

Studebaker tech project lands almost \$23 million to rehab former plant

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SOUTH BEND — The enormous job of rehabilitating a former Studebaker factory at the southern end of downtown is shifting into a higher gear.

The local company that's turning the old assembly plant into a technology hub announced Wednesday that it has secured \$22.9 million in financing to move ahead with the project. The complex consists of three connected buildings along Lafayette Boulevard, south of the railroad viaduct across from Four Winds Field and Union Station Technology Center.

Kevin Smith, an entrepreneur who bought Union Station in 1979 and converted the rail depot into a data center, announced in 2012 that he wanted to expand across the tracks to the Studebaker buildings.

Smith envisions converting the Studebaker complex into a center of innovation with space for manufacturing, technology firms, business incubators, training and education. The plan also includes connecting the complex to Union Station through a tunnel under the railroad viaduct.

The area has been dubbed the Renaissance District.

"This financing provides the capacity for the project to turn the corner," said Shawn Peterson, vice president of strategic initiatives and general counsel at Union Station Technology Center. "It enables future phases to happen on a more aggressive time frame."

The Studebaker complex dates back to the 1920s and contains almost 1 million square feet of space. The bulk of that square footage is in Building 84, a six-story structure also known as Ivy Tower.

The \$22.9 million in financing will be spent on the complex's two smaller buildings — Building 112 and Building 113 — on the south side of the property. Those two-story buildings have about 220,000 square feet of space.



Ivy Tower

An architect's rendering of what former Studebaker Building No. 84, a former vehicle assembly plant, will look like after renovation. The building in recent years has been called Ivy Tower. Image provided

The effort to restore the Studebaker buildings could soon receive another infusion of money, as the project was one of the top priorities listed in north-central Indiana's winning application to the state's Regional Cities Initiative last year. The state-funded program award includes \$42 million that will be available for developments in St. Joseph, Elkhart and Marshall counties.

According to the Regional Cities application, the work on the three Studebaker buildings will cost about \$146 million. Some of that work, such as environmental remediation, has already been completed.

A project as large as this one requires many partners.

RDistrict One LLC — a partnership that includes Union Station Technology Center and Indianapolis-based developer Paul Kite — made the announcement about the financing Wednesday.

Capital One, U.S. Bank and United Federal Credit Union worked with RDistrict One LLC on the financing and used \$18.6 million in New Markets Tax Credits from Urban Research Park CDE and the National Community Trust Investment Corp. The tax credits are an incentive designed to encourage investments in low-income areas.

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