



OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

COMMUNITY INVESTMENT

JULY 10, 2023, 4:30 P.M.

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

Committee Members Absent: Henry Davis Jr., Thomas Kurzhal

Others Present: Dawn Jones

Presenters: Eric Glavitch, Paul Fair, Anna Haze, Anne Houston

Agenda: Bill No. 23-19 – A Resolution Confirming a Tax Abatement for Property Located at 1202 S. Lafayette
Bill No. 23-42 – Designating a Tax Abatement for Property Located at 1144 Corby Blvd.
Bill No. 23-43 – Confirming a Tax Abatement for Property Located at 1405 Portage Ave.
Bill No. 23-44 – Confirming a Tax Abatement for Property Known As Multiple Properties
Bill No. 23-45 – Designating a Tax Abatement for Property Located at 1901 N. Bendix Dr.

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=369526>

Committee Chair Rachel Tomas Morgan called to order the Community Investment Committee meeting at 4:15 p.m.

Bill No. 23-41 – Confirming a Tax Abatement for Property Located at 1202 S. Lafayette Blvd.

Eric Glavich, Zoning Specialist with offices on the fourteenth (14th) floor of the County-City building, noted that this project is by KCG LLC. The intent is to build a 50-unit apartment building geared toward low-income seniors. The investment will be approximately \$12.5 million. The current taxes on the lot are \$370. Once the building is complete, taxes will be approximately \$20,000 per year. KCG LLC will be applying for a tax credit.

David Null, 54515 State Road 933 N, South Bend asked who enforces the 75% local contractors to be involved in the project and purchasing locally. It was noted that abatement recipients are required to submit documentation regarding this. They also are required to hire minorities.

Information is provided in advance and it is suggested that they plan conservatively. There are processes in place to ensure accountability.

Todd Jensen noted that it is economically advantageous to use local contractors and suppliers. However, there are some limitations, which is why it is not 100%. There is an annual report that identifies non-compliant recipients.

Committee Vice-Chair Warner motioned to send Bill No. 23-41 to the Full Council with a favorable recommendation, seconded by Committee member Wax, and carried by a vote of four (4) ayes.

Committee Chair Rachel Tomas Morgan - Aye	Committee Vice-Chair Troy Warner - Aye
Committee Member Eli Wax - Aye	Citizen Member Kaine Kanczuzewski - Aye

Bill No. 23-42 – Designating Tax Abatement for Property Located at 1144 Corby Blvd.

Erik Glavich noted that there is a declaratory resolution for a new tax abatement for a mixed-use development in an area known as Five Corners. Five Corners is the owner of the property. There will be two buildings constructed: one for apartments and the other for retail, commercial, and condos. This is a significant private investment of \$31.5 million. There will be nine new full-time jobs by 2025 due to this development. Currently, the annual taxes are approximately \$13,000. After the project, there will be \$500,000 per year in taxes. The abatement is approximately \$1.1 million. The abatement is not for the full amount of the taxes and there will be tax revenue from this project as it is built.

Paul Fair with Five Corners explained that there will be two buildings, but it is owned by the same company and treated as one project. The lot has an unconventional footprint and it is not an easy lot to develop. The space between the buildings cannot be built on due to sewer and utilities. There is currently not a renter for the commercial space, but it is anticipated that there will be a restaurant interested. There will be four condos above the retail space. There is limited space due to space constrictions, which is why condos were selected. The apartment building will have 108 units, which will be a mix of studios, one-bedroom units, and two-bedroom units. The \$31.5 million investment will fluctuate as the project develops. There have been challenges, as interest rates have doubled.

The tax abatement allows the project to get to a return threshold for the private investment. There is a history of working with the City regarding tax abatement. There was discussion regarding the abatement for the condos. The intention is to not pass the abatement to the condo units and this will be communicated to the purchasers. It was noted that the developer has engaged with the community. There was discussion regarding the power lines and if they could be moved. This was investigated, but to remove one pole was \$750,000, which was too expensive for the confines of this project. Ms. Anna Haze noted that for 15 years these lots have been purchased and maintained.



Committee Chair Tomas Morgan motioned to send Bill No. 23-42 to the Full Council with a favorable recommendation, seconded by Committee member Wax, and carried by a vote of four (4) ayes.

Committee Chair Rachel Tomas Morgan - Aye	Committee Vice-Chair Troy Warner - Aye
Committee Member Eli Wax - Aye	Citizen Member Kaine Kanczuzewski - Aye

Bill No. 23-43 – Confirming Tax Abatement for Property Located at 1405 Portage Ave.

Erik Glavich explained that this resolution is to confirm the tax abatement. The building, which was a gas station, will be torn down and two retail buildings will be constructed. The abatement is for five (5) years.

Committee Vice-Chair Warner motioned to send Bill No. 23-43 to the Full Council with a favorable recommendation, seconded by Committee member Wax, and carried by a vote of four (4) ayes.

Committee Chair Rachel Tomas Morgan - Aye	Committee Vice-Chair Troy Warner - Aye
Committee Member Eli Wax - Aye	Citizen Member Kaine Kanczuzewski - Aye

Bill No. 23-44 – Confirming Tax Abatement for Property Commonly Known As Multiple Properties

Erik Glavich provided insight regarding the Bitech project. The proposal is to create 50 residential units on 37 lots. This will be a \$12.5 million investment. There has been robust conversation regarding this development. There will be tax incremental financing for this project. TIF funding will also be utilized.

Jason Piontek asked if there is a prevailing wage during construction for these projects.

Erik Glavich noted that this is nebulous due to various construction companies, and they are working to ensure prevailing rates are utilized.

Committee Vice-Chair Warner motioned to send Bill No. 23-44 to the Full Council with a favorable recommendation, seconded by Committee Chair Tomas Morgan, and carried by a vote of four (4) ayes.

Committee Chair Rachel Tomas Morgan - Aye	Committee Vice-Chair Troy Warner - Aye
Committee Member Eli Wax - Aye	Citizen Member Kaine Kanczuzewski - Aye

Bill No. 23-45 – Designating Tax Abatement for Property Located at 1901 N. Bendix Dr.

Erik Glavich noted that the declaratory resolution is for personal property that Crossroads Solar is purchasing to nearly quadruple their productivity. Crossroads Solar has a mission to hire felons and support them in their transition back into society. This growth will allow them to hire 15 more employees.

Anne Houston, a representative with Crossroads Solar, noted that it is very difficult to transition from incarceration and this company facilitates this to be easier. Growth has been occurring at an unexpected rate. There was discussion regarding the length that solar panels are functional. This information will be provided at the 7 p.m. meeting.

Committee member Wax motioned to send Bill No. 23-45 to the Full Council with a favorable recommendation, seconded by Committee member Tomas Morgan, and carried by a vote of four (4) ayes.

Committee Chair Rachel Tomas Morgan - Aye	Committee Vice-Chair Troy Warner - Aye
Committee Member Eli Wax - Aye	Citizen Member Kaine Kanczuzewski - Aye

With no further business, Committee Chair Tomas Morgan adjourned the Community Investment Committee meeting at 5:02 p.m.

Respectfully Submitted,



Rachel Tomas Morgan, Committee Chair

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