

## **REDEVELOPMENT COMMISSION MEETING**

September 23, 2013

The Regular meeting of the City of Mishawaka Redevelopment Commission was called to order at 6:31 pm; Monday, September 23, 2013, in Room 205, City Hall, 600 East Third Street, Mishawaka, Indiana. Commissioners O'Dell, Ermeti, Buraczewski and Pingel were present. The following were also in attendance: Scott Sivan of the Barak Group, LLC; Attorney Richard J. Deahl representing the Barak Group; Attorney Robert Beutter; Ken Prince, City Planner; David Thomas, Community Development Director; Marilyn Nelums-Jones, Program Coordinator; Citizens, Mr. and Mrs. Jim Cierzniak.

### **APPROVAL OF AUGUST 2013 MINUTES**

Commissioner Pingel moved to approve the minutes of August 26, 2013, meeting as circulated. Commissioner Ermeti seconded; motion carried.

### **MEMO FROM KEN PRINCE REGARDING RESOLUTION 2013-04**

Commissioner Buraczewski asked if letter was to provide support – Ken Prince explained in further detail that it was essentially left blank (application) until a letter of support was provided. Abatement for the property was appropriate. Commissioner Buraczewski commented that it was very well written. With property tax caps with condo sales – first 40-46% is equivalent to the caps. To have incentive for someone looking to buy you would have to go higher than those percentages.

### **BARAK GROUP LLC TAX ABATEMENT APPLICATION**

Comments from Citizen Jim Cierzniak stated that it seems like the proposed abatement is “a Cadillac plan”. It seems to him that what is being granted is a very high price abatement. He wanted to know if this is appropriate at this level and what were the Commission’s thoughts on it.

Commissioner O'Dell says it's aggressive but fully supports this formula; Ken Prince says we have granted longer abatements. We were not allowed to adjust percentages up until this last year. First year state law has given us the ability to amend those percentages. Commercial unit is taxed at a different rate and so on. Owner occupied is higher abatement. If you would reduce it below 45% the abatement has no use because of property tax cap. Under normal tax abatement the Redevelopment Commission would not hear it – the Common Council would. TIF district, Redevelopment has control of those funds. Main Street Underpass was the last project. Revenue being generated is relied upon to pay off bond.

Jim Cierzniak asked what is the expected price of the town home? What is the apartment rental rate? Are you going to relocate the car dealership? Is the 711 the type of retail wanted in that block or something higher end? Mr. Cierzniak does not see the attraction of that particular block outside the view to the South.

Attorney Deahl stated it is a unique project with unique features. This project is mixed between condo units and rental units. They are seeking the recommendation to the Council to designate it an economic revitalization target area. It will house approximately 140 residents. It is a highly residential component, abatement. In order to reach objectives-there will be a bridge period during construction. They are requesting five year abatement, no income and in the following years there will still be some percentage phased in for tax liability.

Questions regarding development – Scott Sivan representing Barak (Architect) – regarding location he believes that it is a fantastic location in relation to the Riverwalk and the downtown area and will be a significant attraction.

There are no town houses on the property. It will be a three story building above entrance level split into apartments. It is more appropriate for the market sought. There is a potential to turn it into town homes is easy, 4 story buildings with ground parking, appropriate for the location. Most are 2 bedrooms (largest percentage) derived from intensive market research. The fundamental demographic is 2 bedrooms for a professional class of people with appropriate economic means to rent/buy with some type of lease option to buy. 60% are 2 bedrooms and the remaining are 1 bedroom (76 units), smaller after market research. They are split 50/50 between rentals and condos. In his vision he sees it alive. With people living there it will change the entire dynamics. They have an agreement to do it in phases, but are going to try and do it all in one phase for several reasons. The psychological aspect of having a full building done will be a stronger impact on the City of Mishawaka. As they sell they will also rent in order to have a full building (90%) plus. They have already approached national retailers regarding the site. It's early until they actually see construction. They chose not to name these retailers nor reveal price points at this time. It's all market rate – plus. It is very competitive and the best product for the value bought. Higher quality product for the price actually paid. It is designed intelligently. The Building is fully elevated. It will be no more than 2 ½ doors from the elevator to reach your unit. The quality is high and the price attractive both on rental and sale levels. It has been tested by local people (Landscapers, Lawyers, Accountants, Professionals, etc.) They hope to start marketing in the middle of the winter and would like to start building in June or July. They will not just market the project, but will market Mishawaka as well. It will have amenities that no other project has including a gym, market and coffee shop onsite. There will be covered parking and it will be a secure building. Regarding the "711" Convenience Store, it is not realistic financially at this point to take on buying that property.

#### **RESOLUTION 2013-04**

Commissioner Pingel motioned to approve Resolution 2013-04; Commissioner Ermeti seconded; motion carried.

#### **UPDATE ON COMMUNITY GARDEN AND LED SIGNS**

Ken Prince stated that construction documents have been created. The proposed sculpture has been visited. There are still details to be worked out. There needs to be a development agreement with Community Gardens. The property will be maintained by the Food Pantry and the easement will be kept

if sculpture is acquired. He presented an example of LED sign, the average life is 7-10 years. It will be affixed. There will be a cost of \$80,000 or more dollars for the two signs.

#### **DILTZ OWNED PROPERTY DOWNTOWN BETWEEN IRENE'S AND SCOOBIE'S RESTAURANTS**

Rick Springer and the Parks Department have delivered gravel and the picnic tables are placed. We have entered into a contract for the fence to be installed, and it should be installed in approximately three weeks along with any remaining plantings. Dave Thomas commented that the fence area around the dumpsters is bad and Ken Prince said we should look at repair of those areas.

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

Dave Thomas stated that Home fund agreements will be signed on Tuesday, October 1<sup>st</sup>, 2013 - \$147,213.00 allocated in Home funding to the City of Mishawaka. The initial recommendation was \$124,000.00. There will probably be two Habitat subsidies with these funds. He also stated that 2013 CDBG funds have arrived in the system as of today. \$470,758.00 was awarded. Everything pretty much stayed the same as in the Action Plan. With the overage, we kept the Boys and Girls Club allocation with \$4,000 extra dollars to the Mishawaka Food Pantry. Mr. Thomas stated that for the amount of work they do to manage these grants doesn't make a lot of sense to apply. There was a total of \$8,000.00 to the Food Pantry, \$7,500.00 to the Boy's and Girl's Club plus \$9,500 remaining funds – total of \$36,000.00 capped with amount allocated to public services and we are at that cap. An additional \$18,646.00 was added to public infrastructure. 1.5 expenditure amount is easier met with these awards. The Action Plan for 2014 is being advertised on Tuesday, September 24, 2013 and will be available for public view on September 25, 2013 at all Public Libraries (Draft).

Liberty Driveway-is paid through NWTIF funds. A drive on their property would be paid for by the Owner and their responsibility. It is under advisement. If we move on it, it would come before the Commission this winter. We will ask Gary West to come in and provide an update of the project.

Dave Thomas also stated that the Underpass properties (fire station) will be appraised next week and ready to go.

The inquiry was made to an update of the proposed McDonalds at Bremen Highway – they have pulled a Building permit but want to wait until road work in that area is complete before they begin.

Commissioner O'Dell wanted to know if we are involved with the retention on Autumn Ridge; the basin needs to be widened at Meijer. It could be a possible Habitat at Home build one day.

#### **FIRST TIME HOMEBUYER APPLICATION**

Mr. Thomas presented information regarding a First Time Homebuyer applicant. Commissioner Pingel moved to approve as presented. Commissioner Ermeti seconded; motioned carried.

Commissioner Buraczewski motioned to adjourn the meeting, Commissioner Pingel seconded; motion carried, meeting adjourned 7:40 p.m.

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**M. Gilbert Eberhart, President**

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**David B. Thomas**

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**Marilyn Nelums-Jones**