



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

**SOUTH BEND REDEVELOPMENT COMMISSION
 SCHEDULED REGULAR MEETING**

July 13, 2023 – 9:30 am

<https://tinyurl.com/RedevelopmentCommission> 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 Eli Wax, Commissioner - IP David Relos, Commissioner – IP	IP = In Person V = Virtual
Members Absent:	Leslie Wesley, Commissioner - V	
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 Michael Divita Amy Paul Charlotte Brach Zach Hurst Leslie Biek Alyson Herzig Todd Jensen Brandon Shields Mark Hillman Nicolas Munsen Ophelia Rogers Desmond Upchurch	DCI DCI DCI DCI DCI DCI Engineering Engineering Engineering Neighborhoods KCG Advantix COSB Legal Intern ND legal student Resident Resident

2. Approval of Minutes

- **Approval of Minutes of the Regular Meeting of Thursday, June 22, 2023**

Upon a motion by Commissioner Relos, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, June 22, 2023.

3. Approval of Claims

A. Claims Allowance 7.7.23

Upon a motion by Commissioner Relos, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved the claims allowance of July 7, 2023.

4. Old Business

5. New Business

A. River West Development Area

1. Budget Request (Coal Line Trail Phase II)

Tim Corcoran Presented a Budget Request (Coal Line Trail Phase II). This budget request for \$87k is for technical issues with the current phase with cost overruns for rivet removal and swing bollard, also water hookup provision. The main item is due to major flooding in 2018 where the water was coming from outside of the city limits. There is a natural and unnatural drainage pattern. Some of it was a factor of the railroad right away when it was a railroad. This part was not in the original design of the trail, and this was an unknown issue. The city is working to figure out a solution to deal with the drainage that represents approximately \$60k. A change order for this project has been issued. Commission approval is requested.

Commissioner Relos asked if the waters is doing swales to try to redirect runoff from the old St. Joe High School Football Field.

Mr. Corcoran stated yes. When the railroad came in, they built up the railroad and it acts like a dam. The water is running between the condominiums and on along the North Shore homes. There is actually a swale between them that is pretty deep. We later found that some of the pipes that empty stormwater back to the river were clogged and started to fill the area. As you move east, water runoff from St. Joe High School at the softball diamond were a dry creek line in the back. That was being trapped and would overflow during flood events causing a lot of problems for residents along the trail.

Commissioner Relos asked if we are trying to direct the water to the river.

Mr. Corcoran stated yes.

Secretary Sallie asked if the \$60k was for fixing the water issue.

Mr. Corcoran stated yes, that is the city expense, but Notre Dame has pitched in almost \$40k to the total cost which is around \$90k. This project is an 80/20 match. There is some contingency built in to cover other changes should they come up.

Vice-President Warner stated he is familiar with this issue and there are a whole lot of varied factors including the drop from Michigan Street down through the high school to the athletic fields. It is a slope back there. This includes some mysterious drainpipes with water running down the hill. In 2018 they found a few spots to cross over into the alley and into the backyard and homes on Angela. He was out there on Monday, and they are working a couple water lines that they did not anticipate having to deal with. The neighborhood is putting a unity garden where the athletic and softball field is, and engineers are working to get the water line to be able to use there. The neighborhood has been asking for a fix to this water problem for a long time; it is a critical fix.

Mr. Corcoran stated that during the flood there was a resident that lived on Angela that took incredibly detailed photos of everything step by step, which helped us.

Upon a motion by Secretary Sallie, seconded by Commissioner Relos, the motion carried unanimously, the Commission approved Budget Request (Coal Line Trail Phase II) submitted on Thursday, July 13, 2023.

2. Real Estate Purchase Agreement (KCG)

Joe Molnar Presented a Real Estate Purchase Agreement (KCG). This agreement is with KCG development out of Indianapolis. They are looking at a property at 1202 S Lafayette which is south of downtown just a few blocks south of Sample Street. They are proposing a \$13M investment on the site which is currently fully RDC owned. They are applying for the 2023 LIHTC credits. The end result would be fifty housing unit apartment building all affordable income restricted split between 30 percent, 50 percent, and 60 percent area median income. They are targeting 55 and up age housing bracket. A senior plus housing unit. A rough preliminary site plan was shown with parking behind the building. Staff proposed a \$1,000 purchase price for the property however, the deal would only go through if LIHTC was awarded. If they are not successful in the application we would not be obligated to transfer the property. The agreement anticipates minimum investment of \$13M by the developer and fifty housing units must be completed within thirty months of the commencement and closing.

Todd Jensen, KCG, Vice-President, Development noted that they are excited to be working with the city on this tax credit application. The city has been very supportive in providing the items needed for the application as well as financial support and an incentive package that scores points on the application giving them the best chance to receive the tax credits. He hopes all goes well at the awards in November 2023.

Mr. Molnar presented a brief overview of the LIHTC calendar. Council items were presented in June/July 2023. Purchase Agreements in July 2023. Applications submitted to LIHTC by the end of July 2023 with scoring announced November 2023.

Upon a motion by Commissioner Relos, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved Real Estate Purchase Agreement (KCG) submitted on Thursday, July 13, 2023.

3. Real Estate Purchase Agreement (Advantix)

Joe Molnar Presented a Real Estate Purchase Agreement (Advantix). Advantix is a non-profit based out of Evansville Indiana. This project is a scattered site development project (maps of the sites provided). This LIHTC project will be on thirty-seven separate city owned properties, and it will consist of fifty housing units. The units will be split between thirty percent, fifty percent and eighty percent income restricted to the area median income. The units are spread over quite a few different neighborhoods with the majority of the concentration in the north. There are some in Kennedy Park, City Cemetery, Muessel Grove, LaSalle Park, and these will go through Board of Public Works as they own those properties. The majority of them are small former single-family plots that were picked up through tax sale primarily and other state programs. RDC does own the one singular large site that Advantix is looking forward to in keeping cost down. The BPW purchase agreement was approved last Tuesday. The total project envisions a \$12.5M investment. The properties were shown to the commissioners. A preliminary site plan was shown including twelve townhomes, seven facing Lincoln Way West, five facing W Marion as well as the offices for the whole fifty-unit development in the north portion of the property. Advantix plans to use the catalog of well-designed buildings that the city planners have put together. They are looking into a new program so a renter with fifteen years of rent payments could purchase the property. The details are a little rough as no one has gotten to the fifteen years yet.

RDC commitments are the property sale of \$1,000. There would be no property transfer unless the state approved the LIHTC credits on the RDC site. The trapezoid site has a minimum of \$1M investment and a minimum of ten housing units. We do think twelve is a possibility, but we included some flexibility in the plan. Council items were presented in June/July 2023. Purchase Agreements in July 2023. Applications submitted to LIHTC by the end of July 2023 with scoring announced November 2023.

Brandon Shields, Broker Division Business Development Manager, Advantix noted it has been a long journey, but the city has been extremely helpful and supportive, and they are grateful for the opportunity. Sometimes scattered sites can be a little tricky, but they look forward to development on these forgotten places throughout the years.

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Commissioner Wax confirmed the timelines, assuming the tax credits are awarded; closing would be before the end of December 2023?

Mr. Molnar stated closing would be within six months of the November 2023 award date. The state has restricted timelines of the award for six months for each project to get their financing in line and then to complete the projects within two years.

Commissioner Relos asked if the state has defined on the lease to own homes after fifteen years? Is the property deeded to them or is there a balance due that they have to produce as they have the option to buy?

Mr. Molnar stated that the state will run the program and it is on a to be determined basis. Mr. Shields confirmed that it is to be determined.

Ophelia Rogers, resident, asked when these companies come to South Bend do they bring their own construction crews, or do they use any of the local unions in the city?

Mr. Bauer stated that it would depend on the developer. In the case of Advantix, they are from the Evansville Housing Authority, and they do their own construction. They have staff that book throughout the state. As far as KCG goes, they may be looking for builders.

Mr. Jensen, KCG, noted they have their own builders, but it is their intention to use local materials and labor. It just makes sense for the projects.

Upon a motion by Commissioner Relos, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved Real Estate Purchase Agreement (Advantix) submitted on Thursday, July 13, 2023.

4. MOU (Valerie Loew 2023 – 2028)

Joe Molnar Presented MOU (Valerie Loew 2023 – 2028). This is a local artist that has used artifacts from the former Fat Daddy's building that the city has saved. She creates molds and uses them in her artistic projects. She originally did this in 2021 and the city has formed a good relationship with Ms. Loew. She asked if she could use them again. This agreement states that she would be allowed to use and return the molds as needed in the next five years. She will not hold the molds but use them for brief periods. We are happy to help a South Bend artist. Commission approval is requested.

Upon a motion by Commissioner Wax, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved MOU (Valerie Loew 2023 – 2028) submitted on Thursday, July 13, 2023.

5. First Amendment to Real Estate Purchase Agreement (The Monreaux)

Joe Molnar Presented First Amendment to Real Estate Purchase Agreement (The Monreaux). This is one of the LIHTC projects from July 2022. This project is a minimum investment of \$16M with sixty housing units of which forty-six will be affordable. The award was delayed until February 2023. There are no changes to the commitments, this just extends their timeline to March 31, 2024. Commission approval is requested.

Mr. Bauer noted that technically the tax credits will actually be awarded in this coming round. They are guaranteed to be awarded. This gives the developer one additional year. We will be bringing a development agreement before you in the next couple of months, but we are finalizing the negotiations portions.

Upon a motion by Commissioner Wax, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved First Amendment to Real Estate Purchase Agreement (The Monreaux) submitted on Thursday, July 13, 2023.

6. Progress Reports

A. Tax Abatement

1. Erik Glavich noted that the Common Council confirmed three tax abatements. Two of the abatements were ten-year real property tax abatements for LIHTC projects for both KCG and Advantix.
 - Confirming Tax Abatement for property located at 1202 S Lafayette Blvd.
 - Designating Tax Abatement for property located at 1144 Corby Blvd. Five Corners partnering with Holladay property. One for one-hundred eight apartment building and the next is for condo/retail space. The for-sale condo space is not included in the abatements.
 - Confirming Tax Abatement for property located at 1405 Portage Avenue/Peak Investment and Asset Management, LLC. The old speedway gas station will be torn down and will be building two new retail complexes with six stores. Two stores will be along Portage Avenue. (Portage/Elwood). Macog has funds for storage tank remediation through the state of Indiana.
 - Confirming Tax Abatement for property commonly known as multiple properties
 - Designating Tax Abatement for property located at 1901 N. Bendix Drive for Crossroads Solar that almost exclusively hires felons returning to the workplace. They have grown and are at compacity.

B. Common Council

C. Other

1. Desmond Upchurch, resident, 327 S Francis Street, asked if we have an exact amount of what is affordable.

Mr. Bauer noted that it is 80% of the HUD table which is \$43,700 per year in income. The rent that is affordable is based on HUD percentages.

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Mr. Upchurch asked are they going to be offset by a certain range?

Mr. Bauer noted the HUD housing table starting at the 80% AMI down to the 30% AMI ranges.

Mr. Upchurch asked for the exact numbers not the percentages to tell the citizens of South Bend. Typically, a resident does not look at the HUD percentages, they just want to know why their rent amount went up.

Mr. Bauer states that each community is different. The AMI for St Joseph County for 60% AMI for a 2-bedroom apartment is \$1,053 per month. This is the HUD fair market housing table.

7. Next Commission Meeting:

Thursday, July 27, 2023

8. Adjournment

Thursday, July 13, 2023, 10:21 a.m.

Vivian Sallie, Secretary

Marcia Jones, President