

REDEVELOPMENT COMMISSION MEETING

December 19, 2011

The regular meeting of the City of Mishawaka Redevelopment Commission was called to order at 6:00 p.m., Monday, December 19, 2011, in Room 205, City Hall, 600 East Third Street, Mishawaka, Indiana. Commissioners Eberhart (arrived at 6:15), O'Dell, Troiola, Mammolenti, Gebo, and Stillson were present. Also in attendance: Ken Prince, City Planner; John Gourley, Legal Counsel; Kari Myers, Administrative Planner, Robert Stephens and Dennis Murphy, Prime Development; and Kevin Novak and Steve Murphy of Retail Property Development.

EXTENSION OF MEMORANDUM OF UNDERSTANDING WITH PRIME DEVELOPMENT

Mr. Prince discussed extending the MOU with Prime Development for six months in order to allow any new Redevelopment Commission members to get up to speed on the project.

Dennis Murphy, Prime Development, said they are working with two interested parties to occupy the restaurant and they hope to open in the spring. He said he was unable to disclose the names of the parties due to signing a confidentiality agreement. Mr. Murphy also said there is interest in office users and one may want one whole floor.

Mr. Murphy said they are working with a broker on another building, 36,000 – 38,000 sqft, a mixed use building overlooking part of the park.

Commissioner Mammolenti asked about the timeline for the restaurant. Mr. Murphy said they were discussing an April or May opening.

Bob Stephens said he has sampled the chef's skills and has met the lead partner. He said they are locally owned and the concept will be family oriented. He said part of the problem has been the tough market and how hard it is to fund a restaurant. The interested party has investors involved.

Commissioner O'Dell asked how does do you access the upper floors? Mr. Murphy said everyone enters through the front doors and there is a separate entrance for the offices.

Commissioner Gebo moved to extend the Memorandum of Understanding with Prime Development for six months. Commissioner Troiola seconded; motion carried.

EXTENSION OF MEMORANDUM OF UNDERSTANDING WITH RETAIL PROPERTY DEVELOPMENT

Mr. Prince discussed extending the MOU with Retail Property Development for an additional six months. Kevin Novak and Steve Murphy were in attendance to provide the Commissioners with an update on their progress so far.

They said they are hoping for a grocery anchor to solidify the development and drive traffic to the area and that's where their focus has been for the past 5 months. Mr. Murphy said they started local and reached out of 5 companies and three do not have any interest at this time. He said they are still

in conversation with two; one local and one national and they don't expect a decision within 90-120 days.

Commissioner Mammolenti asked if their current timetable for development is comparable to the original. Mr. Murphy said yes and still thinks the 12-18 month timetable is realistic.

Commissioner Stillson asked if they anticipated a change in their business plan. Mr. Murphy they are looking for an urban market grocery store that can fit in around 30,000 sqft and that takes large firms out of the equation.

Commissioner Troiola recused himself from voting.

Commissioner Mammolenti moved to extend the Memorandum of Understanding with Retail Property Development. Commissioner Gebo seconded; motion carried.

PURCHASE AGREEMENT/APPROVAL OF APPLICANT FOR 519 W 6TH STREET

After extensive leg work with our HUD rep, Michelle Kincaid, it been determined that our first time homebuyer applicants for 519 W 6th Street do not qualify for this program. The household income exceeds the Income Limits set forth by HUD for 2011.

PURCHASE OPTION AGREEMENT FOR 511 W 6TH STREET

Sharon Hileman has agreed to sell the City of Mishawaka her property at 511 W. 6th Street for the amount of \$26,250.00. NSP 3 funds will be used to purchase and demolish the property and then deed the property to Habitat for Humanity for a build in 2012. This property has been a continued Code Enforcement problem for several years. It is unoccupied and has been used as a storage facility for Ms. Hileman over the course of the last 10 years. The property is in disrepair on the inside and the outside is cluttered and in need of significant repair. We have done our due diligence to determine that this property qualifies as blighted and have received the blessing to purchase from the state.

PURCHASE OF 426 W. 9TH STREET

We have offered to purchase 426th W. 9th Street from John Piraccini for \$40,005. The appraisals for this property came back at \$41,000 and \$40,000, respectively. This property will be demolished and proposed as a First Time Homebuyer Lot.

Mr. Piraccini has not officially accepted the offer we have extended to him, but based on prior conversations, he is expected to accept. He has requested to close prior to the first of the year. If/when he signs the purchase agreement I will have to have the agreement signed by the commissioners outside of this meeting.

LOAN SUBORDINATION AGREEMENTS

INOVA FCU is requesting that the Commission agree to subordinate the amount of \$7,787.00. Attached is an explanation of the request from INOVA:

Client #972 would like to refinance her primary mortgage with GMAC Mtg of Waterloo, Iowa. The present mortgage has a balance of \$23,367.85 at 7.375% interest, with monthly payments of \$318 (insurance and taxes not currently escrowed). She has 76 payments remaining. The new Mortgage

will be a 15 year (180 payments) fixed rate loan at 4.875% interest, with payments of \$324 per month (insurance and taxes will be escrowed) The new mortgage will pay off the previous mortgage and cover closing costs. There is \$200 cash out. Considering that insurance and taxes will now be included in the mortgage payment, the client will save approximately \$94 per month if she refinances.

Commissioner Mammolenti moved to approve the loan subordination for Client #972.
Commissioner Troiola seconded; motion carried.

MISHAWAKA RIVER CENTER APARTMENTS

Mr. Prince presented the Memorandum of Understanding regarding the proposed tax credit funding for the Mishawaka River Center Apartment Project. This agreement outlines the basics of the development, how funding will be provided, who is responsible for what, and how the project will be turned over to the Mishawaka Housing Authority for operation and maintenance. Anne Mannix from Neighborhood Development Associates, the City's tax credit consultant on the project presented the list of documents that required the signature and approval of the Commission, with a brief explanation of each. Similar to the closing on a house, the number of documents are extensive, and given the complexity of the deal, the number of documents required on this project are more extensive. Mr. Prince indicated that the plan was to close on the tax credits on Thursday December 22nd in Indianapolis. In order to facilitate the closing in this period of time, it would require the Commission to authorize the President and/or Vice President and Secretary to sign the necessary closing documents as presented, in addition to others that may be generated by counsel.

Following review and discussion, Commissioner Gebo moved approval the Memorandum of Understanding and the authorization of the President and/or Vice President and Secretary to sign the necessary closing documents on behalf of the Commission. Commissioner Troiola seconded; motion carried.

DISPOSITION OF VACANT PARCEL EAST OF 122 NORTH WEST STREET

Under anything else brought before the Commission, Mr. Prince identified that upon review, the parcel was advertised appropriately and that the Commission could choose to award the bid for the property if desired. At the November Meeting, the Commission received one bid for an unbuildable vacant lot east of 122 North West Street. This is a remnant parcel that remains after selling the vacant parcel north of 420 Lincolnway West. The parcel appraised for \$5,000 and the bid offered by the adjacent property owner, Gail Pearson was for \$1,000.

Commissioner Mammolenti moved to sell the vacant parcel east of 122 North West Street for \$1,000 to the lone bidder and adjacent property owner. Commissioner Gebo seconded; motion carried.

NEXT MEETING

The next regular meeting of the Redevelopment Commission will be Monday, January 23, 2012 at 6:30 p.m. in room 205.

The meeting was adjourned at 7:00 p.m.

Respectfully submitted:

Kari Myers, Administrative Planner

M. Gilbert Eberhart, President

Kenneth B. Prince, City Planner