



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

**SOUTH BEND REDEVELOPMENT COMMISSION
 SCHEDULED REGULAR MEETING**

March 14, 2024, 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 - 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 Sears, Board Secretary - Absent Joseph Molnar, Property Manager	
Others Present:	Caleb Bauer Erik Glavich Sarah Schaefer Kyle Willis Eric Horvath Leslie Biek Charlotte Brach Zach Hurst Alyson Herzig KM WNDU WSBT Lou Pierce Michael Divita Jordan Gathers Dick Nussbaum	DCI DCI DCI Admin & Finance Public Works Engineering Engineering Engineering SB Regional Chamber Resident WNDU WSBT Resident DCI VPA Resident

2. Approval of Minutes

A. Approval of Minutes of the Regular Meeting of Thursday, February 22, 2024

Upon a motion by Commissioner Relos, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, February 22, 2024.

B. Approval of Minutes Executive Committee Meeting of Thursday, February 22, 2024

Upon a motion by Commissioner Relos, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, February 22, 2024.

C. Approval of Minutes Executive Committee Meeting of Thursday, February 23, 2024

Upon a motion by Commissioner Relos, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, February 22, 2024.

3. Approval of Claims

- A. Claims Allowance February 20, 2024
- B. Claims Allowance March 5, 2024
- C. Claims Allowance March 12, 2024

Mr. Molnar noted that there were payments to Meridian Title which are related to the purchase of Claeys Candy and also the earnest money for the South Bend Community School Corporation Bendix site.

Upon a motion by Commissioner Relos, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved the claims allowances February 20, March 5 and March 12, 2024.

4. Old Business

5. New Business

A. River West Development Area

1. Resolution No. 3594 (Disposition Offering Price of Twenty-Seven Vacant Lots NNN)

Joseph Molnar Presented Resolution No. 3594 (Disposition Offering Price of Twenty-Seven Vacant Lots NNN). Resolution No. 3594 is the disposition of twenty-seven vacant lots in the near northwest neighborhood. At the last meeting, the RDC accepted the properties from Board of Public Works. The city of South Bend has owned the lots which we received through a tax sale process with the county. The lots are vacant. The minimum bid for the twenty-seven lots is \$73,849 which is the average of two appraisals and are being packaged together.

South Bend Redevelopment Commission Regular Meeting – March 14, 2024

The city is looking to capitalize on the recent growth in the NNN with multiple housing developments in the neighborhood. The lots are north of Lincoln Way and south of Portage Avenue. We have had interest in both of the areas.

A map was shown of the area. To the east of the area is a proposed new pedestrian bridge. A proposed larger development was outlined. The Allen Edwin project. The Advantix project. There are properties BPW transferred to Habitat for Humanity for building. BPW also transferred a few other properties to the NNN for affordable housing. The Coal Line Trail Phase III runs along the railroad right away. There is a lot of development in this section and staff believes this is a good time to put the twenty-seven properties online.

This resolution will set the disposition offering price. The bids must align with the River West Development area guidelines and the zoning for those properties. The bids are zoned U1 or U2 which are single family, duplex or fourplex homes.

Commissioner Wax asked if this is an all or nothing appraisal and would we consider changing zoning.

Mr. Molnar stated that it is listed as all and would like to keep them together and keep the current zoning parameters.

Mr. Bauer states on a duplex development we are willing to explore especially special exception.

Upon a motion by Commissioner Relos, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved Resolution No. 3594 (Disposition Offering Price of Twenty-Seven Vacant Lots NNN) submitted on Thursday, March 14, 2024.

2. Approval of Bid Specifications (Twenty-Seven Vacant Lots NNN)

Joseph Molnar Presented Approval of Bid Specifications (Twenty-Seven Vacant Lots NNN). Staff is requesting approval of the bid specifications as presented. Commission approval is requested.

Upon a motion by Commissioner Relos, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved Approval of Bid Specifications (Twenty-Seven Vacant Lots NNN) submitted on Thursday, March 14, 2024.

3. Request to Advertise (Twenty-Seven Vacant Lots NNN)

Joseph Molnar Presented Request to Advertise (Twenty-Seven Vacant Lots NNN). Staff is requesting approval to Advertise the disposition posting in the South Bend Tribune on Friday, March 22, 2024, and Friday, March 29, 2024. Commission approval is requested.

Upon a motion by Commissioner Relos, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved Request to Advertise (Twenty-Seven Vacant Lots NNN) submitted on Thursday, March 14, 2024.

4. Second Amendment to Purchase Agreement (Monreaux)

Joseph Molnar Presented Second Amendment to Purchase Agreement (Monreaux). The Monreaux was approved for tax credits by the state of Indiana in Fall 2023. This second amendment extends the closing date until the end of 2024. We were hoping for summer closing but are allowing time to work through the environmental review. The project is for sixty units with fourteen at market rate and forty-six at affordable income restricted. The developer is working with a good architect that is taking cues from the larger South Bend architectural scene to make sure it fits well with our downtown.

Commissioner Wax asked if this is tied to the completion date.

Mr. Molnar states that whenever the closing happens, that is when the purchase agreement clock starts. As far as the credits they would need to be complete at the end of 2025 or beginning of 2026. Mr. Molnar will check and round back with the commissioners to make sure this does not jeopardize the project.

Upon a motion by Secretary Sallie, seconded by Commissioner Relos, the motion carried unanimously, the Commission approved Second Amendment to Purchase Agreement (Monreaux) submitted on Thursday, March 14, 2024.

5. Real Estate Purchase Agreement (River Glen GCND Holdings, LLC)

Caleb Bauer Presented Real Estate Purchase Agreement (River Glen GCND Holdings, LLC). This real estate purchase agreement is for the River Glen Office Park located across the river from Howard Park. This includes the three office buildings of the former Press Ganey headquarters. This parcel is 5.2 acres of 74,000 square feet of office space that has been vacant since 2021 with two-hundred ninety-two surface parking spaces. The proposed purchase price is \$3.2M, which is well below the average of two independent appraisals. The agreement before you contemplates a forty-five-day due diligence period followed by a fifteen-day closing period. Staff has ordered phase ones on the site which we received back this morning.

The city is recommending the purchase of the parcel based on the adopted Monroe Park/Edgewater Neighborhood Plan. Council adopted the plan in 2023 in which we call the Riverfront West area, which included the Crowe properties or former Press Ganey, the post office and everything in the area up to Jefferson Blvd. The neighbors weighed in on what they would like to see in the future. Mr. Bauer showed streets and building grids that were in the area in 1960s and current. A rough concept which is in the neighborhood plan is a reconnection to the urban street network. The city's long-term goal is to reconnect Jefferson Blvd past the Century Center.

This is a long-term vision. An illustration of what types of density of redevelopment we would like to see on the site. We would see more dense development occurring the closer you are to Jefferson and more density closer to Monroe. We do not anticipate having six-story buildings on Monroe Street where that could be viable near Jefferson. If the commission were to approve the

purchase today in post-closing, staff would work to develop an RFP for developers to propose redevelopment of this site in alignment with the principles laid out in the Monroe/Edgewater neighborhood plan. Mr. Bauer stated that they have had development interest in this site and others in the area, but he is not at liberty to say with whom. There are no active conversations with developers at this site. We do expect to have multiple competitive proposals as part of an RFP. This site is one of the city's top priorities as we move forward to READI 2.0 if we are awarded the seventy-five million that our region has applied for. The timeliness around this purchase and RFP is insuring we are issuing the RFP well in advance of READI 2.0 project deadline.

Secretary Sallie asked for the time frame of the purchase and then development after the purchase.

Mr. Bauer states if approved, closing would occur within sixty days from execution of today's date. If all goes as planned, we anticipate issuing an RFP in early summer 2024. We would hope to have submissions back to RDC late summer, early fall. Submissions to READI 2.0 through the Regional Development Authority are fall to early winter 2024.

Commissioner Relos asked if staff could adjust the street grid.

Mr. Bauer stated that staff is willing to adjust the street grid in the future depending on needs.

Upon a motion by Commissioner Relos, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved Real Estate Purchase Agreement (River Glen GCND Holdings, LLC) submitted on Thursday, March 14, 2024.

6. Resolution No. 3595 (Approving Lease COSB Four Winds Field)

Eric Horvath, Director Public Works Presented Resolution No. 3595 (Approving Lease COSB Four Winds Field). Staff is requesting approval in this first step of the rental revenue bonds for the Four Winds Field stadium renovation expansion. The project will modernize the existing stadium infrastructure, adding a full second level above the existing facility, renovating the primary seating areas and suites, adding a new 20,000 square foot four-story club and event space building and a new playground and splash pad with additional restrooms and space for retail and concession areas.

The general project is estimated at \$45M in construction cost. The first step is approving this resolution today so we can close in June to make the 2024 construction season right after ball season in September. Construction could immediately start the first stage and run through the off-season. Construction would continue through 2025 and be able to have it ready for opening day in 2026.

Randy Rampola, Barnes & Thornburg, stated that the proposed structure of the financing is a lease financing with the Redevelopment Authority. We used this type of financing with the Morris Project. The primary source of revenue for that was the hotel/motel tax that was pledged to the project and to provide the best security for that bond to get the lowest interest rate and the most useful proceeds for the tax backup attached.

The payment structure of this bond is utilizing the professional sports development convention area revenues that are available now as a result of the legislative amendments last year that increased the amount of those revenues and also increased the territory that area encompasses. The revenues available are up to \$5M. The lease revenue provided for a maximum lease rental of \$4.76M for a term not to exceed twenty-years as part of the lease structure then that would also accompany the tax back up. We would then go into the bond market and get the best rating at the lowest interest rate, which allows the proceeds to be realized at the \$45M level in the most efficient way. The revenues that are pledged by Common Council as part of their approval would be those PSCDA revenues. The city's municipal advisor Crowe as done a similar analysis. They have worked with the Department of Revenue to show that the revenues going back before this area was created would generate well north of the \$5M that would be available in the statute. Even during COVID the area's revenue was just under \$7M. Sales tax is also captured but it is the income tax that provides the historical coverage.

The lease rental is set as a maximum of \$4.76M. In section two of the lease which has the lease rental also states that once the bonds are sold, the lease rental will be reduced to match the exact debt service. That is the high side number that Crowe is estimating using the high side interest rate market. We need to have the maximum because we won't be selling the bonds until June 2024, and we do not know if rates will be higher or lower. We start out with the maximum. The lease rental revenue is for 20 years through 2044. The lease rent on debt service will be lower than that and provide coverage. That would allow that extra coverage to 33% to 35% annually.

Today's action is asking the commission to approve the lease. On March 28, 2024, we would have a hearing. We would ask the Redevelopment Authority as well as Common Council for approval of the lease as well as their pledge of these revenues to be able to make the lease payments. Following that we would go for a rating and a bond sale. Right now, we would have the bond sale around Memorial Day which allows us to close early June 2024.

Commissioner Relos asked if there would be TIF backup.

Mr. Rampola states that they are not anticipating using TIF just the PSCDA revenue.

Commissioner Relos asked if there is not TIF being used why does it come through Redevelopment Commission.

Mr. Rampola stated that it needed to be a lease revenue bond given the structure with the intention to use the tax backup. Because it is an Economic Development project, it makes sense to use the Redevelopment Commission.

Commissioner Wax asked if it would be Common Council and Administration pledging the PSCDA dollars to the Redevelopment Commission. Is that something they can do now. To oversimplify, the Redevelopment Commission is leasing the stadium property from the Redevelopment Authority for an amount determined later. That way we could get the bond now.

Mr. Rampola states what the financing mechanism allows you to monetize that revenue stream over the period of years to generate the cash. The stadium is currently owned by the Park Board so the Park Board will need to transfer title of the stadium to the Redevelopment Authority for lease to the Redevelopment Commission. For all intents and purposes, the operations of the stadium will remain in the parks department. It is similar to the Morris project as operations of the venue will not change the effect of financing.

Dick Nussbaum, attorney at 210 S Michigan St., South Bend 46601. About a year ago he was a member of a team that was able to get some legislation passed with the help of other local representatives. This legislation expanded the professional sports development area in South Bend and extended the time frame within which revenues could be collected so that a revenue stream of \$100M every twenty years was created. You hope that things will happen. The revenue stream is happening because it started in July at the level \$5M a year and it is generating in excess of that. It is great to see this come to fruition without any tax levy. It is nice to say that we have a tax backup, but no tax backup will be used. We have made it clear to the public that it is being captured and kept here is this community. It is nice to provide an asset in terms of the ability of our team to stay in South Bend due to additional standards that major league baseball is putting forth on major teams. There are other communities that are trying to meet the expectations. Chattanooga is borrowing or bonding \$100M to build a new stadium. This \$45M to make improvements to the ballpark is a much more efficient way of maintaining a city facility that will be enjoyed by the public for many years to come.

Vice-President Warner stated that as we go through this it's important to remind folks that thanks to those legislators that were able to capture these state tax dollars and invest them in that neighborhood and the community and the park itself that draws a lot of people.

Commissioner Wax states that it is one of his favorite examples of good legislative action. When you know a good idea is non-partisan and everyone works together to come up with something good. We have got to this point with a lot of teamwork and a lot of moving parts from everywhere, local and state to come to fruition; it is very exciting. Now that is at our end, there are still a lot of moving parts we talked about VPA, RDA, RDC and Common Council but to see everybody have a unified vision and unified goal working together to make this

happen is something to be proud of.

Upon a motion by Commissioner Relos, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved Resolution No. 3595 (Approving Lease COSB Four Winds Field) submitted on Thursday, March 14, 2024.

B. River West Development Area

1. Budget Request (LaSalle Colfax Design Amendment #1)

Leslie Biek Presented a Budget Request (LaSalle Colfax Design Amendment #1). This is a request for a design amendment that we have with JTR. We are moving on to Colfax, which is a similar scope of project on Colfax, adding in, perforated bike path and trying to put in foot traffic with a lot of the similar features that we did on the LaSalle project. The LaSalle project did eat into the budget due to unforeseen conditions and the bidding climate we have experienced in the last couple years. This budget request will allow us to complete the full design and bid for construction next year. The county is doing bridge deck replacement on Colfax so we are coordinating our work with their work so the road will not be shut down multiple times.

Commissioner Relos asked what the scope of work is.

Ms. Biek noted it is the length from Eddie with the primary streetscape portion from the bridge to Hill Street.

Commissioner Relos asked about the grade school drop off times at Colfax. They are already backed up; will this make it narrower.

Ms. Biek noted that they will be working on the design plan. We will definitely be working with the school, and we worked with them a lot for the LaSalle project to make sure that they were able to do the dismissals and drop off.

Commissioner Wax asked the last time a larger traffic study was done for that area. We are doing a lot of piece meal to determine the road diet. At the same time, we want to keep downtown safe but want to make sure downtown is accessible and especially as we are anticipating projects over the next number of years with new apartments and hundreds of jobs.

Ms. Biek stated they are not trying to make it more difficult. They are trying to make it safer by reducing the speeds when you come downtown, so we are using the same daily traffic, but we are making it a little more inconvenient. We have a graduate student that has been modeling the downtown and he is especially looking at the effects on LaSalle, Colfax, and Jefferson. He has shown that they need to all be the same so that traffic is dispersed equally through the area.

Commissioner Wax stated that with traffic calming studies it has shown we are not making people better drivers we are just moving them somewhere else. We are always going to be chasing the faster or more aggressive drivers. It is concerning that we are trying to make downtown South Bend the place to be, but

South Bend Redevelopment Commission Regular Meeting – March 14, 2024

we are also trying to make it inefficient to drive. He does not see how those two will work to make it safer.

Mr. Bauer stated the goal in the streetscape projects is not to restrict or reduce vehicular traffic. If you equalize accessibility of the streetscapes, two modes of transportation, particularly the retail restaurant, and residential growth we have seen in the East Bank has added a lot of vibrancy to the neighborhood. What we are hoping to resolve is to ensure that those pedestrian connections are safe but also maximizing on street parking on streets like Colfax, where we believe we can get more on street parking. In a better layout from the current design. There have been some really good analysis of road diets and speed reduction; John Hopkins University had an extensive study release. The study takes a look at the public safety side and how lane narrowing and raised intersections significantly improve public safety and reduce fatal, injury related traffic accidents by a notable amount. This is a nationwide study. The trade off is making our streets safer for drivers or pedestrians and may add a few minutes to the commute time.

Mr. Horvath stated studies have shown that economic development has suffered from efficient streets. We have seen that in downtown. We have taken a look at what our streets are used for beyond just vehicular modes. We are not just looking at how fast we can move from point A to point B. We are looking at what streets provide to the community beyond the ability to move traffic because they do provide more than just moving traffic. That is the part of how we have to design the downtown street system. A lot of studies will show that when you do make the street less efficient in downtown the economic development will actually increase.

Mr. Bauer added that he agrees that traffic calming redirection on to one street can lead to traffic flows on another. We know that engineering has really looked at that with the rollout of the full traffic calming plan. From the police department side, they are focused on traffic enforcement, and it has really picked up. There is an increase in traffic violations issued by the police department; that has become a new strategic focus for them. This is a multifaceted approach.

Commissioner Wax asked looking at the studies; does that just factor in the improved streets or does it also factor in the surrounding.

Mr. Bauer will send the study to Commissioner's.

Commissioner Wax stated that he would be a lot more comfortable with this if there was also investment in making the street more efficient in a way where they are working on the streetlights. It is a big concern because while it is safer, it is a pain in the neck to drive downtown. He would like to see something where it does not negatively impact.

Commissioner Relos stated that since the street changes downtown the concerning point is sitting at a stoplight for what seems to be five minutes with no traffic coming the other way and it seems to always be that way. It would be nice to adjust the motion detectors, so a car does not sit there idle for a long time. Are

we looking at that system.

Ms. Biek noted that we are looking at improving the detection. It is not finished yet and the signals are not optimized to how they will be in the future.

Commissioner Wax added that the technology with both the hardware and software are much better than it used to be. They could change the traffic pattern from morning to afternoon times and guide the flow of traffic.

Commissioner Relos stated that he believes South Bend is one of the most convenient areas to get from one side to the other in 10 minutes. It is just frustrating to sit at a light downtown where no one is coming from opposite of traffic for any length of time.

Mr. Horvath noted that they are upgrading intersections and putting in new technology. It will be able to optimize traffic.

Ms. Biek noted that we have submitted for a grant, and we hope to get this one so we can be eligible for a citywide trial. If we do, we can apply for the greater federal grant opportunity.

Mr. Horvath stated that we are pleased to be able to adjust the system.

Upon a motion by Commissioner Relos, seconded by Secretary Sallie, the motion carried unanimously, the Commission approved Budget Request (LaSalle Colfax Design Amendment #1) submitted on Thursday, March 14, 2024.

6. Progress Reports

A. Tax Abatement

- Joseph Molnar stated that at the Common Council meeting the Council approved the following:
 - 8-year real property tax abatement for Momentum Development Group for the Salvation Army Building. A confirming resolution will be heard at the next council meeting. Demolition began immediately and construction will begin soon.
 - Mr. Bauer noted that \$6.4M in private investment and based on the lifetime of that abatement we will receive more than twice the property tax revenue than we would have with the status quo. It is good to get the building back to productive use.

B. Common Council

- None

C. Other

- Mr. Molnar stated that the Redevelopment Commission holds the title for the former Gates Service Center.
- Redevelopment Commission has closed with RealAmerica on the LIHTEC portion of their sites. Groundbreaking will happen soon.
- Commissioner Wax asked for a better description on the claims list.
- Rosa Tomas noted that she will follow up with Admin & Finance on that.

South Bend Redevelopment Commission Regular Meeting – March 14, 2024

7. **Next Commission Meeting:**
Thursday, March 28, 2024
8. **Adjournment**
Thursday, March 14, 2024, 10:43 a.m.



Vivian Sallie, Secretary



Troy Warner, Vice-President