



# OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

## COMMUNITY INVESTMENT

JANUARY 24, 2022, 4:30 P.M.

Committee Members Present:

Committee Chair Rachel Tomas Morgan\*,  
Committee Member Eli Wax\*, Citizen Member  
Kaine Kanczuzewski\*, Citizen Member Tom  
Kurzhajl\*

Committee Members Absent:

Committee Vice-Chair Henry Davis Jr.

Others Present:

Dawn Jones, Canneth Lee, Sheila Niezgodski, Karen  
White, Troy Warner, Bob Palmer

Presenters:

Santiago Garces, Angelina Billo, Paul Mastronardi,  
Joe McGuire

Agenda

Bill No. 22-02 – Designating Resolution for Real  
Property for JEM Farms South Bend, LLC Tax  
Abatement

Bill No. 22-04 – Designating Resolution for Real  
Property for Greenleaf Tax Abatement

Bill No. 22-06 – Designating Resolution for Personal  
Property for JEM Farms South Bend, LLC Tax  
Abatement

Bill No. 22-08 – Designating Resolution for Personal  
Property for Greenleaf Tax Abatement

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=350197>

Committee Chair Tomas Morgan called to order the Community Investment Committee meeting at 4:30 p.m.

**Bill No. 22-02, Designating Resolution for Real Property for JEM Farms South Bend, LLC Tax Abatement and Bill No. 22-06, Designating Resolution for Personal Property for JEM Farms South Bend, LLC Tax Abatement**

Committee Chair Tomas Morgan entertained motions to hear Bill Nos. 22-02 and 22-06 simultaneously, as well as Bill Nos. 22-04 and 22-08.

Committee Member Wax motioned to hear Bill Nos. 22-02 and 22-06 simultaneously, as well as Bill Nos. 22-04 and 22-08, which was seconded by Citizen Member Kurzhal and carried by a vote of four (4) ayes.

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| Committee Chair Tomas Morgan – <i>Aye</i> | Citizen Member Kurzhal – <i>Aye</i>        |
| Committee Member Wax – <i>Aye</i>         | Committee Member Davis Jr. – <i>Absent</i> |
| Citizen Member Kanczuzewski – <i>Aye</i>  |  |

Santiago Garces, Executive Director, Community Investment, noted the significance of the tax abatement request as a substantial investment for South Bend, highlighting its connection to the successful first (1<sup>st</sup>) phase of the project on the City's south side. The tax abatement is designed to bolster investors in job creation and expanding the tax base, alongside the farm's innovative approach to producing fresh, nutritious foods within the community.

Angelina Billo, Director of Business Development, Community Investment, highlighted that Bill No. 22-02 proposes a nine (9) year real property tax abatement for JEM Farms South Bend's sixty million-dollar (\$60,000,000) investment. The company plans to construct greenhouses over one hundred (100) acres to grow and distribute tomatoes and strawberries, expecting to create one hundred and ten (110) new jobs with an average wage of twenty-nine dollars and seventy-seven cents (\$29.77) per hour. The tax abatement is projected to result in two and a half million dollars (\$2,500,000) in forgone taxes over the nine (9) year period.

Angelina Billo further noted that Bill No. 22-06 recommends a five (5) year personal property tax abatement for JEM Farms South Bend's one hundred and eighteen million-dollar (\$118,000,000) private investment in equipment. This investment includes robotics, sensors, and video systems to control and regulate processing, growing, harvesting and production in a fully pest-free environment.

Paul Mastronardi, JEM Farms, 1577 County Road 34, Kingsville Ontario, noted that JEM Farms is a third (3<sup>rd</sup>) generation greenhouse grower. Red Sun Farms serves as their distribution company. Paul Mastronardi emphasized growing interest among U.S. companies in domestically grown foods, motivating their expansion plans across the U.S., including in Indiana.

Committee Chair Tomas Morgan requested questions from the Committee.

Citizen Member Kanczuzewski inquired about JEM Farms' energy consumption for heating, lighting, and water usage. Paul Mastronardi highlighted the company's aim to optimize energy efficiency. Typically, per acre, the company utilizes five hundred and fifty (550) MCF, and between twenty (20) to twenty-five (25) megawatts of electricity. Water usage varies based on the crop, but the company prioritizes water reuse for efficiency. Committee Member Tom Kurzhal noted that in the public benefits section of the petition, the numbers for possible points in Line 1C are inverted. Angelina Billo apologized for this oversight.

The Committee Chair then requested questions from the Council.

Councilmember Lee asked how the company achieved a fully pest-free environment. Paul Mastronardi explained that the company implements integrated pest management programs.

Councilmember Lee also inquired about prior plans to repurpose pumps at the old ethanol plant for water recycling. Paul Mastronardi explained that the company utilizes hip-high gutters, which are ergonomically more efficient. These gutters collect water and fertilizer, directing them into a dirty leach tank. This water is then cleaned with ozone ultraviolet radiation before it is recollected in a clean tank for reuse. Councilmember Niezgodski asked whether this project would stand out as a leading development not only within the state but also in the country. Paul Mastronardi confirmed that, presently, this would rank as one of the more significant greenhouse projects in the U.S.

The Committee Chair thanked the petitioner for the clarification and welcomed the project in South Bend.

The Committee Chair asked if the public wishes to speak in favor or against Bill No. 22-02 or 22-06.

Clerk Jones responded that no one from the public wished to speak in favor or against Bill Nos. 22-02 or 22-06.

Committee Chair Tomas Morgan entertained a motion to recommend sending Bill No. 22-02 to the Council with a favorable recommendation.

Committee Member Wax motioned to send Bill No. 22-02 to the Council with a favorable recommendation, which was seconded by Citizen Member Kurzhal and carried by a vote of four (4) ayes.

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| Committee Chair Tomas Morgan – <i>Aye</i> | Citizen Member Kurzhal – <i>Aye</i>        |
| Committee Member Wax – <i>Aye</i>         | Committee Member Davis Jr. – <i>Absent</i> |
| Citizen Member Kanczuzewski – <i>Aye</i>  |  |

Committee Member Wax motioned to send Bill No. 22-06 to the Council with a favorable recommendation, which was seconded by Citizen Member Kurzhal and carried by a vote of three (3) ayes.

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| Committee Chair Tomas Morgan – <i>Aye</i> | Citizen Member Kurzhal – <i>Absent</i>     |
| Committee Member Wax – <i>Aye</i>         | Committee Member Davis Jr. – <i>Absent</i> |
| Citizen Member Kanczuzewski – <i>Aye</i>  |  |

**Bill No. 22-04, Designating Resolution for Real Property for Greenleaf Tax Abatement and Bill No. 22-08, Designating Resolution for Personal Property for Greenleaf Tax Abatement**

Angelina Billo noted that Bill No. 22-04 proposes a nine (9) year real property tax abatement for Greenleaf Holdco’s twelve million-dollar (\$12,000,000) greenhouse investment. Greenleaf Holdco is a proposed new company under the Pure Green Farms umbrella, which



is expected to grow and distribute lettuce and greens. The total area is sixty-five (65) acres. This investment is expected to retain twenty-five (25) existing jobs and create seventy-five (75) new jobs. The average wage is projected to be twenty-four dollars and thirty-four cents (\$24.34). The amount of taxes forgone is estimated to be a half (\$0.5) of a million dollars.

Angelina Billo further noted that Bill *No. 22-08* recommends a five (5) year personal property tax abatement for Greenleaf Holdco's sixty-eight million-dollar (\$68,000,000) private investment in equipment. This investment includes robotics, sensors, and video systems to control and regulate processing, growing, harvesting and production in a fully pest-free environment.

Joe McGuire, Greenleaf Farms, 3820 W Calvert Street, stated that the company has been in operation for just under a year. The company is capitalizing on the latest trends in lettuce growing and aspires to be one of the largest, cleanest and most efficient in the industry.

Committee Chair Tomas Morgan requested questions from the Committee for the petitioner.

Citizen Member Kurzhal asked if the submitted plans fully utilize the three hundred (300) acre property. Joe McGuire confirmed, stating that the company currently uses sixty (60) acres, while the remaining two hundred and forty (240) acres are dedicated to corn farming. He added that the investors who own Greenleaf Farms also possess the surrounding two hundred and forty (240) acres, which are set to be utilized based on the plan. Citizen Member Kanczuzewski inquired about the challenges of managing such properties in varying climates. Joe McGuire noted that these properties are designed to function anywhere in the world, employing different techniques to regulate greenhouse temperatures.

The Committee Chair requested questions from the Council for the petitioner.

Councilmember Lee expressed excitement about the community project and asked if there was potential to diversify beyond lettuce. Joe McGuire stated that their current system only cultivates lettuce but mentioned ongoing experimentation with various options, including baby spinach.

Councilmember Warner shared enthusiasm for South Bend becoming a hub for fresh produce distributed nationwide, noting the cutting-edge technology and his support for it.

Councilmember White welcomed the petitioner to the city, expressing gratitude for their substantial investment and the tour of the facility.

The Committee Chair asked if the public wishes to speak in favor or against Bill *Nos. 22-04* or *22-08*.

Clerk Jones responded that no one from the public wished to speak in favor of or against Bill *Nos. 22-04* or *22-08*.

Committee Chair Tomas Morgan entertained a motion to recommend sending Bill *No. 22-04* with a favorable recommendation to the Council.

Citizen Member Kurzhal motioned to send Bill *No. 22-04* to the Council with a favorable recommendation, which was seconded by Citizen Member Kanczuzewski and carried by a vote of three (3) ayes.



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| Citizen Member Kurzhal – <i>Aye</i>       | Committee Member Wax – Absent              |
| Citizen Member Kanczuzewski – <i>Aye</i>  | Committee Member Davis Jr. – <i>Absent</i> |
| Committee Chair Tomas Morgan – <i>Aye</i> |  |

Committee Chair Tomas Morgan entertained a motion to recommend sending Bill No. 22-08 with a favorable recommendation to the Council.

Citizen Member Kurzhal motioned to send Bill No. 22-08 to the Council with a favorable recommendation, which was seconded by Citizen Member Kanczuzewski and carried by a vote of four (4) ayes.

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| Committee Chair Tomas Morgan – <i>Aye</i> | Citizen Member Kurzhal – <i>Aye</i>        |
| Committee Member Wax – <i>Aye</i>         | Committee Member Davis Jr. – <i>Absent</i> |
| Citizen Member Kanczuzewski – <i>Aye</i>  |  |

With no further business, Committee Chair Tomas Morgan adjourned the Community Investment Committee meeting at 6:27 p.m.

Respectfully Submitted,

Rachel Tomas Morgan, Committee Chair

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