



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

**SOUTH BEND REDEVELOPMENT COMMISSION
 SCHEDULED REGULAR MEETING**

June 22, 2023 – 9:30 am

<https://tinyurl.com/RedevelopmentCommission> or **BPW 13th Floor**

Presiding: Marcia Jones, President

The meeting was called to order at 9:36 a.m.

1. ROLL CALL

Members Present:	Marcia Jones, President – IP Vivian Sallie, Secretary - IP David Relos, Commissioner – IP Leslie Wesley, Commissioner - V	IP = In Person V = Virtual
Members Absent:	Troy Warner, Vice-President Eli Wax, Commissioner	
Legal Counsel:	Danielle Campbell, Asst. City Attorney Sandra Kennedy, Esq.	
Redevelopment Staff:	Mary Brazinsky, Board Secretary Joseph Molnar, RDC Staff	
Others Present:	Caleb Bauer Erik Glavich Tim Corcoran Chris Dressel Rosa Tomas Michael Divita Charlotte Brach Zach Hurst Leslie Biek Matt Barrett Jordan Smith Katrina Marquardt Mark Hillman	DCI DCI DCI DCI DCI DCI DCI Engineering Engineering Engineering Resident SB Tribune Hayes Tower Intern, city legal

2. Approval of Minutes

- **Approval of Minutes of the Regular Meeting of Thursday, June 8, 2023**

Upon a motion by Secretary Sallie, seconded by Commissioner Relos, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, June 8, 2023.

3. Approval of Claims

- A. Claims Allowance 6.14.23
- B. Claims Allowance 6.23.23

Upon a motion by Commissioner Relos, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved the claims allowance of June 14, 2023, and June 20, 2023.

4. Old Business

5. New Business

A. River West Development Area

1. Budget Request (Coal Line Multiuse Trail Phase III Design)

Tim Corcoran Presented a Budget Request (Coal Line Multiuse Trail Phase III Design). Staff is requesting \$250k for design of Coal Line Phase III between Lincoln Way West and Linden Avenue. Continuing the trail was identified as a priority in the Kennedy Park plan and as a connection to the new Dream Center. Construction of this project could begin as early as 2025; this year we will be in the design phase. Mr. Corcoran showed the Commission a PowerPoint Presentation of progress year to date of the Coal Line Multiuse Trail.

(<https://acrobat.adobe.com/link/track?uri=urn:aaid:scds:US:f247184a-c310-49eb-9ec4-af059d4501ae>). Phase I of the project is complete. Phase II is under construction. Phase III will start where Phase I was completed at Lincolnway and Wilbur. We are excited that we will be able to connect the East Bank Trail to the Coal Line Trail with the LaSalle Trail to Roseland and up to Niles Michigan. The request before you today is a budget request for design of Phase III which is an 80/20 match with Macog. The city has to pay for this upfront but will be reimbursed 80% of the \$250k paying approximately \$50k. Several renderings were shown of the areas in which the Coal Line Trail will run. Commission approval is requested.

Commissioner Wesley asked about the College and Linden Street rendering. She asked about the building being owned and a plan for technology in that building.

Mr. Corcoran and Mr. Bauer noted that those are only conceptual drawings including the King Center.

Commissioner Relos asked if we are following the old, abandoned railroad.

Mr. Corcoran responded that route has become cost prohibited. The railroad owned a portion and would have put the trail behind people's homes. The new layout puts the trail in a higher visible area which increases safety and usability; it is also a straight line to the King Center.

Upon a motion by Secretary Sallie, seconded by Commissioner Relos, the motion carried unanimously, the Commission approved Budget Request (Coal Line Multiuse Trail Phase III Design) submitted on Thursday, June 22, 2023.

2. Resolution No. 3575 (Approving R Ray Real Estate (Masterbilt) Settlement)

Joe Molnar Presented Resolution No. 3575 (Approving R Ray Real Estate (Masterbilt) Settlement). The Resolution will approve staff's authority to settle an agreement with R Ray Real Estate. The Redevelopment Commission sold the property in 2019 to Masterbilt with intentions of moving their business to this site. Masterbilt performed lot improvements including obtaining a Quiet Title Judgment and removing railroad easements which made the property larger for development. Masterbilt has since purchased a larger already constructed building within the city limits at 3801 Voorde Drive and expanded the business as planned. They have made large expansions to their business at Voorde Drive without tax abatements or investments from the city. Masterbilt has been very open with the city as to their plans for a new location. The city would again own all the property along Indiana which will be a large location for future development. The city has agreed to pay \$50k to reacquire the improved property which will give us ownership of the entire Ignition Park South property. We will transfer two small non-buildable lots near the current Masterbilt owned property to them. The Resolution will authorize the legal department to negotiate the remaining terms of the settlement agreement. Commission approval is requested.

Danielle Campbell Weiss, City Attorney stated that this will approve the key terms of the agreement. Corporation Counsel will authorize the key terms and any minor terms of the agreement. A deed would be executed by the RDC today but will be held until we receive the deed of the initial property.

Mr. Bauer added that the two lots conveyed to Masterbilt; the benefit to both the city and Masterbilt is since they own the adjacent lot, Masterbilt will be fencing in the lot in. They have had a lot of dumping occurring at that site; the fence will prevent that from happening on the property.

Commissioner Relos asked when the right of way was vacated on the north side of temple property; there is a separate parcel that is included in the deed.

Ms. Weiss noted that there are a few parcels that appear to have no ownership according to property records, which we will need to investigate. The parcel being returned to us has the best title as a quiet title judgment which is more valuable.

Mr. Bauer noted that the railroad piece is something the city and Masterbilt will need to look into. On GIS it does appear to be subdivided. There were existing easements here that Masterbilt cleaned up. Looking at the Indiana Avenue parcel, there are a number of parcels that the Redevelopment Commission does own. We do believe ownership of these parcels could unlock potential redevelopment.

Commissioner Relos asked if the city has looked at vacating the two lots to the east of there.

Mr. Molnar stated yes, we have looked into that and will be making sure it is all cleaned up for buildability in the future.

Matt Barrett, resident noted that the property was sold for \$30k, the city is paying \$50k to acquire the property back but the agreement states that the purchaser would not be reimbursed for any expenses that the purchaser incurred to develop the property if they did not comply with the terms of the agreement which required \$1.2M investment. The title that was transferred specifically says in the event that they fail to perform the property improvements, in accordance with section eleven then the grantor being the city can enter and terminate and reinvest in the grantor the estate granted to the grantor guaranteed by this deed. All of the grantee's rights and interests in the property without offset or compensation for the value of any improvements to the property made by the grantee. Mr. Barrett states he is wondering what their legal argument is as why they are entitled to anything from the city.

Mr. Bauer replied that Masterbilt has been in communication with the city throughout the process, including the facility on Voorde Drive. Not only has Masterbilt continued to invest within the city, but they have added at least a dozen new jobs. They could have built outside of the city but they have continued to stay in South Bend. They have been upfront as to why it was a better decision for them to purchase an existing building rather than to build at a new site. We appreciate the time and work they invested in cleaning up the title at the site to make it more attractive to future developers. We believe they are a good partner and will continue to be a good partner with the city.

Ms. Weiss noted that there were actually forty new jobs brought into their new facility from Mishawaka to the Voorde Drive location and that they made a multi-million-dollar investment in the Voorde Drive plant.

Mr. Barrett stated that he feels they were rewarded for doing the things that they had done as opposed to things they were supposed to do.

Mr. Bauer stated that he doesn't think this should be noted as a reward. They are re-cooping the original payment amount by returning the property to the Redevelopment Commission and the Commission is off setting a portion of cost incurred with the quiet title. Masterbilt had other costs incurred that will not be reimbursed including design plans and other costs.

Secretary Sallie stated Masterbilt will continue to invest in South Bend and will continue the partnership.

Commissioner Relos asked if they bought a place in Elkhart.

Mr. Corcoran stated that they have a few facilities including one in San Diego and one in Phoenix.

Commissioner Relos stated that they had an option to move out of South Bend, but they didn't.

Mr. Bauer replied that is correct.

Mr. Barrett stated he is trying to figure out what the policy is as he does not see this as furthering the company. He doesn't understand the claw back.

Mr. Bauer noted that it is very important to weigh the message that litigation sends from the Redevelopment Commission. It sends a message to the business community. When a business is not cooperative with the city and the Redevelopment Commission, that is different than companies that are communicative and operating in good faith.

Mr. Barrett states that he sees that but does not see a legal argument as to where they are entitled to this. Sometimes the failure to bring litigation forward sends a message. He does not pretend to know all the facts.

Mr. Bauer states the strength of our agreements are how they are prepared and presented; this is what allows us to work with businesses.

Commissioner Relos noted that since they are on the tax roll now, perhaps we can get pro-rated taxes from them.

Upon a motion by Commissioner Relos, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved Resolution No. 3575 (Approving R Ray Real Estate (Masterbilt) Settlement) submitted on Thursday, June 22, 2023.

3. Budget Request (SBCC Traffic Impact Study)

Charlotte Brach Presented a Budget Request (SBCC Traffic Impact Study). Commission approval is requested. This request is for a new traffic impact study for the new South Bend Chocolate site on US 20. They have requested a signal at US 20 and Olive to help with traffic flow. A study is required to determine if this is necessary. This is for \$40k to cover the study which will be split with the developer (50%).

Secretary Sallie asked if this is premature as the business is not open. How will traffic be determined since it will vary once business is opened.

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Ms. Brach noted that the company will add traffic projections based on a business being opened and projected traffic.

Mr. Bauer noted that the study can inform us what kind of light should be placed there. Right now, a flashing yellow light is projected but we are thinking it may require something more.

Upon a motion by Secretary Sallie, seconded by Commissioner Relos, the motion carried unanimously, the Commission approved Budget Request (SBCC Traffic Impact Study) submitted on Thursday, June 22, 2023.

6. Progress Reports

A. Tax Abatement

1. Erik Glavich noted that the following abatements were approved at Council on June 12, 2023:
 - Verbio North America, LLC/Ethanol Plant at 3201 W Calvert Street (5) year Personal Property Tax Abatement. There will be \$230M investment.
 - Verbio North America, LLC/Ethanol Plant at 3201 W Calvert Street (8) year Real Property Tax Abatement. They will install quite a bit of new equipment.
 - Reconfirming Resolution Diamond View Apartments, LP – (8) Year Tax Abatement; across from Four Winds Field; LIHTC Tax Credits were approved in January 2023. Sixty units all low income; they are partnering with the Logan Center to provide housing for some of their residents.
 - Declaratory Resolution RealAmerica Development, LLC - 8) Year Tax Abatement; this will be market rate apartments with office space on the first floor.
 - Resolution Designating Area GLC Portage Prairie, LLC – AMG expansion for their military production. Expansion of 167,000 square feet with a \$12M investment which will help fulfill the new Army contract received.
 - Resolution Designating Area Historic Property (Monarch Printing) (2) Year Vacant Building Tax Abatement. Investment of \$570k to re-hab the building in two phases. The first phase is for the first floor as office space, second floor as resident space.
 - Resolution Designating Area Historic Property (Monarch Printing) (2) Year Real Property Tax Abatement
 - David Nufer/Burton's Laundry was approved.
2. Mr. Glavich stated the following items would be presented at Council on June 26, 2023:
 - Declaratory Resolution for 1405 Portage Avenue, South Bend – 5 Year Tax Abatement
 - Declaratory Resolution for 1202 S Lafayette Blvd, South Bend – 10 Year Tax Abatement; this is for KCG a LIHTC project – low-income housing units.
 - Confirming Resolution for 5448 Dylan Drive, South Bend – 9 Year Tax Abatement
 - Confirming Resolution for 516 Michigan Street, South Bend – 6 Year Tax Abatement

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- Confirming Resolution Mixed-Use – 8 Year Real Property Tax Abatement for Real America Development, LLC at 504 S Lafayette Blvd
- Declaratory Resolution Multi-Family Development Real Property Tax Abatement for Advantix Development Corporation – Multiple Properties

B. Common Council

C. Other

1. Mr. Molnar stated that KCG is on RDC property, and the agreement will be coming in the next few meetings. Also, the Advantix property will be coming forth.

7. Next Commission Meeting:

Thursday, July 13, 2023

8. Adjournment

Thursday, June 22, 2023, 10:21 a.m.

Vivian Sallie, Secretary

Marcia Jones, President