



# OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

---

Community Investment Committee August 8, 2022, 3:00 P.M.

Committee Members Present: Rachel Tomas Morgan, Eli Wax, Henry Davis Jr.

Citizen Members Present: Thomas Kurzhal (virtual)

Citizen Members Absent: Kaine Kanczuzewski

Other Council Present: Karen White, Canneth Lee, Sheila Niezgodski, Lori Hamann, Troy Warner

Others Present: Dawn Jones, Victoria Trujillo, Justin LePla, Bob Palmer

Presenters: Caleb Bauer

Agenda: Bill No.22-37: A Resolution for Noncompliance regarding the vacant building abatement for 3602 Sample LLC.  
Bill No. 22-38: Real Property Tax Abatement for 505 S. Michigan St. South Bend, IN.-The Monreaux, LLC.

Full audio dialogue of the meeting is available upon request from the City Clerk's Office.

Committee Chair Rachel Tomas Morgan called to order the Community Investment Committee meeting at 3:00 p.m. A quorum is present with four committee members present.

Committee Chair Tomas Morgan stated the Committee is doing a redo of the Monreaux LLC. tax abatement due to the wrong bill in the council packet. Tomas Morgan requests the petitioner.

Caleb Bauer, Acting Executive Director for the Department of Community Investment, offices located on the 14<sup>th</sup> floor, presented Bill No. 22-37.

Zach (name and title was not stated), Seaflo, stated his apologies for the late paperwork and expresses commitment to the hiring of fifty-six (56) full-time employees with eighty percent (80%) living in the economic opportunity zone. Zach stated the building is almost done with renovations.

Committee Member Wax thanked Zach for the presentation and asked for confirmation that they are complying with every other aspect of abatement outside error in filing.

Zach confirmed that they are complying.

Citizen Member Thomas Kurzhal asked if all fifty-six (56) employees are new.



Zach replied that the company retained six employees from Chicago and fifty new employees were added.

Citizen Member Kurzhal asked if the investment amount spent over is included in the abatement.

Caleb Bauer stated the tax abatement is based on the original tax value of the building prior to the improvements and taxes have been above the original amount.

Council Member Lori Hamann asked if notices were given in years one and two.

Caleb Bauer responded that the department distributed a copy of the letter in both mail and e-mail along with follow-up emails heading toward the deadlines. Seaflo did file its C-F1 with the Department of Community Investment however they failed to file their Form 322 with the St. Joseph County Auditor's Office. Bauer stated the department is working on a process map for requirements for submitting forms.

Council Member Hamann asked if the Auditor's office sent out notices when Seaflo missed the first and second years.

Caleb Bauer replied that either the Department of Community Investment or the Auditor's office did send the notice. Bauer stated the Department of Community Investment usually follows up with the recipients. The recipients typically find out at the end of the process if they missed a filing of a form. The Department of Community Investment is working to correct those instances. Bauer stated they have received notices from the Department of Community Investment of their obligations. Bauer is not sure of the Auditor's process of following up.

Citizen Member Kurzhal asked what the checks and balances are for the recipients as far as the city's side.

Caleb Bauer stated the department periodically checks with the Auditor's office, but a public records request is required to receive forms filed with the Auditor's office. The correct form was filed with the Department of Community Investment, however, when attempting to get the tax abatement benefits the Auditor's office informed the recipient of the failure to file Form 322

Committee Chair Tomas Morgan stated the pattern in waivers is increasing from the Auditor's office and there are conversations needed to be had to send out reminders to recipients.

Clerk Dawn Jones stated there is no one from the public wishing to speak in favor or in opposition of the bill.

Committee Member Wax made a motion to send Bill *No. 22-37* to the full council with a favorable recommendation, which was seconded by Citizen Member Kurzhal. The vote was carried by a vote of four (4) ayes.

Committee Chair Tomas Morgan stated Bill *No. 22-37* will be sent to the full Council with a favorable recommendation.

Committee Chair Tomas Morgan requested the petitioner for Bill *No. 22-38*.



Caleb Bauer, Acting Executive Director for the Department of Community Investment, offices located on the 14<sup>th</sup> floor, presented Bill *No. 22-38*.

Committee Member Wax asked if there are any other changes other than the resolution being a designating resolution and not a confirming resolution.

Caleb Bauer stated there are no other changes.

Vice President Niezgodski asked about the process.

Caleb Bauer stated the normal timeline should suffice.

Council Member Karen White asked what impact this would have on the tax application.

Caleb Bauer stated that if needed they can submit the signed resolution from IHEDA.

Council Member Hamann asked what the likelihood of the tax abatement going through is and if not where is the project.

Caleb Bauer stated it has been seven (7) years since South Bend's last tax abatement and based on that the city is due for a tax award. Bauer stated if the project is not selected for tax credits, then an alternative scope or rethinking with the developer will be an option as well as moving the project forward without the tax credits. If the tax credit is not approved, the project does have a designation period to allow this abatement to apply and if not approved next year, then the developers would have to come back before the Council.

Clerk Jones stated there is no one from the public wishing to speak in favor or in opposition to Bill *No. 22-38*.

Committee Member Wax made a motion to send Bill *No. 22-38* to the full council with a favorable recommendation, which was seconded by Citizen Member Kurzhal. The motion was carried by a vote of four (4) ayes.

Committee Chair Tomas Morgan stated that Bill *No. 22-38* will be sent to the full Council with a favorable recommendation.

With no further business, Committee Chair Tomas Morgan adjourned the meeting at 3:22 p.m.

Respectfully Submitted,

Rachel Tomas Morgan, Committee Chair