



Department of Community Investment

2022 Annual Tax Abatement Report

August 28, 2023

2022 Tax Abatement Summary



- Real Property Abatements: 5
- Personal Property Abatements: 3
 - 2 personal property abatements were for projects that also received a real property abatement
- Total Estimated Project Costs: **\$318.9 million**
- 2 projects nearing completion
 - The Hill apartments (ND QOZB LLC)
 - GLC Portage Prairie V
- Waivers of Non-Compliance
 - Toyo Seiko; Seaflo; Imagineering



2022 Tax Abatement Summary

Real Property Abatement

- Property tax deduction from the NEW assessed valuation of a building.
- Does not include the assessed valuation of an existing structure.
- Does not include land.
- Granted by the designating body for the construction of a new structure or a rehabilitation of property in an Economic Revitalization Area (ERA).
 - Types of abatement in the Municipal Code
 - **Industrial – Multi-Family Residential – Office – Institutional – Hotel/Motel – Retail – Warehouse** (3-year base abatement + add-on years = 10-year max abatement)
 - **Mixed-Use**: Combination of office, retail, multi-family housing & hotel/motel (3-year base abatement + add-on years = 10-year max abatement)
 - **Single-Family Residential** (5-year abatement only)



2022 Tax Abatement Summary: Real Property

Petitioner	Project Description	Years Granted	Type	Estimated Project Cost	Estimated New Jobs	Number of Housing Units
Greenleaf Holdco	Pure Green Farms phase 2 (not started)	9	Industrial	\$ 12,130,000	75	N/A
JEM Farms South Bend, LLC	Red Sun Farms greenhouse (not started)	9	Industrial	60,000,000	110	N/A
GLC Portage Prairie V, LLC	New spec building (construction ongoing)	7	Industrial	15,000,000	50	N/A
The Monreaux LLC	New low-income tax credit housing (not started)	8	Mixed-Use	14,000,000	8	60
ND QOZB LLC	Apartment building rehabilitation (near completion)	8	Residential	27,600,000	10	69
				\$ 128,730,000	253	129

- Housing units for low- to moderate-income households: 74 of 129



2022 Tax Abatement Summary: Real Property

Estimates at Time of Abatement Approval							
Petitioner	Years Granted	Taxes w/o Project	Cumulative Taxes Abated	Cumulative Taxes Paid	Taxes Paid (10 years)	Taxes Paid (15 years)	Taxes Paid (20 years)
Greenleaf Holdco	9	\$ 1,400	\$ 2,074,500	\$ 517,500	\$ 805,500	\$ 2,245,500	\$ 3,685,500
JEM Farms South Bend, LLC	9	8,600	10,311,000	2,726,000	4,175,000	11,418,000	18,661,000
GLC Portage Prairie V, LLC	7	2,300	1,872,400	716,900	1,826,600	3,676,100	5,525,600
The Monreaux LLC	8	1,100	433,500	304,600	489,500	951,000	1,412,500
ND QOZB LLC	8	26,400	1,028,200	1,113,900	1,649,800	2,988,800	4,327,800
		\$ 39,800	\$ 15,719,600	\$ 5,378,900	\$ 8,946,400	\$ 21,279,400	\$ 33,612,400
Without Project:					\$ 398,000	\$ 597,000	\$ 796,000

- Does not include Pure Green Farms phase 1 (Greenleaf Holdco)
- The Monreaux LLC “current” taxes are estimated. Property does not have current tax liability (owned by the RDC)



2022 Tax Abatement Summary

Personal Property Abatement

- Property tax deduction from the assessed valuation of qualifying equipment.
- Types of personal property eligible for an abatement
 - Manufacturing equipment
 - R&D equipment
 - IT equipment
 - Logistical & distribution equipment



2022 Tax Abatement Summary: Personal Property

Petitioner	Project Description	Estimated Project Cost	Estimated New Jobs	Estimated Taxes Abated (Over 5 years)	Cumulative Estimated Taxes Paid
Greenleaf Holdco	Machinery & equipment for Pure Green Farms phase 2 (not started)	\$ 68,040,000	75	\$ 4,834,800	\$ -
JEM Farms South Bend, LLC	Machinery & equipment for Red Sun Farms greenhouse (not started)	118,220,000	110	6,867,600	-
Steel Warehouse Company LLC	New industrial cold reducing mill equipment (not installed as of 12/31/2022)	3,913,000	12	217,700	45,200
		\$ 190,173,000	197	\$ 11,920,100	\$ 45,200

- Steel Warehouse is expanding its facility to accommodate the new equipment

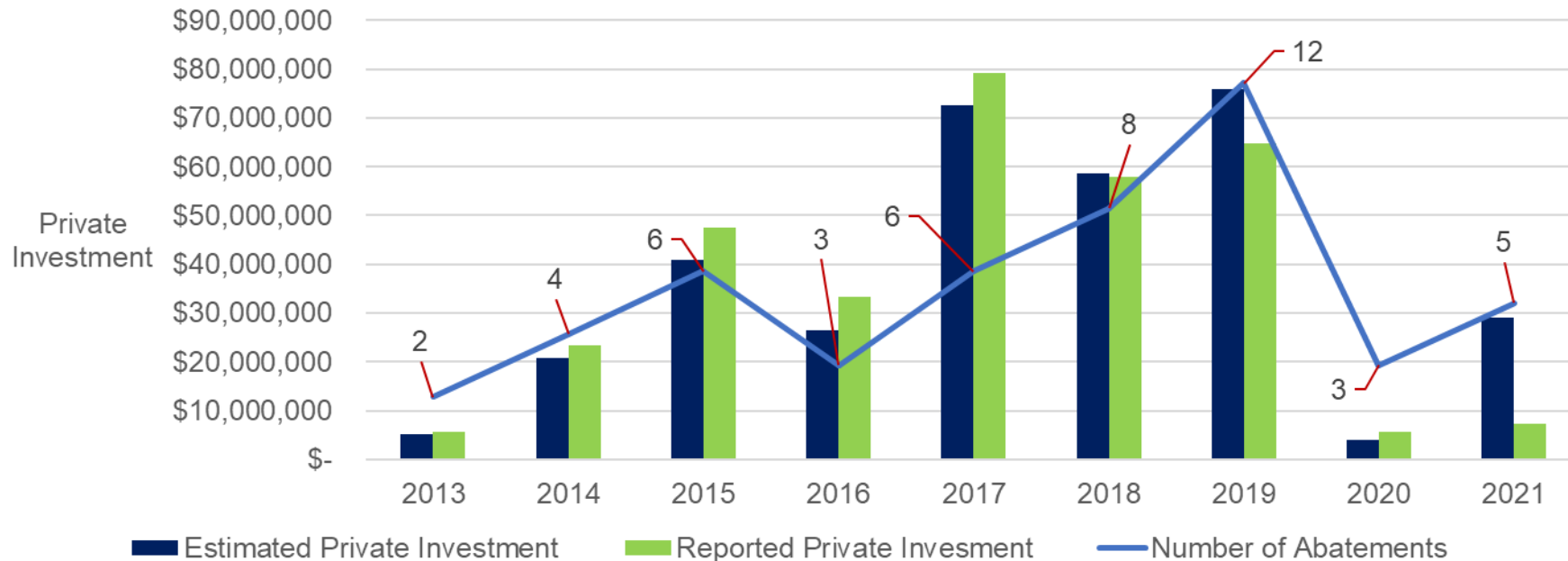


Active Abatements (2013-2021): Private Investment



Tax Abatements (2013-2021): Real Property

Real Property: Private Investment



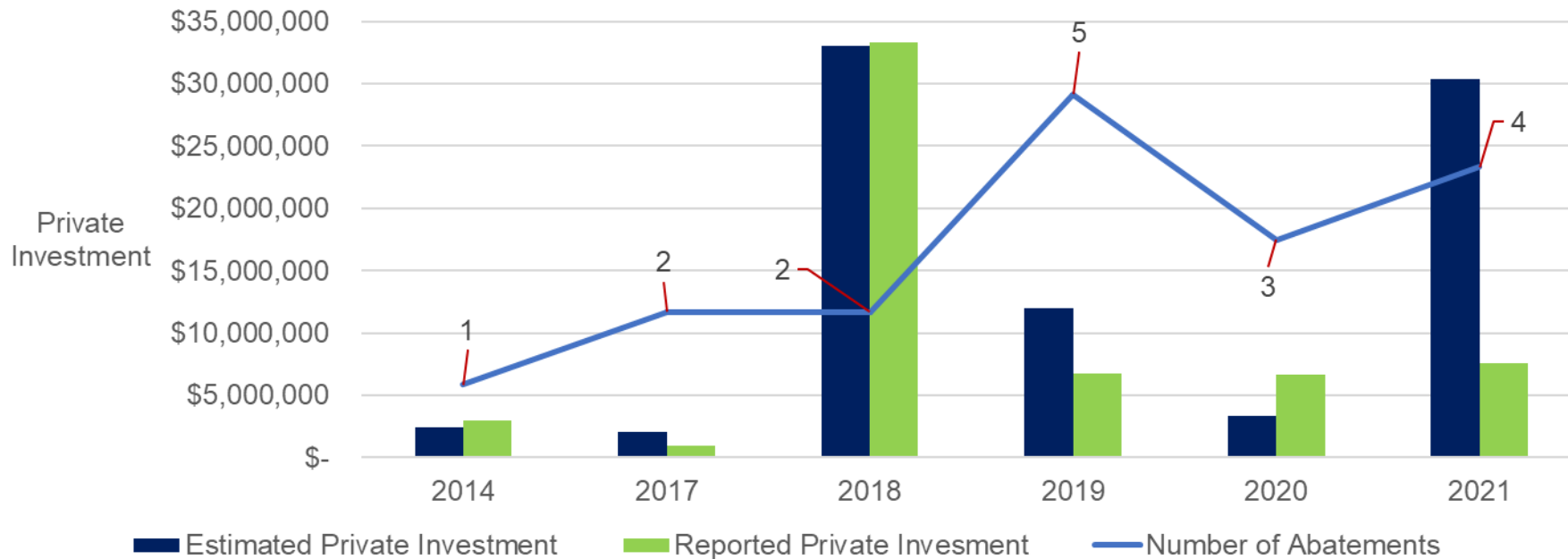
- 49 active real property tax abatements in 2022
- Estimated Private Investment: \$334 million
- Reported Actual Costs: **\$325 million**
- 2021: McCormick & Ward Bakery reported no actual costs as of 12/31/2022

- Includes only abatements that have not expired
- Excludes Liberty Tower Apartments abatement confirmed in 2018
- Excludes Diamond View Apartments confirmed in 2021



Tax Abatements (2014-2021): Personal Property

Personal Property: Private Investment



- 17 active personal property tax abatements in 2022
- Estimated Private Investment: \$83.1 million
- Reported Actual Costs: **\$52.2 million**
- 2021: McCormick has yet to install equipment; \$23.77 million in expected private investment

- Includes active abatements in Pay Year 2022

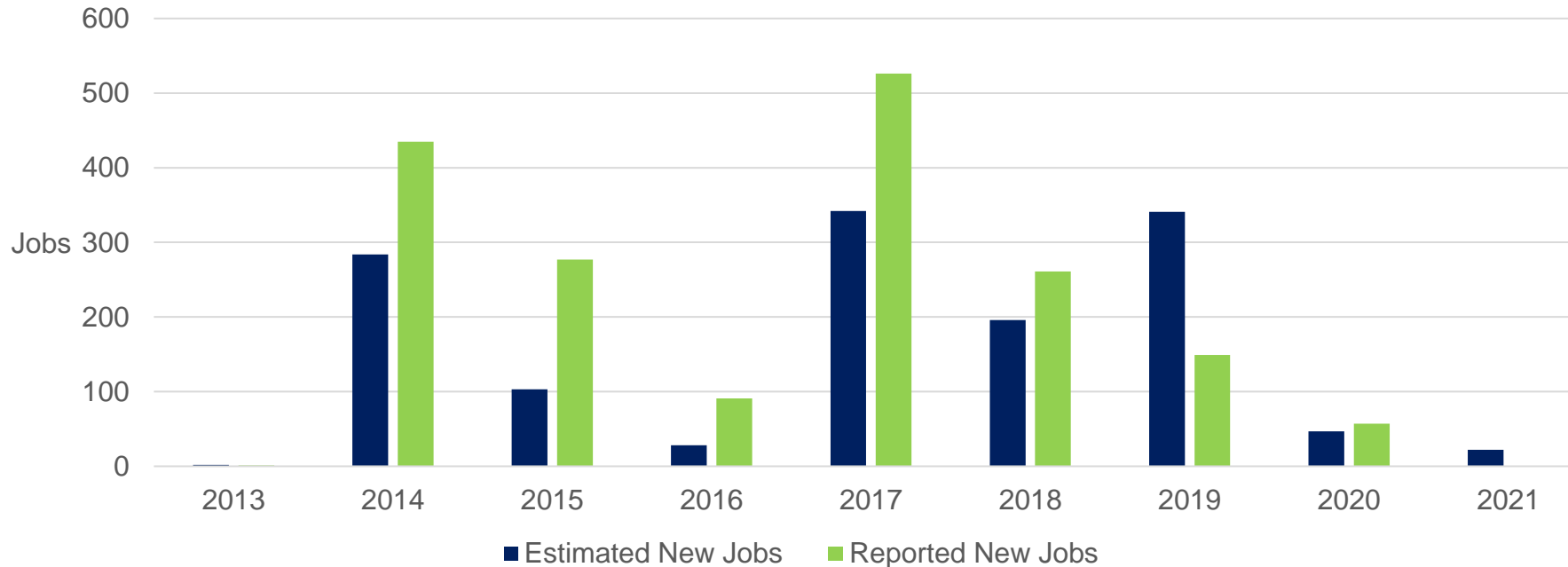


Active Abatements (2013-2021): Jobs



Tax Abatements (2013-2021): New Jobs

Real Property and Personal Property: New Jobs



- Includes only active abatements
- Excludes Liberty Tower Apartments abatement confirmed in 2018
- Excludes Diamond View Apartments confirmed in 2021

- 66 active tax abatements in 2022
- Total Estimated New Jobs: 1,365
 - Total Estimated Jobs (retained and new): 3,405
- Reported Actual New Jobs: **1,797**
 - Total Reported Jobs (retained and new): **3,671**
- Average Salary per New Job: \$44,900

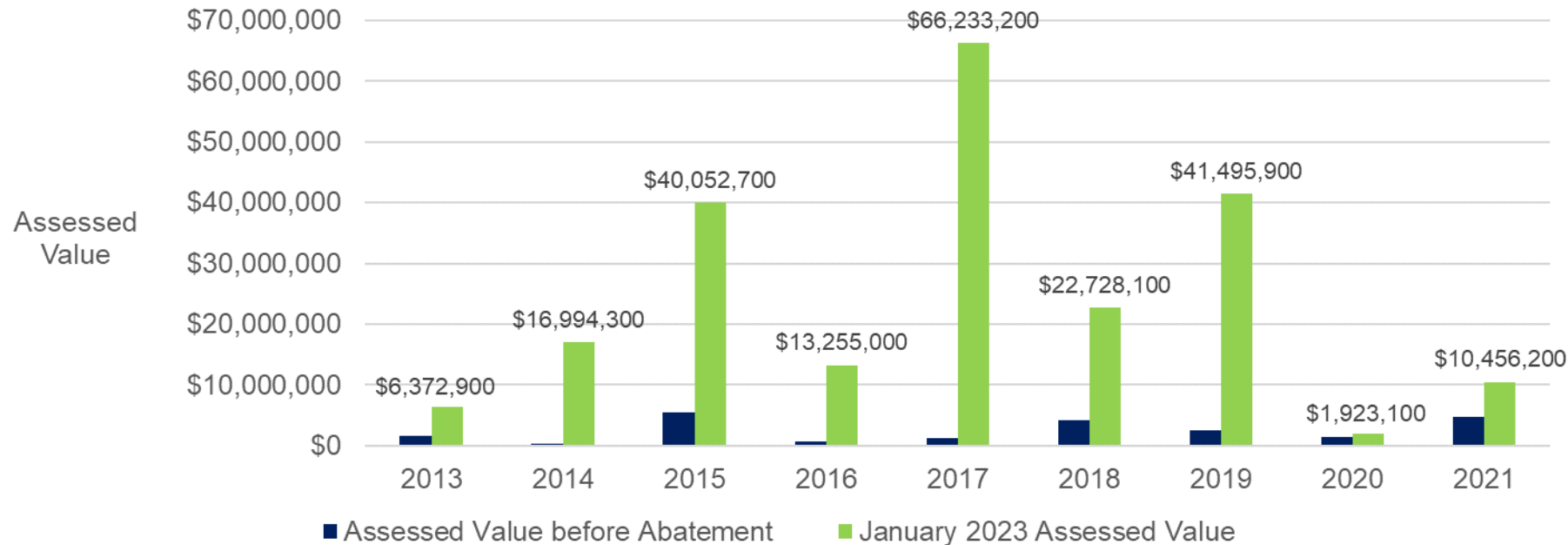


Active Abatements (2013-2021): Assessed Values



Tax Abatements (2013-2021): Assessed Values

Real Property: Assessed Value Before Abatement and Today



- 49 active real property abatements in 2022
- Total Assessed Value Prior to Abatement: \$22.0 million
 - Land Only: \$3.76 million
- Total Assessed Value Today: **\$219.5 million**
 - Land Only: \$7.90 million

- Includes only active abatements
- Excludes Liberty Tower Apartments abatement confirmed in 2018
- Excludes Diamond View Apartments confirmed in 2021

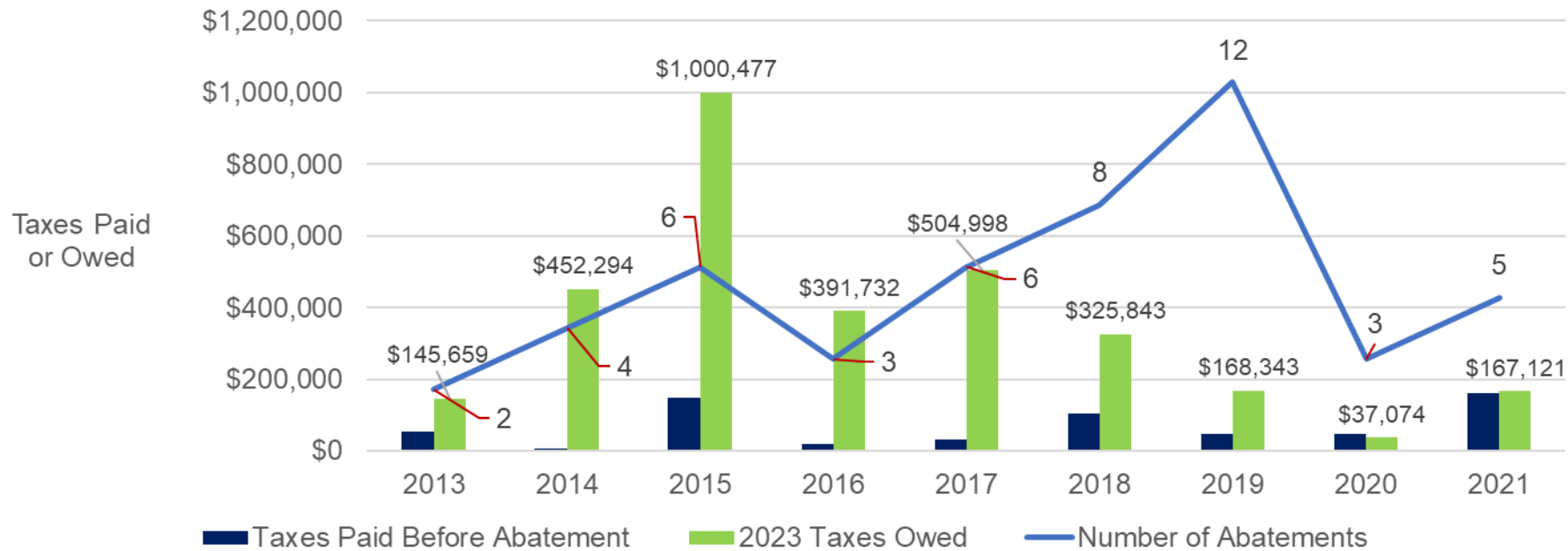


Active Abatements (2013-2021): Taxes Paid



Tax Abatements (2013-2021): Taxes Paid

Real Property: Total Tax Liability



- 49 active real property abatements in 2022
- Total Taxes Paid Prior to Abatement: \$620,670
- Total Paid or Owed, Pay Year 2023: **\$3,193,541**

- Includes only active abatements
- Excludes Liberty Tower Apartments abatement confirmed in 2018
- Excludes Diamond View Apartments confirmed in 2021



Tax Abatements (2013-2021): Summary

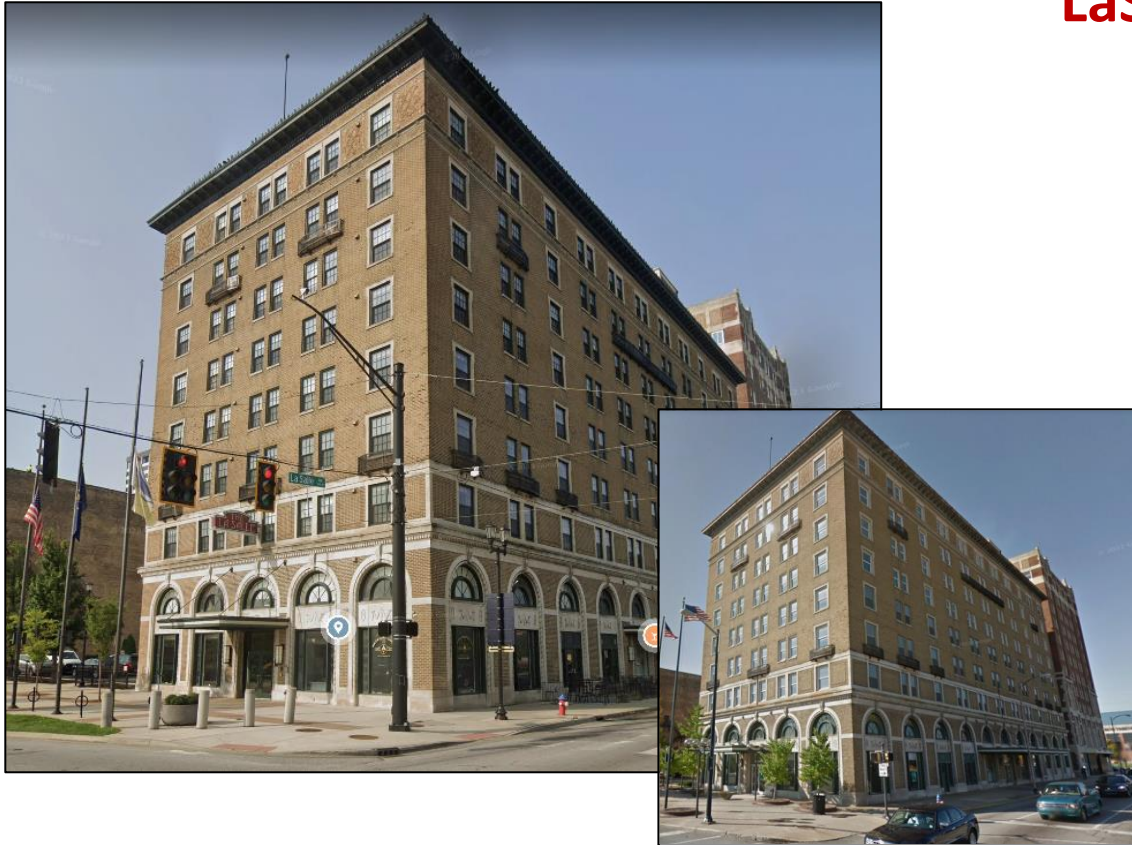
During 2022 – Estimates for Active Tax Abatements Confirmed Through 2021

- Active Abatements
 - Real Property: 47
 - Vacant Building: 4
 - Personal Property Abatements: 17
- Total Reported Project Costs: **\$377.2 million**
 - Estimated Before Project: **\$417.1 million**
- Total Reported New Jobs: **1,797**
 - Estimated Before Project: **1,395**
- Real Property Assessed Value in 2023: **\$219.5 million** (900% increase)
 - Assessed Value Before Project: **\$22.0 million**
- Taxes Paid or Owed in 2023: **\$3,193,541** (415% increase)
 - Taxes Paid Before Project: **\$620,670**



Property Snapshots

237 N. Michigan Street



LaSalle Apartments

- Reconfirmed in 2016, originally confirmed in 2014
- 10-year abatement, 4 years remain
- Taxes Before Abatement: \$11,700
- 2023 Taxes: \$56,800
- Estimated Taxes After Abatement: \$73,600



Property Snapshots

108 N. Main Street



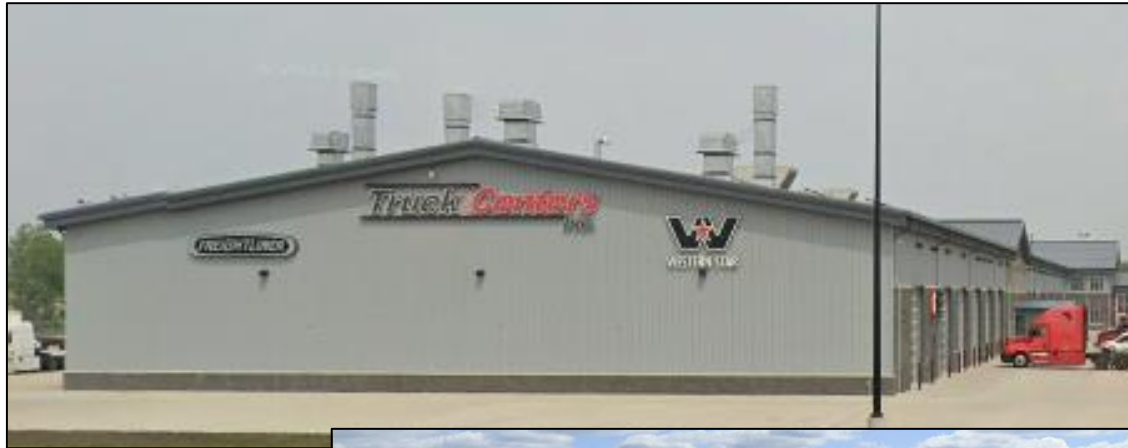
Historic JMS Building

- Confirmed in 2015
- 10-year abatement, 5 years remain
- Taxes Before Abatement: \$34,200
- 2023 Taxes: \$78,600
- Estimated Taxes After Abatement: \$121,500



Property Snapshots

4145 Ameritech Drive



Truck Centers, Inc. - Freightliner Western Star Dealer

- Confirmed in 2019
- 7-year abatement; 4 years left
- Taxes Before Abatement: \$6,500
- 2023 Taxes: \$41,100
- Estimated Taxes After Abatement: \$307,500

