



OFFICE OF THE CITY CLERK

BIANCA L. TIRADO, CITY CLERK

COMMUNITY INVESTMENT

APRIL 22, 2024 3:30 P.M.

Committee Members Present:

Troy Warner, Rachel Tomas Morgan, Ophelia Gooden-Rodgers, Sherry Bolden-Simpson*, Kaine Kanczuzewski, Thomas Gryp* (*arrived later*)

Committee Members Absent:

None

Others Present:

Bianca L. Tirado, Elivet Quijada-Navarro, Danica Kulemeka, Matthew Neal, Bob Palmer

Presenter(s):

Erik Glavich, Rich Carlton, Alex Bazan, Caleb Bauer

Agenda:

Bill No. 24-13 — Reconfirming Resolution for 1440 Ignition Drive - Aunalytics

Bill No. 24-14 — Confirming Resolution Personal Property Tax Abatement Steel Warehouse Company, LLC

Bill No. 24-15 — Confirming Resolution Real Property Tax Abatement Steel Warehouse Company, LLC

Update — Department of Community Investment – South Bend Climate Action Plan (CAP)

Update — Department of Community Investment – Cherry Street / South Bend Range Property

Members marked with an asterisk (*) are in virtual attendance.

Please note the attached link for the meeting recording:

INTEGRITY | SERVICE | ACCESSIBILITY

Danica Kulemeka
CHIEF DEPUTY/ CHIEF OF STAFF

Elivet Quijada-Navarro
DEPUTY/ DIRECTOR OF POLICY

Matthew Neal
DIRECTOR OF SPECIAL PROJECTS

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<https://docs.southbendin.gov/WebLink/browse.aspx?dbid=0&mediaid=382166>

Please note the attached link for the presentation(s):

<https://docs.southbendin.gov/WebLink/0/foi/382151/Row1.aspx>

Committee Chair Troy Warner called to order the Community Investment Committee meeting at 3:30 p.m.

Bill No. 24-13 — Reconfirming Resolution for 1440 Ignition Drive - Aunalytics

Erik Glavich, Director of Growth and Opportunity, with offices on the 14th floor of the County-City Building, stated that Indiana Code allows for municipalities, counties, and other jurisdictions to grant an exemption from personal property tax for enterprise information technology equipment, such as data servers. The Indiana Code was created to incentivize investment in data centers. In 2013 the South Bend Common Council confirmed a tax exemption for Aunalytics as they were expanding their facility on Ignition Drive. Pursuant to the Indiana Code, the exemption also applies to subsequent additional or replacement equipment if the company and the equipment meet the eligibility requirements. Aunalytics is planning an investment of more than thirty million dollars (\$30,000,000) worth of equipment and infrastructure to be able to provide expanded artificial services. Bill *No. 24-13* reconfirms the tax exemption granted in 2013, confirms that Aunalytics meets the requirements established by the Indiana Code, and confirms that the equipment Aunalytics plans to purchase qualifies for the exemption. In order to be eligible businesses must have an average wage that is one hundred and twenty-five percent (125%) of the average county wage. In the beginning of 2023 St. Joseph County had an average wage of twenty-seven dollars and sixty-eight cents (\$27.68) an hour whereas Aunalytics has an average wage of forty-two dollars (\$42) an hour. In 2016 Indianapolis utilized this Indiana Code to provide an exemption to Salesforce, and in 2023 Fort Wayne utilized this Indiana Code to provide an exemption to Hatchworks.

Rich Carlton, President of Aunalytics, with offices at 1440 Ignition Drive, South Bend IN 46601, gave a presentation regarding the history and future of Aunalytics. The mission of Aunalytics is to be the advanced computing infrastructure and primary advisors for traditional businesses, powering analytics and IT innovation. Aunalytics has already begun delivering Artificial Intelligence (AI) software to companies. The advanced technologies used by Aunalytics require equally advanced hardware. In its next phase, Aunalytics seeks to provide the essential infrastructure necessary to empower businesses within our region and beyond to embrace and implement AI solutions effectively. This investment exemplifies Aunalytics' commitment to South Bend by creating high-quality employment opportunities, bolstering local revenue streams, and fortifying South Bend's economic strength.

Committee Chair Warner requested information regarding wages.

Rich Carlton stated that Aunalytics' average wages are more than the required one hundred and twenty-five percent (125%) of county wages, but will get specific numbers before the 7:00p.m. meeting.



Committee Chair Warner requested comments from committee members.

Committee Member Kaine Kanczuzewski requested clarity regarding who will benefit from this investment.

Rich Carlton stated that this investment will help Aunalytics serve new customers as the company grows.

Committee Member Sherry Bolden-Simpson requested information regarding Aunalytics' efforts in educating their work force.

Rich Carlton stated that Aunalytics supports internal and external training of their employees. Aunalytics offers training programs on their own platform, and provides assistance to employees to get technical certificates. Aunalytics does not fund employees' college tuition at this time.

Committee Vice Chair Tomas Morgan requested clarification of Aunalytics' tax exemption.

Erik Glavich stated that the Indiana Code (IC) 6-1.1-10-44 allows for a tax exemption with an unlimited term length provided that Aunalytics continues to qualify for the exemption, which they have.

Committee Chair Warner held the public hearing, and nobody spoke.

Committee Vice Chair Tomas Morgan thanked Aunalytics for their investment in South Bend.

Committee Vice Chair Tomas Morgan motioned to send Bill No. 24-13 to the Committee of the Whole with a favorable recommendation, which was seconded by Committee Member Bolden-Simpson and carried by a vote of five (5) ayes with one (1) committee member absent.

Committee Chair Troy Warner - <i>Aye</i>	Committee Vice Chair Rachel Tomas Morgan – <i>Aye</i>
Committee Member Ophelia Gooden-Rodgers - <i>Aye</i>	Committee Member Sherry Bolden-Simpson – <i>Aye</i>
Committee Member Kaine Kanczuzewski - <i>Aye</i>	Committee Member Thomas Gryp - <i>Absent</i>

**Bill No. 24-14 — Confirming Resolution
Personal Property Tax Abatement Steel
Warehouse Company, LLC**

**Bill No. 24-15 — Confirming Resolution
Real Property Tax Abatement Steel
Warehouse Company, LLC**

Committee Vice Chair Tomas Morgan motioned to hear Bill No. 24-14 and Bill No. 24-15 together, which was seconded by Committee Member Ophelia Gooden-Rodgers and carried by a vote of five (5) ayes with one (1) committee member absent.

Committee Chair Troy Warner - <i>Aye</i>	Committee Vice Chair Rachel Tomas Morgan – <i>Aye</i>
Committee Member Ophelia Gooden-Rodgers - <i>Aye</i>	Committee Member Sherry Bolden-Simpson – <i>Aye</i>
Committee Member Kaine Kanczuzewski - <i>Aye</i>	Committee Member Thomas Gryp - <i>Absent</i>

Erik Glavich, Director of Growth and Opportunity, with offices on the 14th floor of the County-City Building, stated that Bill No. 24-14 and Bill No. 24-15 would confirm the declaratory resolutions that were previously adopted by the Council. Steel Warehouse has been investing in South Bend for years. Steel Warehouse will be installing a new production line and building a



new building. These abatements will help to retain twenty-one (21) employees and add eleven (11) new employees by the end of 2027. The personal property abatement is for the equipment and the real property abatement is for the new building.

Randy Parsons, Steel Warehouse General Manager, 61450 Myrtle Road, South Bend IN 46614, stated appreciation for the Committee’s consideration.

Committee Chair Warner clarified that the personal property refers to the new equipment, whereas the real property refers to the expansion of the building.

Committee Chair Warner asked the Committee for comments, and nobody spoke.

Committee Chair Warner held the public hearing, and nobody spoke.

Committee Member Bolden-Simpson motioned to send Bill No. 24-14 to the Committee of the Whole with a favorable recommendation, which was seconded by Committee Vice Chair Tomas Morgan and carried by a vote of five (5) ayes with one (1) committee member absent.

Committee Chair Troy Warner - <i>Aye</i>	Committee Vice Chair Rachel Tomas Morgan – <i>Aye</i>
Committee Member Ophelia Gooden-Rodgers - <i>Aye</i>	Committee Member Sherry Bolden-Simpson – <i>Aye</i>
Committee Member Kaine Kanczuzewski - <i>Aye</i>	Committee Member Thomas Gryp - <i>Absent</i>

Committee Vice Chair Tomas Morgan motioned to send Bill No. 24-15 to the Committee of the Whole with a favorable recommendation, which was seconded by Committee Member Bolden-Simpson and carried by a vote of five (5) ayes with one (1) committee member absent.

Committee Chair Troy Warner - <i>Aye</i>	Committee Vice Chair Rachel Tomas Morgan – <i>Aye</i>
Committee Member Ophelia Gooden-Rodgers - <i>Aye</i>	Committee Member Sherry Bolden-Simpson – <i>Aye</i>
Committee Member Kaine Kanczuzewski - <i>Aye</i>	Committee Member Thomas Gryp - <i>Absent</i>

Update — Department of Community Investment – South Bend Climate Action Plan (CAP)

Caleb Bauer, Executive Director of Community Investment (DCI), with offices on the 14th floor of the County-City Building, introduced Alex Bazan.

Alex Bazan, Director of Sustainability, 237 North Michigan Street, South Bend IN 46601, gave a presentation regarding South Bend’s Climate Action Plan (CAP). The Office of Sustainability’s mission is to mobilize the community to address climate change. South Bend’s first (1st) CAP was passed in 2019 with the goal of becoming carbon neutral by 2050. The focus of the original plan was to reduce emissions from energy and transportation. The Office of Sustainability adjusted the CAP from a three (3) year update cycle to a five (5) year update cycle in 2022. In 2023 the Office of Sustainability designed the Climate Action Ambassadors Program in which fifteen (15) climate ambassadors were given a two hundred and fifty dollar (\$250) stipend to each host one (1) Climate Action Survey Session with at least fifteen (15) participants. The two hundred and twenty-five (225) community participants were paid twenty-five dollars (\$25) each for one (1) hour of their time as they completed the Climate Action Planning Survey during the session. Currently there are over five hundred (500) surveys completed which is more than



double the goal. The surveys have helped to narrow the focus of the CAP update. The Office of Sustainability hosted a Climate Risk and Vulnerability Assessment Workshop in 2023 where fifty-five local experts, representing five (5) community systems, brainstormed and prioritized over fifty (50) risks and vulnerabilities. A goal of the CAP update is to include adaptation strategies along with mitigation efforts. The Office of Sustainability will be collaborating among and with departments to co-create climate action strategies before seeking feedback from the public. The 2024 extension of the Climate Action Ambassadors Program will have ambassadors seek feedback from community members on draft climate action strategies. Ambassadors will receive a one thousand dollar (\$1,000) stipend for forty (40) hours of work over a six (6) month period. The Office of Sustainability will be engaging with the public at local events: Downtown South Bend First (1st) Fridays, Linden Avenue Farmers Markets, the Climate Action Planning Event, and more. The Together South Bend website will be the hub for announcing plan progress and upcoming engagement opportunities. The goal is to have the CAP updated by the end of 2024.

Committee Member Gooden-Rodgers requested information regarding marketing of the CAP.

Alex Bazan stated that the Office of Sustainability utilizes their Facebook page, their website, and press releases to market the CAP.

Caleb Bauer stated that the CAP is also promoted through the Climate Action Ambassadors Program, local news outlets, and local events.

Committee Vice Chair Tomas Morgan stated appreciation for the work of the Office of Sustainability, and requested information regarding the budgetary impact of the CAP.

Caleb Bauer stated that the CAP will include budget related items.

Update — Department of Community Investment – Cherry Street / South Bend Range Property

Chris Dressel, Department of Community Investment, with offices on the 14th floor of the County-City Building, gave updates regarding a few different properties. The Environmental Protection Agency (EPA) visited the former Oil Express property, located at 1510-1520 West Washington Street, with the intention to verify the conclusions made in the phase two (2) report that was conducted through a Michiana Area Council of Governments (MACOG) grant. The EPA confirmed that there is not a time critical removal action necessary for the property at this time. There are signs on the property to deter people from entering. Soil sampling was conducted at the former South Bend Range property, located at 133 Cherry Street. A few of the eleven (11) samples taken expressed an amount of contaminants that exceed screening levels for residential groundwater. The site is privately owned and is secured with a fence.

Caleb Bauer stated that 133 Cherry Street is a tax delinquent property. The City requested St. Joseph County remove the property from the tax sale process and transfer the tax certificate to City ownership. St. Joseph County staff has agreed to the transfer, but the action must first (1st) be approved by the St. Joseph County Commissioners. Once the certificate is transferred there will be a redemption period in which the owner will have a period of time to pay their back



taxes; in this circumstance it is unlikely the back taxes will be paid. After the redemption period the City will be able to file for issuance of a tax deed and have full ownership of the site. This is the same process the City utilized to gain ownership of the Drewrys site. Caleb Bauer stated that the former Hurwich Iron property, located at 1610 Circle Avenue, had been under investigation through the Indiana Department of Environmental Management (IDEM) State Cleanup Program because of lead soil contamination. The property owner completed Phase One (1) and Phase Two (2) which can be found on IDEM's Virtual File Cabinet.

Committee Vice Chair Tomas Morgan requested clarification regarding the financial responsibility of the South Bend Range pertaining to cleanup of the 133 Cherry Street site.

Caleb Bauer stated that the City has been working with the EPA and IDEM to explore different options involving potentially responsible parties (PRPs).

Committee Member Kancuzewski asked if the City has had any success in utilizing similar tactics regarding Drewrys.

Caleb Bauer stated that he believes Drewrys does not have enough value in assets to be potentially part of a PRP agreement, but the City and the EPA will continue to consider the possibility.

Committee Member Kancuzewski requested information regarding the length of the redemption period for 133 Cherry Street.

Caleb Bauer stated that he believes the redemption period for the 133 Cherry Street site would be one hundred and twenty (120) days.

Committee Member Kancuzewski asked if there had been any discussion of the reactivation of rail use at the Hurwich Iron site.

Caleb Bauer stated that there has not been discussion among city staff regarding the reactivation of rails, and stated that before a reactivation could occur the Board of Zoning Appeals would have to allow for a Special Exception.

Councilmember Karen L. White requested clarification regarding the 1510-1520 West Washington Street site's classification of not critical.

Caleb Bauer stated that the site's classification of not critical means that the site does not need to be actively remediated today, nor does it impose an imminent health risk as it currently exists. The site would require soil remediation before any future activity were to occur. The area is still zoned industrial, so unless a rezoning were to occur any future use would need to be industrial.

Councilmember White stated that it is important to hear updates regarding all three sites together because they are interconnected and should not be viewed in isolation. Councilmember White stated that she would like to have information regarding these sites be shared with residents in the surrounding area.

Committee Chair Warner suggested that DCI send a letter to neighborhood associations regarding the sites.



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Caleb Bauer stated that DCI would be happy to put together a letter.

With no further business, Committee Chair Troy Warner adjourned the Community Investment Committee meeting at 4:27 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Troy Warner', with a long horizontal line extending to the right.

Troy Warner, Committee Chair

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