitating the apartment building on South Main Street across from Transpo building. This used to be ten apartments. It will be converted to twelve apartments.
3. On March 27, 2023, Common Council confirmed an Industrial abatement for the Robert Henry Corporation as they are moving their property to the southwest edge of town. The building will be their headquarters with a brand-new maintenance facility and training for their workers.

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4. March 13, 2023, Common Council passed a declaratory resolution for a company named Coast Southwest which is a chemical distribution firm that owns warehouses. They are moving their Midwest operations from Illinois to South Bend, building a new facility near Tire Rack. Confirmation is waiting on a signed MOU.

B. Common Council

C. Other

**7. Next Commission Meeting:**

Thursday, April 27, 2023

**8. Adjournment**

Thursday, April 13, 2023, 10:00 a.m.

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Vivian Sallie, Secretary

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Marcia Jones, President