

REDEVELOPMENT COMMISSION MEETING

January 25, 2010

The regular meeting of the City of Mishawaka Redevelopment Commission was called to order at 6:30 p.m., Monday, January 25, 2010, in Room 205, City Hall, 600 East Third Street, Mishawaka, Indiana. Commissioners O'Dell, Troiola, Mammolenti, Gebo, and Stillson were present. Commissioner Eberhart was absent. Also in attendance: Lory Timmer, Community Development Director, Kari Myers, Administrative Planner, and John Gourley, Legal Counsel.

Commissioner Mammolenti moved to approve the minutes of the January 4, 2010, meeting as distributed. Commissioner Troiola seconded; motion carried.

Lory Timmer presented Resolution 2010-02 – Approving the Retaining of a Community Development Consultant for the Commission's consideration. She said at the January Organizational meeting, the Department is in need of assistance administering the various federal grants it has received (NSP, CDBG, CDBG-R, HOME). The position would be on a part-time basis (20 hours per week) for 6 months from February 1, 2010 through July 31, 2010 with an option to renew at the end of the period. The individual chosen will perform CDBG and HOME compliance monitoring, federal grant administration duties, and other general office functions as required. She said this has become even more critical because the Department was just notified that HUD will perform an audit of our federal programs this year. An RFQ for a Community Development Consultant was published in early January and six individuals/companies requested copies.

Mrs. Timmer said one proposal was received from Mr. John Sellers at the January 19 meeting of the Board of Public Works and Safety. Mr. Sellers has been employed by both the South Bend and Elkhart Departments of Community Development, and his qualifications meet the requirements for the consultant position. Mrs. Timmer recommended that the Commission approve the retaining of Mr. Sellers' services at the rate of \$40.00 per hour, 20 hours per week, for six months. Commissioner Gebo moved to approve Resolution 2010-02. Commissioner Mammolenti seconded; motion carried.

TIF PROJECTS UPDATE

Mrs. Timmer provided Commissioners with the following updates:

Riverwalk

Meetings are ongoing with Prime Development Corporation regarding the Master Plan for developing the River Center area. It's anticipated that a new Memorandum of Understanding between the City and Prime Development will be presented for approval at the February 2010 Redevelopment Commission meeting with Mr. Murphy and Mr. Stephens in attendance.

Main Street - Mishawaka Avenue to Battell Street

The final plan review is complete; a Public Information Meeting will be scheduled with the residents.

North Main Street Improvements

At the January 5, 2010 meeting of the Board of Public Works and Safety, a demolition contract for the following seven (7) properties was awarded to Torok Excavating of South Bend for the amount of \$37,022.00: 1614 N. Main Street, 1618 N. Main Street, 1622 N. Main Street, 1708 N. Main Street, 1712 N. Main Street, 1816 N. Main Street, and 106 Lowell Avenue. These residences are all located on North Main Street between Donaldson and Lowell Streets.

A Notice to Proceed was issued January 18, 2010. At this time, three structures have been removed. Site restoration is in progress, and demolition of the remaining four structures is anticipated to take place the week of January 25.

Mill Street Improvements and Parking Lot

The first phase of this project was substantially complete at the end of 2009. Construction operations will resume in Spring 2010 and will focus on the Municipal Parking Lot improvements.

Holy Cross Parkway Lift Station - Phase IB

The project was one-third complete at the end of 2009. The construction pace will accelerate in 2010. The roof remains to be installed. A temporary pumping system is currently operational for SJRMC discharge. The scheduled completion for the lift station is March 2010.

Holy Cross Parkway Lift Station Forcemain - Phases IIC & IID

Selge Construction Company has completed all pipe installation via horizontal directional boring. The remaining work includes tie-ins (joints) and testing, which are scheduled to be completed in Spring 2010.

Holy Cross Parkway Lift Station Forcemain - Phase IIF

HRP Construction has completed work on Christyann Street from Mishawaka Avenue to the south side of the Battell Street intersection. In addition, they completed Grove Street from Sarah Street to Christyann Street. This work included a new 20" sanitary force main to service the Holy Cross Parkway area, a new storm sewer system (separating the storm from the sanitary) as well as road reconstruction as necessary to complete the sewer work. The contractor will cease operations in the roadway for the winter with work resuming in Spring 2010. This work will continue north on Christyann Street from the Battell intersection to the north side of the railroad. The contractor will be working on a control structure in Central Park during the winter months to minimize the impact to the park during the summer months.

SJRMC Lift Station and Forcemain Permanent Route

The remaining two sections of the 24" forcemain serving the Holy Cross Parkway Lift Station are Phases IIE and IIG (river crossing). Bidding is anticipated in February 2010. The City's Engineering Department is currently reviewing final plans.

809 S. West Street / 803 E. Fourth Street

The Department acquired these properties on December 1. As per the Buy-Sell Agreement between the property owner and the City, repairs are well underway on the structure located at 625 E. Third Street. Concrete has been repaired and replaced as needed, and new siding has been installed. The first two payments of \$5,000 have been distributed to the property owner. Quotes for demolition of 809 S. West and 803 E. Fourth, as well as the auxiliary structure at 623

E. Third Street were received by the Board of Public Works and Safety on January 19th. The contract will be awarded at the Board's January 26 meeting.

East Third Street / South Merrifield Improvements

The contract for demolition of three structures - 851 E. Third Street, 853 E. Third Street and 209 S. Merrifield Avenue - was awarded to C & E Excavating of Elkhart, the lowest responsive quoter. The contract is in the amount of \$32,543.50, and was awarded at the December 29, 2009 Board of Public Works and Safety meeting. The previous owner of 853 E. Third Street left a barrel of circa-1970 pesticide in the building. We are currently working with an environmental remediation firm, TecServ, to figure out what course we should take to safely remove and dispose of the barrel and its contents before demolition begins.

NEIGHBORHOOD PROGRAMS

821 S. Logan Street

This is a structure that burned as a result of a house fire next door. The owner of this property wasn't insured, so there was no money to repair or tear down the house. The City's Code Enforcement department had it condemned because one of the structure's walls fell onto the neighboring property. The owner won't sell the property to the Redevelopment Commission, but because it's a public hazard we're still obligated to pay for demolition. Torok Excavating of South Bend was awarded a demo contract in the amount of \$7,250.00 at the December 29, 2009 meeting of the Board of Public Works and Safety. Demolition is complete and debris has been hauled away. A lien will be placed against the property for all costs associated with this activity.

Neighborhood Stabilization Program (NSP) Grant

The official name of the senior housing apartments to be located in the former Mishawaka Furniture building is "River Center Apartments". A meeting was held with City department heads on December 16 to review preliminary site plans.

The State Historic Preservation Officer (SHPO) did a preliminary review of the design plans. The building is apparently a rare example of prairie style architecture used in a school building. The SHPO is asking us to justify replacing the windows and exterior doors. There may also be

an issue with the asphalt roofing material that is being proposed. Kil Architecture has drafted a response to the SHPO. Once that's been submitted and reviewed, we'll have a better idea of what the project will actually involve and cost.

Regarding the 20 vacant structures that will be acquired for demolition or rehab, the appraisal process has begun. To date, ten property owners have agreed to sell to us, so we can expect to start making offers in February. We are running into difficulty finding houses that are suitable for moderate rehabilitation. Per our agreement with the Indiana Housing and Community Development Authority (IHCDA), we are committed to acquiring 12 houses for demolition and subsequent new construction, and eight houses for rehab. We have found only a few vacant houses that are in good enough condition to renovate, and the owners of those properties were not interested in selling because they wanted to fix up the properties themselves. I plan to contact IHCDA about modifying our contract to increase the number of houses that will be acquired for demolition while reducing the number that will be rehabilitated.

On December 28 the Department purchased the property located at 530 W. Sixth / 531 W. Fifth Streets. This is one parcel with two houses and two garages. The house was purchased for \$1.00 from HUD as part of their Good Neighbor program. This program allows FHA-mortgaged homes that have gone into foreclosure to be sold to local governments for \$1.00. This property is in our NSP target area and was one of the properties that I originally intended to acquire as part of that program. The preference would be to demolish all four structures on the lot, but because of the many restrictions of the NSP program, we may only be able to demolish the house in back and the two garages. We might be forced to rehabilitate the house fronting W. Sixth Street.

First-Time Homebuyer Program

We closed on the house built by The McColleston Group at 316 E. Grove on December 30, 2009. Closing on the house built by Jeff Moser Homes will take place Thursday, January 28, 2010. That will conclude our 2009 First Time Homebuyer Program.

CDBG-R

Demolition is complete at 126 W. 10th Street. All disturbed areas have been graded and seeded. The cleared lot will be used for a First-Time Homebuyer or Habitat for Humanity home.

As previously mentioned, the City is trying to acquire 126 E. 13th Street for \$1, with the intention of clearing the lot for a new construction home for one of our programs. This is a substandard property that was recently brought to a Code hearing. The owners were given 30 days to demolish the property or make the necessary repairs to bring it up to Code. They did neither, so it is now the City's responsibility to demolish this structure. The owners have agreed to sell the property to the City for \$1.00. However, a title search has revealed that the owners owe approximately \$8,000 in back taxes. There is also a lien against the property for \$15,000.00 that Metropolitan Title is trying to sort out. Assuming the Department can still acquire the property, the structure will be demolished. Funds to clear the lot will come from our CDBG-R grant, and the lot will be used for a 1st Time Homebuyer or Habitat for Humanity home.

LOAN SERVICING

Subordination Request

Client #1089 is a First-Time Homebuyer from Program Year 2008. She would like to refinance her primary mortgage with 1st Source Bank. The present mortgage has an approximate balance of \$93,000.00 at 6.375% interest, with monthly payments of \$618.00 (insurance is currently escrowed but not taxes). She has 346 payments remaining. The new mortgage will be a 30-year (360 payments) fixed rate loan at 5.25% interest, with payments of \$752.41 per month (both taxes and insurance, totaling \$215 per month, will be escrowed). The new mortgage will pay off the previous mortgage and cover closing costs. There is no cash out. Commissioner Troiola moved to approve the subordination request. Commissioner Gebo seconded; motion carried.

Release of Mortgage

A \$15,000 forgiven loan was issued November 12, 1999 for the property at 727 Grand Avenue. All terms and conditions of the loan have been met, and the department's mortgage is therefore being released.

OTHER

Regarding the communication received from Johnathan Smith at 109 N. Cedar Street, it was decided a response should come from Mr. Gourley and Commissioner Eberhart. Mr. Gourley will draft a letter of acknowledgement.

NEXT MEETING

The next regular meeting of the Redevelopment Commission will be February 22, 2010 at 6:30 p.m. in room 205.

The meeting was adjourned at 7:38 p.m.

Respectfully submitted:

Approved:

(Signature on file)

(Signature on file)

Kari Myers, Administrative Planner

M. Gilbert Eberhart, President

(Signature on file)

Lory L. Timmer, Community Development Director