

REDEVELOPMENT COMMISSION MEETING

February 22, 2010

The regular meeting of the City of Mishawaka Redevelopment Commission was called to order at 6:30 p.m., Monday, February 22, 2010, in Room 205, City Hall, 600 East Third Street, Mishawaka, Indiana. Commissioners Eberhart, O'Dell, Troiola, Gebo, and Stillson were present. Commissioner Mammolenti was absent. Also in attendance: Lory Timmer, Community Development Director; Ken Prince, City Planner; Kari Myers, Administrative Planner; John Gourley, Legal Counsel; and Dennis Murphy, Ironworks of Mishawaka.

Commissioner O'Dell moved to approve the minutes of the January 22, 2010, meeting as distributed. Commissioner Troiola seconded; motion carried.

MEMORANDUM OF UNDERSTANDING WITH PRIME DEVELOPMENT

Lory Timmer presented the Memorandum of Understanding with Ironworks of Mishawaka, for February 22, 2010 to December 31, 2010, to be signed by the Commissioners. Commissioner Gebo moved to approve the Memorandum of Understanding with Ironworks of Mishawaka. Commissioner Troiola seconded; motion carried.

RIVER CENTER UPDATE

Dennis Murphy, Ironworks of Mishawaka, said he has been meeting with Mayor Rea and Ken Prince and economically, things are tough. He said the restaurant building has been listed nationally. Market research shows the rent is in line for the building.

Mr. Murphy said for residential, they are looking at the \$140,000 - \$180,000 price range in hopes of attracting younger professionals who want to live in an urban environment. He also said five of the fifteen townhouses built to date are still unsold.

TIF AGREEMENT WITH PENN-HARRIS-MADISON SCHOOL DISTRICT

Ken Prince briefly discussed the proposed “Agreement relating to Residential Tax Increment Finance (TIF) revenue and assessed valuation” and explained the process that lead to the agreement (letter from Mr. Prince explaining the process in detail is attached for reference).

Mr. Prince said the original two agreements were signed and executed by the Redevelopment Commission in 1995 and 1999, but were never implemented. In late June of 2008, the Commission and Mayor received a letter from attorneys representing PHM requesting a meeting to be set up to discuss the agreements. H.J. Umbaugh, financial consultants for the City and PHM (different persons at the same company) were directed to determine a value that should have been released, but wasn't over that period of time. It was also determined the agreements were written in a manner where the ongoing monitoring of the increases in residential assessed valuation was nearly impossible.

The end result is, with interest, the City owes PHM \$317,135.17 (\$24,400/year) for the loss of revenue on the South Side TIF, and \$271,763.39 (\$30,200/year) for the loss of revenue associated with the Northwest TIF. This amount represents approximately 3% of the estimated TIF revenue for this year and is not expected to have a significant impact on capital improvement projects currently being undertaken by the City.

TIF PROJECTS UPDATE

Mrs. Timmer provided Commissioners with the following updates:

North Main Street Improvements

Structures on the following five (5) properties located on North Main Street between Donaldson and Lowell Streets have been demolished and disturbed areas have been graded:

- 1614 N. Main Street
- 1618 N. Main Street
- 1622 N. Main Street
- 1708 N. Main Street
- 1712 N. Main Street

A demolition contract for an additional four structures will be awarded at the February 23, 2010 meeting of the Board of Public Works and Safety. The properties to be demolished are:

1812 N. Main Street

1816 N. Main Street

2123 N. Main Street

106 E. Lowell Street

These properties are located on North Main Street between Lowell and Omer Streets, with the exception of 2123 North Main. That property is on the corner of North Main and Russ Streets. At the January Commission meeting Commissioner Stillson voiced concern about disruptions to the traffic flow around John Young Middle School during project construction. City Engineer Gary West has had preliminary conversations with Randy Squadroni from School City Mishawaka. The project will be bid in March so that the majority of construction can occur during the summer months. Most work will take place on the east side of Main Street, opposite the school. Omer and Lowell Streets are anticipated to be closed at Main Street for minimal periods of time. Before construction Mr. West will have more discussions with Mr. Squadroni to make sure there aren't any unique circumstances that are being overlooked. Some disruptions are unavoidable, but every effort will be made to keep them minimal.

North Main Street - Donaldson Street to McKinley Avenue

Construction plans have been completed; bid specifications are being finalized by Lawson-Fisher.

North Main Street Improvements Ph. VI - Ardennes to Edison Road

Construction plans for this project are currently under review.

Mill Street Improvements and Parking Lot

Project construction was 42% complete at the end of the 2009 construction season. Construction operations will resume in Spring 2010 and will focus on the Municipal Parking Lot improvements. There is currently no work in progress due to winter weather conditions.

Church / Union Street, Lincolnway East to Dragoon Trail

First Group Engineering from Indianapolis was awarded the contract for this project which includes modernization of existing traffic signals on Church / Union Street from Lincolnway East south to Dragoon Trail. Two surveillance cameras and tower combination poles with signal and luminaire mast arms will be installed. Sidewalk will be added where it is presently non-existent between 12th Street and Dragoon Trail.

Holy Cross Parkway Lift Station - Ph. IB

The exterior shell is in place, but the metal roof panels remain to be installed. The temporary pumping system is currently operational for SJRMC hospital discharge. Currently the pumps, internal pipe work, telemetry and electrical are being installed. Completion is anticipated mid-March 2010.

Holy Cross Parkway Lift Station Forcemain - Phases IIC & IID

Work is on hold due to winter weather conditions, but is scheduled for completion in Spring 2010.

Holy Cross Parkway Lift Station Forcemain - Phase IIF

HRP Construction 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. Work in the roadway will resume in Spring 2010.

809 S. West Street / 803 E. Fourth Street / 623 E. Third Street

A demolition contract was awarded to R & R Excavating at the January 26 meeting of the Board of Public Works and Safety. The contract, in the amount of \$20,680, covers demolition, grading and seeding of disturbed sites. Asbestos is currently being removed from the sites, and demolition work is scheduled to begin March 1.

East Third Street / South Merrifield Improvements

The structures located at 851 E. Third Street, 853 E. Third Street and 209 S. Merrifield Avenue have been demolished. Most debris has been removed, and then the disturbed areas will be

graded. Topsoil and seeding will occur when weather conditions improve. The barrel of pesticide that was left in 853 E. Third Street by the previous owner has been transferred to a secure holding area at the wastewater treatment plant until we get the final word on what it is and how it should be disposed of.

Del Pilar Medical Building

This site is in the process of being purchased. The tax abatement received by Dr. Del Pilar in 2005 runs with the property, so it will remain in place. This was a five-year abatement, so taxes are abated through 2010, payable 2011.

NEIGHBORHOOD PROGRAMS

Neighborhood Stabilization Program (NSP) Grant

River Center Apartments: As mentioned at the January meeting, the State Historic Preservation Officer (SHPO) is asking us to justify replacing the windows and exterior doors on this building. Kil Architecture has responded to the SHPO stating the necessity of replacing the windows based on the end use as senior citizen apartments, the Housing Authority's request for a low-maintenance building, and limited funding. Once this issue has been resolved, we'll have a better sense of the project's end cost. On a side note, the original architect has been identified as H. H. Richards. He is the same architect that designed the Mishawaka Hotel in 1914.

Neighborhood Revitalization Project: As mentioned at the January meeting, a second component of our NSP strategy is to purchase and demolish or rehab a total of 20 vacant, abandoned and/or foreclosed properties in the blocks surrounding our downtown district. To date, ten property owners have agreed to sell to the Department. Because we are running into difficulty finding houses that are suitable for moderate rehabilitation, we plan to modify our contract with the State to increase the number of houses that will be acquired for demolition while reducing the number that will be rehabilitated.

According to the State Historic Preservation Officer (SHPO), our target area is comprised of 12 historic districts, and every structure in the area contributes to its historic fabric. Preliminary

discussions with the SHPO indicate that their office would be averse to a lot of demolitions taking place in a relatively small area. Also, the consultant hired to assist us with acquisitions brought in a representative from the Historic Landmarks Foundation to review the houses we've selected for acquisition/demolition. This consultant feels that just about every house we want to demolish can be rehabbed. We're having a meeting February 24 with our consultant, the Historic Landmarks Foundation and our staff to sort this out. Meanwhile, all contracts for work related to the grant have to be signed by September 16, 2010, so the timeframe that we're working under is becoming critical.

First-Time Homebuyer Program

We currently have 12 families on the waiting list. Our goal is to build four houses on lots that were the sites of blighted structures in our NSP target area. If the challenges we encounter with the SHPO make that impossible for PY 2010, we will build on the lots cleared through our CDBG-R program.

CDBG-R

The City is still trying to acquire 126 E. 13th Street for \$1, with the intention of clearing the lot for a new construction home. This is a substandard property that was 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, and will sign the purchase agreement this week. A title search has revealed that the owners owe approximately \$8,000 in back taxes which we will have to pay at closing. Once acquired, the structure will be demolished and the lot will be used for a 1st Time Homebuyer or Habitat for Humanity home.

231 E. Ninth Street

This is another substandard property that we would like to acquire and demolish. It has back taxes of \$3,434, a first mortgage for \$53,600 and a 2nd mortgage for \$13,400. The owner has walked away from the property and the mortgage company doesn't want the liability of owning it, so they aren't going to foreclose. The property is on the list for the Commissioner's Certificate Tax Sale to be held February 26. The minimum bid on the property is \$780, and we

are going to attempt to acquire it through the tax sale. If we are successful, both mortgages and the back taxes will be erased. Our plans would be to demolish the house and use the lot for a Habitat for Humanity home.

OTHER

HUD Audit

On February 8th the Department was informed that we will undergo an audit by HUD this year. The representative will be on site March 2 - 4, and will review our project and administrative files for compliance with federal regulations. The last time we were audited was 2001.

Because the audit is coming up so quickly, we've asked John Sellers, our Community Development consultant, to put in extra hours between now and March 4th. His contract originally stated that he would work 20 hours per week, but we've amended it to state that he will work no more than 36.25 hours per week. After March 4th he will return to a 20 hour per week schedule.

NEXT MEETING

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

The meeting was adjourned at 7:45 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