



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

**SOUTH BEND REDEVELOPMENT COMMISSION
SCHEDULED REGULAR MEETING**

May 9, 2024 – 9:30 am

<https://tinyurl.com/RedevelopmentCommission> or **BPW 13th Floor**

Presiding: Troy Warner, President

The meeting was called to order at 9:30 a.m.

1. ROLL CALL

Members Present:	Troy Warner, President – IP Dave Relos, Vice President – IP Marcia Jones, Commissioner – IP Eli Wax, Commissioner – IP Vivian Sallie, Secretary – IP Leslie Wesley, Commissioner – V	IP = In Person V = Virtual
Members Absent:	None	
Legal Counsel:	Danielle Campbell Weiss, Senior Assistant City Attorney	
Redevelopment Staff:	Caleb Bauer, Executive Director Sarah Schaefer, Deputy Director Joseph Molnar, Property Manager	
Others Present:	Alyssa Alstott Charlotte Brach Kara Boyles Jennifer Huddleston Leslie Biek Sue Smith Linda Martin	DCI DPW DPW DCI DPW

2. Election of Officers

President Jones expressed she did not wish to serve in the role of President any longer, but instead would like to serve as a regular Commissioner. President Jones asked for motions to change the officers for the Commission.

South Bend Redevelopment Commission Regular Meeting – May 9, 2024

Secretary Sallie expressed interest in continuing to serve as Secretary.

Secretary Sallie nominated Vice-President Troy Warner to serve as president. President Jones seconded the motion. Motion passed unanimously.

President Troy Warner nominated Commissioner Dave Relos to serve as Vice President. Dave Relos seconded the motion. Motion passed unanimously.

3. Approval of Minutes

A. Minutes of the Regular Meeting of Thursday, April 25, 2024

President Warner moved to table the minutes of April 25, 2024, because they were not prepared in time to be included in the meeting packet.

Upon a motion by President Warner, seconded by all commissioners, the motion carried unanimously to table the minutes of the regular meeting of Thursday, April 25, 2024.

4. Approval of Claims

A. Claims Allowance 04.30.24

Upon a motion by Commissioner Wax, seconded by President Warner, the motion carried unanimously for approval of the claims allowance of April 30, 2024.

5. Old Business

A. Receipt of Bids: 525 S. Taylor Street, South Bend, IN 46601

Joseph Molnar, Property Manager reported there was quite a bit of interest in the Claeys building, and he took a couple of groups on tours. This morning right before the deadline, at 8:55am, 1 bid was received. Mr. Molnar read the name into the record as well as the bid price. The bidder is Stoic Beverage Company LLC who would like to utilize the former Clay's Candy Factory for a distilled spirits plant, including production of vodka, rum, gin, whiskey and a variety of ready to drink cocktails. The minimum bid was \$382,000 and that was the bid submitted by the entity. Staff requested to review the bid and come back with a recommendation at the next meeting.

President Warner made a motion for staff to review the bid and provide a recommendation at the next meeting. Commissioner Wax seconded, and the motion was carried unanimously to review the bid at the next meeting.

6. New Business

A. River West Development Area

1. Agency Agreement Regarding Park Board for Garage Management

Joe Molnar, Property Manager, presented the Agency Agreement with Park Board Garage Management, this item is in relation to part of the larger Beacon-GLC-RDC Agreements. The agreements were approved in March and involved RDC taking ownership of the Leighton Garage, which had been under the Board of Public Works ownership, so the Commission could then lease the space to Beacon and then eventually, the YMCA. Those Agreements also involved RDC acquiring the garage at Main and Wayne St.

Mr. Molnar stated that all of the City's other parking garages are either owned by the Board of Public Works, or in one case, Transpo. Authority was given to the Parks Board to manage those garages, who then negotiated the contract with LAZ, who in turn manages the garages.

Mr. Molnar explained all this agreement does is mirror the agreement that BPW has with the Parks Board and will allow the Parks Board to negotiate on behalf of RDC so that they can negotiate one contract for all City-owned garages, presumably with LAZ. Mr. Molar noted the Parks Board would have to approve this as well, and that this agreement would not allow the Parks Board to manage any retail space that would be included.

President Warner asked whether there would be any changes in two-hour free parking.

Mr. Molnar answered such a change would have to go through Council. This agreement would just be for the management of the actual garage.

President Warner asked whether the agreement regarding use of the garage which Beacon had in place will also be the same with the YMCA as future tenants.

Caleb Bauer, Executive Director of DCI answered that there is a condition to allow for parking for YMCA employees in that garage as part of the original ground lease with Beacon. Beacon had the ability to reserve other spaces for fitness center users at an agreed-upon price. That's not part of the YMCA lease as it currently stands but there are ongoing discussions regarding this.

Commissioner Jones asked whether the garage would take the old cards or if new cards will be necessary.

Mr. Bauer answered the Beacon Health and Fitness cards would not work going forward once Beacon vacates.

Mr. Molnar added that this agreement does not preclude the Commission from making agreements with the Y as to the Y's use of the garage. This agreement just

speaks to the actual management, such as making sure the lights are on, if there's a light broken who gets the lightbulb fixed, etc.

Vice President Relos asked what department will take on cost for these garages. Mr. Bauer responded that's a conversation currently happening internally. Mr. Molnar added that the current LAZ agreement with the Parks Board includes cost sharing, so they would get some of the revenue from the individuals who pay.

President Warner made a motion to approve the Agency Agreement Regarding Park Board for Garage Management. Commissioner Jones seconded the motion, and the motion was carried unanimously.

2. Development Agreement (Aunalytics)

Mr. Bauer presented the Development Agreement with Aunalytics and explained representatives from the company were present to give a short presentation as well. Mr. Bauer explained that Aunalytics was the first tenant in Ignition Park. They are located off Ignition Drive and have office spaces in Catalyst One. This agreement would help to assist in the expansion of Aunalytics' data infrastructure as they make the shift to providing data services that incorporate artificial intelligence. The development agreement is for phase 1 of this expansion. Overall, it's a total project of \$30-\$36 million. Phase 1, which is a ten-million-dollar phase would involve the acquisition of a graphics processing unit which is part of the server farm that would be part of the expansion. It would create 25 new jobs as part of phase 1 and Aunalytics, as part of the development agreement, is offering to provide discounted AI services for businesses in South Bend and the surrounding areas, so regional employers will have an opportunity to take advantage of the AI services.

Mr. Bauer further explained that the development agreement is specifically focused on Phase I, a \$10 million project. It would provide \$1.5 million in Redevelopment Commission funding to purchase equipment and materials. Those would have to be procured through the public procurement process. The private investment commitment would be \$8.5 million with 25 new full-time jobs and a discounted regional resources rate.

Mr. Bauer then introduced the representative present from Aunalytics, Rich Carlton. Mr. Carlton explained Aunalytics' goals in providing technology infrastructure locally. He explained the company has historically focused on managing, storing, and protecting data, but began focusing on the future with new technological advancements, particularly Artificial Intelligence, or AI.

Mr. Carlton noted that when Aunalytics came before the Commission over ten years ago, the hope was to create 15 technology jobs as part of a redevelopment agreement. Today, they are at 240 employees, 135 of which are based in South Bend. The average wage of Aunalytics employees is above 150% of the County average wage. Mr. Carlton shared that Aunalytics also now has over 400 customers. He further explained that one of the goals of this project is to advance the infrastructure, which will not only add competitiveness to our region, but it also

will add jobs for Aunalytics and the other employers in the region as well. Mr. Carlton also shared that the larger \$30 million project will be to continue to build within their current building. He noted Aunalytics bought all the land next door to it as well for future development.

Mr. Bauer shared that this project already came before the Common Council to reconfirm the personal property tax exemption, which is a unique tool the State put in place that allows a longer term standard personal property tax exemption.

President Warner made a motion to approve the Development Agreement with Aunalytics. Secretary Sallie seconded the motion, and the motion passed unanimously.

3. Second Amendment (Lafayette Building)

Mr. Molnar reminded the Commissioners of the Real Estate Purchase Agreement approved in 2023 for the Lafayette Building. Mr. Molnar stated that since then, the organization that entered into that agreement, Lafayette Opco, has been working towards designing the redevelopment project as an apartment building with ground floor retail. Mr. Molnar explained this work has led to a lot of testing of the building, which is almost 130 years old at this point. Having apartments would be much heavier than the original office use, so the developers are continuing to do their due diligence on structural aspects of the building.

Mr. Molnar explained that this Second Amendment simply extends the due diligence period to July 24, 2024. Mr. Molnar note that this work of determining the weight that the building can hold would have needed to have been done no matter who ended up with the building, so staff believes it's valuable to get these assessments done and ensure that they are done right. Mr. Molnar stated there are no other changes that would be made to the original items in the purchase agreement.

Vice President Relos asked whether there have there been any environmental or structural engineering reports done on the building. Mr. Molnar answered yes, there were slight environmental concerns, but staff believe they are manageable. Mr. Molnar explained, right now, it's just a question of whether the structure can hold the load that they want to put on it, especially the lateral forces that will happen when you add that much weight, especially to the top two floors. So, they're working with local architects or firms to determine it.

Councilman Wax asked whether all the other deadlines are tied to due diligence. Mr. Molnar answered yes and explained that after due diligence, they would proceed to closing, then the closing date would dictate other deadlines for completion.

Secretary Sallie pointed out a typo in the memo for this agenda item, specifically, a period in where it says "other changes" to the original purchase agreement. She also stated she has an affinity for this building because of its historic association

South Bend Redevelopment Commission Regular Meeting – May 9, 2024

with the City, and expressed she is hoping by this time next year the developers are able to be up and running with the project.

Secretary Sallie made a motion to approve the Second Amendment. Commissioner Wax seconded, and the motion passed unanimously.

B. River East Development Area

1. Budget Request (Coal Line Trail Phase II)

Leslie Biek, Assistant City Engineer, explained they are working to finalize Coal Line Trail Phase II. Construction has been completed and they are working on final items. Ms. Biek explained this request is for a budget increase tied to the inspection of the trail portion to evaluate additional services that were added to the project, specifically a guard rail in need of repair. She noted they are excited to have this project closed out.

Commissioner Wax made a motion to approve the budget request. Vice President Relos seconded, and the motion passed unanimously.

7. Progress Reports

A. Tax Abatement

Mr. Bauer reported that, as mentioned during the Aanalytics item, there was a reconfirming resolution for the personal property tax exemption for Aanalytics for their project. This was approved by Council at the last meeting, and now coming up at the next meeting is a single-family residential tax abatement for Cross Community as they work to build two more houses for two additional properties in the near northwest neighborhood.

B. Common Council

Nothing to report.

C. Other


Nothing to report.

8. Next Commission Meeting:
Thursday, May 23, 2024

9. Adjournment
Thursday, May 9, 2024, at 10:17am.



Vivian G. Sallie, Secretary



Troy Warner, President