

REDEVELOPMENT COMMISSION MEETING

February 28, 2011

The regular meeting of the City of Mishawaka Redevelopment Commission was called to order at 6:30 p.m., Monday, February 28, 2011, in Room 205, City Hall, 600 East Third Street, Mishawaka, Indiana. Commissioners Eberhart, O'Dell, Troiola, Mammolenti, Gebo, and Stillson were present. Also in attendance: Lory Timmer, Community Development Director; Ken Prince, City Planner; Kari Myers, Administrative Planner; John Gourley, Legal Counsel, Bob Stephens and Dennis Murphy; Prime Development.

Commissioner Mammolenti moved to approve the minutes of the January 24, 2011 meeting. Commissioner O'Dell seconded; motion carried.

Lory Timmer presented the following Memorandum of Understanding for the Commissioners' consideration.

MEMORANDUM OF UNDERSTANDING - IRONWORKS OF MISHAWAKA

Mrs. Timmer said the previous extension expired December 31, 2010 and this extension will run through December 31, 2011. Commissioner O'Dell moved to approve the Memorandum of Understanding with Ironworks of Mishawaka. Commissioner Gebo seconded; motion carried.

The Commissioners are also being asked to consider the nine (9) bundles of parcels that the Department is proposing for disposal. These parcels all lay outside of the original MoU area, and many were acquired after the original agreement was executed in 2006. A Request for Proposal will be published for the parcels, and developers may submit plans for any or all of the nine offerings. The proposals will be received at the April 25, 2011 Redevelopment Commission meeting, and distributed for review. Decisions regarding the submitted proposals will possibly be determined at the June 27th meeting.

Ken Prince said the City has bought these parcels over the years and appraisals of the parcels have been ordered and said that the request for proposals must be advertised at the appraised value and if that doesn't generate any interest, then the City can negotiate with prospective

buyers at any price.

Commissioner Mammolenti asked if the property can be put on the market and just see what happens. Mr. Prince said the City doesn't want someone to buy the property and just sit on it; we want it developed. He also said all proposals must be appropriate for the area and show a concept plan.

RIVER CENTER UPDATE

Dennis Murphy with Prime Development provided the Commissioners with an update on activity at the River Center. He said construction of the last residential units will begin in April. He said they have a party who is interested in two floors of office space and they may move in by the end of the year. They are currently finalizing the deal. Mr. Murphy also said they have some interest in the yet-to-be-built retail space.

Bob Stephens said it has been a tough haul for everyone. He said he has spoken two times with quality people interested in the restaurant space, but it's hard to get banks to loan money on new restaurants. He is currently working with a restaurant that is planning on using investor money.

Mr. Stephens said he still feels that downtown needs an anchor and once the restaurant comes in, everything else will come. He said our Riverwalk is as nice as any in the country.

Commissioner Mammolenti asked how many units will be in the new residential building. Mr. Murphy said three larger units will be built.

Commissioner Mammolenti also asked if tenants in the Beutter Park building would want building signage. Mr. Murphy said yes, and that an area on the fascia of the building facing Main Street was designed for signage.

Mrs. Timmer presented the following Memorandum of Understanding for the Commissioners' consideration.

MEMORANDUM OF UNDERSTANDING WITH HORIZON BANK

A memorandum of understanding is being presented this evening between the City of Mishawaka's Community Development Department, Redevelopment Commission and Horizon Bank for the First Time Homebuyer Program. She said the MoU is a standard document that outlines the roles and responsibilities of each party to the agreement. The City's role is to solicit and review applications, and pre-qualify candidates for the Program. Horizon Bank's role, as program lender, is to assess clients' 'mortgage readiness' and assist them through the mortgage loan process. We have identical agreements in place with 1st Source Bank and Mutual Bank.

Mrs. Timmer said meetings with Horizon Bank have been very encouraging. They are eager to work with the First Time Homebuyer Program. Horizon has agreed to make loans to clients who are qualified for the program but were rejected by 1st Source Bank for a mortgage.

Commissioner Gebo moved to approve the Memorandum of Understanding with Horizon Bank. Commissioner O'Dell seconded; motion carried.

Mrs. Timmer updated the Commissioners on the projects listed below:

TIF UPDATES

Main Street - Church Street Connector

This project involves the reconstruction of the Main Street / Church Street connector from north of Lincolnway East to the south end of the bridge over the St. Joseph River. DLZ is finalizing the construction documents which will be bid in the spring of 2011.

Church-Union Street: Lincolnway East to Dragoon Trail

The soils and survey work are 100% complete, and preliminary plans are 100% complete. The environmental report and final plans are in progress.

Main Street Improvements, PH. III: Mishawaka Avenue to Battell Street

Construction of the northbound lanes will begin in the spring of 2011.

North Main Street, PH VI: Ardennes Street to Edison Road

DLZ is currently working on right-of-way acquisition.

Edison Road and Grape Road Intersection Improvements

DLZ is finalizing an agreement for design and construction plans for this project.

Holy Cross Parkway Lift Station Forcemain, PH. IIE

In the spring of 2011 new asphalt will be placed and landscape restoration will be completed at Chestnut and Russ Streets.

Douglas Road Medical Park, PH. II

The next phase of this project will be bid in the spring of 2011.

Fir Road Expansion, PH. I (Between the Toll Road Bridge and Cleveland Road)

This project included reconstruction of approximately .38 miles of Fir Road. The environmental study review is complete; the drainage design and construction plans are underway.

NEIGHBORHOOD PROGRAMS

Mishawaka River Center Apartments

Mrs. Timmer said on February 24th, the Indiana Housing and Community Development Authority announced the Low Income Housing Tax Credit awards, and the City of Mishawaka was awarded \$6,006,969 in tax credits for completion of the Mishawaka River Center Apartments project. The credits will be sold to an investor for \$.68 - \$.80 per dollar. We can anticipate receiving \$4.1 million - \$4.8 million. We will consider proposals from interested investors, and when a selection is made, we will proceed with closing. We will then publish to receive bids from construction contractors. Project architect, Kil Architecture and Planning, is creating the working drawings so that we will be able to proceed quickly once the deal is closed.

The project will cost approximately \$6.4 million. The City has already invested \$1,000,000 in acquisition, design and environmental costs. We will also apply for an Affordable Housing grant from Federal Home Loan Bank. If successful, this will bring another \$750,000 to the project. In addition, 1st Source Bank has committed to loaning \$100,000. The project is fully funded.

We anticipate closing in May 2011, and bidding the project in June. Construction should start in

the fall.

Neighborhood Stabilization Program 3 (NSP3) Grant

As mentioned at January's meeting, an application was submitted to the Indiana Housing and Community Development Authority for \$850,000 in NSP3 funds to continue the work we began with NSP1. The amount would cover the costs of acquiring, demolishing and subsidizing construction of 13 foreclosed and/or vacant homes. Thirteen homes is the maximum our department and Habitat have the capacity to manage at this point. IHEDA awarded the City \$1.18 million, \$335,000 above our requested amount.

All the money from NSP1 must be spent by March 2013, and 50% of all funds from NSP3 must be spent by March 2013; the balance has to be spent by March 2014.

Summer of Service Program

This is the fifth year of our collaboration with local churches for the Summer of Service Program. We've met with representatives from The Vineyard and River Valley churches about projects for 2011. The organizers anticipate that 350 kids will attend the Student Weekend - an increase of about 100 over 2010. For their community improvement projects the kids will organize into groups to weed and mulch Shiojiri and Beutter Parks, pick up trash along the railroad tracks by Fourth Street, and paint park restrooms.

The Vineyard and River Valley churches have promoted the Building Block weekend among other local churches, and now there are eight churches interested in working on a house: The Vineyard, River Valley, Epic, Oak Creek, Faith Community, Harris Prairie, Evangel Heights and First United Methodist. The churches that haven't participated with us in the past will start with garage projects so that they get a good feel for what's involved. If everything goes well, they'll be given houses to work on in 2012.

FIRST TIME HOMEBUYER PROGRAM

Since we were only able to construct one home in 2010, we set a goal of constructing five homes in 2011. Program Coordinator Dave Thomas has been working hard to market the program since

January. We have had a notable increase in applications. Working with Horizon Bank and 1st Source Bank, three applicants have been pre-approved for mortgages. Once we receive third party income verifications from employers, we can move forward with lot selection. We could break ground on the first home in early April.

Builder agreements will be presented for your review at the March 28th meeting.

ROLLOVER DEFERRED PAYMENT LOAN REVIEW

Client #812 has a household of two. This is her third Rollover Deferred Payment review. She got married in 2009, but since then both she and her husband lost their jobs. Her unemployment benefits have run out, but she is still looking for work. Her husband found employment at Walmart, where his annual salary of \$14,688 places them at 31% AMI (Very Low Income). Their Housing to Income Ratio, if required to repay the Redevelopment Department loan, would be 43.71%.

Because their AMI is below 50% and the Housing to Income Ratio with loan repayment is above 30%, the recommendation is that the deferment period be extended another year. Commissioner Gebo moved to approve to extend the deferment period for one year. Commissioner Troiola seconded; motion carried.

ANYTHING BROUGHT BEFORE THE COMMISSION

At the February 2011 meeting, the Commission voted to fund Boys & Girls Club of St. Joseph County an additional \$5,000 for Program Year 2010. An addendum to the 2010 contract is presented for signature. Commissioner Stillson said this program currently operates at Liberty, LaSalle and Emmons schools and has been a blessing to the school system.

The Commissioners briefly discussed the idea of changing the meeting time and it was decided to keep the time as is.

Commissioner Eberhart asked Mr. Prince if the City planned to renovate the interior of the Battell Park restroom. Mr. Prince said yes.

Mr. Prince also told the Commissioners that Parkview Terrace also received tax credits, but he doesn't know any of the details.

NEXT MEETING

The next regular meeting of the Redevelopment Commission will be Monday, March 28th, 2011, at 6:30 p.m. in room 205.

The meeting was adjourned at 7:25 p.m.

Respectfully submitted:

Approved:

Kari Myers, Administrative Planner

M. Gilbert Eberhart, President

Lory L. Timmer, Community Development Director