



CITY OF SOUTH BEND

REDEVELOPMENT AUTHORITY

March 26, 2024 – 10:00 am
BPW Conference Room, 13th Floor or via: <http://tiny.cc/RDA032624>

The meeting was called to order at 11:00 am

1. ROLL CALL

Members Present: Erin Linder Hanig, President - V
Anthony Fitts, Vice-President - V
Richard Klee, Secretary - IP

Redevelopment Staff: Mary Brazinsky, Board Secretary

Legal Counsel: Sandra Kennedy, Esq.
Danielle Campbell Weiss, City Attorney

Attending: Caleb Bauer, Executive Director Community Investment
Erik Glavich, Director Growth & Opportunity
Sarah Schaefer, Deputy Director Community Investment
Eric Horvath, Director Public Works
Randy Rampola, Barnes, and Thornburg
Jordan Smith, South Bend Tribune
Richard Nussbaum
Jennifer Huddleston
KM

2. ELECTION OF OFFICERS

Secretary Klee suggested to keep the current slate of officers from 2023 to 2024.

Upon a motion by President Linder Hanig seconded by Vice-President Fitts, the motion carried unanimously, the Authority approved the 2024 slate of officers on March 26, 2024.

3. APPROVAL OF MINUTES

A. Approval of Minutes of the Regular Meeting of February 10, 2023

Upon a motion by President Linder Hanig and seconded by Vice-President Fitts, the motion carried unanimously, the Authority approved the Minutes of the Meeting of February 10, 2023.

4. NEW BUSINESS

A. South Bend Redevelopment Authority Lease Bonds 2024 (Four Winds Field at Coveleski Stadium Project)

B. Resolution No. 216 (Approving Lease City of South Bend Four Winds Field Project)

Randy Rampola, Barnes, and Thornburg Presented Resolution No. 216. Randy Rampola, Barnes & Thornburg, stated these are related to the proposed improvements to Four Winds Field in means to finance the improvements. The Indiana code was amended a couple of years ago to allow for the expansion of the professional Sports Development areas in South Bend. This significantly increased revenues available for this project in the city.

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.

Today's action is asking the commission to approve Resolution No. 216. The Redevelopment Authority would issue Bonds. The proceeds of those bonds would be used to pay for the cost of improvements. The reason why we are using this lease mechanism is to provide the ability for the Commission to have a tax backup.

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.

On March 28, 2024, the Redevelopment Commission will hold 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.

Secretary Klee asked for a broader view of the project and scope of work.

Eric Horvath, Director Public Works noted that 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.

Secretary Klee asked about the interest rate

Mr. Rampola stated that the Fed meeting is in April. We expect the May rates to be slightly lower, but it is still too far out to predict with any degree of certainty. We believe that the city will again receive an AA rating which will then be on the lower edge of interest rates.

Vice-President Fitts asked about item #12 on the lease. The lease calls for a version of the property to go back to lessee if the lessee fails. Is this accurate?

Mr. Rampola states that during the term of the lease, which would be the stadium itself, it would be owned by the Redevelopment Authority as the lessor. The park board and the city would transfer title to the Redevelopment Authority. The park board will continue to operate the facility. At the end of the bond, the property will be transferred back to the park board.

Closed the Commission portion and Opened the Public portion

Dick Nussbaum, attorney at 210 S Michigan St., South Bend 46601. Mr. Nussbaum states that he has been involved with the stadium since the beginning in one capacity or another. 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 in 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. He feels that this will only enhance the profitability of the team and create additional revenues for the City of South Bend.

Closed the Public portion and asked for any final Commission Comments

Upon a motion by President Linder Hanig and seconded by Vice-President Fitts, the motion carried unanimously, the Authority approved Resolution No. 216 (Bond Resolution SB 2023 Projects Financing) on February 10, 2023.

5. ADJOURNMENT

The Authority adjourned the meeting at 11:17 am.

Anthony Fitts
South Bend Redevelopment Authority

Rick Klee
South Bend Redevelopment Authority

Erin Linder Hanig
South Bend Redevelopment Authority