

REDEVELOPMENT COMMISSION MEETING

March 22, 2010

The regular meeting of the City of Mishawaka Redevelopment Commission was called to order at 6:32 p.m., Monday, March 22, 2010, in Room 205, City Hall, 600 East Third Street, Mishawaka, Indiana. Commissioners Eberhart, O'Dell, Troiola, Mammolenti, Gebo, and Stillson were present. Also in attendance: Lory Timmer, Community Development Director; Kari Myers, Administrative Planner; and John Gourley, Legal Counsel.

Commissioner Gebo moved to approve the minutes of the February 22, 2010, meeting as distributed. Commissioner Troiola seconded; motion carried.

Lory Timmer provided Commissioners with the following updates:

TIF PROJECTS UPDATE

North Main Street Improvements

The demolition contract was awarded to John Boettcher Sewer and Excavating for the sump sum amount of \$25,000 for the following structures:

- 1812 N. Main Street
- 1816 N. Main Street
- 2123 N. Main Street
- 106 E. Lowell Avenue

Substantial completion of the demolitions is expected by mid-April. With the exception of 2123 N. Main Street, the structures are located on North Main Street between Lowell and Omer Streets.

North Main Street - Donaldson Street to McKinley Avenue

Bids for this construction project will be opened by the Board of Public Works and Safety on March 30.

Church / Union Street, Lincolnway East to Dragoon Trail

Survey work for this project, which includes modernization of existing traffic signals on Church Street / Union Street from Lincolnway East to Dragoon Trail has begun.

Holy Cross Parkway Lift Station - Ph. IB

Most interior work on the lift station, which includes electrical, HVAC, painting, plumbing, pumps, etc. is complete. Scheduled completion is April 2010.

Holy Cross Parkway Lift Station Forcemain - Phases IIC & IID

Selge Construction has completed all pipe installation via horizontal directional boring. The remaining work includes tie-ins and testing, and is scheduled to be completed in Spring 2010.

Holy Cross Parkway Lift Station Forcemain - Phase IIF

HRP Construction has notified residents near the construction site that the 2010 project will resume north on Christyann Street from the Battell intersection to the north side of the railroad. The project includes construction of a new storm sewer system, construction of a portion of the Holy Cross Parkway Forcemain, replacement of necessary water services and reconstruction of roadways within the project limits. The control structure in Central Park that HRP worked on during the winter months is complete. The remainder of the work will be completed under the River Crossing IIG Project.

River Crossing II

The contract for the River Crossing II was awarded to Carson & Roberts Site Construction & Engineering, Inc. of Lafayette, New Jersey for the base bid of \$2,749,239.71.

809 S. West Street / 803 E. Fourth Street / 623 E. Third Street

Demolition was completed on these three structures the week of March 1st. The contractor, R & R Excavating, will grade the topsoil and seed the disturbed sites within the next few weeks. Tentatively, the East Fourth Street site will be donated to Habitat for Humanity. The South West Street lot is unbuildable, but the property owner to the north has expressed interest in acquiring the lot, so we'll have it appraised and then advertise it for sale. The Third Street demolition eliminated a non-conforming structure on the lot.

NEIGHBORHOOD PROGRAMS

Neighborhood Stabilization Program (NSP) Grant

Mrs. Timmer said Peter Hunt, NSP Director for the Indiana Housing and Community Development Authority, came for a monitoring visit on March 8th. He went through our files and he was taken on a tour of the target area. Mrs. Timmer said she was pleased to report

that he found our program in compliance; we just need to start spending money. Progress in that area is being slowed by the fact that almost all structures in our target area have some historic value. She said we are waiting for clearance from the State Historic Preservation Office to allow us to demolish the properties we've identified for removal. If we aren't allowed to carry out the actions we desire on a particular property, then we won't acquire it. All of the funds have to be obligated (contracts signed) by September 16, 2010.

Neighborhood Revitalization Project: As mentioned at February's meeting, the consultant hired to assist us with acquisitions brought in a representative from the Historic Landmarks Foundation in South Bend to review the houses we selected for acquisition/demolition. Historic Landmarks felt that just about every house we want to demolish could be rehabbed. Our staff, our consultant, and representatives from Historic Landmarks met on February 24th to discuss the possibility of rehabbing several structures rather than demolishing them. We toured three properties that the City would like to demolish, but that the historic preservationists felt could be saved. After the tour it was concluded that two of the structures were beyond repair, and a third, 501 W. Sixth Street, could be renovated for approximately \$150,000. This figure doesn't include the initial acquisition cost of \$46,000 and subsequent environmental remediation. It also doesn't factor in full lead abatement, which would be required by HUD.

River Center Apartments: Mrs. Timmer said she is working out a contract with Neighborhood Development Associates of South Bend to prepare our Low Income Housing Tax Credit application. This is the alternate source of funding that was located for the River Center Apartment project. As she mentioned at the February Commission meeting, using tax credits instead of NSP funding will provide more money and time for the project, and avoid the requirements currently being imposed by the State Historic Preservation Office.

In the meantime our Construction Manager, Roger Shields, collected samples from throughout the building for asbestos testing. The analysis indicates that there is much less asbestos present than expected. Roger will write the specifications for removal, and quotes will be received by the Board of Public Works and Safety in April.

Mrs. Timmer informed the Commission that the NSP is structured as a reimbursement program. That means the City will have to pay project-related using our own funds, and then IHEDA will reimburse us within 10 days. Since the City doesn't have a funding source suitable for "fronting" the money, she is working with Mutual Bank to set up a line of credit

similar to what we utilize for the First Time Homebuyer Program. We will pay all NSP associated costs out of the line of credit, then pay off the balance when we're reimbursed from IHCD. She said she hopes to present a resolution for the line of credit at the April Commission meeting.

Also, Mrs. Timmer said another component of the NSP is the very strict guidelines regarding procurement for contractors. Therefore, she has to publish Request for Quotes for both a Habitat for Humanity-type of builder and First Time Homebuyer program builders. Habitat for Humanity will have to submit their qualifications to us to do marketing, family financial counseling and construction of homes for low-income households. Our current homebuilders will have to submit their qualifications to participate in the Homebuyer program. Those Requests for Qualifications will appear in the South Bend Tribune legal ads on Thursday, March 25th. Qualifications for low-income housing builders will be received by the Board of Public Works and Safety on April 13th. Qualifications for First Time Homebuyer program builders will be received by the Board on April 20th. We will also have to advertise for Qualifications for rehabilitation contractors.

CDBG-R

The City acquired 126 E. 13th Street for \$1 on March 5th. This is a substandard property that was brought to a Code hearing. The owners were unable to repair or demolish the house, so they agreed to sell the property to the City for \$1.00. The intention is to clear the lot for a new construction home.

Another property is in the process of being acquired for our CDBG-R Spot Blight Removal program. At the Commissioner's Tax Certificate Sale, the City bid on and won 231 E. Ninth Street. Bidding began at \$780, and our winning bid was \$10,112. The property has back taxes of \$3,434, a first mortgage for \$53,600 and a 2nd mortgage for \$13,400, but it is Mrs. Timmer's understanding that those liens are erased as a result of the tax sale. The minimum bid on the property is \$780, and we are going to attempt to acquire it through the tax sale. The owner has 120 days to pay the taxes, but he walked away from the house and the mortgage company doesn't want it, either. The plan would be to demolish the house and use the lot for a Habitat for Humanity home.

HUD Audit

Our HUD Community Planning and Development representative from Indianapolis was on-site March 2 - 4 to audit the Department's project and administrative records. This is our first audit since 2001. By the end of March we will receive an official letter from HUD detailing any areas of concern, but at this point, Mrs. Timmer said she was aware of just one item that was a problem. Since 1996 we have contracted with the City of South Bend to have their Community Development staff perform annual monitoring of the public service agencies we fund. It turns out they haven't monitored anyone for us since 2007, so that was entered as a 'finding'. To remedy the problem, beginning in 2010 we will take over the monitoring of our sub-recipients.

RELEASE OF MORTGAGE

The house at 421 W. Eighth Street sold, and the Department received a payoff of \$19,961 for our Redevelopment Loan. Since all terms and conditions of the loan have been met, we are releasing the mortgage we have on the property.

NEXT MEETING

The next regular meeting of the Redevelopment Commission will be April 26, 2010 at 6:30 p.m. in room 205.

The meeting was adjourned at 7:12 p.m.

Respectfully submitted:

Approved:

(Signature on file)

(Signature on file)

Kari Myers, Administrative Planner

M. Gilbert Eberhart, President

(Signature on file)

Lory L. Timmer, Community Development Director