

REDEVELOPMENT COMMISSION MEETING

September 26, 2011

The regular meeting of the City of Mishawaka Redevelopment Commission was called to order at 6:30 p.m., Monday, September 26, 2011, in Room 205, City Hall, 600 East Third Street, Mishawaka, Indiana. Commissioners Eberhart, O'Dell, Troiola, Mammolenti, and Gebo were present. Commissioner Stillson was absent. Also in attendance: Lory Timmer, Community Development Director; John Gourley, Legal Counsel; Kari Myers, Administrative Planner.

Commissioner Troiola moved to approve the minutes of the August 22, 2011, meeting. Commissioner Mammolenti seconded; motion carried.

Mrs. Timmer presented the following Resolutions for consideration:

RESOLUTION 2011-12: RESOLUTION APPOINTING 2012 COMMUNITY DEVELOPMENT DEPARTMENT STAFF

This is the annual resolution submitted to the Controller for appointing Community Development Department staff. There are no changes from the 2011 positions. Commissioner O'Dell moved to approve Resolution 2011-12. Commissioner Mammolenti seconded; motion carried.

RESOLUTION 2011-13: FIXING THE 2012 SALARIES OF COMMUNITY DEVELOPMENT DEPARTMENT STAFF

This annual resolution is submitted to the Controller fixing Community Development Department staff salaries. There will be a two and one half percent (2.5%) raise for City staff in 2012, and that is reflected in the figures on the resolution. Commissioner Mammolenti moved to approve Resolution 2011-13. Commissioner Gebo seconded; motion carried.

RESOLUTION 2011-14: DISPOSING OF THE VACANT LAND NORTH OF 420 LINCOLNWAY WEST

The Commission accepted the bid of \$5,000 and approved the sale of this vacant parcel at the July 25, 2011 meeting. The new owner will use the space for parking. Commissioner O'Dell moved to approve Resolution 2011-14. Commissioner Troiola seconded; motion carried.

RESOLUTION 2011-15: ACQUISITION OF THE PROPERTY LOCATED AT 410 WEST NINTH STREET

This property is part of the NSP3 strategy area. It has been vacant for almost a year. The current owner purchased it at a tax sale, but has done nothing with the property. After acquiring it, they saw that the condition was too substandard to proceed with rehabilitation. The average of two appraisals, less 1% as required by NSP3 guidelines, is \$24,502.50. The Department offered this amount, and it was accepted by the owner. We will close on the property within 30 days, and then proceed with demolition. The lot will be used for the City's First Time Homebuyer Program. Commissioner Mammolenti moved to approve Resolution 2011-15. Commissioner O'Dell seconded; motion carried.

RESOLUTION 2011-16: ACQUISITION OF THE PROPERTY LOCATED AT 611 EAST BROADWAY STREET

This property is part of the NSP3 strategy area. It has been vacant for over two years, and was offered for sale through HUD. It is in severely substandard condition, and therefore unsuitable for rehabilitation. The average of two appraisals, less 1% as required by NSP guidelines, is \$26,730.00. The Department placed an on-line bid for the property and acquired it for \$13,500.00. We will close on the property within 30 days, and then proceed with demolition. The house will be used for the City's First Time Homebuyer Program. Commissioner Troiola moved to approve Resolution 2011-16. Commissioner Mammolenti seconded; motion carried.

RESOLUTION 2011-17: ACQUISITION OF THE PROPERTY LOCATED AT 2604 MILBURN BOULEVARD

This house is located on a double lot at the corner of Milburn Boulevard and Geyer Avenue. It isn't in our NSP3 target area, but it is in our Milburn Boulevard Neighborhood Improvement area. The property has been vacant for several years because the last tenant cooked methamphetamines in the house. Per the Indiana Administrative Code, before anyone can safely enter the home, let alone live in it, the meth must be remediated. The owner is unable to pay an IDEM certified contractor to do this and the property has fallen into disrepair. The average of two appraisals was \$54,000; we offered \$25,000 and the owner accepted. We will close on the property within 30 days, and then proceed with demolition. The site will be used for the City's

First Time Homebuyer Program as either one lot or two. Commissioner Mammolenti moved to approve Resolution 2011-17. Commissioner O'Dell seconded; motion carried.

RESOLUTION 2011-18: ACQUISITION OF THE PROPERTY LOCATED AT 850 EAST FOURTH STREET

This commercial property is located near the intersection of East Fourth Street and South Merrifield Avenue. The site has had numerous code violations, and really isn't suitable for the surrounding residential neighborhood. In 2008 the owner of the vacant lot at East Fourth and South Merrifield donated that property to us. Because the City is planning to realign that intersection, we accepted the donation. The owner of the commercial site to the west approached the City with the offer to sell to us. The acquisition of this property will give us more area for improving the intersection and will remove a non-conforming building from the neighborhood. After the intersection work, any remaining property to the west will be used for a new construction home. The average of two appraisals was \$101,500.00, and the owner accepted that price. Northwest TIF funds will be used for acquisition. Commissioner O'Dell moved to approve Resolution 2011-18. Commissioner Mammolenti seconded; motion carried.

RESOLUTION 2011-19: DISPOSING OF PARCEL 45 AT THIRTEENTH STREET AND SOUTH UNION STREET

This resolution approves the conveyance of a partial piece of land owned by the Redevelopment Commission to the City of Mishawaka for realignment of the intersection at Twelfth Street and Union Street. Commissioner Troiola moved to approve Resolution 2011-19. Commissioner Gebo seconded; motion carried.

RESOLUTION 2011-20: DISPOSING OF PARCEL 17 AT THIRTEENTH STREET AND SOUTH UNION STREET

This resolution approves the conveyance of a partial piece of land owned by the Redevelopment Commission to the City of Mishawaka to create a cul-de-sac off of Thirteenth Street. Commissioner O'Dell moved to approve Resolution 2011-20. Commissioner Mammolenti seconded; motion carried.

Mrs. Timmer provided the following updates to the Commissioners:

TIF UPDATES

Edison Road and Grape Road Intersection Improvements

This project was awarded to Niblock Excavating. The contractor is currently relocating the traffic signal at the Edison / Grape Road intersection.

Church / Main Street Connector

Rieth-Riley has completed the northbound lanes and has removed the pavement from the southbound lanes from Lincolnway to the bridge. New storm sewer along Church Street is nearly complete. The new portion of the police station parking lot is ongoing. Construction of the new police memorial should begin within the next few weeks, as should asphalt paving of the lot. Reconstruction of Main Street, between Church and First, is expected to begin in early October. This work will include installation of a new water main, sanitary sewer and storm sewer. All construction in the corridor is expected to be completed near the end of November.

Douglas Road Medical Park, PH II - Construction

The contractor is John Boettcher Sewer & Excavation. Bridge, sanitary sewer and storm sewer are complete. Installation of the watermain is in progress. The mainline concrete pavement is scheduled for mid-October.

Edgewater Drive Improvements - Construction

Niblock Excavating is the contractor. The curb, sidewalk and drive approaches are complete on Edgewater Drive. The base and binder bituminous pavement are currently being placed.

NEIGHBORHOOD PROGRAMS

Mishawaka River Center Apartments

Bids were made available to the 10 pre-qualified general contractors on September 9th. Three contractors - Ancon, D.J. Construction and Thompson Thrift - have removed themselves from the bidding process. On September 13th the contractors were invited to an informational meeting on site. We had open hours on September 15th and 21st to allow the contractors to thoroughly

investigate the building with their subcontractors. On September 28th they'll be allowed to walk-through for the final time. 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 3 (NSP3)

We have a contract with the Indiana Housing and Community Development Authority to acquire and demolish 13 blighted structures. To date, appraised five (5) properties have been appraised and have received permission from the State Historic Preservation Office to demolish four (4) of those sites: 217 W. 8th, 210 W. 9th, 410 W. 9th and 611 E. Broadway Streets.

An offer of \$25,000 was made on 217 W. 8th Street, but the offer was rejected by the owner because it would leave him upside-down with his mortgage.

The property at 210 W. 9th Street appraised at \$45,000. All properties acquired for demolition with NSP3 funds have to be blighted, and we didn't feel that we could make the argument that this property was in substandard condition. Therefore, we will not acquire this property.

The properties at 410 W. 9th and 611 E. Broadway will be acquired and demolished.

We are waiting for approval from the State Historic Preservation Office to acquire and demolish 511 W. 6th Street.

Mrs. Timmer said due to the difficulty she's encountered in acquiring properties, she met with George Obren, Dave Thomas and I met with Dave Bent to discuss options. We are very limited in that we really can't use eminent domain to acquire a property, build a house on it and sell it to a private individual. Eminent domain is intended for public works projects. Our only new option is to check with the courts to get the name of the attorney involved in the foreclosure on a specific property, and approach them with an offer to acquire the lot.

CDBG PROGRAM YEAR 2012 BUDGET

The Department anticipates receiving a total of \$581,506 in Community Development Block Grant funds for 2012. This includes \$495,983 from the actual grant, \$20,000 that will be carried over from the 2011 grant to cover salaries for several months, and \$65,523 in program income. All of these figures are estimates based on past receipts. The sources and recommended uses of funding are presented for approval:

SOURCES

CDBG Entitlement	\$	495,983
PY 2011 Remaining Funds	\$	20,000
Estimated 2012 Program Income	\$	<u>65,523</u>
Total	\$	<u><u>581,506</u></u>

USES

Administrative	\$	94,000
South Bend Consortium Fee	\$	5,000
Fair Housing Workshop	\$	2,000
Human Rights Commission	\$	5,000
Spot Blight Elimination	\$	30,000
Spot Blight w/ Intent to Rebuild	\$	258,221
Self-Sufficiency Program	\$	57,500
Public Infrastructure Improvements	\$	51,285
Owner-Occupied Rehab	\$	5,500
Summer of Service	\$	18,000
Sub-Recipients		
FCC Counseling and Development	\$	9,500
Penn Township Food Pantry	\$	4,000
Boys and Girls Club After School Programs	\$	22,500
Stone Soup Community	\$	2,000
REAL Services Older Adult Crime Victim Program	\$	5,000
REAL Services Adult Guardianship	\$	5,000
YWCA	\$	<u>7,000</u>
Total	\$	<u><u>581,506</u></u>

Because entitlement programs are facing scrutiny in Congress and the Senate, we are unsure of how much our CDBG and HOME funding will be cut in 2012. HUD has advised us to prepare our budgets based on 2011 figures, and that is what we have done. However, as a back-up measure a budget was created with the City Controller that would utilize City funds. It will have to be approved by the Council, and it is understood that it would only go into effect if our HUD funding was reduced to the point that we couldn't pay salaries or fund activities.

1 PERSONAL SERVICES			
<u>Salaries and Wages</u>			
411-01	Director	58,825.00	
	TIF Construction Manager	55,677.00	
	Program Construction Manager	50,420.00	
	NSP Coordinator	46,125.00	
	Program Coordinator	35,317.00	
			246,364.00
SUPPLIES			
2 <u>Office Supplies</u>			
421-90	Office Supplies	1,000.00	
			1,000.00
OTHER SERVICES AND CHARGES			
3 <u>Professional Services</u>			
431-09	Professional Services	241,500.00	
<u>Communication and Transportation</u>			
432-03	Travel and Training	2,000.00	
			243,500.00
			490,864.00

In 2011 we provided \$58,500 in funding to non-profits, and in 2012 we are reducing that amount to \$55,000 in anticipation of funding cuts. We can allocate as much as 15% of our CDBG and program income, which amounts to \$84,000 if funding remains the same. Allocations to public service agencies are comparable to what was allocated in 2011, with some exceptions: The Center for the Homeless Kitchen Improvement Project is complete so CFH didn't request funding for this year; Boys and Girls Club is being reduced from \$30,000 to \$22,500; and, we are asking your permission to add the Penn Township Food Pantry. This funding would be contingent upon them receiving 501(c) 3 status as a non-profit. Their application is currently being reviewed by the IRS, and if everything is in order they anticipate being confirmed by the end of 2011.

Habitat for Humanity of St. Joseph County requested \$400,000 for assistance in acquiring property to relocate the Mishawaka ReStore. However, that doesn't fall under Public Service Agency funding, so their request is being denied.

Mrs. Timmer said a request was received from Roaring Prophets Ministries to help provide after-school tutoring and job training. The Commission decided not to provide funding of the program at this time.

FIRST TIME HOMEBUYER PROGRAM

We closed on the property at 611 East Third Street on September 8th and on the property at 407 West Sixth Street on September 21st. Our fourth and final closing will take place on September 29th for 510 W. 10th Street. We have a fifth lot available for this year's program, but we may have to hold onto it for the summer of 2012.

NEXT MEETING

The next regular meeting of the Redevelopment Commission will be Monday, October 24, 2011 at 6:30 p.m. in room 205.

The meeting was adjourned at 7:50 p.m.

Respectfully submitted:

Kari Myers, Administrative Planner

M. Gilbert Eberhart, President

Lory L. Timmer, Community Development Director