



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

**SOUTH BEND REDEVELOPMENT COMMISSION
 SCHEDULED REGULAR MEETING**

January 11, 2024 – 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	
Legal Counsel:	Sandra Kennedy, Esq. Danielle Campbell, Asst. City Attorney	
Redevelopment Staff:	Mary Sears, Board Secretary Joseph Molnar, Property Manager	
Others Present:	Caleb Bauer, Erik Glavich, Sarah Schaefer, Marty Kennedy, Rosa Tomas, Michael Divita Kara Boyles, Charlotte Brach, Zach Hurst Leslie Biek, Eric Horvath, Gemma Stanton Chana Roschyk, Rebecca Maenhout and Scott Kreger Denise Reidl Michael Surak Lisa Lee Pat Slebonick Rachel Tomas Morgan Lynn Wetzel Ryan McMonagle Mark Peterson & Tyler Woods Jordan Smith ABC57 Matt Barrett	DCI DCI Engineering Engineering Engineering Engineering IT RealAmerica Ice Miller Studebaker National Museum Council Commuter's Trust RealAmerica WNDU SB Tribune ABC57 Resident

2. Approval of Minutes

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

Upon a motion by Vivian Sallie, Secretary seconded by Troy Warner, Vice-President the motion carried unanimously, the Commission approved the minutes of the regular meeting of Monday, December 14, 2023.

3. Approval of Claims

- A. Claims Allowance 12.19.23
- B. Claims Allowance 12.29.23
- C. Claims Allowance 1.2.24

Upon a motion by David Relos, Commissioner, seconded by Troy Warner, Vice-President, the motion carried unanimously, the Commission approved the claims allowances of December 19, 2023, December 29, 2023, and January 2, 2024.

4. Old Business

5. New Business

A. River West Development Area

1. Budget Request (Studebaker Museum Capital Improvements)

Caleb Bauer, Executive Director, Community Investment Presented a Budget Request (Studebaker Museum Capital Improvements). This budget request is to make improvements to the museum facility which is owned by the city of south bend. Staff is seeking approval for needed repairs that have been on a wait list for some time.

Pat Slebonick, Executive Director, Studebaker National Museum noted that the building is a city building and there has been an agreement in place since 2005. In 2022 after some leaks, the city moved forward with a project to replace the roof. Originally it was contemplated to be part of it, with the skylight but it is experiencing significant delamination that sits over the atrium which is the main guest area. Due to cost, we had to push back on that repair. The city replaced the roof membrane in 2022. This is for the skylight over the atrium that simulates the old factory building. The body assembly plant had a nice glass roof, and this is designated to channel that. The materials used have not withstood the test of time.

Upon a motion by David Relos, Commissioner, seconded by Vivian Sallie, Secretary, the motion carried unanimously, the Commission approved Budget Request (Studebaker Museum Capital Improvements) submitted on Thursday, January 11, 2024.

2. Development Agreement (RealAmerica)

Erik Glavich, Director Growth & Opportunity Presented a Development Agreement (RealAmerica). The city began working with RealAmerica on a low-income tax credit project in 2021. The first step was a tax abatement. The proposed property development is located between Lafayette and Main which is east of Four Winds Field. Mr. Glavich noted two other projects, such as the Monreaux and Soma, which are being developed in this area. The proposed development is for three buildings. One is for a low-income tax credit with affordable housing. The other two will be market rate buildings.

The total cost of the project is estimated at \$25.3M. Diamond View Apartments will have sixty affordable units at 80% lower AMI. There will be a community space dedicated to LOGAN Community Resources. Twelve of the units will be set aside for people with intellectual and developmental disabilities. Stadium Flats will consist of two market-rate buildings: each building with forty-five units. This project will provide 150 new rental units.

This proposed development agreement provides \$3.8M in Redevelopment Commission funding. Diamond View would be provided with \$550k of funding. Stadium Flats would be provided with \$3.25M. Private Investment of \$21.5M with a completion date within 36 months from date of close.

Project timeline:

- 7.12.21 Common Council confirms 8-year tax abatement
- 7.22.21 RDC enters into Real Estate Purchase Agreement
- 5.26.22 First Amendment to REPA
- 11.21.22 Second Amendment to REPA
- 1.26.23 IHEDA award announcement
- 5.25.23 Third Amendment to REPA
- 6.12.23 Common Council reconfirms 8-year abatement for affordable building
- 6.26.23 Common Council confirms 8-year abatement for market rate building.
- 12.14.23 Fourth Amendment to REPA

Next Steps, today we are asking for RDC approval of the Development Agreement and two resolutions. January 22, 2024, we will go to Common Council to introduce the forgivable loan note ordinance. In February, the EDC will hold a public hearing and adopt a resolution approving documents which will include a recommendation to Common Council. On February 12, 2024, Common Council will vote on the ordinance and on February 22, 2024, Redevelopment will consider the resolution to appropriate TIF funds.

Commissioner Wax asked what the completion date would be.

Mr. Molnar responded that since the project agreement has not closed yet, we do not have an exact date. The timeline is three years from date of close. One of the parcels has an environmental concern that needs to be remedied. That parcel will be closed within the next six weeks. The market rate parcels will be closed in Spring 2024.

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Commissioner Wax asked if the tax credit has a deadline for completion.

Mr. Molnar replied yes, they have a two-year deadline starting January 1, 2024.

Ryan McMonagle responded that they will start construction in March 2024 and hope to have it completed around July 2025 when they will start leasing the low-income building. The market rate buildings will be 30 to 45 days later for completion.

Commissioner Relos asked if there is more remediation on half of the block.

Mr. Molnar replied yes to the northwestern quarter of the lot.

Mr. Bauer noted that it is limited environmental remediation, some soil removal on the northwestern corner of the site.

Mr. Glavich noted that the LIHTC tax credit project building will have the targeted July 25, 2025, completion date. That building does not have environmental remediation issues.

Secretary Sallie asked if all the parking for the buildings were on the outside or are there and covered or underground locations.

Mr. Bauer noted it is all surface level parking.

Vice-President Warner asked what the matching grant portion is with the LIHTC portion.

Mr. Bauer noted that with the LIHTC projects there is a category in the scoring matrix called leveraging capital resources and a LIHTC developer looks to maximize their scoring in that category. Up to 10% of the outside contributions to the project can get them the maximum points in that category. We try to make sure that we are providing at least 10% for a developer to maximize those points.

Commissioner Wax asked does a tax abatement count as that.

Mr. Bauer stated yes. We have hit that percentage for this loan. The sale of tax credits is a significant assistance for upfront capital cost on the LIHTC building versus the market rate buildings which only have the tax abatements and this loan.

President Jones asked when multiple funding sources are involved, how do they coordinate and come together at the same time.

Mr. Bauer replied that the developer will go through a process to sell the tax credits in the tax credit marketplace.

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Matt Barrett, resident, asked what the interest rate on the loan is and what determines that rate.

Ms. Campbell Weiss noted that she will defer to our counsel. That information will be reflected in the council documents and is not to exceed 5%.

Lisa Lee, Ice Miller, noted that that rate is a not to exceed 5%.

Matt Barrett, resident, asked why are we using a tax-exempt borrower?

Ryan McMonagle noted that it is dictated by the B.O.B investor that foots the funds with the low-income housing tax credit program. It is really the tax ruling income impact on the affordable housing project. Legacy 25's mission is to provide affordable housing to residents; that is why we have a tax-exempt status. It is a 5013C organization set up to provide affordable housing.

Matt Barrett, resident, stated the change in the federal tax code that makes government grants taxable, repeals, or circumvents that provision.

Ryan McMonagle stated yes.

Matt Barrett, resident, noted that it would be helpful if the developers' periodic reports were provided.

Mr. Bauer noted that since the developer has not closed on the property yet, reports are not available. The city has been in constant discussions with RealAmerica throughout this process. More frequently than reporting requirements.

Matt Barrett, resident, is in support of the low-income housing program. He is wondering why there is not more support from the Redevelopment Commission for the low-income units (only \$550,000 compared to \$3,250,000 for the market rate units).

Mr. Bauer stated that is a good point. While it looks like there is more support for the market rate housing versus the LIHTC housing; you have to remember there is a significant federal incentive being deployed on the affordable building. Incentives can in many cases provide more than half of the upfront capital for the development of the building. The tax credits are awarded, the developer takes them to the tax credit market and sells them to individuals. Those individuals purchase them and that provides the upfront cost for the project. More than 50% of capital.

Matt Barrett, resident, asked why the separate buildings. Why not have a combination of low-income and market rate in one building? Why are you creating class here. There are plenty of studies that show you enhance economic development when you bring people of all incomes together and cross pollinate.

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Mr. Bauer stated, that is a good point, and we agree and subscribe to that mixed income has the best outcome to all neighbors. The reality is that the structure of the low-income housing tax credit scoring system does incentivize all LIHTC buildings to be low-income housing. We were excited when we awarded the Monreaux project with both low-income and market rate units. For LIHTC awards, a mix is not going to be as competitive the way it is scored at the state level. Mr. Bauer encouraged Mr. Barrett to write to the state with his comments. He stated that those comments are reviewed.

Mr. Glavich estimated with an 8-year abatement it would be \$460k in tax savings and the land would be valued at \$280k as a whole. In order to receive 100% of the benefits they would have to complete the totality of the projects by the end of the designated period.

Mr. Bauer states we believe we could see the development receiving tax benefits 11 years from the issuance of the abatement due to the three-year designation period. Any improvements completed in the third year would start a new eight-year clock.

Upon a motion by Eli Wax, Commissioner, seconded by Troy Warner, Vice-President, the motion carried unanimously, the Commission approved Development Agreement (RealAmerica) submitted on Thursday, January 11, 2024.

3. Resolution No. 3587 (RealAmerica)

Erik Glavich, Director Growth & Opportunity Presented Resolution No. 3587 (RealAmerica). This resolution authorizes the use of the Redevelopment Commission funds in the form of a loan. The loan would be made to RealAmerica Development LLC and Legacy 25. This is similar to the Monreaux development from last month. Legacy 25 is a non-profit that would receive the TIF funding via this loan.

Upon a motion by Troy Warner, Vice-President, seconded by David Relos, Commissioner, the motion carried unanimously, the Commission approved Resolution No. 3587 (RealAmerica) submitted on Thursday, January 11, 2024.

4. Resolution No. 3588 (RealAmerica Approving Loan Agreement)

Erik Glavich, Director Growth & Opportunity Presented Resolution No. 3588 (RealAmerica). This resolution is to approve the final form of the loan agreement and authorize the Redevelopment Commission to execute signature on the documents.

Upon a motion by Troy Warner, Vice-President, seconded by David Relos, Commissioner, the motion carried unanimously, the Commission approved Resolution No. 3588 (RealAmerica Approving Loan Agreement) submitted on Thursday, January 11, 2024.

5. First Amendment to Purchase Agreement (Lafayette)

Joseph Molnar, Property Manager Presented the First Amendment to Purchase Agreement (Lafayette). Lafayette Opco has been working with Alliance Architecture and Majority Builders to spec out the building and for environmental review.

The building review has opened up some additional questions and Lafayette Opco is requesting an additional 120 days in providing their due diligence. They have been very generous with their findings. Staff recommends extending this period for the developer. There are no other changes to the original purchase agreement. This extends due diligence to the end of April 2024 with sixty days to close. Commission approval is requested.

Commissioner Relos asked if the city is providing any help for the rehab of the building.

Mr. Molnar states that we anticipate we will but have not worked out the details.

Matt Barrett, resident, asked why we do not put into the agreement that they share information with the city.

Mr. Molnar states that is not added into the agreement and we do not anticipate changing.

Vice-President Warner states that he applauds this project, and the city would like for it to be successful instead of a vacant and abandoned building for decades. I think giving them extra time to figure out their next moves makes sense. The city is not missing anything but a little time.

Upon a motion by Troy Warner, Vice-President seconded by Vivian Sallie, Secretary, the motion carried unanimously, the Commission approved First Amendment to Purchase Agreement (Lafayette) submitted on Thursday, January 11, 2024.

6. Budget Request (Rebuilding Our Streets 2024 RWDA/SSDA)

Scott Kreger, Project Engineer Presented a Budget Request (Rebuilding Our Streets 2024 RWDA/SSDA). The city is in the fourth year of rebuilding our streets improvement plan that the mayor initiated in 2020. There are still many roads within South Bend that are in poor condition that we plan to address. The budget request is for \$2.5M from the River West TIF and \$1M from the Southside TIF.

Commissioner Wax confirmed that the funds will be used in the perspective TIF areas.

Mr. Kreger stated that funds will be used in the perspective TIF areas.

Commissioner Relos asked if the streets have been identified for 2024.

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Mr. Kreger stated that their team is analyzing the plan.

Commissioner Wax asked if the city is anticipating another three-year plan.

Mr. Kreger stated that they are working on one year right now and will have a better idea once those areas are confirmed.

Vice-President Warner asked about the cost of concrete.

Mr. Kreger stated they are fluctuating but they are optimistic but will not know until they receive specific bids.

Upon a motion by David Relos, Commissioner, seconded by Troy Warner, Vice-President, the motion carried unanimously, the Commission approved Budget Request (Rebuilding Our Streets 2024 RWDA/SSDA) submitted on Thursday, January 11, 2024.

7. Budget Request (Amendment Bendix Drive Improvements (Lathrop to Voorde))

Leslie Biek, Assistant City Engineer Presented a Budget Request (Amendment Bendix Drive Improvements (Lathrop to Voorde)). This request is for Bendix design Phase II. We are continuing down to Voorde with the same road alignment and the same multi use path on the east side. This is a federal aid project and we do not anticipate construction until 2027. This request will finalize the design.

Upon a motion by Vivian Sallie, Secretary, seconded by David Relos, Commissioner, the motion carried unanimously, the Commission approved Budget Request (Amendment Bendix Drive Improvements (Lathrop to Voorde)) submitted on Thursday, January 11, 2024.

B. River East Development Area

1. Budget Request (Leeper Street Bridge)

Chana Roschyk, Project Engineer Presented a Budget Request (Leeper Street Bridge). This request for \$300k is to resurface the Leeper Street Bridge which is currently closed. We anticipate opening the end of Summer 2024. We are working on the redesign so the surface will last longer.

Commissioner Wax asked if the request was for just design or design and repair.

Ms. Roschyk replied for both design and repair.

Matt Barrett, resident, wondered why the cost is so much for this.

Kara Boyles stated that we asked for an alternative replacement 18 months ago. It was not a budgeted item for parks. The alternative would be for an asphalt path. Changing it over has some design aspects to this. It will take six to eight weeks for design to determine what we are looking at. Then the project will need to go out to bid and we are bound to the contractor's timeline.

Upon a motion by Troy Warner, Vice-President, seconded by David Relos, Commissioner, the motion carried unanimously, the Commission approved Budget Request (Leeper Street Bridge) submitted on Thursday, January 11, 2024.

C. RDC Fund

1. Budget Request (Financial Empowerment Center Pilot Operations)

Marty Kennedy, Department of Community Investment Enfocus Fellow Presented a Budget Request (Financial Empowerment Center Pilot Operations). The city is currently developing a financial empowerment center, which is a program that will provide no cost for one-on-one professional financial counseling to any South Bend resident. We are currently in partnership with the city's financial empowerment fund which is a partner of Bloomberg Philanthropies.

The Financial Department will be housed in the MLK Dream Center with counseling specifically focusing on banking, credit debt and savings. Are trained Counselors will help increase credit scores by thirty-five points to help establish a stronger line of credit. We are currently in a grant proposal process to secure \$150k in funding for the first two years of operation. This is a highly successful program nationally with over 30 programs in the nation; we would be the first in Indiana.

The city will contract with a non-profit partner. We will do that through an RFP process. The non-profit will run the day-to-day operations and hire staff. We will be looking to the soft launch of the program by November 2024 with the full launch at MLK in Spring 2025.

We are estimating \$500k and this will cover the first two years of operations, equipment, and supplies; the vast majority is for staff, which includes a manager and two full-trained counselors. We are requesting \$350k over two years from the Redevelopment Commission. Bloomberg will be providing \$150k. Mr. Kennedy walked the Commission through a funding impact study on the thirty programs currently in progress. Commission approval is requested.

Commissioner Wax asked will this program be something the city will fund after two years.

Mr. Kennedy stated that we are looking for sustainable partners for the program with area banks.

Mr. Bauer noted the goal in the first two years is to prove concept then we would seek partnerships. We do not anticipate the Commission taking on the full operational cost of the center. We will explore both virtual counseling and on site in the future. We have had discussions with United Way of St Joseph County and others as potential options.

Matt Barrett, resident, clarified that this project will be under a non-profit partner, and they will have full reign.

Mr. Kennedy noted that we are using an RFP process. This will be a much closer partnership with the city local government manager who will have program oversight and the power to amend the program as needed. The non-profit will see the day-to-day operations.

Ms. Schaefer noted that the Blomberg model is clear. This is not a traditional grantor/grantee relationship, but it is a partnership. Whomever we select would need to understand that city is controlling the policies.

Matt Barrett, resident, asked why the city does not run this themselves.

Mr. Kennedy stated that the Blomberg policy is to create partnerships and build trust. It is really their requirement.

Matt Barrett, resident, asked what percentage of time does this translate for city staff.

Mr. Bauer stated it will be 30% of an FTE will be spent managing this program and will be part of the Community of Investment team.

Secretary Sallie asked how we will be communicating to non-profit organizations that this opportunity is available to apply for the RFP.

Mr. Kennedy stated that the city will provide a press release with the information.

Upon a motion by Vivian Sallie, Secretary, seconded by Troy Warner, Vice-President, the motion carried unanimously, the Commission approved Budget Request (Financial Empowerment Center Pilot Operations) submitted on Thursday, January 11, 2024.

2. Budget Request (Commuters Trust Funding)

Madi Rogers, Director Civic Innovation Presented a Budget Request (Commuters Trust Funding). This request is for \$200k out of the Pokagon Fund for transportation in the commuter's trust program. This program was born out of seed funding from the 2019 Bloomberg Philanthropies Mayor's Challenge that we have one in the past years. We have been piloting a program that works to provide transportation as a benefit to South Bend residents and employees. The service offers subsidized transportation to employees that have transportation insecurity. We partner with employers to provide reliable transportation for employees via Lyft, Under and Transpo. The employer pays a portion, the rider pays a minimal fee, and we pay a portion. The program offers up to ten discounted rides per month. It is restricted to and from work locations.

We collaborate with employers to identify commuters that have a stressful time getting to and from work. We recommend a program laying out the program and benefits. The commuter will receive a link to the program for registration. The impact through July 2023 was presented stating we had 414 participants giving 4,357 Uber/Lyft rides and 16,181 Transpo rides at an average cost of \$9.85. The

majority are full-time employees.

Commissioner Wax asked what the full cost per ride is and does that include the employer portion.

Ms. Rogers stated \$358k is the total program expense. The employer portion is \$158k and our portion is \$130k which averages to \$9 and change per ride. Employees pay \$2 to \$5 up front. One third of the employees do not have a car. We are considered a last resort or back-up solution to reliable transportation. This is not to replace reliable transportation.

Secretary Sallie asked if that is due to lack of funding.

Ms. Rogers stated when the project was started, we did not look to fully subsidize. We have seen programs like that in other cities.

Denise Reidl, Chief Innovation Officer noted that this is what the Bloomberg project looks like three to five years down the line. We are scoping this problem and have looked at a lot of these questions. This transportation promotes hourly wage workers in South Bend to help transportation insecurity in a small city. This looks quite different in the big cities. This form of transportation insurance is very compelling to employers with hourly workers.

Ms. Rogers stated that we currently have twelve employers due to transportation costs.

Matt Barrett, resident, asked what percent of rides originate or end outside of South Bend.

Ms. Rogers stated that there are geographic boundaries and are employer driven. All employers except Notre Dame are in South Bend.

Upon a motion by Troy Warner, Vice-President, seconded by David Relos, Commissioner, the motion carried unanimously, the Commission approved Budget Request (Commuters Trust Funding) submitted on Thursday, January 11, 2024.

6. Progress Reports

A. Tax Abatement

- Erik Glavich stated that at the Common Council meeting the Council approved the following:
 - Council confirmed a 9-year abatement for the Nexus Center, LLC. Private investment \$2.4M.

B. Common Council

- None

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C. Other

- Mr. Molnar noted that staff is close to bringing forward a purchase agreement on a parcel on Marion Street that was rezoned. It was zoned neighborhood center allowing for unlimited units and apartment style construction. This is now a cottage court with some single-family units.

7. **Next Commission Meeting:**

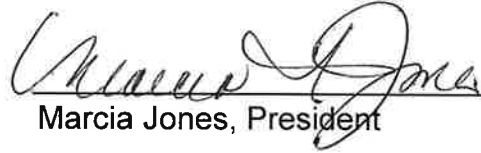
Thursday, January 25, 2024

8. **Adjournment**

Thursday, January 11, 2024, 10:53 a.m.



Vivian Sallie, Secretary



Marcia Jones, President