Regional Development Authority Board Meeting Minutes

The March 27, 2024, meeting of the Northern Indiana Regional Development Authority (RDA) was held at INOVA Federal Credit Union, 385 S. Elkhart Ave., Elkhart, IN 46516. Mr. John DeSalle, Chair, called the public meeting to order. Roll call was taken, and it was noted that a quorum was present.

Roll Call

RDA Board Members Present:  
Dallas Bergl, INOVA Federal Credit Union  
John DeSalle, University of Notre Dame  
Pete McCown, Community Foundation of Elkhart County  
Kristin Pruitt, Lake City Bank

RDA Board Members Absent:  
Tim Sexton, University of Notre Dame

Others Present:  
Caleb Bauer, City of South Bend  
Lori Flotow, South Bend – Elkhart Regional Partnership  
Debbie Gardner, MACOG  
Taryn MacFarlane, South Bend – Elkhart Regional Partnership  
Shawn Peterson, Community Redevelopment  
Stephen A. Studer, Krieg DeVault LLP  
Alayna Wort, South Bend – Elkhart Regional Partnership

Report of Secretary

Ms. Taryn MacFarlane confirmed that the required public notice was made for the meeting.

Meeting Minutes

There were no additions or corrections to the February 21, 2024 meeting minutes.

A MOTION WAS MADE TO APPROVE THE MINUTES FROM THE FEBRUARY 21, 2024 MEETING, AND AFTER BEING DULY SECONDED, THE MOTION PASSED UNANIMOUSLY.

Reports of Officers, Consultants and Staff

Treasurer’s Report

Ms. Kristin Pruitt presented the Treasurer’s Report, which included the year-to-date February 29, 2024 Financial Statements, as well as an accounting of payments recommended for ratification and approval.
A MOTION WAS MADE TO APPROVE THE YTD FEBRUARY 29, 2024 FINANCIAL STATEMENTS AS PRESENTED, AND AFTER BEING DULY SECONDED, THE MOTION PASSED UNANIMOUSLY.

A MOTION WAS MADE TO RATIFY ALL INVOICES APPROVED AND PAID BY THE TREASURER OR PENDING IN ACCORDANCE WITH THE POLICY OF THE BOARD, AND AFTER BEING DULY SECONDED, THE MOTION PASSED UNANIMOUSLY.

Reports of Committees and Partners
Regional Partnership
Ms. MacFarlane provided updates from the Regional Partnership. View Full SBE Regional Partnership Report.

Old Business
READI 1.0 Update
Ms. MacFarlane provided READI 1.0 updates, highlighting the following:
- Two capital projects are fully disbursed: Potawatomi Zoo and Air Cargo & Logistics Center (SBN)
- The Zoo's grand opening for its READI 1.0 funded project (Bear Exhibit and Concession Lodge) is scheduled for March 28, 2024.

READI 1.0 Project Update: Madison
Mr. Caleb Bauer, Executive Director of Community Investment for the City of South Bend, presented a READI 1.0 project update on the Madison Lifestyle District, as well as Memorial Patient Tower. Highlights included the following:
- Combined, the two projects amount to more than $334M in private investment, leveraged by $24M in RDC and $11.78M in State of Indiana (READI) funding.
- Memorial Patient Tower is a 10-story, 300,000-square-foot expansion of Memorial Hospital, developed by Beacon Health System.
  - Largest construction project in 129-year history of Memorial Hospital
  - Growth from 249 to 302 acute care beds, as well as expanded ICU, enhanced facility technology, and larger patient rooms
  - Planned growth of hundreds of new full-time employees
  - Total proposed private investment of $232M into Tower Expansion.
- Madison Lifestyle District, developed by Great Lakes Capital (GLC), has a total proposed private investment of more than $100M.
  - Redevelopment of two city blocks in South Bend
  - Over 240 new rental housing units, including workforce housing units (80% to 120% of area median income).
- 100-key hotel
- 40,000 square feet of commercial space
- 925 structured parking spaces (publicly owned and operated)

- Tentative construction timeline includes:
  - 2024 - City demolishes the South Bend Medical Foundation building and constructs new surface parking, providing replacement parking for Memorial employees. City begins initial site prep work at development site.
  - 2025 – City begins site prep and construction of parking garage on Madison Lifestyle District development site.
  - 2026 – City completes Phase I garage, GLC completes Phase 1 of Madison Lifestyle District, and Memorial Hospital opens Patient Tower. City to begin Phase II garage construction and GLC to begin Phase II of Madison Lifestyle District.
  - End of 2027 – City completes Phase II parking garage and GLC completes Phase II of Madison Lifestyle District.

READI 1.0 Project Update: Marshall County Career Innovation Center (MCCIC)

Mr. Shawn Peterson, President of Community Redevelopment, shared information on the New Markets Tax Credit Program (NMTC Program) allocation granted to MCCIC and the necessary amendments to its project agreement. Highlights included the following:

- The NMTC Program attracts private capital into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities (CDEs).
- The CDEs that receive NMTCs will then allocate those tax credits to projects that they believe will have the largest social impacts and that align with their investment goals. The recipients can then sell the tax credits to investors.
- NMTC recipients must:
  - Be located in a qualified distressed census tract
  - Have a budget of at least five million ($5,000,000)
  - Priority is given to projects that are in underserved areas such as rural communities or in underserved states.
- The financing structure of NMTC awards requires that all investment into the project occurs at the front end of the project.
- Thus, the contract between the RDA and the project for the READI funding award requires modification to comply with NMTC financing process, since the current contract calls for reimbursement of expenses incurred, per IEDC READI policy framework.
- IEDC has verbally indicated approval of upfront disbursement of the READI award for this project to suit NMTC financing structure.
Mr. Peterson will be submitting a summary of the MCCIC allocation and project agreement changes to Indiana Economic Development Corporation (IEDC) for approval this week as well as submitting an amendment to the project’s agreement with RDA for approval at the April 17, 2024 RDA board meeting.

**READI 2.0 Update**
Ms. MacFarlane presented [READI 2.0 updates](#), featuring information on READI 2.0, the Lilly Endowment Inc.’s grant to the IEDC for READI 2.0 Blight Reduction & Redevelopment and Arts & Culture Initiative. Highlights included:

- Only READI 2.0 Regions that receive funding are eligible for the Blight Reduction & Redevelopment initiative.
  - Eligible products must include properties that are either vacant, deteriorating, underutilized, or blighted that have demonstrated an impact on the valuation of the subject assets and surrounding property values.
  - Eligible activities may include rehabbing historic structures, repurposing closed industrial plants to create inviting community spaces or mixed-use developments, or demolishing vacant, single-family homes to construct new affordable housing.
  - IEDC will administer and have sole discretion on which projects receive funding and determine the appropriate investment model (grant, loan, equity, terms and structure). Projects ultimately funded will have to align with READI 2.0 goals and KPIs and begin construction within two years.
  - Total appropriation is $185M.
- Proposals for the Arts and Culture initiative are restricted to READI 2.0 regional planning organizations that received a funding allocation. Funds may be dispersed to the regional organizations, public entities, non-profit organizations, or for-profit owners focused on delivering community wide benefit. Eligible activities include:
  - Public art including murals, sculptures, installations, programmable lighting on key assets, or other artistic community improvements.
  - Development of museums, performing art venues, art centers, art studio complexes, or other culturally significant attractions or facilities (including improvements to existing facilities).
  - Art and cultural competitions or festivals, provided the applicant demonstrates long-term funding commitments to sustain such effort.
  - Initiatives to attract nationally and internationally recognized arts and cultural performances to Indiana or to support further development of a region’s creatives and creative economy.
  - Development of visual architectural design elements that are unique to local communities.
• IEDC will administer and have sole discretion on which projects receive funding and determine the appropriate investment model (grant, loan, equity, terms and structure). Projects ultimately funded will have to align with READI 2.0 goals and KPIs and begin construction within two years.

• Total appropriation is $65M.

New Business
There were no new business items to discuss.

Other Items/Upcoming Dates

Meeting Schedule
The next meeting will be held April 17, 2024, from 3:30 – 5:00 pm EST at South Bend – Elkhart Regional Partnership, 635 S. Lafayette Blvd., South Bend, IN 46601. The May and June board meetings will need to be rescheduled due to scheduling conflicts. Ms. MacFarlane will coordinate reschedule options.

Any updates to meeting information will be posted on the South Bend – Elkhart Regional Partnership website: https://southbendelkhart.org/regional-development-authority/northern-indiana-regional-development-authority-2024-public-meeting-notice/

Adjournment
Upon a motion made, the Chair adjourned the public meeting.