

## **REDEVELOPMENT COMMISSION MEETING**

**August 22, 2011**

The regular meeting of the City of Mishawaka Redevelopment Commission was called to order at 6:30 p.m., Monday, August 22, 2011, in Room 205, City Hall, 600 East Third Street, Mishawaka, Indiana. Commissioners Eberhart, Troiola, Mammolenti, and Stillson were present. Absent: Commissioners O'Dell and Gebo. Also in attendance: Lory Timmer, Community Development Director; John Gourley, Legal Counsel; Kari Myers, Administrative Planner; Marilyn Nelums, Program Coordinator; and Gary West, Director of Engineering.

Commissioner Troiola moved to approve the minutes of the July 25, 2011, meeting. Commissioner Mammolenti seconded; motion carried.

### **TIF UPDATES**

Gary West, Director of Engineering, presented updates on the following TIF district projects: Main Street - Church Street Connector, Main Street Widening to Four Lanes - Ardennes to Day Road, Edgewater Drive Improvements, Edison Road and Grape Road Intersection Improvements, Douglas Road Medical Park, PH. II, Bremen Highway Improvements, Bremen Highway at the Bypass to Ireland, Signal Modernization Lincolnway to Dragoon, Third Street – Cedar to Merrifield, Hill and First Street Reconstruction.

Mrs. Timmer provided the Commissioners with updates on the following:

#### **413 and 421 N. Cedar Street**

Demolition, grading and seeding are complete at this site. Posts will be installed at five-foot intervals to prevent vehicles from entering the area. The distance between posts will allow Central Services equipment to access this site and Central Park for maintenance.

#### **646-646 ½ Lincolnway East**

Jackson Services completed demolition of this site. Grading and seeding will take place this week. The site will eventually be used for our First Time Homebuyer program.

## **NEIGHBORHOOD PROGRAMS**

### **Mishawaka River Center Apartments**

Ten (10) firms will be invited to bid on the construction project September 2. Bids will be received at the Board of Public Works and Safety on October 4, and an award will be made October 11. The groundbreaking will take place the week of October 24.

### **Neighborhood Stabilization Program 1 (NSP1)**

Habitat for Humanity is building five (5) homes this summer as part of our NSP1 program. The following homes are complete:

116 E. 7<sup>th</sup> Street

715 E. 6<sup>th</sup> Street

548 W. 6<sup>th</sup> Street

The foundation, platform, and framing are complete at 616 E. Battell Street; the foundation will soon be excavated at 550 W. 6<sup>th</sup> Street.

One of our rehabbed homes, 717 W. 7<sup>th</sup> Street, has been rented. Ms. Timmer said she will present a lease agreement for 313 W. 8<sup>th</sup> Street at the next Commission meeting. NSP Coordinator Dave Thomas is verifying an applicant's income for 718 W. 7<sup>th</sup> Street and it is anticipated the lease will be presented next month as well.

Seventeen lots were acquired with NSP1 funding, and homes have been built or rehabbed on fourteen of those sites. Of the three remaining properties, one First Time Homebuyer house and two Habitat for Humanity homes will be constructed next summer. That will finish off the NSP1 grant.

### **Neighborhood Stabilization Program 3 (NSP3)**

Ms. Timmer said we have a contract with the Indiana Housing and Community Development Authority to acquire and demolish 13 blighted structures. To date, four properties have been appraised and have received permission from the State Historic Preservation Officer to demolish two of those sites: 217 W. 8<sup>th</sup> Street and 611 E. Broadway.

Due to the difficulty we're encountering in acquiring properties, George Obren, Dave Thomas and I will meet with Dave Bent to discuss our options, such as eminent domain.

Summer of Service Program

The final Summer of Service Building Block project took place this past weekend. Volunteers from Harris Prairie Church in Granger repaired and vinyl-sided the garage at 205 E. LaSalle Street. The other homes that were repaired over the summer were:

1002 Lincolnway East	Oak Creek Church
330 Park Avenue	Rivervalley & Epic Churches
918 Charlotte Street	Evangel Heights Church
427 Wenger Street	Faith Community Church
540 N. Logan Street	First United Methodist
2357 N. Main Street	Vineyard Community Church

Emergency Demolition - 1110 West Fourth Street

On August 16th the Board of Public Works and Safety declared an emergency situation due to the public health hazard posed by the property located at 1110 W. 4<sup>th</sup> Street. The structure was condemned and ordered demolished by the Building Commissioner, Bo Hundt, and Mr. Gourley concurs with and supports such action.

Based upon the urgency of the situation, the Department of Community Development solicited three (3) sealed demolition quotes. The results of the quote opening were as follows:

Torok Excavating (South Bend)	\$ 5,900.00
Ritschard Brothers Excavating (South Bend)	\$16,506.00
R & R Excavating (Mishawaka)	\$ 9,155.00

The contract for the demolition and removal of the structure located at 1110 W. 4<sup>th</sup> Street was awarded to Torok Excavating of South Bend, Indiana, the lowest, most responsive and responsible quoter. The amount of the not-to-exceed contract for demolition, clearance, grading and seeding is \$5,900.

The structure was demolished on Thursday, August 18<sup>th</sup>. Grading and seeding will take place this week. An attempt was made to purchase the property from the owner, but the offer was rejected. A lien will be placed against the property for the cost of demolition.

### **FIRST TIME HOMEBUYER PROGRAM**

We closed on the property at 311 Cleveland Street on August 16<sup>th</sup>. A closing is scheduled for 611 E. Third Street on September 7<sup>th</sup>. We anticipate closing on the other two properties, 510 W. Tenth Street and 407 W. Sixth Street by the end of September. We have a fifth lot available for this year's program, but we may have to hold onto it for the summer of 2012.

### **SUBORDINATION REQUEST**

Client #839 is a First-Time Homebuyer from Program Year 2004. He would like to refinance the home. The present mortgage has a balance of \$67,959 at 6.250% interest, with monthly payments of \$602.00 (taxes and insurance are escrowed). He has 280 payments remaining. The new mortgage will be a 15-year (180 payments) fixed rate loan at 3.875% interest, with payments of \$642.85 per month (both taxes and insurance, totaling \$130 per month, will be escrowed). The homeowner will save \$39,847 in interest over the next 15 years. The new mortgage will pay off the previous mortgage and cover closing costs. There is no cash out. Commissioner Mammolenti moved to approve the Subordination Request for Client #839. Commissioner Troiola seconded; motion carried.

### **ANYTHING BROUGHT BEFORE THE COMMISSION**

At the September 2010 meeting, Ken Prince presented the Hillis Hans Park Neighborhood Development and Stabilization Plan for the Commission's approval. Mr. Prince said the area has experienced an increase of criminal and gang related activity in the past several years and much of it is due to the deterioration of the property. Significant improvements have not been made to either Hillis Hans Park or Parkview Terrace Apartments in several decades.

The City has completed multiple plans for stabilizing and redeveloping this neighborhood including improvements to Hillis Hans Park. Upgrades to the park included installation of new playground equipment, construction of a pavilion for use by local residents and the addition of

walking trails and sidewalks within the park. Those improvements have been completed. The owner of Parkview Terrace, Evergreen Real Estate Services, LLC, plans to extensively rehabilitate the apartments with the federal tax credits they received. Evergreen currently has budgeted \$3,200,000.00 for the renovations.

As part of the original presentation last September, Mr. Prince stated that the City would construct four single family homes on property that is currently owned by Parkview Terrace. The property is vacant and currently serves as overflow parking for the apartment complex, but is not necessary to meet the needs of the complex. Habitat for Humanity of St. Joseph County will build the houses; the subsidy from the City would have been derived from South Side TIF funds.

Evergreen Real Estate included subsidies for the four homes as part of their tax credit application. Therefore, a subsidy from the City is no longer needed. The language in the Development Agreement between the Redevelopment Commission and Evergreen Real Estate Services has been modified. It now states that the City, acting by and through its Redevelopment Commission, has no financial obligation for the four single family homes that Habitat for Humanity will construction (page 8). It further states that by completing the improvements to Hillis Hans Park, the City has met its obligation and no further improvements are required.

The recommendation is that the revised Development Agreement and Neighborhood Development and Stabilization Plan for Hillis Hans Park Neighborhood, By and Between the City of Mishawaka Redevelopment Commission and Evergreen Real Estate Services L.L.C. be accepted. Commissioner Mammolenti moved to accept the change in the Development Agreement between the Redevelopment Commission and Evergreen Real Estate Services. Commissioner Troiola seconded; motion carried

David Vollrath, member of the Historic Preservation Commission said he plans to attend regularly to make sure the HPC and Redevelopment Commission can work together to save historic structures.

Mrs. Timmer asked Mr. Vollrath how the HPC could help. Would they provide monetary assistance to the Redevelopment Commission?

Mr. Vollrath said they just want to be aware of any historic homes that might be coming down and maybe the Redevelopment Commission needs to be updated on the view of what is considered “old.”

**NEXT MEETING**

The next regular meeting of the Redevelopment Commission will be Monday, September 26, 2011 at 6:30 p.m. in room 205.

The meeting was adjourned at 7:55 p.m.

Respectfully submitted:

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Kari Myers, Administrative Planner

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M. Gilbert Eberhart, President

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Lory L. Timmer, Community Development Director