



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

**SOUTH BEND REDEVELOPMENT COMMISSION
 SCHEDULED REGULAR MEETING**

September 28, 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 - V Vivian Sallie, Secretary – IP Eli Wax, Commissioner - IP David Relos, Commissioner – IP Leslie Wesley, Commissioner - V	IP = In Person V = Virtual
Members Absent:		
Legal Counsel:	Sandra Kennedy, Esq. Danielle Campbell, Asst. City Attorney	
Redevelopment Staff:	Mary Brazinsky Sears, Board Secretary Joseph Molnar, Staff	
Others Present:	Caleb Bauer Erik Glavich Rosa Tomas Amy Paul Michael Divita Willow Wetherall Zach Hurst Leslie Biek Matt Barrett Alison H. Rachel Brandenberger Margaret Schwartz Ed Semmler	DCI DCI DCI DCI DCI DCI DTSB Engineering Engineering Resident Resident Lafayette Opco Lafayette Opco SouthBend Tribune Staff WNDU ABC57

2. Approval of Minutes

- **Approval of Minutes of the Regular Meeting of Thursday, September 14, 2023**

Upon a motion by Commissioner Relos, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved the minutes as edited of the regular meeting of Thursday, September 14, 2023.

3. Approval of Claims

A. Claims Allowance 9.19.23

Commissioner Wax asked for a status update on the Nexxus Center.

Zach Hurst noted that we are getting close to finishing the roof with work being performed by Slaite Tile. Handicap access in the rear of the building and is close to being completed. Engineering is working with the owners on other projects such as striping the parking lot and rear vestibule entrance. We are approximately 90% complete with the city portion of the project. A report was handed into the city with the spending thus far. The city's commitment is \$525k.

Upon a motion by Commissioner Wax, and seconded by Secretary Sallie, the motion carried unanimously, the Commission approved the claims allowance of September 19, 2023.

4. Old Business

5. New Business

A. River West Development Area

1. Purchase Agreement (Lafayette Building)

The Commission made a motion to hear items A1, A2 and A3 together. This motion was made by Commissioner Wax and seconded by Vice-President Warner, the motion carried unanimously.

Joseph Molnar Presented a Purchase Agreement (Lafayette Building). The three agreements are all for the Lafayette Building. Mr. Molnar gave the history of the building built in 1901-1903, which was one of the first modern office buildings in South Bend. This building is designated as a historic landmark. This building held the law firms of J. Chester and Elizabeth Allen, two of the city's most important civil rights figures. There is a plaque on the outside of the building indicating their history in civil rights and J. Chester was a state representative in this area. The building has one of the most architecturally significant interior spaces in South Bend. Unfortunately, the building was not maintained for years and has fallen into severe disrepair due to the problematic owner. The taxes have not been paid since 2003. The roof needed significant repair. Pictures were shown of the interior which included moss growing in the interior due to moisture

damage.

In 2018 the city purchased the building in efforts to stabilize the structure. This effort includes a full roof replacement, skylight replacement with exterior masonry repairs. The building is now stable and ready for the next phase of restoration. On September 12, 2022, the city issued an adaptive reuse RFP. Over 250 walked through the structure during the open house. We received numerous enquiries but there were no official bids. The developers that looked at the property stated that the building had very limited parking. They thought the atrium was beautiful, but it significantly reduced the rentable space. The building required a complete interior overhaul as well as exterior repairs including windows. There is no current ADA access to the building and the elevator is not in an ideal location.

Today we are presenting to the Redevelopment Commission a Purchase Agreement with Lafayette Opco. Rachel Brandenberger, Manager, of Lafayette Opco has been looking at the building for eighteen months. The sale price for the building is \$10k with a minimum investment of \$8M. Lafayette Opco will begin construction within twelve months of closing and complete construction within sixty months of closing. Redevelopment must include ground floor retail and a minimum of thirty apartments and ground floor retail space. There are deed restrictions that protect the current atrium and skylight. Exterior changes to the building must receive Historic Preservation Commission approval. If the buyer fails to comply, the Redevelopment Commission has the right to retake possession.

Upon a motion by Commissioner Wax, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved Purchase Agreement (Lafayette Building) submitted on Thursday, September 28, 2023.

2. Development Agreement (Lafayette Building)

Erik Glavich Presented a Development Agreement (Lafayette Building). The agreement is a request for Redevelopment Commission funding for \$750k. Lafayette Opco will provide \$8M in private investment. Completion of the building is sixty months after closing. This agreement preserves both the atrium and skylight. The LPI's (local public improvements) include an ADA compliant entrance, re-surfacing and parking lot repair and masonry tuck pointing plus windows. TIF funding is approximately 8 ½% of the total for this project. Tax revenues before this project are about \$55k per year. After project completion, the tax revenues are estimated at over \$8.6M. A tax abatement will be brought before Council in the future.

Rachel Brandenberger stated that she was born and raised in South Bend and went to Notre Dame. She is building a design studio. She explored the building eighteen years ago and fell in love.

Margaret Schwartz stated that she went to Notre Dame, but she did not know Rachel. She was a Civil Engineer and worked in construction for years then went to Business School in Texas. Her focus lately is on renovating properties and

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pursues aesthetically gorgeous properties. The goal is to provide multi family properties and to honor the space. They have both fallen in love with the building. They have a large team behind them including Majority Builders, general contractors, and strategic advisors on the project.

Secretary Sallie asked what the vision for the building is. She explained that this is a historic building as Mr. Molnar stated and Elizabeth Allen was very involved in the building while she was an attorney. Ms. Allen is being recognized this year for her work in the community by the Community Hall of Fame with a special dinner on October 10th. Ms. Sallie would like to see recognition for Ms. Allen within the building upon renovation completion.

Commissioner Relos asked how they plan to fit thirty apartments into the space.

Ms. Brandenberger noted that the apartments will be on the upper floors in which they are planning on a mix of efficiency and dual partner small scale spaces. One of the main goals was to make sure that they have units that are accessible and represent some of the housing opportunities needed in this market.

Commissioner Relos asked where they will relocate the elevator.

Ms. Brandenberger noted they are working with a general contractor in the best possible location.

Commissioner Wax asked what the vision for the commercial space would be.

Mr. Brandenberger stated that they have hopes and dreams for retail and would love to see smaller local businesses located there that would activate the space. A coffee shop and a potential micro grocer or potential pop-ups to grow South Bend business.

Commissioner Wax asked how much has spent so far,

Mr. Molnar stated \$750k has been put into the building to stabilize the structure in 2018-2019. When we put out the RFP the city cast a wide net for potential buyers, and we had a lot of interest from larger metro areas that went through the building tour.

Commissioner Wax stated that staff did a great job on the RFP. He noted that the purchase agreement states that the historic status only applied to the exterior so there can't be a reduction to the atrium size or skylight which is an important part. He asked if there were any specifics as to certificates of occupancy.

Ms. Campbell Weiss stated not in this agreement as we had already been working on this for several months.

Vice-President Warner states that this project is very exciting and commended staff on the RFP. We were facing a large amount to demo the building in the future had a project not come forward. This building was the hub of the legal

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community in 1940, 1950 and 1960. There were a lot of legislators and city council folks that had offices there and he thinks it is worth saving and a worthwhile investment.

Mr. Barrett, resident, asked if there were commitments in terms of affordable housing,

Ms. Brandenberger noted that they are still gauging what rentals will be. They are targeting 25% to 30% of median income in South Bend.

Willow Wetherall, DTSB echoed the city's comments on the property and the excitement that it brings to the area.

Upon a motion by Commissioner Sallie, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved Development Agreement (Lafayette Building) submitted on Thursday, September 28, 2023.

3. Temporary Use Agreement (Lafayette Building)

Joseph Molnar Presented a Temporary Use Agreement (Lafayette Building). This is a temporary access agreement that allows city staff to continue to park in the adjoining lot until construction begins. The agreement may be terminated with thirty-day notice and will expire December 31, 2024. This is at no cost to the city.

Upon a motion by Commissioner Wax, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved Temporary Use Agreement (Lafayette Building) submitted on Thursday, September 28, 2023.

4. Resolution No. 3580 (Adopting Riverfront District Criteria)

Erik Glavich Presented Resolution No. 3580 (Adopting Riverfront District Criteria). Mr. Glavich noted that there were two changes to the agreement which he passed and will explain to the Commission. In 2012 the South Bend Common Council created a Riverfront Development Project allowing the Indiana Alcohol and Tobacco Commission (ATC) to issue non-transferrable alcohol permits in designated economically distressed areas within 1,500 feet of the St. Joseph River. In 2013 and 2017 the Council expanded the areas to include the expanded TIF districts. On September 11, 2023, we expanded the Riverfront District boundaries to 3,000 feet from the St. Joseph River. Two different ordinances were done for Council one for the River West TIF and one for the River East TIF.

Since 2012 there have been thirty-two Riverfront licenses issued. We currently have approximately five in process. Maps of the expansion areas were presented; this includes the businesses in South Bend along Mishawaka Avenue and Eddy Street. By expanding the west district, it includes main, Michigan and Lafayette areas. This also includes along Lincoln Way West east of Walnut along Euclid and west and north of Portage-Elwood intersections. Licenses are usually \$60k but within the mapped areas they are \$1k. They also pay \$1k to DTSB for administrative fees.

We have clarified and outlined the application process in which applicants must comply with. We have clarified the process and factors the Riverfront License review Committee considers. We have strengthened the reporting requirements and established timelines for resolving noncompliance.

In this Resolution, we define the district requirements and are primarily focused on the dining experience. Each restaurant must be able to accommodate 25+ people and offer a minimum of hot sandwiches, soups, coffee, milk, and soft drinks. Consumers must be able to consume food in a seated area. Initial applicants must provide revenue projections showing at least 51% of total sales coming from food and non-alcoholic beverages. The use of acrylic cups was approved by committee. We make sure that the applicants do not have delinquent property taxes or related fines or penalties. They will not have violations of state or local laws and have no unpaid fines. Our focus is to be sure they are complying with state and local laws. It is important that these are in writing. We have put into place non-compliance obligations.

Mr. Glavich passed out the changed copies at the bottom of the first page Exhibit A and the top of page 5 added in was a paragraph that existing permit holders will comply with the new regulations. Mr. Glavich thanked Willow Wetherall and DTSB for their cooperation and help with this agreement. The businesses must be zoned correctly.

Commissioner Wax asked about the 50% rule partially in and partially out.

Mr. Molnar stated that when writing the agreement this was addressed and we agreed upon the 50% rule.

Commissioner Wax stated at council, members want to be sure that robust guidelines are in place. The ultimate goal is to help restaurants provide a net positive to the city. He asked if the license itself came from the state and what happens if we terminate the agreement.

Mr. Glavich stated that yes, the state issues the license. If the Committee decides the applicant is not complying the city would issue non-renewal and ask that the local ATC also issue a non-renewal.

Mr. Bauer stated that the Committee is an advisory committee with the ultimate recommendation to the mayor who has ultimate decision. The ATC we hope would follow the recommendation of the mayor.

Vice-President Warner stated that he is on the Committee for the Riverfront licenses. We follow a similar guideline as Muncie. He thanks everyone for the work on this.

Matt Barrett asked if there are current reporting requirements and a requirement on the food portion.

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Mr. Bauer noted that no there is not a current reporting requirement. We think that if liquor sales are 52% of their annual revenue, we wouldn't want to deny renewal. We do want them to report revenues annually so we can see their sales for the different categories, and we can see that they are not just operating a bar. For music venues, they are still allowed and would provide that cultural value.

Mr. Barrett asked if there were more than one committee and is there a place for public comment at these meetings.

Mr. Bauer noted that there is one committee and posted per open door law. The public can make comments.

Upon a motion by Commissioner Wax, seconded by Commissioner Relos, the motion carried unanimously, the Commission approved Resolution No. 3580 (Adopting Riverfront District Criteria) with the update guidelines on Thursday, September 28, 2023.

B. River East Development Area

1. Budget Request (East Race Walkway)

Zach Hurst Presented Budget Request (East Race Walkway). This budget request is for \$100k to cover sidewalk repairs where the East race walkway crosses underneath Colfax Avenue. There have been settlements over the years and the area does not drain properly; it also floods therefore creating an inconvenience and safety issue for pedestrians and bicyclists.

The funding allows replacement of the sidewalk's panels, lower the inlet to drain and fix the problems. We have an opportunity to fix it Fall 2023. VPA does not have funding available.

Upon a motion by Commissioner Relos, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved Budget Request (East Race Walkway) submitted on Thursday, September 28, 2023.

2. Budget Request (LaSalle Streetscape)

Leslie Bieck Presented Budget Request (LaSalle Streetscape). Phase I of this project has been completed. There are a lot of utilities underground. This request is for change orders for additional funding to complete the project.

Upon a motion by Commissioner Relos, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved Budget Request (LaSalle Streetscape) submitted on Thursday, September 28, 2023.

6. Progress Reports

- Tax Abatement
 1. Erik Glavich stated that at the Common Council meeting the Council approved the following:
 - Common Council approved a five-year personal property tax abatement for Imagineering Enterprises. The petitioner plans to purchase and install a new electroless nickel line costing \$2,631,500. The investment will increase revenues by 25 to 30 percent and enable Imagineering to hire 10 new full-time employees.
 - Common Council approved a confirming resolution for a personal property tax abatement for 542 N Scott Street and 530 Cottage Grove Avenue for Property Bros. LLC.
 - Common Council approved a vacant building tax abatement for Property Bros. LLC.
- Common Council
- Other
 - Mr. Molnar stated that Valerie Lowe, local artist that takes façade elements from buildings has presented the RDC with a terracotta plaque of the Old Fat Daddy's element. This will be put into the new city offices for the RDC.

7. Next Commission Meeting:

Thursday, October 26, 2023

8. Adjournment

Thursday, September 28, 2023, 10:35 a.m.

Vivian Sallie, Secretary

Marcia Jones, President