



South Bend

# Redevelopment Commission

227 West Jefferson Boulevard, Room 1308, South Bend, Indiana

## SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

May 12, 2016

9:30 a.m.

Presiding: Marcia Jones, President

227 West Jefferson Boulevard  
South Bend, Indiana

The meeting was called to order at 9:32 a.m.

### 1. ROLL CALL

Members Present:	Marcia Jones, President Dave Varner, Vice President Don Inks, Secretary Gavin Ferlic, Commissioner Greg Downes, Commissioner
Members Absent:	John Anella
Legal Counsel:	Benjamin Dougherty, Esq.
Redevelopment Staff:	David Relos, Associate Mary Brazinsky, Recording Secretary
Others Present:	Aaron Kobb, Director, Economic Resources Sarah Heintzelman, Associate III Conrad Damain Paul Phair Wills Gardner Kevin Allen Mark Peterson Eric Walton

### 2. APPROVAL OF MINUTES

#### A. Approval of Minutes of the Regular Meeting of Thursday, April 28, 2016

Upon a motion by Secretary Inks, seconded by Commissioner Ferlic the motion carried 4-0, the Commission approved the minutes of the regular meeting of Thursday, April 28, 2016.

**3. APPROVAL OF CLAIMS**

**A. Claims Submitted May 12, 2016**

	Claims submitted	Explanation of Project
REDEVELOPMENT COMMISSION		
Redevelopment Commission Claims May 12, 2016 for approval		
<u>324 RIVER WEST DEVELOPMENT AREA</u>		
Acorn Landscaping LLC	18,923.00	Landscaping Work Performed at the MTI
Pacific Press Technologies	85,484.96	Equipment Purchase Nello Corporation
H. J. Umbaugh & Associates	8,312.50	Financial Advisory Services
DHA	6,640.00	Alta Survey / Preparation of Alley Vacation Documents
Kolata Enterprises LLC	2,317.50	Professional Services
<u>430 FUND SOUTH SIDE TIF AREA #1</u>		
Southgate Church	16,900.00	Fee Simple & Temporary Easement
Palmer's Funeral Home	113,189.75	Fee Simple & Temporary Easement
KR Palmer & Kerry R Palmer	50,335.25	Fee Simple & Temporary Easement
Sandra J. case	540.00	Relocation /entitlement
d	117,234.06	Ireland Rd & High St Intersection Improvements
Rieth Riley Construction Co. Inc.	120,175.00	One Way to Two Way Street Conversion Division A
Lawson-Fisher Associates P.C.	3,039.60	Roundabout Intersection Improvements
	\$ 543,091.62	

Total Of Both Columns

Upon a motion by Secretary Inks, seconded by Commissioner Ferlic the motion carried 4-0, the Commission approved the Claims submitted May 12, 2016.

**4. Old Business**

None.

**5. New Business**

**A. River West Development Area**

**(1) Request for Proposals to Purchase Lots in Blackthorn Corporate Park**

Mr. Relos presented a Request for Proposals to Purchase Lots in Blackthorn Corporate Park. Last October the idea of a call for offers was discussed at the Blackthorn Owners Association meeting and Redevelopment Commission. The RFP has been finalized with eleven (11) lots. The RFP lots are in the corporate park not the light industrial zoned lots on the west side of Moreau and north of Nimtz. The request for proposals will be sent to local developers and they are currently on Loopnet.

Submissions will be due to Community Investment by June 10, 2016. The following will need to be submitted with developer proposals; Identify each person or entity involved in the acquisition, statement of qualifications, real estate achievements, financial terms for the acquisition and a narrative of intended use including the size, placement and cost of proposed buildings with other improvements plus the number of new jobs to be created. We are looking to see what developers can do in the near future and how they intend to market the lots they do not have an immediate use for. We are asking the developers to provide an explanation of their marketing plans for selling the lots. Built into the RFP is evaluation criteria to be used to rank submittals, and staff will return to the Redevelopment Commission with a suggested plan.

Mr. Varner asked if there are building restrictions at Blackthorn. Mr. Relos replied that there are covenants and guidelines which the developer would have to follow and with the proposal they would need to sign the standard city non-collusion form. Mr. Varner asked if we're being too restrictive in our writing and what the gain would be by asking for all the proposals in regards to the future. Mr. Relos stated we are looking for proposed immediate uses for the lots and how they plan to market them. Each developer's proposal will be evaluated based on immediate usage plans. Mr. Varner asked if we are restricting our options. Mr. Relos stated that there are guidelines in place. If an entity wants to build at Blackthorn they will have to use certain building materials and meet landscaping guidelines. We will require the developer to submit X, Y and Z, however, we are leaving their options open for plan disclosure. Mr. Varner asked the value of the parcels. Mr. Relos estimated \$55,000 to \$65,000 per acre. A number of the lots are two to three hundred thousand dollars per vacant lot. Mr. Varner inquired if Cressy was free to entertain offers when they were handling the properties. Mr. Relos affirmed that Cressy could have entertained offers. The Cressy agreement was an asking price for the per acre site with a split of Cressy 75%/25% City. They could have entertained less of a rate and they did with DaVita. Mr. Varner cited the normal commercial rate is 10%; why did we agree to 25%? Mr. Relos indicated in 2008 Cressy was looking at comparable corporate parks and per acreage pricing; the 25% was based on that.

Mr. Downes acknowledged that he had attended all of the Owners Association meetings and that there have been extensive conversations regarding this. He stated that last year we bifurcated the park itself which gave us two sections to enhance marketability. Secondly, we relaxed some of the covenants and design guidelines to make it more flexible in terms of development. That had the full approval of all of the owners. The driving factor of the RFP is for one developer to control all aspects at one time and come up with a master plan. Whether or not we will receive responses remains to be seen, however, we can't keep doing the same thing for years and expect different results. Mr. Downes was contacted by the property manager Pat Brown. Mr. Brown urges us to make sure he receives a copy, of the RFP along with copies of the current by-laws, the covenants and design guidelines. There are marketing materials out there from Cressy which could be used. This material should be included when the RFP is sent out including copies to

Pat Brown, John Cook, President of the Owners Association and Bill Panzica the Vice President.

Mr. Relos affirmed there have been changes in the past to the covenants. In the past we had a set location for a hotel site. The current covenants allow a hotel use on any lot; the same holds true for free standing restaurants, not drive-thrus. We are looking for one developer that has extensive expertise in marketing and developing these sites.

Upon a motion by Commissioner Downes, seconded by Commissioner Ferlic the motion carried 4-0, the Commission approved the requested Request for Proposals to Purchase Lots in Blackthorn Corporate Park including the documents that Commissioner Downes requested submitted May 12, 2016.

## **(2) Agreement to Buy and Sell Real Estate (Oliver Plow Partners, L.P.)**

Ms. Heintzelman presented the Agreement to Buy and Sell Real Estate with Oliver Plow Partners L.P. and for a lot in Oliver Plow. Ms. Heintzelman stated that Oliver Plow Partners L.P. is an Indiana limited partnership, and is an affiliate of Holladay Properties, which are looking to purchase the parcel that is currently adjacent to ABC supply. The parcel is 3.2 acres and will enable ABC Supply to expand their outside storage, which provides them with much needed space to grow their current operations. Staff requests approval to Buy and Sell Real Estate with Oliver Plow Partners, L.P. to continue to growth of their operations for the purchase price of thirty thousand dollars (\$30,000).

Mr. Varner inquired about the anticipated time line. Mr. Phair representing Oliver Plow Partners, L.P. states as quickly as possible. They have sixty (60) days of due diligence in which they will be taking surveys and doing environmental work. Once that is complete the hope is to hit the ground running. Mr. Varner inquired about the indemnification; are there any environmental issues or are you not expecting any. Mr. Phair expressed that there is additional testing that the City will be conducting while they are under due diligence. Mr. Relos commented that there was rubble found from the demolition of the prior buildings, and that the property is in the Voluntary Remediation Program at Oliver Plow which allows us to monitor the wells and injection sites for the ground water. There are areas of soil that need to be excavated and removed which is expected to be completed prior to the closing. Mr. Phair explained that the major concern on cost is running into physical debris or old foundations from the former demolition; that is shifted onto the buyer. Until the digging starts, it will be hard to tell what is underneath. Mr. Relos commented that they only anticipate rubble.

Upon a motion by Vice President Varner, seconded by Commissioner Inks the motion carried 4-0, the Commission approved the Agreement to Buy and Sell Real Estate (Oliver Plow Partners, L.P.) at the purchase price of thirty thousand dollars (\$30,000) submitted May 12, 2016.

**6. Progress Reports**

A. Tax Abatement

Mr. Kobb stated that we have one confirming. Appletree Associates, two year vacant and three jobs for a total of three hundred thousand dollar (\$300,000) investment.

B. Common Council

C. Other

**7. Next Commission Meeting:**

Thursday, May 26, 2016, 9:30 a.m.

**8. Adjournment**

Thursday, May 12, 2016, 9:48 a.m.



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Aaron Kobb, Director of Economic Resources

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Marcia I. Jones, President