

Taking St. Joseph County to the World -- Bringing the World to St. Joseph County

2019 Year End Report

Division of Economic Development, Department of Infrastructure, Planning & Growth

William Schalliol, Executive Director of Economic Development

ECONOMIC OVERVIEW

Local partnerships play an important role in the delivery of economic development activities in the United States. Partnerships include both public and private organizations and increasingly depend on local leaders to create a strategic vision for these partnerships to create an ecosystem that is business and growth oriented. Locally, economic development activities are carried out primarily at the local level by a combination of government and private organizations, with help and guidance from state agencies but minimal involvement from the federal government.

In St. Joseph County, the three major government partners work together with the leadership of the seven towns to create a common platform from which economic development can occur. As the larger community continues to evolve, all of the government partners work to contribute development and growth that advances the larger whole. As the economy nationally has strengthened, so too has the local economy.

In reviewing the County as a whole, great investment has taken place in 2019 in St. Joseph County—the \$9 million, five-story **Barnes & Thornburg** building, the first new office building in downtown South Bend in some 20 years began construction with full occupancy in 2020; the \$18.8 million renovation of **Howard Park** was completed in late November; \$2.1 million federal grant to improve **high-speed internet infrastructure** in the Indiana Enterprise Center; and the addition of several **spec buildings** in the logistics hub located in northwest St. Joseph County.

Notre Dame received a five-year \$42.4M Lilly grant to accelerate transformative projects, forming the Labs for Industry Futures and Transformation (LIFT) Network. The network accelerates and connects cutting-edge expertise, technologies, workforce development programs and innovation-based facilities throughout the region.

The **Notre Dame IDEA Center** established 32 new startup businesses, matching the 32 businesses it produced from 2017 to 2018.

The \$50 million-plus **Mill at Ironworks Plaza** in downtown Mishawaka saw its first tenants move into the 232-unit apartment complex and mixed-use space along Beutter Park. Additional businesses are expected to be announced in the retail space at The Mill. The next phase of the project has begun with the addition of a beer garden, pavilion, restrooms and patio in Beutter Park.

Four Winds South Bend announced the addition of a 23-story, 317-room hotel and spa, which would make it the largest hotel in the county.

The 32,800-square-foot, \$25 million **Beacon Granger Hospital** opened to the public this fall.

Phase one of the **Three Twenty at the Cascade** mixed-use project in downtown South Bend is near completion, with some tenants taking occupancy in 2019. Towering along the St. Joseph River, the condos feature spectacular views seen through floor to ceiling glass windows. The project is estimated at \$38.5 million.

Andrew Berlin continues to be a catalyst for the revitalization at the edge of South Bend's Renaissance District, with continued upgrades to Four Winds Field and the recent addition of **The Ivy at Berlin Place** apartments. It is estimated that Berlin has invested \$50 million in these ventures in total. On top of this, the South Bend Cubs won this year's Midwest League Championship.

South Bend International Airport (SBN), with the aid of its Project Propel initiative, realized a 20% increase in passenger traffic. SBN also landed its first Federal Inspection Station arrival and established a Global Entry Enrollment Center.

The **eyes of the world** were on the South Bend Region in 2019. On the heels of the October 2018 Garth Brooks concert, Notre Dame Stadium also played host to the Winter Classic NHL Hockey game, as well as the Liverpool soccer match. The U.S. Senior Open golf tournament at the Warren Golf Course saw the "best of the best" compete. And, IDEA Week continues to grow and accelerate its footprint as a top innovation festival.

The **Town of North Liberty** finished out a very successful three-year term as an Indiana Stellar Community and the program designation brought resources which helped to advance residential, recreational, commercial and other infrastructure projects throughout the downtown area. The work that the Stellar Team put into the program yielded results which never could have occurred without this assistance.

The **Town of Walkerton** continues to redefine growth and development and yet retains a high-quality small-town feel. Infrastructure projects and recreational projects started in 2019 will continue to improve quality of life and place and make Walkerton an attractive location in southwestern St. Joseph County.

The **Town of Lakeville** continues to find ways to define itself after the move of US 31 out of the heart of the town. Placemaking, the development of the Wetlands Park and Barn site, and infrastructure improvements paired with continued success of Newton Park have been bright spots in helping to fill vacant store fronts along the Dixie Highway corridor.

It is important to note that while the local governmental agencies review the site plans and approve the plans and issue building permits to make all of these projects happen, the work that our partners at the **South Bend Chamber of Commerce** do to help create a climate for business and growth must be recognized. Their leadership on issues like workforce development, governmental affairs, business expansion and retention, and regional quality of life development through the work of **Visit South Bend/Mishawaka**, provide the local agencies with an amazing resource that help bring projects from concept to completion.

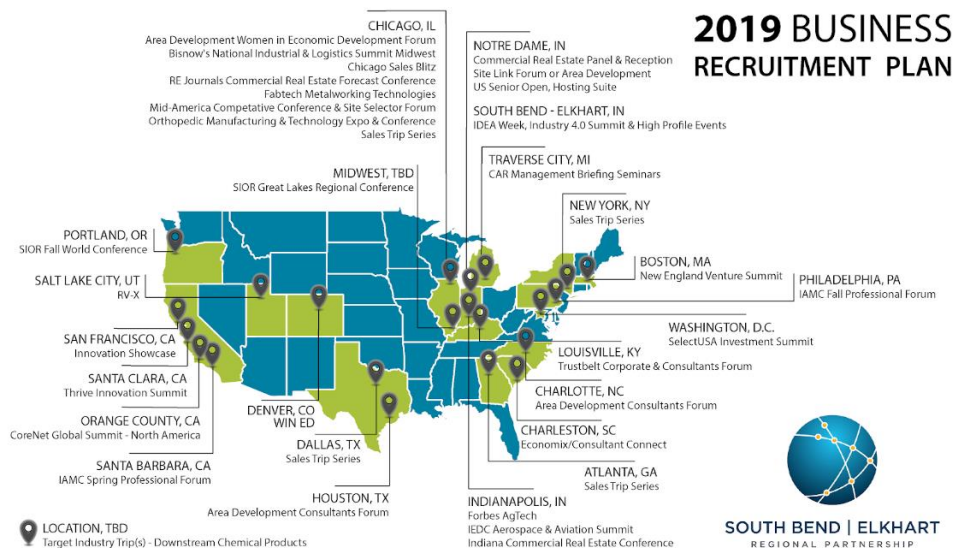
Economic development at the local level is important as the most important business prospects are those which exist already in St. Joseph County. However, as our local economy is greatly impacted by regional forces, the concept of regionalism and globalism become increasingly important factors in economic development.

South Bend-Elkhart Partnership plays the role as leader in the regional economic development ecosystem. Born as a result of application to be one of the State of Indiana’s designated Regional Cities, the Partnership helps manage economic development projects in St. Joseph, Elkhart and Marshall counties in Indiana and Berrien and Cass counties in SW Michigan. The Partnership is working to develop and implement a regional strategic plan centered on five pillars (Industry Growth, Entrepreneurship, Talent Attraction & Retention, Education & Workforce, and Diversity & Inclusion) and the pillars will help guide all development activities as we collectively grow the region.

Another role that the Partnership plays is to serve as the regional liaison to the site selector and industry sector community. In 2019 the Indiana Economic Development Corporation launched a Domestic Business Development Grant in the amount of \$100,000 to support regions across the State of Indiana in business attraction efforts. In January 2019, the Partnership was awarded one of the \$100,000 matching grants to assist with eligible costs associated with domestic business attraction sales trips. The Partnership created a cohesive regional plan with a focus on targeted industry sectors both specialized and emerging throughout the region.

Highlights from the first six months of the program include the following:

- Visited 15 States and 24 Cities
- Hosted site selectors/consultants during the US Senior Open
- Connected with over 500 organizations, companies and site consultants/selectors
- Targeted Industry Trips included:
 - Metalworking Technologies, Agribusiness, IT, MedTech, Industrial Real Estate, RV and Automotive
- All contacts/leads entered into database for follow up and relationship development
- Common Themes: Data Center Opportunities, Available Properties, Talent Pipeline and Workforce Initiatives.



Of the \$100,000 grant award, \$57,000 expended in 2019. An extension was provided by the IEDC for the remaining \$43,000 through June 2020. LEDO's from the Partnership are working to refine the 2020 sales trip schedule and activities. Through June 2020, the region is estimating 19 sales trips.

Another important business partner for St. Joseph County is the **State of Indiana** and specifically the **Indiana Economic Development Corporation (IEDC)**. The IEDC, managed locally by Dave Behr who covers the north central region, leads the State's efforts to retain, grow and attract business development to Indiana. The IEDC's slogan, "Indiana – A State that Works!" is not talk...the results speak for themselves.

2019 – North Central Project Summary

Elkhart County	12 total projects	1,553 new jobs proposed	\$135.7 Million new investment promised
Kosciusko County	7 total projects	479 new jobs proposed	\$137.2 Million new investment promised
St. Joseph County	7 total projects	400 new jobs proposed	\$43.9 Million new investment promised
Marshall County	5 total projects	500 new jobs proposed	\$142.6 Million new investment promised
North Central	31 total projects	2,932 new jobs proposed	\$459.4 Million new investment promised

In summary, economic development happens best when all partners are working towards a common end. The framework for growth and development has been laid and through a spirit of cooperation and regionalism both St. Joseph County, the regional market and the State of Indiana are poised to achieve great things and see growth to help build our community.

COUNTYWIDE PERMIT ACTIVITY

Building permit activity and estimated construction value are general indicators on the health of the development activity within a region. The following is a summary of highlights from the year end building reports from St. Joseph County, City of South Bend and City of Mishawaka:

St. Joseph County

- Residential: **179 (2019)** / 175 (2018)
- Commercial permits (estimated construction value) **\$17 M (2019)** / \$24.3 M (2018)
- Public/Semi-Public Building (estimated construction value) **\$61 M (2019)** / \$42 M (2018)
- **Total value of all permits \$208 M (2019)** / \$231.7 M (2018)

City of South Bend

- Residential: **84 (2019)** / 92 (2018)
- Commercial permits (estimated construction value) **\$72.7 M (2019)** / \$41.3 M (2018)
- Public/Semi-Public Building (estimated construction value) **\$21.5 M (2019)**
- **Total value of all permits \$223.9 M (2019)** / \$182.4 M (2018)

City of Mishawaka

- Residential: **58 (2019)** / 56 (2017)
- Commercial permits (estimated construction value) **\$62.7 M (2019)** / \$110.5 M (2018)
- **Total value of all permits \$79.7 M (2019)** / \$158 M (2018)

TOTAL PERMIT VALUES -- \$511.6 M (2019) / \$572.1 M (2018)

CHANGES IN COUNTY ECONOMIC DEVELOPMENT

In 2015, the County hired its first economic development director (Bill Schalliol) to lead and manage economic development activities within the unincorporated areas of the County, serve as staff for the Redevelopment Commission and to serve as a development liaison with the two cities and seven towns. As the roles and responsibilities expanded, the second staff member (Christian Brown) was added to the team in the summer of 2018. Christian was hired by the County and filled a vacant spot in the Public Works Department until a position could be fully funded in 2019.

In 2019, as part of a larger effort to improve efficiency, effectiveness, and consistency of the development process, County leaders merged the Department of Public Works, Office of the Surveyor, the Area Plan Commission staff, Geographic Information Systems, and Economic Development into a single new department called the Department of Infrastructure, Planning & Growth. The goal of this office is to “**find ways to say yes to development**” while adhering to good planning, design, construction and growth principles. This new super office located on the 4th, 7th, and 11th floors of the County-City Building merges a variety of skill sets and allows the “de-siloization” of many government processes. Wins as part of this merger included the implementation of a multi-department permit system that allows for “start to finish” permitting, hiring of new staff that worked better within the framework of the new office structure, and cross-team collaboration on projects such as the Laurel Road trail project, closure and repurposing of County Highway Garage buildings and property, and improvements in internal business processes.

It is anticipated that efficiency will grow for the Department of IPG with continued staff changes, updates to ordinances and rules, further improvements to the permitting process, scanning of files and development of a central office-wide file structure, and merger into a single location.

It is important to note that a lot of the work and success in moving the new Department of Infrastructure, Planning & Growth was based upon the support and work of outside partners at **SEA Results** (Jan Fye), **Cender & Company** (Steve Dalton), **Thorne Grodnik** (Jamie Woods, Phil Garrett, Brandie Ecker, Michael Trippel), and the **South Bend Regional Chamber** (Jeff Rea).

GRANT PROJECTS

In an effort to extend County resources and develop projects outside of normal funding measures, the County applied for three grant programs (in addition to those projects applied for by the Public Works Department). The grants were as follows:

> BUILD 2019: Indiana Enterprise Center Freight Mobility Improvement Strategy 2019

St. Joseph County applied for a planning grant through the Better Utilizing Investments to Leverage Development (BUILD) program. The goals of this planning grant was to perform a detailed traffic impact analysis, an environmental analysis, and an engineering analysis to assess and improve the existing transportation grid in the IEC Core Development Area. **This project did not receive funding as the Federal Government opted not to fund any planning grants through this grant cycle.**

Federal Funds Requested: \$1,904,000

Local Fund Match: \$476,000

Total Project Cost: \$2,380,000

Autonomous Driving System Demonstration Grant 2019: Connected Autonomous Commercial Truck Safety

St. Joseph County, in partnership with Navistar, Inc., The University of Notre Dame, Pruv Mobility Ecosystem (Columbus, IN), Roush Engineering (Livonia, Michigan), and the Center for Automotive Research (CAR, Ann Arbor, MI), applied to this one-time grant program. Using the wealth of partnership experience, the goal of this grant application was to develop a testing program for autonomous commercial truck safety to aid the US DOT in data collection and safety-related policymaking for this developing industry. **This project did not receive funding.**

Federal Funds Requested: \$10,000,000

Local Fund Match: \$19,302,803 (St. Joseph County at \$12,300,000, related to infrastructure improvements to support Navistar expansions)

Total Project Cost: \$29,302,803

CRISI 2019: St. Joseph County New Carlisle Railroad Bridge Replacement and Capacity Enhancement Project

St. Joseph County, in partnership with South Shore Freight Line and Indiana Michigan Power, applied for a construction grant through the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program, operated by the Federal Railroad Administration (FRA). The goals of this project are to upgrade the South Shore Line bridge at US-20 to an industry standard weight capacity of 286,000 pounds, and to construct approximately 3900' of rail to support development on the South Shore property at US-20 and Smilax in New Carlisle. **This project is pending funding – expected notice Feb. 2020.**

Federal Funds Requested: \$2,821,500

Local Fund Match: \$1,678,500 (St. Joseph County at \$800,000)

Total Project Cost: \$4,500,000

EDA 2018: Indiana Enterprise Center Broadband Expansion Project

In 2018, St. Joseph County, in partnership with ChoiceLight (formerly MetroNet), applied for a grant through the Economic Development Administration (a Division of the Department of Commerce), to build twenty-four miles of fiber conduit and extend twenty-seven miles of fiber optic cable from two endpoints of the ChoiceLight network. This redundant network extension will extend west generally along US 20, south along Timothy Road, and east generally along State Road 2. There will be a small network extension loop that will go west on Michigan Street, south on Bray Street through the Financial District and past the library and school, and then east on Dunn Road back to the new trunk line on Timothy Road. **This project was awarded in 2019.**

Federal Funds Requested: \$1,050,000

Local Fund Match: \$1,050,000

Total Project Cost: \$2,100,000

MAJOR FOCUS AREAS

Over the course of 2019, economic development staff time was divided into five different project categories. The five categories are as follows:

The **first major focus** of staff time in 2019 was dedicated to advancing the Indiana Enterprise Center. The major planning project started in November 2017 and work continued through 2018 and most of 2019 studying all aspects required to create development opportunities within the existing industrial areas of the Indiana Enterprise Center and in areas adjacent to the Town of New Carlisle. The planning project has brought together a diverse team of engineering firms and other professional service providers to assist with the study of utilities, land use, environmental conditions and other development attributes. The Town is separately working on a master planning effort that will be integrated into the larger planning effort once completed. The second half of 2019 was spent writing and documenting the Area Management Plan that would be released in early 2020. While no new construction occurred within the project area during 2019, much work was spent on predevelopment activities, targeted property acquisition and preparation for the release of the Area Management Plan.

The **second major focus** area in 2019 was redevelopment of the former Central Garage Building and Property located between Lathrop Street and Old Cleveland Road on the northwest side of the City of South Bend adjacent to the South Bend International Airport. As part of a larger strategy to relocate and right-size office groups within the County, the former garage building was dedicated for rehabilitation to be used as a new central location for several County Police Divisions. This rehabilitation of the building would allow for the Road, Detective and other divisions to co-locate at this facility and provide expanded efficiencies for this department. The remainder of the property that once served the County Highway Division are being parceled and developed as new industrial development sites. Two of the properties already have interested parties that are seeking to acquire the new parcels.

The **third major focus** area involved the Capital Avenue Economic Development Area. Originally designated in 2001 to support the GM commercial division of AM General, the focus in 2018 was to work with the new owners of the commercial vehicle assembly facility along McKinley Road which was sold to SF Motors in December 2017. The County worked with the new ownership team on the transition and planning for reuse of the site. Due to economic conditions and a variety of other factors in 2019, SF Motors/Seres has ultimately decided not to produce vehicles at this site. The property had received nearly \$20M in private investment in anticipation of new vehicle production before the facility was shuttered. The County and State are working with prospects to purchase this site for a new automobile use.

Other projects in 2019 in the Capital Avenue EDA include working with Penn Township on their development of a new fire station near the intersection of McKinley and Bittersweet, development of a new County Highway Garage location adjacent to the proposed Penn Township fire station site, and infrastructure planning and design for the completion of segments of the Capital Avenue Trail Corridor.

The **fourth major focus** area related to advancing rail development opportunities in St. Joseph County. The SBN Logistics Park in the south west quadrant of the South Bend International Airport campus is a major focus area for rail development. With the potential to build one rail that could service two trains (NICTD passenger service and CSS freight service) as part of a station relocation project, the SBN Logistics Park can be developed into an air-rail-road logistics center that will complement freight activities at the Airport and Ameriplex 80/90 and the Indiana Enterprise Center. Rail opportunities are also being considered in Walkerton with CSX Railroad and at a multiple development sites along McKinley Avenue in partnership with the Elkhart & Western Railroad.

In Fall 2019, St. Joseph County, in partnership with the St. Joseph County Redevelopment Commission, sold a bond in the amount of \$9.1M to pay St. Joseph County's portion of the four-county share of

funding for the NICTD Double Track rail project. The project which will improve rail service and capacity for both the passenger and freight line still requires federal funding to complete the funding model. However, federal approval is anticipated in 2020 to allow the project to move forward with design and engineering.

The **fifth major focus** area continues to relate to partnership and coordination with the Towns. There is much activity that could occur in the Towns with some assistance from the County, but the lack of a larger staff team has hampered additional project partnerships.

In 2020, it is anticipated that the Economic Development Team will be involved with the following projects:

- IEC Area Management Plan implementation
- South Shore Rail Park development (SW corner of Smilax and US 20)
- Dixie Highway Corridor Plan (Angela to State Line)
- University Trail constructions project (Angela to Douglas Road)
- Portage Manor master planning
- Highway Garage planning and construction (NW and NE Garage sites)
- Highway Garage closures and repurposing (Granger, Woodland, Riverside)
- Capital Avenue Trail planning and construction
- Elkhart and Western Railroad crossing improvement and safety upgrades
- Countyline Road Corridor Planning (with Elkhart County)
- Douglas Road widening project (Mishawaka City limits to Capital Avenue)
- Pierce Road extension planning (Miami to SR 331)
- Beech Road Corridor Planning (Bypass to Lincolnway)
- Jewell Woods – FEMA Grant Administration
- EDA Fiber Grant Administration
- SBN Freight & Logistics Park planning and implementation
- Lincoln Highway Historical Corridor (SBIA to New Carlisle)
- South Shore Rail Feasibility Project to west side of SBIA

REDEVELOPMENT COMMISSION ACTIVITIES

- Continued a regular monthly meeting. All meeting schedules, agendas and minutes are posted to the County website for public review. The Redevelopment Commission (RDC) met 11 times.
- Reviewed all Economic Development Areas to verify that the correct parcels were included in each of the development areas. This verified information was used for annual Gateway filing as well as coordination with the County Auditor's Office for TIF neutralization reports and other annual reporting.
- Created a budget plan to better identify tasks and fund use in each development area. Provided RDC with monthly budget reports to provide better information about fund balances and project status information.
- In January, the RDC approved a contract with DLZ to study rail access to the west side of the South Bend International Airport, contracted with appraisers to study various properties in the New Carlisle EDA, and approved contracts to do work on the Central Garage site and the McKinley/Bittersweet site.

- In February, the RDC received updates on several grant applications including the ADS Grant, the EDA grant, and the Next Level Trail Grant for the University Trail segment and approved a final change order for the purchase of a fire truck for the New Carlisle/Olive Township Fire Department.
- In March, the RDC approved several appraisal contracts to set values for properties at the Central Garage site and in the New Carlisle EDA.
- In April, the RDC approved resolutions and approved reports related to the four Economic Development Areas so that the reports could be filed with various taxing units and with the State of Indiana.
- In June, the RDC welcomed a new member, Brian Pawlowski, and approved a contract with Lawson Fisher to prepare construction plans for a drainage improvement project along the common line of Bendix Woods CP and the Navistar Proving Grounds.
- In July, the RDC was presented the “Report to Overlapping Taxing Units,” approved multiple appraisal contracts, and approved a contract with Christopher B. Burke Engineering for planning and design of a sidewalk extension project on Jefferson Boulevard to connect to the Capital Avenue Trail.
- In August, the RDC approved multiple resolutions and approved professional service contracts to begin the process to sell a bond for the NICTD Double Track project.
- In September, the RDC approved a resolution to ratify the bond sale for the NICTD Double Track project and extended contracts with the Antero Group to finalize work on the Indiana Enterprise Center project and the SBN Freight & Logistics Park project.
- In October, the RDC was presented with budget updates reports for each EDA and fund, received information on the CRISI grant for South Shore rail improvements, and authorized the designation of an easement to benefit SJEC, Phase 2 across the Inland Steel parcel at the southwest corner of Walnut and Edison Roads.
- In November, the RDC approved the purchase of three properties on the northeast corner of Willow and SR 2 and approved a contract with Christopher B. Burke Engineering for planning and design of a trail extension project on Capital Avenue to finalize connection of existing trail segments between Lincoln Way and Jefferson.
- In December, the RDC approved preliminary 2020 budgets, approved 2020 professional service agreements with various vendors, and set the 2020 meeting calendar.

CAPITAL IMPROVEMENT PLAN

Items related to Economic Development or projects within the various economic development areas were submitted as part of the Department of Infrastructure, Planning & Growth request.