



# HUD NOTIFICATION

U.S. Department of Housing and Urban Development  
Washington, D.C. 20410

**ACTION:** Brownfields Economic Development Initiative (BEDI)  
Grant Award

Fiscal Year 2000

**DESCRIPTION:** EDI assistance for the following recipient in the  
stated amount:

<u>Recipient</u>	<u>Congr. Districts</u>	<u>Amount</u>
South Bend, IN	3rd	\$ 800,000

This information is eligible for release to the recipient on

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**PROJECT HIGHLIGHTS:** South Bend, Indiana will receive \$800,000 in Brownfields Economic Development Initiative funds and \$3,406,409 in Section 108 Loan Guarantees to acquire blighted property near lower income neighborhoods that have abandoned and outdated industrial manufacturing buildings. The city will demolish the buildings, remediate properties and develop infrastructure for potential modern manufacturing companies uses. The applicant hopes within five years this project will result in investment of \$15 million in construction of 225,000 square feet of modern industrial space and the creation of 250 jobs.

**Recipient Contact:** Andy Laurent, Economic Specialist, Office of  
Community Development (219) 235-5829

**HUD Contact** - Tony Johnston, EDI Program, Office of Economic  
Development (202) 708-0614 ext. 4560.

**DESCRIPTION** - As the first component of their redevelopment strategy for the city's Studebaker Corridor, the City intends to demolish and clear the former Oliver Plow Works site. The site, situated on 38 acres, contains multiple obsolete, 90% vacant buildings comprising 913,794 square feet with asbestos abatement required. When redeveloped, the site is projected

to contain a minimum of 225,000 square feet of new industrial and warehousing space. The completion of the project will attract new business, provide jobs and tax base for the City of South Bend

**JOBS PROJECTION** - The new industrial space is expected to create an estimated 250 new jobs. There are currently three local businesses willing to relocate to the area and a strong interest from a foreign company looking to construct a new 250,000 square foot manufacturing plant.

**FINANCING STRUCTURE** - The total cost of the project is an estimated \$4,206,490. The BEDI grant will be used to establish a debt service reserve for the Section 108 Loan Guarantee to allow this first component to be completed within two years. The activities will be funded as follows:



The Section 108 Loan will be repaid through an existing Tax Increment Finance (TIF) District. Current TIF revenues are projected to be \$773,306 per year and are expected to increase as new development occurs.

**CONTACTS** - Honorable Stephen J. Luecke, Mayor, City of South Bend (219) 235-9261  
Andy Laurent, Community and Economic Development Department (219) 235-5829