



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

**SOUTH BEND REDEVELOPMENT COMMISSION
 SCHEDULED REGULAR MEETING**

November 20, 2023 – 9:32 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 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 Sears, Board Secretary Joseph Molnar, Property Manager	
Others Present:	Caleb Bauer Erik Glavich Rosa Tomas Sarah Schaefer Jitin Kain Zach Hurst Leslie Biek Charlotte Brach Gemma Stanton Patrick Sherman Lisa Lee Devereaux Peters Mark Peterson Frank Perri Sue Kesim Matt Barrett Katrina Marquardt	DCI DCI DCI DCI Engineering Engineering Engineering Engineering Engineering VPA Ice Miller WNDU Monreaux Resident Resident Resident Resident

2. Approval of Minutes

A. Approval of Minutes of the Regular Meeting of Thursday, November 9, 2023

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

B. Approval of Minutes of the Executive Session on Thursday, November 9, 2023

Upon a motion by Vice-President Warner, seconded by Commissioner Relos, the motion carried unanimously, the Commission approved the minutes of the Executive Session of Thursday, November 9, 2023.

3. Approval of Claims

A. Claims Allowance 11.14.23

Upon a motion by Secretary Sallie, seconded by Commissioner Relos, the motion carried unanimously, the Commission approved the claims allowances of November 14, 2023.

4. Old Business

5. New Business

A. River West Development Area

1. Budget Request (LaSalle Park Improvements)

Patrick Sherman Presented a Budget Request (LaSalle Park Improvements). LaSalle Park is located on an EPA superfund site and went through a project earlier this year to remediate the site. The city engaged with a consultant and legal to work with the EPA on the required soil management plan for improvements. The requirement of the disturbed soil was to have it removed from the site and replaced with clean soil. This required additional funding for hazmat certification and soil requirements in the amount of \$160k. Commission approval is requested.

Upon a motion by Secretary Sallie, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved Budget Request (LaSalle Park Improvements) submitted on Monday, November 20, 2023.

2. Real Estate Purchase Agreement (Mary Coyne 214 W Wayne)

Joseph Molnar Presented a Real Estate Purchase Agreement (Mary Coyne 214 W Wayne). This is a purchase agreement for 214 W Wayne Street. This is where the vast majority of city employees park. The space has been leased for years for \$1,400 a month. The city does not believe the space will be used for parking in the future as the mayor announced a new downtown plan. Staff believes this property will can be redeveloped in the future under the downtown plan and would ask for Commission approval to purchase this property.

Upon a motion by Commissioner Relos, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved a Real Estate Purchase Agreement (Mary Coyne 214 W Wayne) submitted on Monday, November 20, 2023.

3. Budget Request (Safe Routes to School)

Gemma Stanton Presented a Budget Request (Safe Routes to School). The request before you is for \$155,250 for a professional service agreement for safe routes to school project at Muessel primary, Holy Cross and Our Lady of Hungry neighborhoods. The amount is for survey work on sidewalks, curbs, and ramps. INDOT will cover 80% of the amount, however, the city will need to pay the full amount up front.

Vice-President Warner if the reimbursement comes back to the commission.

Caleb Bauer responded yes.

Sue Kesim, 422 Kennedy Drive, resident, pointed out the sidewalks going to John Marshall are rubble along Springbrook Drive and along Byron. Since a lot of people walk there including the Jewish community walking to synagogue, she would like to see these included in this project.

Gemma Stanton replied that those areas cannot be included in this project funded by INDOT as they have to stay within the specific boundaries. Those areas can be looked at with a future project.

Upon a motion by Vice-President Warner, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved Budget Request (Safe Routes to School) submitted on Monday, November 20, 2023.

4. Resolution No. 3581 (Accepting Transfer of Property from BPW Carrol St)

Joseph Molnar Presented Resolution No. 3581 (Accepting Transfer of Property from BPW Carrol Street). BPW acquired the property in 2022 near the downtown post office. By transferring the property, the city can put this property through the disposition process in the future. Commission approval is requested.

Upon a motion by Commissioner Relos, seconded by Vice-President Warner, the motion carried unanimously, the Commission approved Resolution No. 3581 (Accepting Transfer of Property from BPW Carrol Street) submitted on Monday, November 20, 2023.

5. Development Agreement (Monreaux)

Erik Glavich Presented a Development Agreement (Monreaux). The Monreaux project at 505 S Michigan Street is a LIHTC project. Deveraux Peters is the developer. This will be a four-story building of 65k square feet. This will be a minimum of sixty apartments at low income. Twenty-three units are in the 50% AMI and twenty-three will be at 80%AMI. The agreement is for \$2.3M in RDC funding. Total project cost is \$16M. Project is to be completed within 3 years of

South Bend Redevelopment Commission Regular Meeting – November 20, 2023

the closing date. In July of 2022 RDC entered into a real estate purchase agreement for The Monreaux. August 2022 Common Council confirmed an 8-year tax abatement. February 2023 IHEDA award was announced and July 2023 a First Amendment to the purchase agreement was presented and approved.

Next steps; November 2023 approval of both Development agreement and Resolution No. 3580 for the forgivable loan. Common Council will introduce the forgivable loan note ordinance. On December 11, 2023, EDC will be asked to adopt resolutions approving documents giving recommendations to Common Council for adoption; Common Council will vote on the ordinance. December 14, 2023, we will bring a resolution to RDC for TIF funding.

Caleb Bauer stated that we have used the EDC statute in the past with the SB Chocolate Dinosaur Museum. The reason we are using this on The Monreaux project is due to the state mandated timelines. The forgivable loan format allows for contracting in a timelier manner. We would like to use this format in the future for all LIHTC projects.

Deveraux Peters stated that she is excited to start this project and believes it will be a great project for downtown. The first floor will have work units as opposed to retail spaces, which adds flexibility to the community.

Mr. Bauer stated that there is a request for two amendments proposed. One is changing the reference in 3.2 from section 4.7 to section 3.5. Two is striking the language of common ownership in the fifth whereas clause of the agreement.

Upon a motion by Vice President Warner, seconded by Commissioner Relos, the motion carried unanimously, the Commission approved Development Agreement (Monreaux) amending the scrivener's error in section 3.2b to section 3.5 and amend the fifth whereas clause in common ownership to common entities and submitted on Monday, November 20, 2023.

Upon a motion by Vice President Warner, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved Development Agreement (Monreaux) as amended submitted on Monday, November 20, 2023.

6. Resolution No. 3580 (Monreaux)

Erik Glavich Presented a Budget Request (Monreaux). This resolution would authorize the funding to be distributed to the Monreaux in the form of a forgivable loan. This provides flexibility for the development and ensures that there are no delays in the project.

Lisa Lee noted that this is the same process that we used with the SB Chocolate Dinosaur Museum. The meeting of the EDC on December 11, 2023, will be a public notice meeting. Notice will be posted ten days prior to the meeting to then be recommended to the Common Council. In section II the agreement should read that the payment of funds shall be up front upon execution of the agreement and then be forgiven upon the closing date. Ms. Lee stated that she will provide Ms. Campbell Weiss a revised document for execution. This is to get the public

South Bend Redevelopment Commission Regular Meeting – November 20, 2023

improvements started.

Commissioner Relos asked if they are to be used for designated project work.

Mr. Bauer replied they are for LPI (local public improvement).

Commissioner Relos asked about the pictures one shows a deck on the back with a garden space.

Ms. Peters stated it will be a community space with a walking path, grills, and patio seating for tenants with a garden area to congregate and have guests.

Secretary Sallie asked about the retail space on the first floor as part of the plan. Ms. Sallie asked if the building would have on-site management.

Ms. Peters stated that yes, there will be on-site management.

Sue Kesim, 422 Kennedy, resident asked for the total expected expenditure of the project.

Mr. Bauer stated \$16M.

Sue Kesim asked since it is a mixed-use space on the first floor, will there be a grocery store. Will there be space on the first floor that they will be held accountable for.

Mr. Bauer stated that there is no requirement on use of the retail space. In the past when the commission has made a recommendation of space, there was a consideration of TIF funds that was commensurate to asking for an additional commitment for type of use in the retail space. There is no requirement on type of use in this project, but we certainly would want to see viable retail in the downtown area. This plays into that strategy.

Sue Kesim stated that Barnes and Thornburg still has no retail on the first floor.

Mr. Bauer stated that there is a coffee shop on the first floor.

Sue Kesim stated that it does not fill up the majority of the space. She is asking about the requirements because for her it has not worked out in the past.

Ms. Peters stated that a market study was performed of downtown area to negate what Ms. Kesim is stating. These units are not simply retail space. The units are residential as well and will be filled. There is a small retail area where residents or entrepreneurs can work out of those, but they are still residential units. There will not be the issue of vacancy as people will be living there.

Matt Barrett, 110 S Niles asked when the documents were first drafted as he has asked for revision to documents, but he does not want to change documents that are already in process.

Mr. Bauer stated they started in the summer of 2023.

Mr. Barrett states that he has suggested changes, and they are not reflected in the documents but since the documents were drawn up during the summer, he will withdraw the comment.

Mr. Barrett states that the not for profit and the for profit are under common ownership. He asks how that is possible. There is also a cross reference in section 4.7 on page 50 of the packet. He stated there is no section 4.7 as referenced this is in section 3.2 on page 3 of the document.

Mr. Glavich stated that should have read section 3.5 and will be updated. He asked for the Commission to vocally allow us to change the development agreement to reflect the change.

Mr. Barrett asked to address the fifth whereas about common ownership and control Delta Ventures, described as a not for profit.

Mr. Glavich stated that as they were working on the project with Ms. Peters, they established Delta Ventures Ltd.

Mr. Bauer stated that staff is asking about the structure of Delta Ventures limited vs The Monreaux, LLC.

Ms. Peters states The Monreaux, LLC is the ownership entity of the project. Delta Ventures is loaning the money to the ownership entity.

Mr. Barrett asked how can a not for profit and a profit be under the same ownership.

Mr. Bauer stated that this may have been common language that we have in a development agreement that may have inaccurately reflected the ownership.

Ms. Peters states that The Monreaux is the ownership entity that includes the general partner, which is Ms. Peter's organization as well as her syndicator who will be part owner and sell the tax credits to investors. Ms. Peters states that the non-profit is an entity that she is a part of but not solely and an entity used to funnel the funds.

Mr. Bauer states for clarity of the agreement that under common ownership clause be stricken.

Mr. Barrett asked how the interest on the loan will work in terms of the funding obligation; is it treated as a private fund, a public fund or just disregarded.

South Bend Redevelopment Commission Regular Meeting – November 20, 2023

Mr. Bauer stated that the resolution establishes the ability for the EDC and the Common Council to enter into the loan agreement document which will be contemplated and stipulated in the actual loan agreement. In the previous agreement mentioned, there was interest levied. If the loan is forgiven, then there is no interest payable. This will go through the EDC then the Common Council and return to the RDC for final authorization. This resolution commits the funding but not committing the RDC to the loan yet, we will come back for that agreement.

Mr. Barrett asked, in theory, there is no interest on the loan, and it is coming from RDC money. There is no bond issuance. And the city is not paying any interest.

Vice-President Warner stated is the building fails to be built, the loan will be paid back with interest accrued on that.

Mr. Bauer stated that there is a request for an amendment proposed. Amending section two language stating that the funding would be provided up front to the developer with the forgiveness still stipulated on successful completion of the project. IHEDA has a tighter timeline than 36 months that is a holdover from the language in the real estate purchase agreement. IHEDA compliance will begin on January 1, 2024, which gives the project 2 full calendar years to complete the project. The city is giving 3 years.

Sue Kesim asked if there are ADA compliant apartments and how many.

Ms. Peters noted that there are ten fully accessible. But the other six can be converted into ADA units.

Vice-President Warner stated we have been working with Ms. Peters for 18 months and it is an exciting project. The project is very transformative for the neighborhood. Mr. Warner stated he was at Notre Dame talking to another developer with HUD housing and the difficulties municipalities are having to get creative on market rate apartments with the funding gap using different tools such as tax abatements. He was very complementary of South Bend and the use of creativity. He was familiar with the housing tax credits and that we are including the announcement for one this year. We are going to have to continue to be creative to solve the housing crisis.

Commissioner Wesley thanked Deveraux and is excited with the innovative vision and excited with the vision in coming back investing in South Bend.

Upon a motion by Vice President Warner, seconded by Commissioner Relos, the motion carried unanimously, the Commission approved Resolution No. 3580 (Monreaux) with the amendment of section 2 to strike payment at final completion and add payment upon the execution of the agreement by the parties and approval by all necessary entities submitted on Monday, November 20, 2023.

Upon a motion by Vice President Warner, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved Resolution No. 3580 (Monreaux) as amended submitted on Monday, November 20, 2023.

Secretary Sallie stated she had a question about the Dream Center; it is a wonderful project that has been a long time coming; in spring 2023 we talked about the surrounding properties many of which are an eyesore. A conversation was to be had with those owners/absentee owners to improve those properties. Have those conversations happened yet?

Mr. Bauer states there have been some conversations with some of the property owners but not all of them. We are planning on that in the near future.

Commissioner Wesley stated she agrees with Secretary Sallie and would like to look into further examination of that area as that is a lot of money to spend on that beautiful property when the surrounding area is an eyesore. Is there any homeownership efforts? Is there a developer for the homes in the area yet?

Mr. Bauer states he is not at liberty to discuss things that are in process but yes, that is something on our radar that we want to work towards. Blighted buildings are not good for the neighborhood.

Ms. Sallie noted that many of the homes, but many are absentee ownership.

B. Redevelopment East Development Area

1. Budget Request (Market District Planning Contract)

Jitin Kain Presented a Budget Request (Market District Planning Contract). This budget request is for \$600k out of REDA TIF to serve as the local match for the Raise federal grant. The city received a raise grant last year in the amount of \$2.4M which had a match of \$600k. The total amount of the grant is \$3M. This grant will fund environmental analysis and preliminary engineering for the market district area. This is preliminary to study the removal of the clover leaves and will last approximately 3 years; the bulk is environmental work which takes a long time. The consultant has been selected and we expect to contract with them once the local match is received.

Commissioner Relos asked if the environmental analysis is expected to take 3 years.

Mr. Kain noted yes this is a federal project which requires environmental analysis with impact, cultural impact, socioeconomic, social justice impact, wetland analysis and natural resources. That is an extensive federal process. We will be studying the clover leaf areas and producing suggested solutions. There was a concept already developed as the federal grant requires an alternate analysis.

Sue Kesim asked why it is so important to undo something. She uses it every day for work. Why are we getting rid of it?

Mr. Kain the study is not looking at removing or dismantling the Eddy Street bridge. It is looking at the removal of the clover leaves which do not have the amount of traffic that is required of a freeway ramp. The ramp system and the highway was created in 1960s when Studebaker Corporation was running, and

South Bend Redevelopment Commission Regular Meeting – November 20, 2023

we had a population of 132,000 people which is 30,000 more than we have today. Current traffic counts do not warrant the cloverleaves as they exist today. This is the process to study their model of removal of the cloverleaf and put in a system of street networks. You will still have access as the street network will not go away.

Ms. Kesim stated that Steel Warehouse and Lippert are two major employers that are expanding. It may not be Studebaker, but it helps people from the South Side get to the West side, Beacon, and city employees as well.

Vice-President Warner stated that he has seen drawings and residents will still be able to use the streets efficiently. The massive clover leaves taking up space will just be removed, and the area utilized.

Ms. Kesim stated it seems like there is just more gridlock while driving to work in South Bend.

Upon a motion by Vice-President Warner, seconded by Commissioner Relos, the motion carried unanimously, the Commission approved Budget Request (Market District Planning Contract) submitted on Monday, November 20, 2023.

C. Administrative

1. RDC General Report

Caleb Bauer Presented the Commission with a General Report. Mr. Bauer re-introduced the TIF Districts to the Commission. The city has seen continued growth projections of TIF for 2023. We are seeing continued growth in revenues above our conservative projections. Baker Tilly will prepare new projections the will be more reflective of the current environment.

Mr. Bauer outlined a few major upcoming and ongoing projects including rebuilding our streets, the downtown plan process, central fire station roof replacement with solar installation, south side neighborhood park, SBCSC career center, acquisition of low-barrier intake center, land bank startup costs in partnership with St. Joseph County and continued implementation of Neighborhood Improvement bonds.

Mr. Bauer stated in the Department of Community investment we are committed to opportunities. READI 2.0 is a program in which we will be applying in April 2024 for up to \$75M in awards for the state. The 2.0 program will only be able to fund infrastructure projects or brick and mortar buildings. We are working on federal opportunities such as the reconnecting communities grant re-application, RAISE grant design, EV charging infrastructure grant and choice neighborhoods initiative plan. The department is also working on both neighborhood and downtown plan implementations.

Mr. Bauer noted the departmental goals for 2024 which included continued focus on new neighborhood housing initiatives to minimize the appraisal gap and move more vacant lots to constructive uses. The adoption and implementation of Monroe, Edgewater, LaSalle, and River Park neighborhood plans. Ongoing focus

and cleanup and potential redevelopment of Drewry's site and expansion of brownfield remediation. Improving residential engagement with city services and direct neighborhood association support. Increase city services including better accessibility of information online. Exploring software solutions for the neighborhood inspectors. Expand the workforce development programming and build connections with other organizations to understand holistic workforce development. Improve access to financing for small businesses. Promote greater density within the urban core and surrounding neighborhoods. Maximize impact of READI, state and federal grant opportunities.

Sue Kesim mentioned that she received her Artificial Intelligence certification and there was a focus on how fast driverless cars are coming, which is great for our senior population. It would help to put sensors on buildings to help these cars to navigate our streets.

Sue also mentioned that we need to look into creative funding ideas instead of debt. Other cities are fining owners that leave their buildings vacant. The city should look into that as they have a huge vacant rate.

Mr. Bauer mentioned the city is on the same page and will be bringing programs like this forward in the future.

6. Progress Reports

A. Tax Abatement

1. Erik Glavich stated that at the Common Council meeting the Council approved the following:
 - Waiver of non-compliance was approved by the Common Council for Nilkanth properties LLC which owns the Dairy Queen on west Western Avenue. They have been filing their tax paperwork with the Department of Community Investment but not with the auditor's office as they did not receive the benefits of their tax abatement. The Council approved a waiver of non-compliance so they would be refunded the taxes.

B. Common Council

1. Next week we will be bringing forth a new abatement on Scott Street.
2. Mr. Bauer stated that a map of developments laid out will be brought forth to commission at a future meeting.

C. Other

Mr. Bauer noted that Advantix was awarded a tax project for the 50-unit project primarily in the NNN. Homes will also be built in Kennedy, Muessel Grove and LaSalle parks. They have agreed to the city pre-approved plans except for townhomes which we do not have a plan for at this time. This is our fourth award.

Barehands did bring forth documents, but many are not admissible. We will be collaborating with them and schedule a walk-through of the property and then bring a recommendation to the Commission.

South Bend Redevelopment Commission Regular Meeting – November 20, 2023

7. **Next Commission Meeting:**
Thursday, December 14, 2023
8. **Adjournment**
Monday, November 20, 2023, 11:00 am

Vivian Sallie, Vice-President

Marcia Jones, President