

REDEVELOPMENT COMMISSION MEETING

June 24, 2013

The regular meeting of the City of Mishawaka Redevelopment Commission was called to order at 6:30 p.m., Monday, June 24, 2013, in Room 205, City Hall, 600 East Third Street, Mishawaka, Indiana. Commissioners Eberhart, O'Dell, Buraczewski, Ermeti, Pingel, and Stillson were present. In addition to members of the public, the following were also in attendance: David Thomas, Community Development Director; Ken Prince, City Planner; and Marilyn Nelums-Jones, Program Coordinator.

Commissioner O'Dell moved to approve the minutes of May 29, 2013, meeting as circulated. Commissioner Pingel seconded; motion carried.

Development Agreement with Barak Group

Nir Davison, Barak Group, said they purchased the Mishawaka Avenue (Grove, Elizabeth, Main) properties several months ago and is hoping to bring a broader perspective to downtown. Mr. Davison explained he plans to invest \$8,000,000.00 in the first phase and a total of \$15,000,000.00 by the time it's complete.

Mr. Davison said he is proposing to build 60 to 80 apartments on the property and hopes to target "upwardly mobile", middle income and up. Tenants would park in a ground-level garage with a second floor courtyard above. There would also be some retail along Mishawaka Avenue with perhaps a dry cleaner, boutique, or café.

Mr. Davison introduced Scott Sivan the architect for the project. Also in attendance were Lana Layland, Tom Cook, and Mike Coty.

James Cierzniak, 1518 Pinetop Trace, asked if it would be leased or for purchase. Mr. Davison said it will be both. They are studying the percentage of rentals and purchasable units in the area. They are split into two units per module that can be sold or rented.

Mr. Davison said they are studying the statistics of rental vs. purchase. This project will be offering a different product than the condos across Mishawaka Avenue that are still vacant; 1-2 bedrooms with built-in and support facilities... a complete complex.

When asked about the apartment building on Mishawaka Avenue, Mr. Davison said he has acquired and it will be demolished.

Rev. Lynn Jebson, Mishawaka Resident, said he views it as a wonderful project that will enhance downtown Mishawaka and he commended the City and Barak Group for all they are doing.

Mike Compton, 5th District Council, asked where the underground parking will be accessed. Mr. Davison said it is actually above ground but with no harm of flooding. Units will be built above parking. A small basement may be dug for a fitness area.

Mr. Davison said there will be 60-80 units, high end design with a feeling of living standard for middle class professionals.

Matt Mammolenti, At-Large, thanked Mr. Davison for his presentation. He asked how high will the elevated courtyard be and how would children be protected. Mr. Sivan said the elevated courtyard would be approximately 12' high and will have railings for a contemporary look.

Kate Voelker, 4th District Councilwoman, asked how it would fit into the neighborhood. She said it looks like it would work in other countries, but in her opinion doesn't work with this neighborhood. She said she was also concerned that the buildings would not be of a quality that would last.

Mr. Sivan said similar projects have been done in Europe. They have designed this to fit closely with the existing design of the neighborhood. He also said they will be held accountable by the City for what they present and have worked hard on the design on building materials and execution.

Jerry Frost, local business owner, said he thinks it's a great idea. He said his staff goes a great distance to find housing and this will allow them to get to work earlier and stay later.

Ken Prince briefly discussed the development agreement. He said the first stop will set parameters as we move forward. He said the property needs to be rezoned and assuming approval, alleys will be vacated. A tax abatement will likely be sought; probably in September.

Mr. Prince said the developer will need to provide documentation for funding (50% of the project), proof of \$8,000,000.00 prior to purchase. He said the City will need surety or proof; \$200,000.00 assurance bond or letter of credit.

Mr. Prince said construction could start in September, 2014 with an estimated construction timeline of 18 months. The total project could take a total of 6 years based on market conditions.

Mr. Prince said street improvements would need to be made within the public right-of-way and all utilities needed for the project are adjacent. He said Gary West would identify any other infrastructure improvement that would be required.

Commissioner O'Dell asked who is responsible for the property that Barak owns. Mr. Prince said The Barak Group is totally responsible for the demolition of the apartment building and relocation of the tenants. It's entirely their obligation.

The Commission asked if the project will devalue the existing condos. Mr. Prince said it's his opinion that the more you add the more you enhance if done correctly.

Commissioner O'Dell moved to accept the Development Agreement. Commissioner Pingel seconded; motion carried.

Commissioner Stillson stated it has been a pleasure to sit and take part in the discussion and thinks this project will enhance both the City of Mishawaka and School City of Mishawaka.

Penn Township – Potential Property Disposal

Mr. Prince said property directly west of the Penn Township Food Pantry is available. He suggested disposing of it by way of public property or infrastructure for the Food Pantry to operate a community (unity) garden.

Mr. Prince said he would like to go forward with an agreement with the Food Pantry; there's no need for an outside water tap and will add to the continual improvement of the character in that area. As part of the design, it would have raised beds and all soil will be brought in; nothing planted would draw anything from the soil. The only concern is of the underlying conditions of it being a former gas station.

Commissioner Ermeti moved to approve the development agreement of former brake shop property with the Penn Township Food Pantry. Commissioner O'Dell seconded; motion carried.

TIF Excess Funds

Mr. Prince said South Side TIF collects approximately \$900,000.00 per year and just released for South Gateway Project, 12th Street for widening, street lighting, etc.

Northwest TIF generates approximately \$20,000,000.00 per year with \$3,000,000.00 going to wastewater debt. The money goes quickly and historically the City has tried not to borrow money for projects.

Downtown Parking Study Review

Mr. Prince presented the Downtown Parking Assessment. When not used it could be used to handle events and will better market downtown properties; amount of yield per block, 44 sqft of building property if a parking garage is not built.

Mr. Prince said he would like the blessing of the Commission to proceed. Commissioner O'Dell moved to move forward with the parking garage concept. Commissioner Ermeti seconded; motion carried.

Update on Mishawaka River Center Apartments

Mr. Prince commented on the water/moisture issues at the apartments. Moisture under the VCT has caused water damage/mold and buckling of floors. We'll issue a \$70,000.00 change order to correct the issue and in order to do so will need to move two residents from the 2nd and 3rd floor.

Mr. Prince said renting the spaces has been difficult and said that Anne Mannix has suggested the City hire a consultant to help with leasing since the traditional marketing is not working.

Summer of Service Applicant Approval

Mr. Thomas presented information for Summer of Service applicant. Commissioner Ermeti moved to approve as presented. Commissioner Pingel seconded; motion carried.

Anything Else Brought Before the Commission

Mr. Thomas discussed Autumn Ridge and said the property would be donated directly to the Redevelopment Commission. He asked that the Commission accept the property and deed to Habitat for Humanity. Commissioner Pingel moved to approve as presented. Commissioner Ermeti seconded; motion carried.

Mr. Thomas said First Time Homebuyer home at 2604 would be closing and asked the Officers to execute the Purchase Agreement and Warranty Deed.

Next Meeting

The next regularly scheduled meeting will be held July 22, 2013, at 6:30 p.m.

The meeting was adjourned at 8:23 p.m.

Respectfully submitted:

Marilyn Nelums-Jones, Program Coordinator

M. Gilbert Eberhart, President

David Thomas, Community Development Director