

ANNUAL REPORT

DEPARTMENT OF COMMUNITY INVESTMENT

City of South Bend, Indiana
April 2014



2013 ANNUAL REPORT

I. Mission Statement:

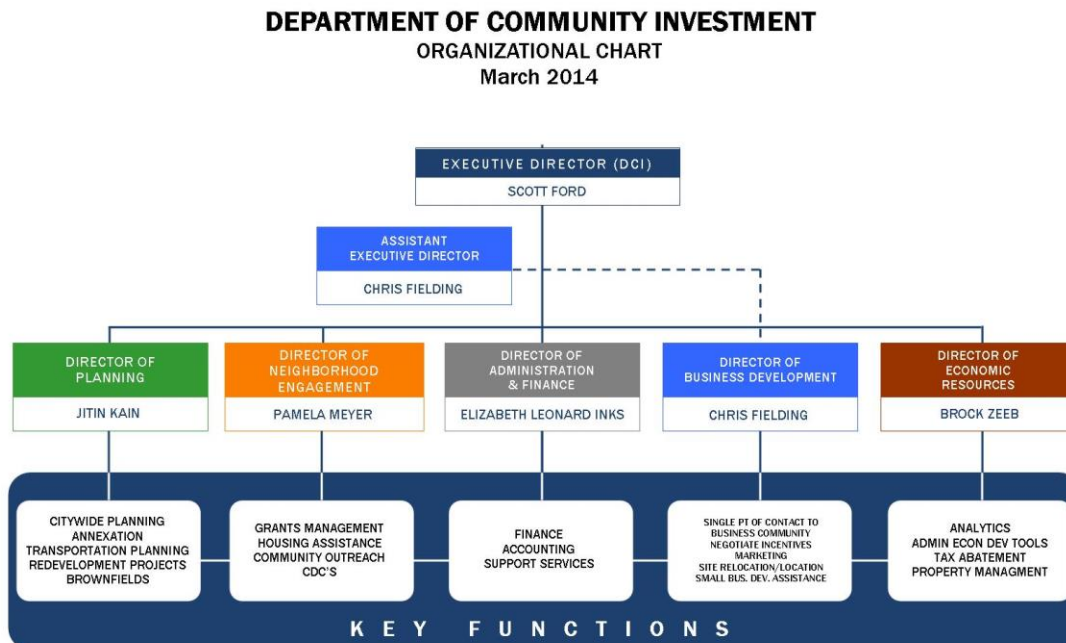
Our mission is to spur investment in a stronger South Bend. We achieve this by:

- Attracting and retaining growing businesses;
- Connecting residents to economic opportunities; and
- Planning for vibrant neighborhoods.

II. Department Structure

In 2012 the Department of Community and Economic Development was restructured and rebranded as the Department of Community Investment. The new structure is intended to promote an integrated approach to economic development that incorporates a broad array of perspectives and expertise in all of the Department’s activities. No new positions were added to the Department, but rather one role, formerly CED Specialist VI was converted into the Assistant Executive Director/ Director of Business Development position. This position was created to be the ‘single point of contact’ to assist businesses in navigating City departments and the processes/procedures related to any issue that may arise with their operation.

There have been no changes to the Department’s organization in 2013. The Department’s organizational structure can be illustrated as follows:



III. Leadership



Scott Ford
Executive Director



Chris Fielding
Assistant Executive Director



Brock Zeeb
Director of Economic Resources



Beth Leonard Inks
Director of Admin & Finance



Jitin Kain
Director of Planning



Pam Meyer
Director of Neighborhood
Engagement

IV. KPI's for 2013:

Key performance indicators to track departmental activity in 2013.

1. Projected Job Creation for approved projects: 330
2. Commercial Private Investment: \$22,363,805
 - a. Tax Abatement: \$18,263,755
 - b. Redevelopment Commission: \$3,147,550
 - c. IRF \$952,500
 - d. Public investment into private projects \$2,467,979
 - e. Public investment projects \$7,671,669
3. Private/Public Ratio for 2013: 9.06
 - a. 1/9.06 or 11% public investment leveraged 89% private investment in approved projects.
4. Households Assisted via Housing Programs and Counseling: 275
5. Ancillary economic info:
 - a. Unemployment for the City of South Bend dropped from 12.4% in January 2013 to 8.6% in December 2013, nearly a 30% reduction. The number of employed members in the workforce increased from 37,846 to 39,414, an increase of 1,568 jobs while the total labor force remained relatively constant from 43,200 to 43,128.

V. Top 10 Achievements for 2013:

The main achievements of the Department organized according to Mayor Buttigieg's three top priorities: 'Economic Development', 'Good Government', and the 'Basics are Easy':

A. Economic Development:

1. Enhancing the vitality of downtown South Bend through residential growth: To spur investment, DCI commissioned Zimmerman & Volk to conduct a market study for the potential demand for market rate housing in DTSB. With a projected demand in excess of 500 units of absorption over the next five years, a number of project announcements followed, including:
 - i. LaSalle Hotel Development Agreement: Great Lakes Capital will redevelop the vacant hotel into 59 market rate apartments and 8,900 square feet of commercial space for a total project investment of \$9.6M. This project has the capacity to bring 95 new residents to downtown and will bring the vacant structure back onto the tax rolls to support the downtown TIF.
 - ii. Hill & Colfax Development Agreement: Hill & Colfax Partners, LLC has signed an agreement to purchase a vacant, Redevelopment owned parcel to develop it into a \$2.9M mixed-use project with commercial and retail space in addition to 13 apartments. The parcel had been identified for a mixed-use development in the East Bank Village Master Plan.
 - iii. River Race Apartments: Matthews LLC purchased a parcel from Redevelopment for a mixed-use project with at least 10 townhomes, with future development planned to include apartments, along with ground floor retail/commercial space.
2. Smart Streets: A branding campaign for public right-of-way improvement projects throughout the City of South Bend includes conversion of downtown one-way streets into two-way, streetscape improvements in the East Bank, Corridor enhancements and neighborhood curb, sidewalks and streetlights. Upon approval of funding by Council in 2013, all projects identified are currently underway with the initial phase of the 2-way conversion on William and Lafayette expected to be completed by year's end.
3. New Energy/Noble Energy Ethanol Plant: DCI assisted with the marketing and outreach to attract a going concern for the shuttered Ethanol Plant. Noble Americas purchased the plant and is in the midst of a \$30M renovation that will modernize the facility for the capacity to produce 100 million gallons of ethanol per year. Noble plans to add 60 new jobs in first quarter 2014.
4. S.M.A.R.T. Workforce: DCI led the effort to assemble a partnership of St. Joseph County stakeholders to effectively address the shortage of skilled labor available to manufacturers. This is an employer-led curriculum model, successfully employed elsewhere in the State, which ensures that participants will develop skills that are immediately relevant for prospective jobs. The cities of South Bend and Mishawaka have provided funding for training scholarships, which in turn attracted American Electric Power to add an additional \$5,000 to the program. The goal for 2014 is to train and place 48 residents through the contracted efforts of WorkOne and Ivy Tech.

5. Neighborhoods Marketing: A variety of efforts to bolster the image and presence of South Bend's neighborhoods. 319 people participated in one of the newcomer tours (new faculty and university students, realtors, new residents, etc.). Over 2,300 relocation packets were distributed in 2013.
6. Ignition Park Development:
 - i. Phase 1B Infrastructure: Redesigned the northern portion of the park to enhance marketability of the parcels and reduce public infrastructure costs. Construction is expected to be bid out in April 2014 with completion in the fall. Phase 1B is expected to cost \$4 Million.
 - ii. Multi-Tenant Building: Great Lakes Capital has been chosen by the City to build a 47,000 sq. ft. multi-tenant building at Ignition Park. The multi-tenant building is expected to cost \$6 Million and will house small- to medium-sized companies that are in the advanced stages of incubation (many at Innovation Park Notre Dame) but are not yet ready to build and own their own facility. Due to higher demand for space, it is expected that the multi-tenant building will expand to multiple buildings.

B. Good Government

1. Overhaul of HCD Plan: Redesigned 2013 Housing and Community Development (HCD) Plan process to include a Request for Proposals based on a redefined target area and activities that align with the Vacant and Abandoned Initiative. The 2014 funded activities will address direct and preventative measures related to the V&A effort.
2. New Management for Century Center: DCI staff, working closely with the Controller and several community stakeholders, managed a request for proposals process to identify a new management structure and team for the Century Center. The national leader in event management, SMG, was selected and transitioned into place in July.

C. Basics are Easy

1. Streamlined operations for enhanced customer service to improve the ease of doing business in South Bend:
 - i. With the Single Point of Contact, we created an advocate for businesses within the City. Over the past year, the business development team served local businesses to resolve dozens of issues pertaining to permitting, codes, the entitlement process, tax appeals, etc.
 - ii. In the Small Business Toolkit, we reconfigured our marketing materials to collect in one document, written in clear, customer friendly language all of the tools and incentives available to businesses locating in South Bend.
 - iii. The filing process for tax abatement was reduced from an 18 page essay based format to a 4 page pdf form fill that is 100% electronic and allows City officials to analyze data to measure impact and project actual versus promised job creation. The new Petition is supported by a real time Sharepoint data collection system that tracks all public and private investment across all investment tools.

VI. 2013 Summary of Redevelopment Activities by Area

South Bend has both redevelopment areas and economic development areas, all governed by the South Bend Redevelopment Commission.

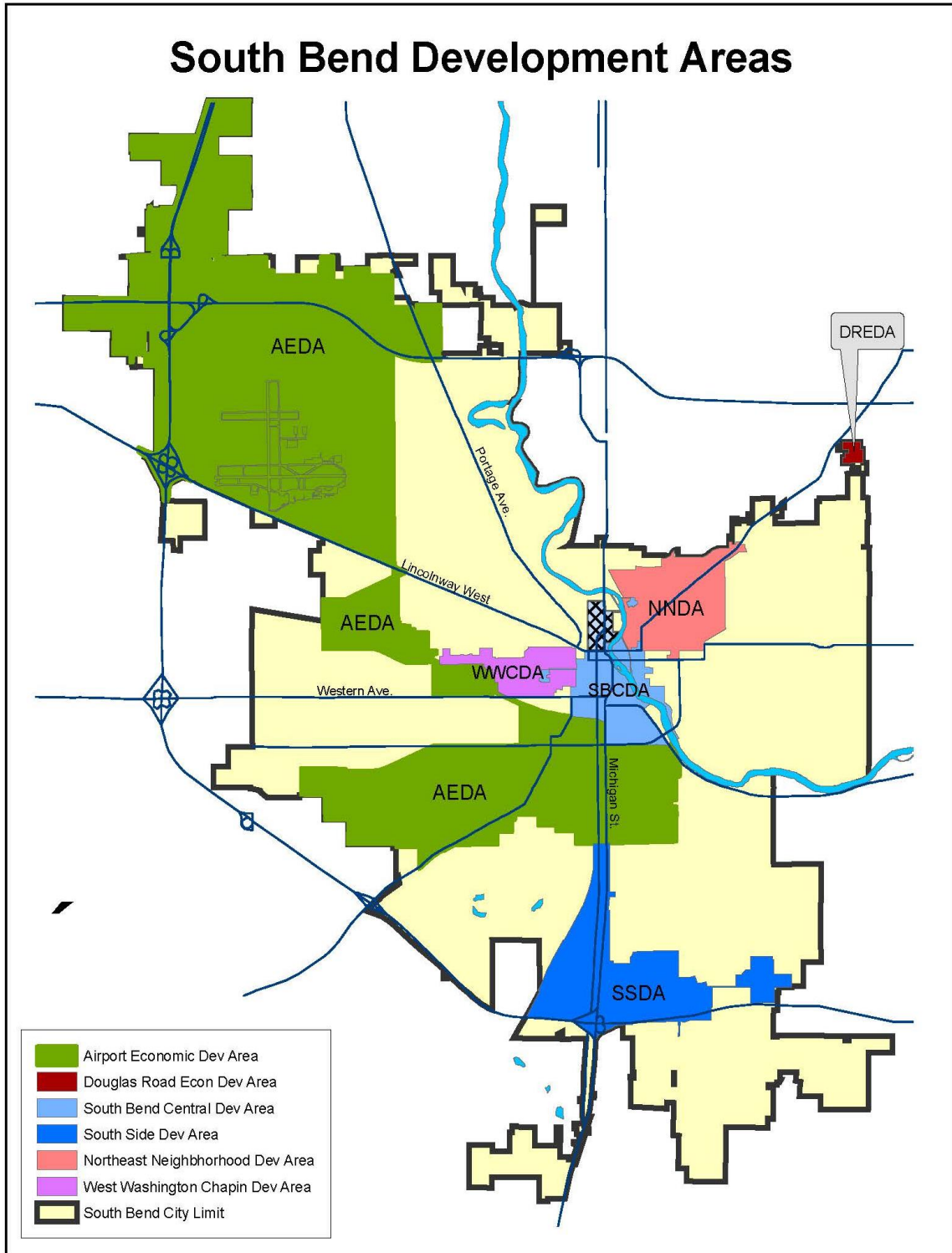
Redevelopment Areas: Redevelopment areas use acquisition, clearance, and disposition of land and public improvements to reclaim blighted land for new development. Design review sets and maintains high development standards for the reclaimed land. There are four redevelopment areas in South Bend:

- Northeast Neighborhood Development Area
- South Bend Central Development Area
- South Side Development Area
- West Washington-Chapin Development Area

Economic Development Areas: The declaration of an economic development area does not require the finding of blighted conditions, and does not have the right of eminent domain. South Bend currently has two economic development areas.

- Airport Economic Development Area
- Douglas Road Economic Development Area

A map of these areas is included in the following page:



A. Airport Economic Development Area (AEDA)

1. Engineering work continued in 2013 for Phase 1B of Ignition Park, adding a northern drive into the Tech Park. Project expected to be completed in 2014.
2. Curtis Products lease of the Bosch property (closed Jan 8, 2014)
3. Continued Ignition Park South acquisitions and demolitions.
4. Supported the Crooked Ewe project with new sidewalk & curb along LWE.
5. Property acquisition for the new Fire Training Center.
6. Renaissance District power & connectivity infrastructure improvements.

B. Douglas Road Economic Development Area (DREDA)

1. Engineering work done to add a left turn lane on SR23 & Douglas Road to allow for better vehicular flow.

C. Northeast Neighborhood Development Area (NNDA)

1. Infrastructure support provided to the South Bend Heritage Foundation for housing on Hill St. 13 new single family homes are being developed on vacant lots on Hill St. between Crescent and Corby.
2. 5 Points Utility Study completed to maximize development opportunity in former 5 points intersection.

D. South Bend Central Development Area (SBCDA)

1. Commission approved contract for sale of the Hill and Colfax parcel in the East Bank Village to Colfax Hill Partners, LLC for the development of a mixed use building.
2. Signed development agreement with Great Lakes Capital for the LaSalle Hotel.
3. East Race Apartments – Sold Commission property to Matthews LLC for a mixed-use project.
4. Supported Hoffman Bldg artist housing project.
5. Completed construction on the Studebaker Plaza project on Michigan and Jefferson.
6. Completed text amendments to the SBCDA Development Area Plan- changes to facilitate artist housing and new residential downtown.
7. Municipal Riverfront district boundary expanded to add additional parcels that could qualify for discounted liquor licenses.
8. Completed Downtown Market Rate Housing Study with Zimmerman/Volk Associates.
9. Façade & structural improvements to the Skyway Bridge and Skyway Building completed.
10. Parking lot improvements in the 400 & 500 blocks of N. Michigan St. completed
11. Century Center west entrance improvements completed.
12. Assisted in the study of the River Lighting project.

E. South Side Development Area (SSDA)

1. Continued engineering and property acquisition work on Fellows St. Project includes adding a left turn lane on Fellows/Ireland intersection as well as addressing drainage concerns through pavers and retention basin.
2. Began construction on Main-Lafayette Connector project and completed it in November 2013.

D. West Washington Chapin Development Area (WWCDA)

1. Rehabilitation of the long vacant Rushton Building
2. Streetscape improvements to William St. between LaSalle & Washington

VII. Tax Abatement

The City of South Bend offers a Tax Abatement Program designed to help new and expanding businesses improve real property or acquire new equipment. The program also provides tax abatement for the construction of new residences.

Tax abatement provides tax relief to the owner while supporting new development which would not have occurred without public support. The increase in taxes, generated by the new investment, is phased in over a defined number of years.

Approvals in 2013 included eight real property tax abatements and three personal property tax abatements. The abatements are expected to result in \$18,263,755 of new investment and 153 jobs created with an annual payroll of \$3,147,701.

IX. Industrial Revolving Loan Fund

The Industrial Revolving Loan Fund (IRF) provides low-interest gap financing to help companies in South Bend expand their operations and facilities, and assists start-up companies in the area. In 2013, the Industrial Revolving Fund closed a loan to one businesses totaling \$700,000. Total new private investment was \$952,500 with 52 jobs created and 43 retained.

X. Federal Grants for Neighborhood Development

The Neighborhood & Community Engagement Team monitors annual federal entitlements to the City of South Bend from the U.S. Department of Housing and Urban Development (HUD). These funds benefit low to moderate income persons and/or eliminate slum and blight. The City conducts an annual application/request for proposal and award processes for Community Development Block Grant (CDBG), HOME, and Emergency Solutions Grant (ESG) funds.

The Housing & Community Development Plan (HCD Plan, also sometimes called the Consolidated Plan) explains how and why HUD funding will be used. The HCD Plan requires the community to combine submission of all its HUD funded grants into one document to allow for better coordination of resources. In essence, the HCD Plan is an application for the following HUD grants: Community Development Block Grant, HOME Investment Partnership Program, and Emergency Shelter Grant. In addition, because the City of South Bend, the City of Mishawaka, and St. Joseph County entered into an Inter-local Government Agreement in 1991 to establish the St. Joseph County Housing Consortium, the three jurisdictions develop the HCD Plan together.

Key Federal resource programs include the following:

- A. Community Development Block Grant (CDBG)** funds can be used for a variety of community development opportunities such as providing affordable housing, a suitable living environment, and economic opportunities for individuals and families with incomes below 80 percent of the area median income. CDBG funds can also be used for the elimination of slum and blight. South Bend and Mishawaka each administer their own CDBG entitlement funds.
- B. HOME Investment Partnership Program (HOME)** funds are used to develop affordable housing opportunities for households with incomes under 80 percent of the area median income. HOME funds are distributed countywide through the St. Joseph County Housing Consortium.

- C. Emergency Solutions Grant (ESG) Program** provides homeless persons with basic shelter and essential supportive services. It can assist with operational costs of the shelter facility and for administration of the grant.

The key subject areas for grant activities were the following:

- Affordable Housing
- Housing Counseling
- Community Development Facilities
- Capacity Building
- Homeless/Emergency Assistance

Key Activities

Affordable Housing: Assistance with housing issues is provided directly through City programs such as the South Bend Home Improvement Program (SBHIP), as well as through various external agencies that produce housing and offer housing services to residents of the community. Activity in 2013 included:

- A. Home Purchase: 16 first time homebuyers received closing costs and mortgage assistance through the REWARD, CHC and NNRO Mortgage Investment programs.
- B. Existing Owner-Occupied Home Repairs – 77 households assisted:
 - a. 35 through SBHIP
 - b. 18 through Rebuilding Together (RT)
 - c. 24 through REAL Services
- C. Acquisition/Rehab/Resale – 7 residences assisted:
 - a. South Bend Heritage Foundation Sold:
 - i. 123 Taylor Street
 - ii. 923 West Colfax Street
 - b. Near Northwest Neighborhood sold:
 - i. 708 Cottage Grove
 - ii. 1015 California
 - iii. 1022 Portage
 - iv. 718 Cottage Grove
 - v. 808 Cottage Grove
- D. New Construction/Sale – residences constructed:
 - a. Northeast Neighborhood Revitalization Organization sold:
 - i. 823 N. Hill Street
- E. Special Needs Housing Assistance – 9 individuals assisted:
 - a. Rental assistance to severely mentally ill
 - i. Oaklawn, 5 individuals
 - b. Permanent Supportive Housing:
 - i. Logan Home, 1247 Campeau, 4 individuals

HUD Certified Housing Counseling: The City of South Bend is a HUD certified Housing Counseling Agency. Counseling services as well as assistance under the Indiana Foreclosure Prevention Network and the Hardest Hit Funds program are available to eligible individuals.

- Total Households counseled: 166
 - Mortgage Default 134
 - Financial Management 7
 - Pre-Purchase 25

Community Facility Improvements: funded via Community Development Block Grant. Notable improvements in 2013 include:

- Center for the Homeless family bathroom
- Colfax Cultural Center bathroom
- Near Northwest neighborhood community center

Capacity Building: funded via Community Development Block Grants: Notable activity in 2013 included:

- Neighborhood Resources Corporation: Funding for 13 scholarships to national and regional neighborhood conferences; 7 for Neighborhoods USA and 6 to attend the Regional Neighborhood Network Conference, as well as 2 technical assistance grants to neighborhood groups and 21 participants in the Leadership Academy.

Homeless Assistance Emergency Solutions Grant: Funding for 6 area shelters, which together served 4,327 individuals. Our partners include:

- Center for the Homeless 652
- Aids Ministries 7
- Youth Service Bureau 195
- YWCA 1552
- Life Treatment Center 1910
- Dismas House 11

Quality of Life Marketing: Neighborhood Engagement staff host and manage a number of activities to showcase the South Bend community and its neighborhoods. A sampling of the programming on 2013 includes:

- Realtor Certification Series 18 participants
- Participation in the “Freshman” Tour 60 participants
- Neighborhood Tours 10 tours
- Co-sponsorship of Faculty Tour 45 participants