



# OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

## COMMUNITY INVESTMENT

JUNE 12, 2023, 3:30 P.M.

Committee Members Present: Rachel Tomas Morgan, Troy Warner, Eli Wax, Thomas Kurzhall, Kaine Kanczuzewski

Committee Members Absent: Henry Davis Jr.

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

Presenters: Erik Glavich, Greg Northrup, David Newfer, Isaac Hall, Keith Benham, Chuck Tabacchi, Anne Conway, Charity Stowe, Rachel Mospan

Agenda: Bill No. 23-26 – A Reconfirming Resolution: Eight-Year Real Property Tax Abatement for Real America LLC re: 520 South Lafayette Boulevard

Bill No. 23-27 – A Declaratory Resolution: Eight-Year Mixed-Use Development Property Tax Abatement for Real America LLC re: 504 South Lafayette Boulevard

Bill No. 23-28 – A Confirming Resolution: Five-Year Personal Property Tax Abatement for Verbio North America LLC re: 3201 West Calvert Street

Bill No. 23-29 – A Confirming Resolution: Eight-Year Industrial Development Real Property Tax Abatement for Verbio North America LLC re: 3201 West Calvert Street

Bill No. 23-30 – A Confirming Resolution: Four-Year Retail Development Real Property Tax Abatement for Burton's Laundry re: 521 North William Street

Bill No. 23-31 – A Declaratory Resolution: Nine-Year Industrial Development Real Property Tax Abatement for Great Lakes Capital/AM General

LLC re: Portage Prairie Business Park, 5448 Dylon Drive

Bill No. 23-32 – A Declaratory Resolution: Two-Year Vacant Building Property Tax Abatement for Herstoric Properties LLC re: 516 South Michigan Street

Bill No. 23-33 – A Declaratory Resolution: Six-Year Mixed-Use Development Property Tax Abatement for Herstoric Properties LLC re: 516 South Michigan Street

Members marked with an asterisk (\*) are present digitally

Please note the attached link for the meeting recording:  
<https://docs.southbendin.gov/WebLink/browse.aspx?dbid=0&mediaid=369527>

Committee Chair Rachel Tomas Morgan called to order the Community Investment Committee meeting at 3:30 p.m.

**Bill No. 23-26 – A Reconfirming Resolution: Eight-Year Real Property Tax Abatement for Real America LLC re: 520 South Lafayette Boulevard**

**Bill No. 23-27 – A Declaratory Resolution: Eight-Year Mixed-Use Development Property Tax Abatement for Real America LLC re: 504 South Lafayette Boulevard**

Committee Chair Rachel Tomas Morgan motioned to hear Bill Nos. 23-26 and 23-27, seconded by Citizen Member Kaine Kanczuzewski and carried by a vote of five (5) ayes, with one (1) committee member absent.

Committee Chair Rachel Tomas Morgan – <i>Aye</i>	Committee Vice Chair Troy Warner – <i>Aye</i>
Committee Member Eli Wax – <i>Aye</i>	Committee Member Thomas Kurzhal – <i>Aye</i>
Citizen Member Kaine Kanczuzewski– <i>Aye</i>	Committee Member Henry Davis Jr. – <i>Absent</i>

Bill Nos. 23-26 and 23-27 regard Real America LLC’s Diamond View Apartments development at 520 South Lafayette Boulevard, which is comprised of a multi-family affordable housing building and a mixed-use market rate building. The Council previously approved a tax abatement for this project on July 12, 2021 (Confirming Resolution 4922-21), which allowed Real America LLC to apply for the State of Indiana’s low-income tax credit program. Bill No. 23-26 is a resolution to reconfirm the eight-year real property tax abatement that the City Council approved in 2021, which will be applied to the affordable housing building, and Bill No. 23-27 is a new resolution to provide an eight-year (8) mixed-use development property tax abatement for the mixed-use market rate building.



The multi-family residential affordable housing building will have 60 units targeting 30% to 60% area median income (AMI) with 12 of the units set aside for individuals with disabilities. Real America LLC has partnered with LOGAN community resources on this initiative and is investing 9.9 million dollars into the project. Bill 23-26 extends the designation period of the tax abatement approved in 2021 to the end of 2026 to provide sufficient time for Real America LLC to complete the project. The Bill also delineates the part of the property the abatement applies to, namely the multi-family affordable housing building.

The mixed-use market rate building will be comprised of an apartment tower with 60 units, including space for offices and amenities on the first floor, and will follow the same abatement schedule as the low-income building (i.e. the designation period will expire at the end of 2026). Real America LLC will be investing 10.7 million dollars in the building.

Council member Lori Hamann asked for the rationale for designating one building low-income and the other market rate rather than having blended buildings with mixed income tenants.

Anne Conway, Controller at RealAmerica, 520 South Lafayette Boulevard, South Bend, IN, explained that in order for Real America LLC to qualify for the state’s low-income tax credit program funding, they are required to structure the project with separate income buildings; however, it is hoped that their close proximity to each other will support the growth of a mixed-income community.

Council Member Lori Hamann inquired as to the current market-rate rent figures.

Anne Conway advised that based on area comparables, the market rents for the one-, two-, and three-bedroom apartments would range from \$1,200 to \$2,000 a month, and that the affordable housing units would rent for 30% to 60% percent of those amounts.

The floor was opened to public comments. There were none.

Committee Vice-Chair Troy Warner motioned to send Bill No. 23-26 to the Full Council with a favorable recommendation, seconded by Committee Chair Tomas Morgan and carried by a vote of five (5) ayes, with one (1) committee member absent.

Committee Chair Rachel Tomas Morgan – <i>Aye</i>	Committee Vice Chair Troy Warner – <i>Aye</i>
Committee Member Eli Wax – <i>Aye</i>	Committee Member Thomas Kurzhal – <i>Aye</i>
Citizen Member Kaine Kanczuzewski– <i>Aye</i>	Committee Member Henry Davis Jr. – <i>Absent</i>

Committee Vice-Chair Troy Warner motioned to send Bill No. 23-27 to the Full Council with a favorable recommendation, seconded by Committee Member Eli Wax and carried by a vote of five (5) ayes, with one (1) committee member absent.

Committee Chair Rachel Tomas Morgan – <i>Aye</i>	Committee Vice Chair Troy Warner – <i>Aye</i>
Committee Member Eli Wax – <i>Aye</i>	Committee Member Thomas Kurzhal – <i>Aye</i>
Citizen Member Kaine Kanczuzewski– <i>Aye</i>	Committee Member Henry Davis Jr. – <i>Absent</i>

**Bill No. 23-28 – A Confirming Resolution: Five-Year Personal Property Tax Abatement for Verbio North America LLC re: 3201 West Calvert Street**

**Bill No. 23-29 – A Confirming Resolution: Eight-Year Industrial Development Real Property Tax Abatement for Verbio North America LLC re: 3201 West Calvert Street**

Committee Chair Rachel Tomas Morgan motioned to hear Bill Nos. 23-28 and 23-29, seconded by Committee Member Warner and carried by a vote of five (5) ayes, with one (1) committee member absent.

Committee Chair Rachel Tomas Morgan – <i>Aye</i>	Committee Vice Chair Troy Warner – <i>Aye</i>
Committee Member Eli Wax – <i>Aye</i>	Committee Member Thomas Kurzhal – <i>Aye</i>
Citizen Member Kaine Kanczuzewski– <i>Aye</i>	Committee Member Henry Davis Jr. – <i>Absent</i>

Bill No. 23-28 is regarding offering a five-year personal property tax abatement to Verbio North America LLC for their modernization of the South Bend ethanol facility, which will upgrade current operations at the site, add the production of renewable natural gas, and result in the hiring of eight new employees with average salaries of \$100,000 per year. Verbio North America LLC will be investing \$221.5 million in the project.

Bill No 23-29 is regarding offering an eight-year industrial development real property abatement to Verbio North America LLC for the construction of 10 new buildings totaling 60,000 square feet as part of their modernization of the South Bend Ethanol facility. The City Council previously approved a declaratory resolution in support of this project. Verbio North America LLC will be investing \$11 million in the project.

Greg Northrup, 3201 West Calvert Street, South Bend, IN 46613, confirmed that the project is proceeding well with a projected end date of 2026 for the renewable natural gas portion of the facility.

Jason Piontek, 2201 Riverside Drive, inquired if the project was in receipt of any federal government funding.

Greg Northrup advised that to date there are no federal funds for the project but noted that Verbio America LLC plans to apply for an IRA investment tax credit in the future for its production of renewable natural gas.

Committee member Wax motioned to send Bill No. 23-28 to the Full Council with a favorable recommendation, seconded by Citizen Member Kaine Kanczuzewski and carried by a vote of five (5) ayes, with one (1) committee member absent.

Committee Chair Rachel Tomas Morgan – <i>Aye</i>	Committee Vice Chair Troy Warner – <i>Aye</i>
Committee Member Eli Wax – <i>Aye</i>	Committee Member Thomas Kurzhal – <i>Aye</i>
Citizen Member Kaine Kanczuzewski– <i>Aye</i>	Committee Member Henry Davis Jr. – <i>Absent</i>



Committee member Wax motioned to send Bill No. 23-28 to the Full Council with a favorable recommendation, seconded by Citizen Member Kaine Kanczuzewski and carried by a vote of five (5) ayes, with one (1) committee member absent.

Committee Chair Rachel Tomas Morgan – <i>Aye</i>	Committee Vice Chair Troy Warner – <i>Aye</i>
Committee Member Eli Wax – <i>Aye</i>	Committee Member Thomas Kurzhal – <i>Aye</i>
Citizen Member Kaine Kanczuzewski– <i>Aye</i>	Committee Member Henry Davis Jr. – <i>Absent</i>

**Bill No. 23-30 – A Confirming Resolution: Four-Year Retail Development Real Property Tax Abatement for Burton’s Laundry re: 521 North William Street**

Bill No. 23-30 is in regard to a four-year retail development real property tax abatement for David A. Nufer LLC’s Burton’s Laundry for the development of a new 6,300 square feet facility at 521 North William Street. The City Council previously approved a declaratory resolution in support of this project. Burton’s Laundry, who already own and operate 13 laundry facilities in South Bend and the surrounding area, will invest \$2.37 million in the project.

Committee Chair Tomas Morgan held the public hearing.

Committee Vice-Chair Warner motioned to send Bill No. 23-28 to the Full Council with a favorable recommendation, seconded by Committee Chair Tomas Morgan and carried by a vote of five (5) ayes, with one (1) committee member absent.

Committee Chair Rachel Tomas Morgan – <i>Aye</i>	Committee Vice Chair Troy Warner – <i>Aye</i>
Committee Member Eli Wax – <i>Aye</i>	Committee Member Thomas Kurzhal – <i>Aye</i>
Citizen Member Kaine Kanczuzewski– <i>Aye</i>	Committee Member Henry Davis Jr. – <i>Absent</i>

**Bill No. 23-31 – A Declaratory Resolution: Nine-Year Industrial Development Real Property Tax Abatement for Great Lakes Capital (GLC) LLC/AM General LLC re: Portage Prairie Business Park, 5448 Dylon Drive**

Bill No. 23-31 is a nine-year industrial development real property tax abatement for a 167,000 square feet expansion to the Portage Prairie Business Park site in order to meet the requirements of a new contract for the production of joint light tactical vehicles and trailers for the United States Army. The site is owned by Great Lakes Capital (GLC) LLC, but AM General LLC leases the site and pays all the property tax. AM General LLC will be investing \$12 million in the project, which will result in 15 new full-time employees.

Citizen Member Kaine Kanczuzewski inquired if construction for the expansion would begin in the current year.

Keith Benham advised that construction would begin at the end of June 2023.

Councilmember Lori Hamann queried the length of AMC LLC’s contract with the military.

Keith Benham stated the contract was a five-year (5) agreement with a built-in five-year (5) extension option.

Committee Chair Tomas Morgan motioned to send Bill No. 23-28 to the Full Council with a favorable recommendation, seconded by Committee Vice-Chair Warner and carried by a vote of five (5) ayes, with one (1) committee member absent.

Committee Chair Rachel Tomas Morgan – <i>Aye</i>	Committee Vice Chair Troy Warner – <i>Aye</i>
Committee Member Eli Wax – <i>Aye</i>	Committee Member Thomas Kurzhal – <i>Aye</i>
Citizen Member Kaine Kanczuzewski– <i>Aye</i>	Committee Member Henry Davis Jr. – <i>Absent</i>

**Bill No. 23-32 – A Declaratory Resolution: Two-Year Vacant Building Property Tax Abatement for Herstoric Properties LLC - 516 South Michigan Street**

**Bill No. 23-33 – A Declaratory Resolution: Six-Year Mixed-Use Development Property Tax Abatement for Herstoric Properties LLC - 516 South Michigan Street**

Committee Chair Rachel Tomas Morgan motioned to hear Bill Nos. 23-32 and 23-33, seconded by Committee Member Warner and carried by a vote of five (5) ayes, with one (1) committee member absent.

Committee Chair Rachel Tomas Morgan – <i>Aye</i>	Committee Vice Chair Troy Warner – <i>Aye</i>
Committee Member Eli Wax – <i>Aye</i>	Committee Member Thomas Kurzhal – <i>Aye</i>
Citizen Member Kaine Kanczuzewski– <i>Aye</i>	Committee Member Henry Davis Jr. – <i>Absent</i>

Bill Nos. 23-32 and 23-33 are in regard to tax abatements for the development of the Monarch Printing Building, located at 516 South Michigan Street and originally built in 1921, by Herstoric Properties LLC. Herstoric Properties LLC is focused on investing in the Monroe Park neighborhood. Phase 1 of the project will renovate the first floor for commercial units and Phase 2 will renovate the second floor into six low-barrier rental apartments for tenants. Herstoric Properties LLC will invest \$570,000 in the project. At least two full-time employees will be hired for the project and potentially dozens of new jobs will be available via the commercial spaces.

Committee Chair Rachel Tomas Morgan asked Herstoric Properties LLC if there is federal funding and/or tax credits available for the project.

Charity Stowe, founder of Herstoric Properties, replied in the affirmative and stated that they are in the process of applying for significant tax credits from the state and federal governments.

Committee Member Eli Wax asked if there is a concrete plan for the commercial portion of the building.

Charity Stowe replied that plans for the retail space are still open and that they will be offering pop-up store opportunities to better understand what services and products neighborhood



residents are interested in. Some initial ideas include a coffee shop and record store, and local entrepreneurs who need a flexible lease with lower rents will be encouraged to apply.

Council Member Lori Hamann asked about the reference to retaining two exiting employees, since the Monarch Park Building is currently vacant.

Charity Stowe clarified that the reference relates to herself and Rachel Mospan, who will be leading the project. She added that a number of other employees have also been hired to assist with the project.

Committee Chair Tomas Morgan held the public hearing.

Committee Vice-Chair Warner motioned to send Bill No. 23-32 to the Full Council with a favorable recommendation, seconded by Citizen Member Kaine Kanczuzewski and carried by a vote of five (5) ayes, with one (1) committee member absent

Committee Chair Rachel Tomas Morgan – <i>Aye</i>	Committee Vice Chair Troy Warner – <i>Aye</i>
Committee Member Eli Wax – <i>Aye</i>	Committee Member Thomas Kurzhal – <i>Aye</i>
Citizen Member Kaine Kanczuzewski– <i>Aye</i>	Committee Member Henry Davis Jr. – <i>Absent</i>

Committee Vice-Chair Warner motioned to send Bill No. 23-33 to the Full Council with a favorable recommendation, seconded by Committee Member Wax and carried by a vote of five (5) ayes, with one (1) committee member absent

Committee Chair Rachel Tomas Morgan – <i>Aye</i>	Committee Vice Chair Troy Warner – <i>Aye</i>
Committee Member Eli Wax – <i>Aye</i>	Committee Member Thomas Kurzhal – <i>Aye</i>
Citizen Member Kaine Kanczuzewski– <i>Aye</i>	Committee Member Henry Davis Jr. – <i>Absent</i>

With no further business, Committee Chair Rachel Tomas Morgan adjourned the Community Investment Committee meeting at 4:08 p.m.

Respectfully Submitted,

Rachel Tomas Morgan, Committee Chair

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