



# Department of Community Investment

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June 12, 2023

# Agenda:

## Bill No. 23-26

Reconfirming Resolution: Eight-Year (8) Real Property Tax Abatement for RealAmerica Development / Diamond View Apartments

## Bill No. 23-27

Declaratory Resolution: Eight-Year (8) Real Property Tax Abatement for RealAmerica Development / Diamond View Apartments

## Bill No. 23-28

Confirming Resolution: Five-Year (5) Personal Property Tax Abatement for Verbio North America LLC

## Bill No. 23-29

Confirming Resolution: Eight-Year (8) Real Property Tax Abatement for Verbio North America LLC



# Agenda (continued):

## Bill No. 23-30

Confirming Resolution: Four-Year (4) Real Property Tax Abatement for David A. Nufer, LLC (Burton's Laundry)

## Bill No. 23-31

Declaratory Resolution: Nine-Year (9) Real Property Tax Abatement for GLC Portage Prairie LLC / AM General

## Bill No. 23-32

Declaratory Resolution: Two-Year (2) Vacant Building Tax Abatement for Herstoric Properties LLC

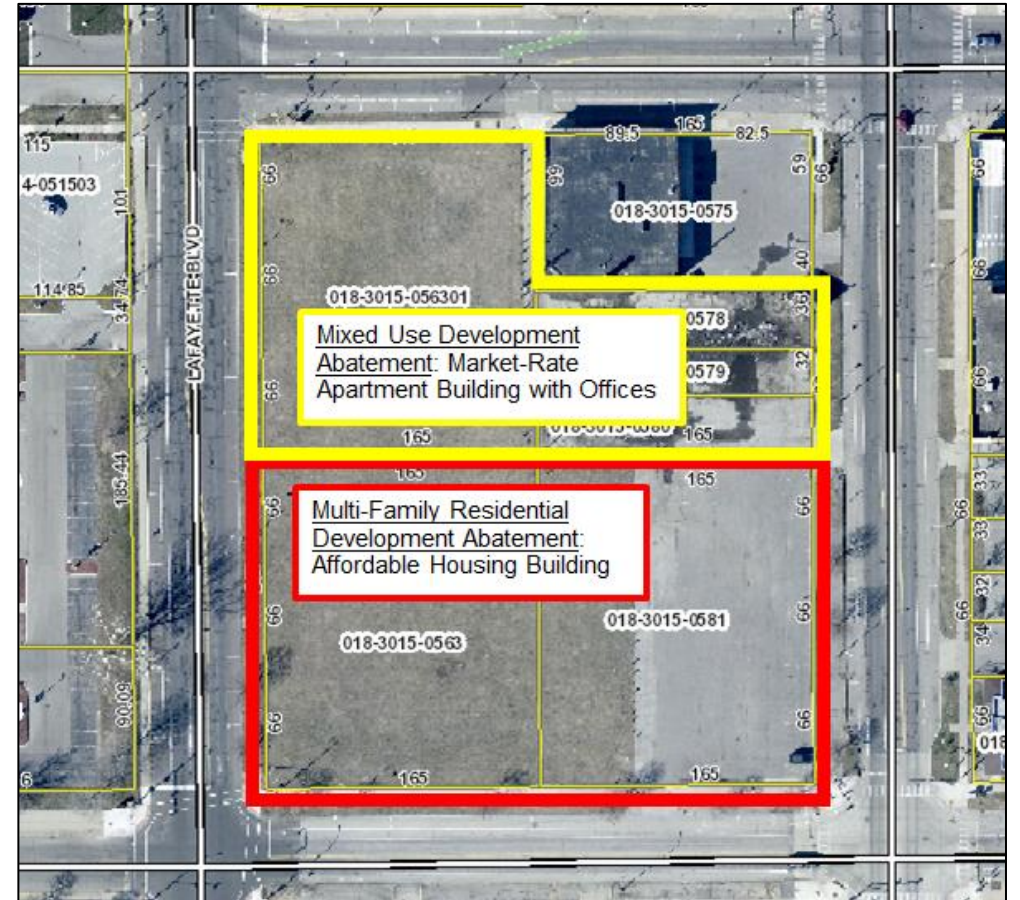
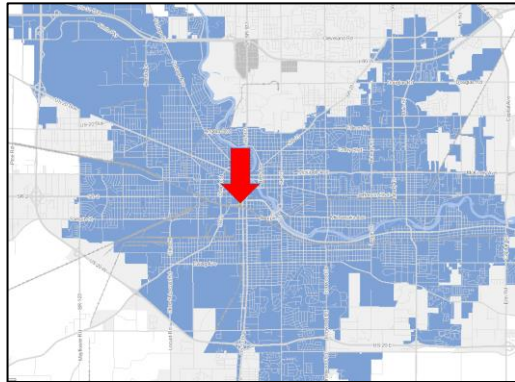
## Bill No. 23-33

Declaratory Resolution: Six-Year (6) Real Property Tax Abatement for Herstoric Properties LLC



# Diamond View Apartments

Indiana Tax Credit Low-Income Project by RealAmerica Development LLC



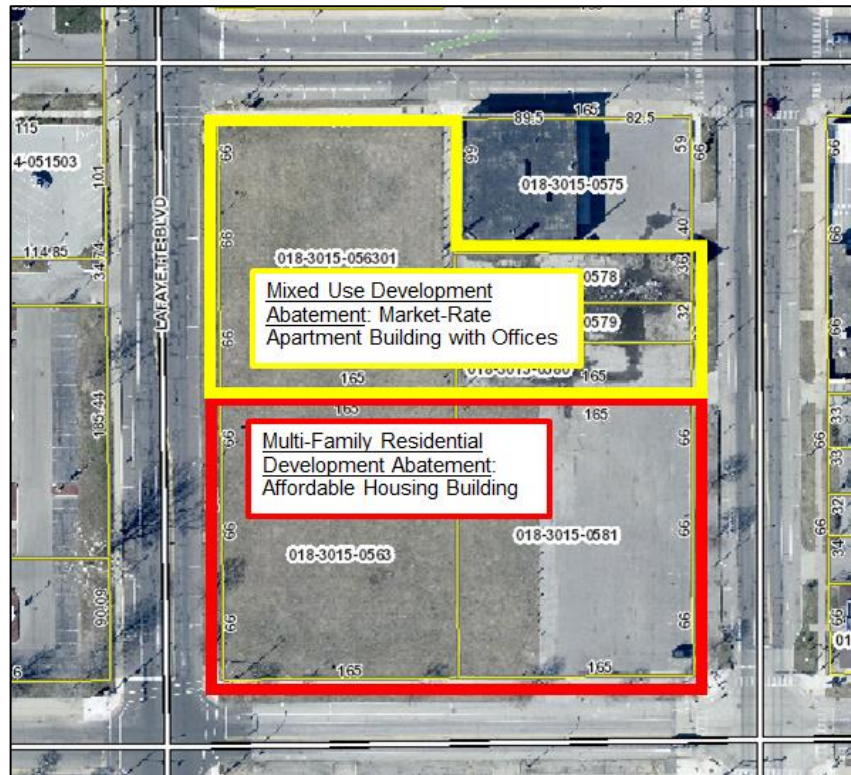


# City-Supported Developments



# Reconfirming Resolution: Bill No. 23-26

## Diamond View Apartments South Lafayette Boulevard



In January 2023, RealAmerica Development, LLC, was awarded IHEDA low-income housing tax credits.

- 60-unit affordable housing building targeting households earning 30% to 60% of the area median income
- 12 units set aside for individuals with intellectual and development disabilities
- Community space for LOGAN Community Resources, Inc.
- Total Investment: **\$9.9 million**

### Reconfirming Resolution: Multi-Family Residential Development Real Property Tax Abatement (8 years)

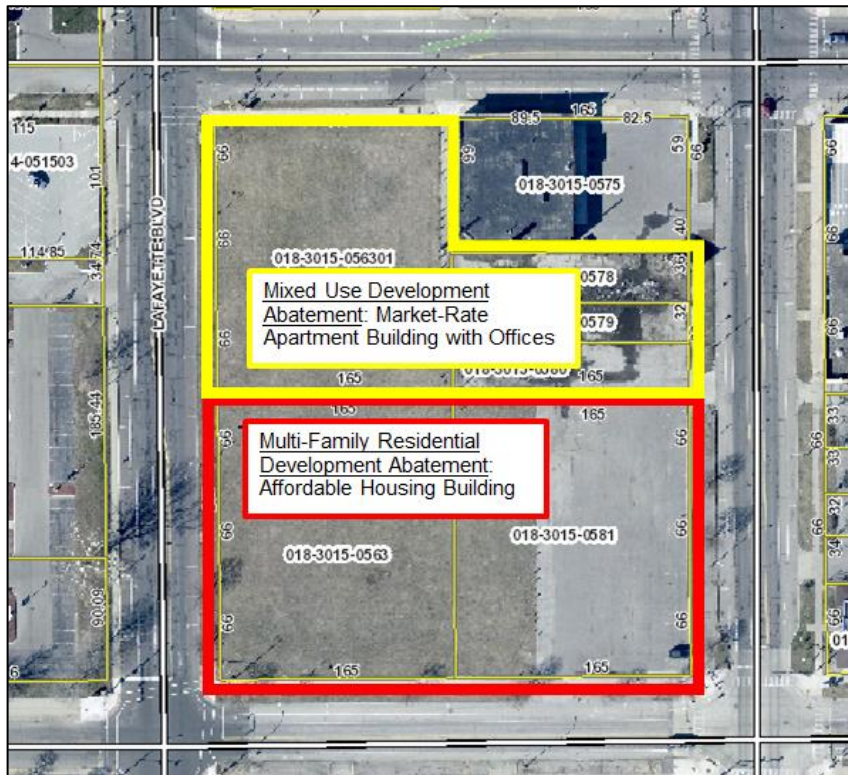
- July 12, 2021: the Common Council approved Confirming Resolution 4922-21, which confirmed Declaratory Resolution 4921-21
- Reconfirms Declaratory Resolution 4921-21 for affordable building (red outline)
- Extends the designation period to end of 2026
- Removes the parcels for the market-rate apartment building from the abatement (yellow outline)





# Declaratory Resolution: Bill No. 23-27

Diamond View Apartments  
South Lafayette Boulevard



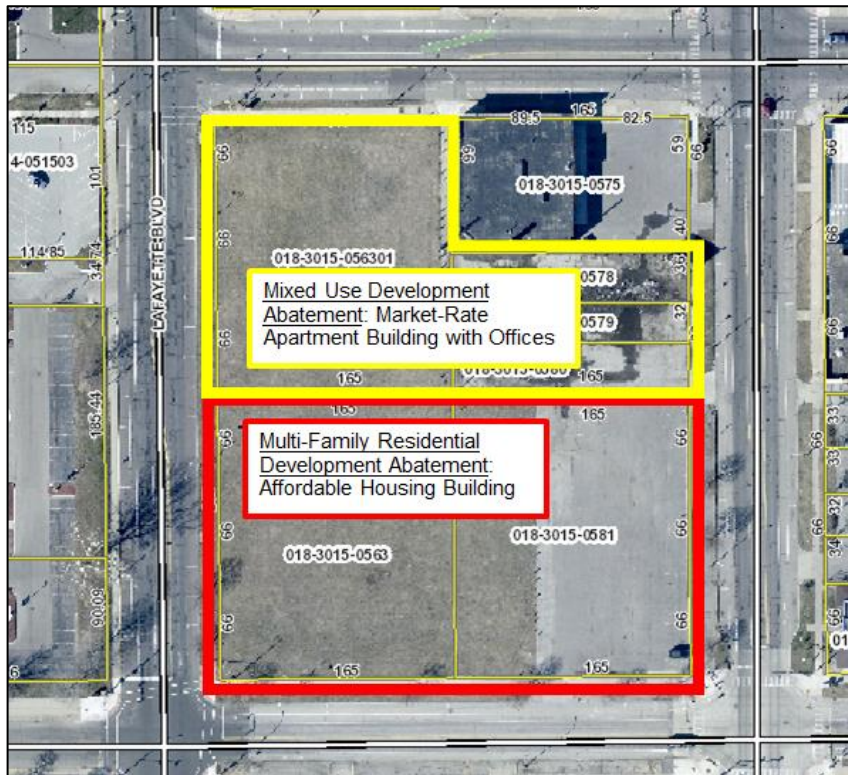
## Mixed-Use Development Real Property Tax Abatement (8 years)

- 60-unit market-rate apartment building with offices (yellow outline)
- Parcels were included in 2021 abatement
- Same abatement schedule as the 2021 abatement and newly reconfirmed multi-family residential abatement
- Designation period expires at end of 2026
- Total Investment: **\$10.7 million**



# Reconfirming Resolution: Bill No. 23-26

Diamond View Apartments  
South Lafayette Boulevard



## Multi-Family Residential Development Real Property Tax Abatement (8 years)

### Tax Summary

- Current estimated annual taxes: \$1,100
- Estimated annual taxes after project: \$40,600
- During the 8-year abatement
  - Total estimated taxes: \$325,000
  - Taxes abated: \$156,200
  - Taxes paid: \$168,800
- Estimated taxes paid
  - After 10 years: \$250,000 (\$10,900 w/o the project)
  - After 15 years: \$453,000 (\$16,400 w/o the project)
  - After 20 years: \$656,000 (\$21,800 w/o the project)





# Declaratory Resolution: Bill No. 23-27

Diamond View Apartments  
South Lafayette Boulevard



## Mixed-Use Development Real Property Tax Abatement (8 years)

### Tax Summary

- Current estimated annual taxes: \$809
- Estimated annual taxes after project: \$70,600
- During the 8-year abatement
  - Total estimated taxes: \$565,100
  - Taxes abated: \$302,500
  - Taxes paid: \$262,600
- Estimated taxes paid
  - After 10 years: \$403,900 (\$8,100 w/o the project)
  - After 15 years: \$757,100 (\$12,100 w/o the project)
  - After 20 years: \$1,110,200 (\$16,200 w/o the project)



# Reconfirming Resolution: Bill No. 23-26

# Declaratory Resolution: Bill No. 23-27

## Real Property Tax Abatement – Entire Project – Diamond View Apartments

### ESTIMATED\* Taxes During Abatement Period

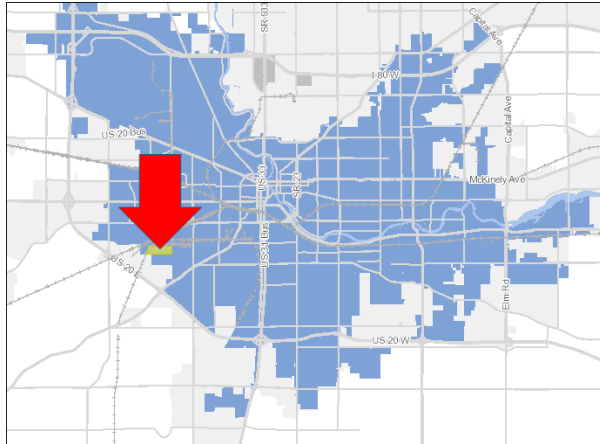
Year	Abatement	Current Taxes Due	New Projected Tax	Combined Current & New Taxes	Taxes Abated	Net Taxes Paid
1	100%	\$ 1,900	\$ 109,363	\$ 111,264	\$ (108,545)	\$ 2,719
2	90%	1,900	109,363	111,264	(87,617)	23,647
3	90%	1,900	109,363	111,264	(87,617)	23,647
4	80%	1,900	109,363	111,264	(66,688)	44,576
5	70%	1,900	109,363	111,264	(45,760)	65,504
6	65%	1,900	109,363	111,264	(35,296)	75,968
7	55%	1,900	109,363	111,264	(15,919)	95,345
8	45%	1,900	109,363	111,264	(11,251)	100,013
<b>Total:</b>		<b>15,203</b>	<b>874,907</b>	<b>890,111</b>	<b>(458,692)</b>	<b>431,418</b>

\* Assumes constant tax rates and no changes in assessed value.



# Verbio North America LLC – South Bend Ethanol

## 3201 W. Calvert Street





# Confirming Resolution: Bill No. 23-28

Verbio North America LLC  
(South Bend Ethanol)



Verbio North America LLC will modernize the South Bend Ethanol facility, improving current operations and adding the production of renewable natural gas.

Hire 8 new full-time employees (average salary of about \$100,000)

## Personal Property Abatement (5 years)

- New Equipment and Software Total Investment: **\$221.5 million**
- Anaerobic digestion tanks (16 tanks at 2.8 million gallon-capacity each)
- Equipment to optimize energy efficiency
- Process equipment to upgrade methane gas to pipeline-quality natural gas
- Flares – high temperature oxidation process equipment designed to ensure operating safety



# Confirming Resolution: Bill No. 23-28

Verbio North America LLC  
(South Bend Ethanol)



## Personal Property Abatement (5 years)

### Tax Summary

- Current 2022/2023 personal property taxes total for the property: \$512,400
- NEW equipment during the 5-year abatement
  - Total estimated taxes: \$19,268,300
  - Taxes abated: \$15,763,400
  - Taxes paid: \$3,504,900
- NEW equipment, Years 6-10
  - Total estimated taxes: \$10,916,300



# Confirming Resolution: Bill No. 23-28

## Personal Property Tax Abatement – Verbio North America LLC

### ESTIMATED\* Taxes During Abatement Period

Year	Abatement	New Projected Tax	Taxes Abated	Net Taxes Paid
1	100%	\$ 2,930,541	\$ (2,930,541)	\$ -
2	100%	4,395,812	(4,395,812)	-
3	90%	4,615,603	(3,901,014)	714,589
4	80%	3,956,231	(2,731,222)	1,225,009
5	70%	3,370,123	(1,804,833)	1,565,289
<b>Years 1-5 Total:</b>		<b>19,268,310</b>	<b>(15,763,423)</b>	<b>3,504,887</b>
<i>Years 6-10 Total:</i>		<i>10,916,267</i>	<i>-</i>	<i>10,916,267</i>

\* Assumes constant tax rates and no changes in assessed value. Estimates based on depreciation schedule associated with Asset Pool #4 (13 years and longer) and used to determine true tax value for depreciable personal property by percentage of original cost.





# Confirming Resolution: Bill No. 23-29

Verbio North America LLC  
(South Bend Ethanol)



## Industrial Development Real Property Abatement (8 years)

- New Real Property Investment: **\$11 million**
- 10 new buildings
- 60,000 square feet total



# Confirming Resolution: Bill No. 23-29

Verbio North America LLC  
(South Bend Ethanol)



## Industrial Development Real Property Abatement (8 years)

### Tax Summary

- Current estimated annual taxes: \$150,700
- Estimated annual taxes after project: \$449,800
- First-year taxes with abatement: \$215,500
- During the 8-year abatement
  - Total estimated taxes: \$3,598,600
  - Taxes abated: \$788,400
  - Taxes paid: \$2,810,200
- Estimated taxes paid
  - After 10 years: \$3.71 million (\$1.51 million w/o the project)
  - After 15 years: \$5.96 million (\$2.26 million w/o the project)
  - After 20 years: \$8.21 million (\$3.01 million w/o the project)



# Confirming Resolution: Bill No. 23-22

## Real Property Tax Abatement – Verbio North America LLC

### ESTIMATED\* Taxes During Abatement Period

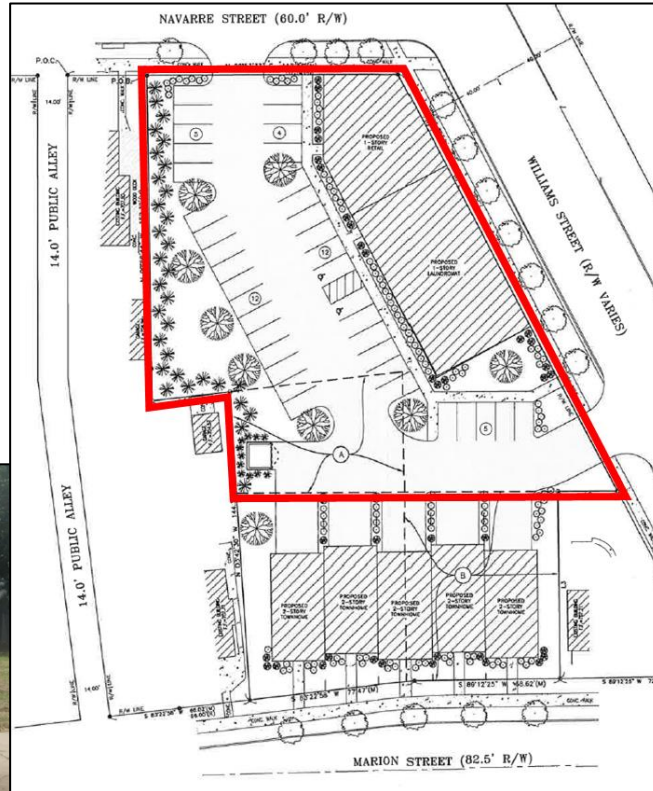
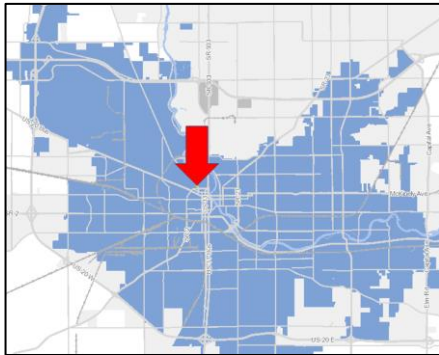
Year	Abatement	Current Taxes Due	New Projected Tax	Combined Current & New Taxes	Taxes Abated	Net Taxes Paid
1	100%	\$ 150,654	\$ 299,174	\$ 449,828	\$ (234,297)	\$ 215,531
2	90%	150,654	299,174	449,828	(191,496)	258,332
3	80%	150,654	299,174	449,828	(148,695)	301,133
4	70%	150,654	299,174	449,828	(105,895)	343,933
5	60%	150,654	299,174	449,828	(63,094)	386,734
6	50%	150,654	299,174	449,828	(20,293)	429,535
7	40%	150,654	299,174	449,828	(14,069)	435,758
8	30%	150,654	299,174	449,828	(10,552)	439,276
<b>Total:</b>		<b>1,205,234</b>	<b>2,393,389</b>	<b>3,598,623</b>	<b>(788,392)</b>	<b>2,810,232</b>

\* Assumes constant tax rates and no changes in assessed value.





# Burton's Laundry 521 N. William Street



# Confirming Resolution: Bill No. 23-30

Burton's Laundry  
521 N. William Street



Burton's Laundry has owned and operated facilities in South Bend since 1976 and currently owns 13 stores in South Bend and the surrounding area.

## Retail Development Real Property Tax Abatement (4 years)

- Brand-new 6,300 sq ft facility at the southwest corner of West Navarre and North William Streets
- Total Private Investment: **\$2.37 million**
  - Construction Costs: \$1.6 million
  - Equipment: \$770,000
- Leading edge of development in the Near Northwest Neighborhood



# Confirming Resolution: Bill No. 23-30

Burton's Laundry  
521 N. William Street



## Retail Development Real Property Tax Abatement (4 years)

### Tax Summary

- Current estimated annual taxes: \$160
- Estimated annual taxes after project: \$43,500
- During the 4-year abatement
  - Total estimated taxes: \$174,700
  - Taxes abated: \$136,400
  - Taxes paid: \$38,200
- Estimated taxes paid
  - After 10 years: \$281,700 (\$1,600 w/o the project)
  - After 15 years: \$500,100 (\$2,300 w/o the project)
  - After 20 years: \$718,500 (\$3,100 w/o the project)





# Confirming Resolution: Bill No. 23-30

Real Property Tax Abatement – David A. Nufer, LLC (Burton’s Laundry)

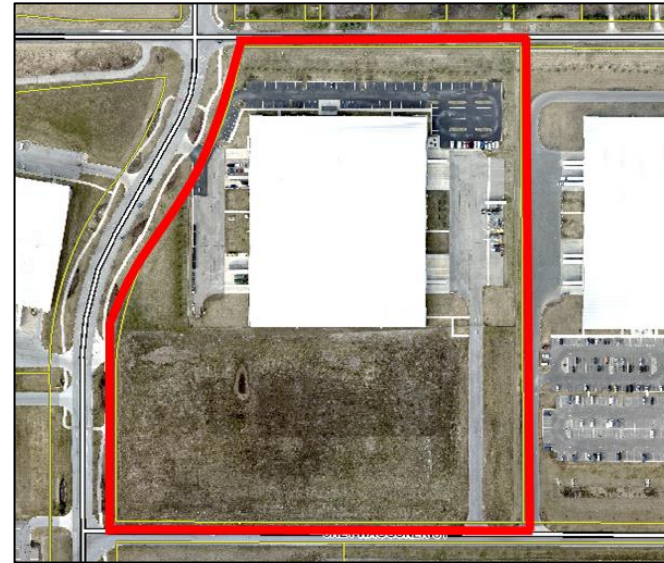
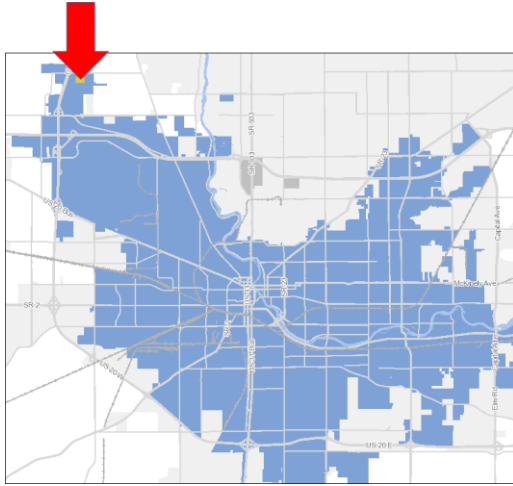
## ESTIMATED\* Taxes During Abatement Period

Year	Abatement	Current Taxes Due	New Projected Tax	Combined Current & New Taxes	Taxes Abated	Net Taxes Paid
1	100%	\$ 156	\$ 43,516	\$ 43,673	\$ (43,449)	\$ 224
2	90%	156	43,516	43,673	(37,223)	6,449
3	80%	156	43,516	43,673	(30,998)	12,675
4	70%	156	43,516	43,673	(24,772)	18,900
<b>Total:</b>		<b>626</b>	<b>174,065</b>	<b>174,690</b>	<b>(136,442)</b>	<b>38,248</b>

\* Assumes constant tax rates and no changes in assessed value.



# GLC Portage Prairie, LLC / AM General 5448 Dylan Drive



# Declaratory Resolution: Bill No. 23-31

GLC Portage Prairie, LLC / AM General  
5448 Dylan Drive



To meet the requirements of its new contract for the U.S. Army's Joint Light Tactical Vehicles and trailers, AM General must expand its facility in the Portage Prairie Business Park.

## **Industrial Development Real Property Tax Abatement (9 years)**

- 167,000+ sq ft expansion
- AM General leases the facility, but pays all of the property tax (and will receive all of the benefits of the abatement)
- Total Private Investment: **\$12 million**
- Hire 15 new full-time employees (and retain 76)





# Declaratory Resolution: Bill No. 23-31

GLC Portage Prairie, LLC / AM General  
5448 Dylan Drive



## Industrial Development Real Property Tax Abatement (9 years)

### Tax Summary

- Current estimated annual taxes: \$271,700
- Estimated annual taxes after project: \$598,000
- During the 9-year abatement
  - Total estimated taxes: \$5,382,300
  - Taxes abated: \$649,000
  - Taxes paid: \$4,733,400
- Estimated taxes paid
  - After 15 years: \$8,321,600 (\$4,075,000 w/o the project)
  - After 20 years: \$11,311,800 (\$5,433,300 w/o the project)

Estimates above do not include consideration of an existing tax abatement for the property, which is estimated to bring a total of \$60,000 in tax savings for tax years 2024 and 2025.



# Declaratory Resolution: Bill No. 23-31

Real Property Tax Abatement – GLC Portage Prairie, LLC / AM General

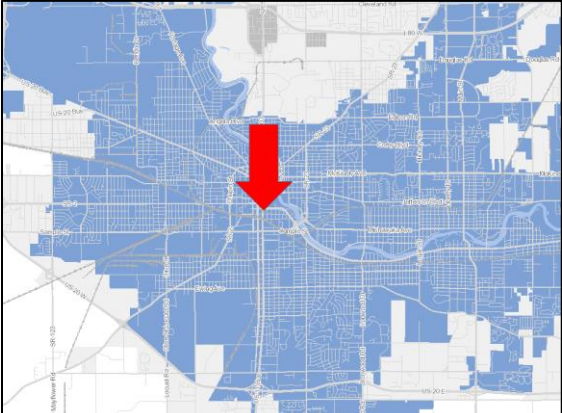
## ESTIMATED\* Taxes During Abatement Period

Year	Abatement	Current Taxes Due	New Projected Tax	Combined Current & New Taxes	Taxes Abated	Net Taxes Paid
1	100%	\$ 271,667	\$ 326,371	\$ 598,038	\$ (211,841)	\$ 386,197
2	90%	271,667	326,371	598,038	(165,445)	432,593
3	80%	271,667	326,371	598,038	(119,048)	478,990
4	70%	271,667	326,371	598,038	(72,652)	525,386
5	60%	271,667	326,371	598,038	(26,255)	571,782
6	50%	271,667	326,371	598,038	(19,186)	578,852
7	40%	271,667	326,371	598,038	(15,348)	582,689
8	30%	271,667	326,371	598,038	(11,511)	586,526
9	20%	271,667	326,371	598,038	(7,674)	590,364
<b>Total:</b>		<b>2,445,000</b>	<b>2,937,341</b>	<b>5,382,340</b>	<b>(648,961)</b>	<b>4,733,380</b>

\* Assumes constant tax rates and no changes in assessed value.



# Herstoric Properties, LLC Monarch Printing Building – 516 S. Michigan Street





# Declaratory Resolutions: Bill Nos. 23-32 & 23-33

Herstoric Properties, LLC  
Monarch Printing Building  
(516 S. Michigan St.)



Herstoric Development is focused on investing in the Monroe Park neighborhood.

## **Vacant Building Tax Abatement (2 years) and Mixed-Use Development (6 years) Real Property Tax Abatements**

- Historic local landmark built in 1921
- Phase 1: Renovate first floor commercial spaces
- Phase 2: Six (6) apartments on second floor with low-barrier rentals for tenants
- Total Private Investment: **\$570,000**
- Hire at least new 2 direct full-time employees and create potentially dozens of new jobs with renovated commercial spaces



# Declaratory Resolutions: Bill Nos. 23-32 & 23-33

Herstoric Properties, LLC  
Monarch Printing Building  
(516 S. Michigan St.)



## Tax Summary

### Vacant Building Tax Abatement - Lowers tax liability for existing taxes

- Current taxes over 2 years: \$2,900
- Taxes abated over 2 years: \$1,420

### Mixed-Use Development Real Property Tax Abatement (6 years)

- Current estimated annual taxes: \$1,450
- Estimated annual taxes after project: \$14,050
- During the 6-year abatement
  - Total estimated taxes: \$84,300
  - Taxes abated: \$42,900
  - Taxes paid: \$41,400
- Estimated taxes paid
  - After 10 years: \$97,570 (\$14,500 w/o the project)
  - After 15 years: \$167,800 (\$21,700 w/o the project)
  - After 20 years: \$238,000 (\$29,000 w/o the project)



# Declaratory Resolutions: Bill Nos. 23-32 & 23-33

Real Property Tax Abatement – Herstoric Properties LLC – Monarch Printing Building

## ESTIMATED\* Taxes During Abatement Period

Vacant Building Tax Abatement						
Year	Abatement	Current Taxes Due	New Projected Tax	Combined Current & New Taxes	Taxes Abated	Net Taxes Paid
1	100%	\$ 1,448	\$ -	\$ 1,448	\$ (1,152)	\$ 297
2	50%	1,448	-	1,448	(264)	1,184
	<b>Total:</b>	<b>2,897</b>	<b>-</b>	<b>2,897</b>	<b>(1,416)</b>	<b>1,481</b>

Mixed-Use Development Real Property Tax Abatement						
Year	Abatement	Current Taxes Due	New Projected Tax	Combined Current & New Taxes	Taxes Abated	Net Taxes Paid
1	100%	\$ 1,448	\$ 12,599	\$ 14,047	\$ (11,975)	\$ 2,072
2	90%	1,448	12,599	14,047	(10,030)	4,017
3	80%	1,448	12,599	14,047	(8,084)	5,963
4	70%	1,448	12,599	14,047	(6,139)	7,908
5	60%	1,448	12,599	14,047	(4,193)	9,854
6	50%	1,448	12,599	14,047	(2,480)	11,567
	<b>Total:</b>	<b>8,690</b>	<b>75,593</b>	<b>84,282</b>	<b>(42,900)</b>	<b>41,382</b>

\* Assumes constant tax rates and no changes in assessed value.

