



OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

COMMUNITY INVESTMENT

FEBRUARY 6, 2023, 4:20 P.M.

Committee Members Present:

Chair Rachel Tomas Morgan, Henry Davis Jr., Eli Wax, Troy Warner, Kaine Kanczuzewski, Thomas Cruzal

Others Present:

Dawn Jones

Presenters:

Benjamin Dougherty

Agenda:

Bill No. 23-02 – A Resolution Approving a Lease Between the South Bend Redevelopment Authority and the South Bend Redevelopment Commission

Members marked with an asterisk (*) are present digitally

Please note the attached link for the meeting recording:

<http://docs.southbendin.gov/WebLink/browse.aspx?dbid=0&mediaid=381543>

Committee Chair Rachel Tomas Morgan called to order the Community Investment Committee meeting at 4:20p.m.

Bill No. 23-02 – A Resolution Approving a Lease Between the South Bend Redevelopment Authority and the South Bend Redevelopment Commission

Benjamin Dougherty, Deputy City Controller with offices on the 13th floor of the County-City Building, noted that this is to finance the neighborhood improvement project, for approximately \$34.7 million, and the Beacon Lifestyle District parking garages for approximately \$28.9 million. This resolution is to approve the transfer of a portion of Portage Ave., execution of the bond financing lease, and insurance of the bonds. The insurance of bonds will not exceed \$69 million. This will be new debt. Benjamin Dougherty outlined the TIF revenue and the connection to the redevelopment commission. The River West projects include the Walker Field improvements and pedestrian connection to Rum Village for \$2.5 million, Southeast park upgrades for \$800,000, and comprehensive improvements to Kennedy Park for \$5 million, which is potentially matched by a grant. The River East projects include Lasalle Avenue streetscape improvements for \$5 million, Mishawaka Avenue streetscape improvements for \$3 million, Coquillard Park upgrades for \$300,000, Hill Street trail project for \$2 million, and SB avenue improvements for \$2 million. Mr. Dougherty noted that the Beacon Lifestyle District project will have 149 market-rate apartments, 92 income-qualified apartments, 105 hotel beds, a fitness center, a medical office space, 927 parking spaces, and significant retail opportunities.



Benjamin Dougherty stated Bonds will be payable from the River West and River East TIF revenues and will be backed by the ability to implement a special tax levy. Anticipated coverage ratio is more than 200%. The additional tax levy is a safety, but it is unlikely to be utilized. There will be growth, but this project has been established under the assumption of no growth. Series A is expected to be issued this spring and Series B is dependent on planning with Beacon.

Committee Member Davis Jr. asked how much money is in the reserves.

Benjamin Dougherty noted that he did not have a number immediately accessible.

Committee Member Davis Jr. asked why reserves are not being used for these projects. There was discussion regarding the debt and rationale behind having more. There was discussion regarding the approval process. The process was used as it is the cheapest and most efficient. The lease is to justify the payments and generate revenue. It was requested that there be a conversation regarding how money is being spent and priorities. Batching the two projects together was identified as an issue as the projects do not have enough similarities. There was concern that City money is being used for private investments.

Benjamin Dougherty noted that there is a public-private partnership. The Committee discussed the risk profile and the benefit of having the tax backup, as it reduces interest rates.

The floor was opened to the public.

Christopher Huff, 1831 College Street, South Bend IN 46628 asked for confirmation regarding the GO backup of a redevelopment tax, which will come from a new tax.

Sue Kesim, 4022 Kennedy Drive, South Bend IN 46614, noted that the level of reserve is too small in her opinion. She voiced concern that, with climate change, there will be more flooding and natural disasters. She requested that the reserve be kept higher than usual to anticipate these issues. She also noted that abatements are being handed out too easily. It is reducing City revenue. She noted that the City has a significant debt load with significant interest.

Committee Member Davis Jr. voiced concern regarding funding being distributed throughout the City. He felt that there would be a better way of addressing these projects without taking additional debt.

Benjamin Dougherty explained that there is good debt and bad debt. He also noted that much of the funding is going to the Westside of the City. There was discussion on what could be funded via cash flow.

Committee Member Wax stated that the Beacon portion could not be cashed flow and stated his support.

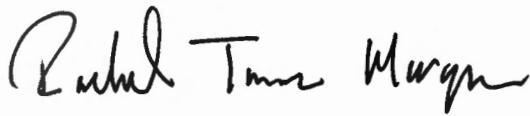
Committee Chair Tomas Morgan stated support for Bill No. 23-02.

Committee Member Troy Warner motioned to send Bill No. 23-02 to the Council of the Whole with a favorable recommendation, seconded by Committee Member Wax, and carried by a vote of five (5) ayes and one (1) nay.

Committee Chair Rachel Tomas Morgan - <i>Aye</i>	Committee Member Henry Davis Jr. - <i>Nay</i>
Committee Member Eli Wax - <i>Aye</i>	Committee Vice Chair Troy Warner - <i>Aye</i>
Citizen Member Kaine Kanczuzewski - <i>Aye</i>	Citizen Member Thomas Cruzal - <i>Aye</i>

With no further business, Committee Chair Rachel Tomas Morgan adjourned the Community Investment Committee meeting at 5:19 p.m.

Respectfully Submitted,



Rachel Tomas Morgan, Committee Chair

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