



# OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

COMMUNITY INVESTMENT

JULY 25, 2022, 4:25 P.M.

Committee Members Present: Rachel Tomas Morgan, Henry Davis Jr., Eli Wax, Kaine Kanczuzewski, Tomas Kurzhal

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

Presenters: Mark Bemenderfer, Pam Myers, Angela Smith, Tim Corcoran, Deborah Peters, Ron Gatton

Agenda: Bill No. 22-35 – Tax Abatement for 505 S. Michigan St., South Bend, IN, Monreaux, LLC.

Bill No. 22-31 – A Resolution of the Common Council Approving and Adopting the Near West Side Neighborhood Plan (Substitute)

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=356035>

Committee Chair Tomas Morgan called to order the Community Investment Committee meeting at 4:27 p.m.

**Bill No. 22-35 – Tax Abatement for 505 S. Michigan St., South Bend, IN, Monreaux, LLC.**

Mark Bemenderfer, Manager of Business Development, with offices on the fourteenth (14<sup>th</sup>) floor of the County-City building, presented Bill No. 22-35. The petitioner requested a tax abatement for a sixty-five thousand square-foot (65,000) building on an empty plot on the corner of Michigan and Monroe Streets. The plot was donated by the city. The four (4) story building would house commercial property on its first floor and apartments on all other floors. The development is a fourteen million-dollar (\$14,000,000) investment and the developer is also seeking state tax credits. Eight (8) full-time positions would be created, averaging two-hundred-seventy thousand dollars (\$270,000) in payroll. The housing units will be made up of seventy-seven percent (77%) affordable housing, broken up as follows:

- Twenty percent (20%) for tenants at thirty percent (30%) area median income (AMI).

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- Eighteen percent (18%) for tenants at fifty percent (50%) AMI.
- Twenty-three percent (23%) for tenants at sixty percent (60%) AMI.
- Seventeen percent (17%) for tenants at eighty percent (80%)AMI.

Committee Chair Tomas Morgan requested questions from the Committee.

Committee Vice Chair Davis Jr. asked how affordability is calculated.

Mark Bemenderfer responded that rents are based on the AMI.

Committee Member Wax asked about rent increases and if the project would continue if the state tax credits were not granted.

Deborah Peters, 6700 South Crandon Avenue, Chicago, Illinois, 60649, representing the developer, responded that the rent would increase only if the AMI increased. As affordability is an important project aspect, an additional tax credit application would be submitted prior to considering other options.

Citizen Member Kurzhal asked if the lot purchase price has been discussed and if there are façade and material requirements for the area.

Pam Myers, Chief Neighborhood Officer, advised that the land parcels, appraised at one hundred seventy-seven thousand dollars (\$177,000), would be transferred to the developer for one thousand dollars (\$1,000) each.

Angela Smith responded that the area is zoned as an NC neighborhood center and has minimum transparency requirements and mandated material and façade standards.

Committee Chair Tomas Morgan asked about the project timeline.

Pam Myers responded that the tax credits would be announced in mid-November 2022, and the project would commence on July 1, 2023, to be completed by November 2024.

Committee Chair Tomas Morgan requested questions from the Council.

Councilmember Niezgodski asked if the company is women-owned and operated and requested additional information on the health and other benefits requirements.

Deborah Peters responded that most employees are women.

Ron Gatton, 1044 East 49 Street, Chicago, Illinois, 60615, representing the developer, advised that the primary loan is insured by the Federal Housing Administration which requires meeting certain construction standards. Once the tax credits are approved, the project will enter a tender process. The Davis Bacon Act mandates providing benefits or a cash equivalent to laborers without.

Committee Chair Tomas Morgan asked if anyone from the public wished to speak in favor of or in opposition to Bill No. 22-35.

Clerk Jones responded that no one (1) from the public wished to speak in favor of or in opposition of the bill.

Committee Chair Tomas Morgan asked for final questions from the Committee.

Committee Member Davis Jr. asked if any of the affordable housing COVID federal funds would cover the project, if the city provided monetary support, and if local contractors would be considered.

Pam Myers responded that the city would provide one point five million dollars (\$1,500,000) in support. It is unclear if any COVID funding would support the project. Local contractors would be considered.

Committee Member Davis Jr. motioned to send Bill No. 22-35 to the full Council with a favorable recommendation, which was seconded by Citizen Member Kanczuzewski and carried by a vote of five (5) ayes.

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

**Bill No. 22-31 – A Resolution of the Common Council Approving and Adopting the Near West Side Neighborhood Plan (Substitute)**

Committee Chair Tomas Morgan entertained a motion to accept the substitute Bill No. 22-31. A roll call was not required.

Committee Member Wax motioned to accept Substitute Bill No. 22-31, which was seconded by Citizen Member Kurzhal and carried, as none (0) opposed.

Tim Corcoran, Director of Planning, with offices on the fourteenth (14) floor of the County-City building, advised that the history museum area was updated with graphics and revisions were made to the brownfield language in response to Committee and resident environmental concerns. A brownfield is land previously developed that may be contaminated and may only be used as parks, redeveloped, or redeveloped with restrictions, such as Ignition Park. Boundaries were added to identify properties of concern such as the 1500 Washington site.

The neighborhood plan encompasses a five (5) to twenty (20) year period and acts as a guide for decision-makers. It is based on community engagement and includes infrastructure, housing, parks and open spaces, zoning, and specifics requested by residents. Images are only indicative.





The engagement process commenced in March 2021 with more than thirteen hundred (1300) mailers distributed, several stakeholder meetings, and an online engagement platform. The main principles identified were that the neighborhood should be urban and walkable, attractive, healthy, equitable, and sustainable.

The plan includes traffic calming zones, trail expansions, bicycle infrastructure, possible expansion of the historic district which would facilitate federal repair grants, and zoning amendments. The latter informs future Council action and would be completed separately from the neighborhood plan. Revisions include rezoning from U1 to U2 to allow multiple family units and NC to UF to allow a mix of family use, commercial, and office spaces.

Committee Chair Tomas Morgan requested questions from the Committee.

Citizen Member Kanczuzewski asked about the timing for the separate zoning process and requested examples of William Street improvements.

Tim Corcoran responded that the separate zoning process required notifying property owners and may be completed by early 2023. The William Street improvements could include beautification, lighting, and traffic-calming. Resident consultations will be held.

Committee Chair Tomas Morgan requested questions from the Council.

Councilmember White thanked the planners for addressing the brownfield concerns, as her family grew up in the area and a sister passed away from brain cancer at nineteen (19) years of age and asked what prompted the language revisions.

Tim Corcoran responded that the language revisions were a result of the concerns heard from the public and the Council. Although the planners felt that an explanation was provided, perhaps the language was not sufficiently explicit, and the industrial reuse was not adequately explained.

Councilmember Lee asked about the estimated economic impact.

Tim Corcoran responded that although a figure could not be provided, the investment would facilitate population growth and support local businesses.

Committee Chair Tomas Morgan asked if anyone from the public wished to speak in favor of Bill No. 22-31.

Anne Mannon, 724 West Washington, South Bend, Indiana, 46601, president of the Westside Neighborhood Association, requested that parks and traffic-calming zones be included. Regarding environmental concerns, the planners collaborated with the Association, and a meeting with Fannie Mae will be held on July 26, 2022. The test results are pending.

Jim Bogner, 807 West Washington Street, South Bend, Indiana, 46601, reiterated the need for urgency in addressing environmental concerns. Sites determined to be contaminated thirty (30) years ago are still undergoing remediation.



Jonathan Nicoletti, 701 West Lasalle Avenue, South Bend, Indiana, 46601, advised that he supports the plan as a new resident.

Committee Chair Tomas Morgan advised that two (2) letters of support were received for the bill and thanked Anne Manno and the residents who participated in the consultations.

Committee Chair Tomas Morgan asked if anyone from the public wished to speak against Bill No. 22-31.

Clerk Jones responded that no one (1) from the public wished to speak against Bill No. 22-31.

Committee Chair Rachel Tomas entertained a motion to send Bill No. 22-31 to the full Council with a favorable recommendation.

Committee Member Wax motioned to send Bill No. 22-31 to the full Council with a favorable recommendation, which was seconded by Citizen Member Kurzhal and carried by a vote of five (5) ayes.

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

With no further business, Committee Chair Rachel Tomas Morgan adjourned the Community Investment Committee meeting at 5:35 p.m.

Respectfully Submitted,

Rachel Tomas Morgan, Committee Chair

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