



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

**SOUTH BEND REDEVELOPMENT COMMISSION
 REGULAR MEETING**

January 27, 2022 – 9:30 am
<https://tinyurl.com/RDC12722>

Presiding: Marcia Jones, President

The meeting was called to order at 9:31 a.m.

1. ROLL CALL

Members Present:	Marcia Jones, President Don Inks, Vice-President Troy Warner, Secretary Eli Wax, Commissioner Vivian Sallie, Commissioner Leslie Wesley, Commissioner	
Members Absent:		
Legal Counsel:	Sandra Kennedy, Esq. Danielle Campbell-Weiss, Esq.	
Redevelopment Staff:	Mary Brazinsky, Board Secretary	
Others Present:	Santiago Garces Tim Corcoran Amanda Pietsch Angelina Billo Andrew Netter Daniel Parker Benjamin Dougherty Zach Hurst Kara Boyles Charlotte Brach Laura Althoff Greg Balsano Randy Rampola Sharon McBride Conrad Damian Katrina Marquardt	DCI DCI DCI DCI DCI Admin & Finance Admin & Finance Engineering Engineering Engineering Building Baker Tilly Barnes & Thornburg Councilwoman Resident Resident

2. Approval of Minutes

- **Approval of Minutes of the Regular Meeting of Thursday, January 13, 2022**

Upon a motion by Vice-President Inks, seconded by Commissioner Sallie, the motion carried unanimously, the Commission approved the minutes of the regular meeting of Thursday, January 13, 2022.

3. Approval of Claims

- **Claims Submitted for January 18 and January 25, 2022**

Upon a motion by Commissioner Sallie, seconded by Vice-President Inks, the motion carried unanimously, the Commission approved the claims for January 18 and January 25, 2022, submitted on Thursday, January 27, 2022.

4. Old Business

5. New Business

A. Administrative

1. **Community Tree Nursery Collaboration Amended and Restated Agreement**

Mr. Netter Presented Community Tree Nursery Collaboration Amended and Restated Agreement. We are requesting the Redevelopment Commission's approval on two properties on Euclid. These will be used in conjunction with the Board of Public Works properties for a temporary tree nursery installation which will be managed by the Venue Parks and Arts Department. Notre Dame will provide volunteer assistance.

Commissioner Sallie asked what will happen to the trees once removed from the property.

Mr. Netter states the trees are planted and maintained by the city's Venue, Parks and Arts forester and he has a schedule where the trees will be installed based on the needs within the city. This could be in right of way, streetscape improvements or in parks.

Upon a motion by Secretary Warner, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved Community Tree Nursery Collaboration Amended and Restated Agreement submitted on Thursday, January 27, 2022.

2. **Resolution No. 3544 (Regarding Special Tax – Potawatomi Zoo)**

Mr. Randy Rampola, Barnes and Thornburg Presented Resolution No. 3544 (Regarding Special Tax – Potawatomi Zoo). This relates to the financing the city is taking on with the Potawatomi Zoo project. The hotel/motel tax board accepted a percentage of tax that will be allocated to the Potawatomi Zoo. The pledge

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resolution has been adopted and part of the pledge resolution is that the board is required to maintain a deposit in a hotel/motel fund in an amount equal to the manual debt service of the zoo bonds. If there is ever a shortage in hotel/motel tax fund for whatever reason, that it would agree to levy a tax as a backup for the debt service on the bonds. The tax would be used to pay the lease rental, the lease rental would be used to pay the debt service on the bonds. The mechanics of the Resolution are set out in section II as you make the annual look to see if a levy is needed, you would consider any revenues that would be on deposit. We are anticipating always having the maximum annual debt service so there will be no need for an actual levy, but this provides additional security on the bonds at a lower interest rate. Using the special tax backup provides us to sell the bonds at the best possible rate in the market so we can take advantage of the city's good credit rating. It was determined with Baker Tilly to use the city as a backup in a way to reduce borrowing cost with financing.

Secretary Warner asks what portion of the expected hotel/motel tax income will go to the debt service.

Greg Balsano, Baker Tilly stated that the coverage amount structured around is 125%. The bond debt service is structured at 125% around the annual debt revenue. That leaves a 25% cushion above the annual debt service.

Secretary Warner states in theory the income from the tax could drop 25% and there are still sufficient funds.

Mr. Rampola added the financing was structured on the 2019 collection of revenue assuming no growth.

Mr. Balsano states that is correct. It is structured on the ½ percent hotel/motel innkeepers tax rate which is what the financing is structured around based on 2019 collections with no growth.

Secretary Warner asks about the potential surety on the income tax and how we determine whether to proceed with that.

Mr. Rampola states there will be a reserve fund with the trustees so there is an additional cushion of revenue funds. The reserve fund comes from either cash or bonds proceeds.

Secretary Warner asked if there is a plan for the hotel/motel tax revenue cushion.

Mr. Rampola states that each of the ½ percent can only be used for the Zoo. May be used as pay as you go expenses.

Mr. Parker, Admin & Finance states that the zoo has expressed interest in that and will use is potentially in the 30-year plan for the zoo. On the Morris side there are no plans currently. There is a minimum balance to be kept of debt service on hand, which is the 25%.

Vice-President Inks asked how have the revenues fared in 2020/2021.

Mr. Parker states the revenues were down in 2020. The hotel industry took about a 50% hit due to the pandemic. That came back strong in 2021 at a 25% to 35% increase from 2020 on the revenue side. 2022 should be back to 2019 numbers or higher.

Upon a motion by Secretary Warner, seconded by Commissioner Wax, the motion carried unanimously, the Commission approved Resolution No. 3544 (Regarding Special Tax – Potawatomi Zoo) submitted on Thursday, January 27, 2022.

3. Resolution No. 3545 (Regarding Special Tax – South Bend Morris)

Mr. Randy Rampola, Barnes and Thornburg Presented Resolution No. 3545 (Regarding Special Tax –South Bend Morris). This relates to the financing the city is taking on with the SB Morris project. The hotel/motel tax board accepted a percentage of tax that will be allocated to the SB Morris. The pledge resolution has been adopted and part of the pledge resolution is that the board is required to maintain a deposit in a hotel/motel fund in an amount equal to the manual debt service of the zoo bonds. If there is ever a shortage in hotel/motel tax fund for whatever reason, that it would agree to levy a tax as a backup for the debt service on the bonds. The tax would be used to pay the lease rental, the lease rental would be used to pay the debt service on the bonds. The mechanics of the Resolution are set out in section II as you make the annual look to see if a levy is needed, you would consider any revenues that would be on deposit. We are anticipating always having the maximum annual debt service so there will be no need for an actual levy, but this provides additional security on the bonds at a lower interest rate. Using the special tax backup provides us to sell the bonds at the best possible rate in the market so we can take advantage of the city's good credit rating. It was determined with Baker Tilly to use the city as a backup in a way to reduce borrowing cost with financing.

President Jones asked if they will be replacing the seating at the Morris.

Mr. Parker stated that a portion will go to replacing the seating and the HVAC system.

Upon a motion by Secretary Warner, seconded by Commissioner Sallie, the motion carried unanimously, the Commission approved Resolution No. 3545 (Regarding Special Tax – South Bend Morris) submitted on Thursday, January 27, 2022.

6. Progress Reports

A. Tax Abatement

1. Mr. Garces presented a tax abatement for Pure Green Farms that went in front of the city council with a 2-phase expansion. This is for a real and personal property tax abatement. There will be 185 new jobs on a \$260M project. We currently have a development agreement that was extended this past year.

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Secretary Warner states that the council was excited about the progress of this project. Joe McGuire is very passionate about growing fresh produce. He is also supplying food to the food banks and to cultivate. It is amazing stuff.

Commissioner Wax stated that he backs what Secretary Warner has said that council is excited and hopes everything comes about as planned.

- B. Common Council
- C. Other

7. Next Commission Meeting:
Thursday, February 10, 2022, 9:30 a.m.

8. Adjournment
Thursday, January 27, 2021, 9:46 a.m.

Troy Warner, Secretary

Marcia Jones, President