



OFFICE OF THE CITY CLERK

BIANCA L. TIRADO, CITY CLERK

COMMUNITY INVESTMENT

JUNE 23, 2025 5:00 P.M.

Committee Members Present:

Troy Warner, Karen L. White, Ophelia Gooden-Rodgers, Sherry Bolden-Simpson, Thomas Gryp, Kaine Kanczuzewski

Committee Members Absent:

None

Other Council Members Present:

Rachel Tomas Morgan

Others Present:

Bianca L. Tirado, Jasmine Jackson, Matthew Neal, Margaret Gotsch, Lari'onna Green, Bob Palmer

Presenters:

Joe Molnar, Donald Mouch, Devereaux Peters, Joe Molnar, Megan Schuetz, Caleb Bauer, Mark Bemenderfer, Matt DeVicchio, John Szypczak

Agenda:

Bill No. 36-25 – An Ordinance of the Common Council of the City of South Bend, Indiana, Amending the Loan Agreement and Approving and Authorizing Actions in Respect Thereto (Monreaux Project)

Bill No. 25-34 – Designating Resolution - Real Property Tax Abatement for KCG Companies, LLC

Bill No. 25-35 – Designating Resolution - Real Property Tax Abatement for South Bend Chippewa, LLC and South Bend Chippewa ACG, LLC

Members marked with an asterisk (*) are in virtual attendance.

Please note the attached link for the meeting recording:

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Jasmine Jackson
CHIEF DEPUTY CITY CLERK / CHIEF OF STAFF

Matthew Neal
DEPUTY CITY CLERK / DIRECTOR OF POLICY

Margaret Gotsch
DIRECTOR OF SPECIAL PROJECTS

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Committee Chair Troy Warner called to order the Community Investment Committee meeting at 5:09 P.M.

Bill No. 36-25 – An Ordinance of the Common Council of the City of South Bend, Indiana, Amending the Loan Agreement and Approving and Authorizing Actions in Respect Thereto (Monreaux Project)

Caleb Bauer, Executive Director of Community Investment, with offices on the 14th floor of the County-City Building, South Bend, IN 46601, stated Bill No. 36-25 is proposed amendment to the development and loan agreement for the Monreaux Project, 505 S. Michigan Street, South Bend, IN 46601, which is the location of the former Fat Daddy's at Michigan and Monroe. The proposal involves amending the terms of a forgivable loan, which had already been approved by the Common Council and the Redevelopment Commission. This project adds to the momentum on the South side of downtown with the Diamond View and Stadium Flats development, the Momentum Entrepreneurship Hub, the leasing of the SoMa Apartments, the Milkweed Commons project, and development of the vacant portion of the Inwoods Building. Some circumstances have changed in the project but the private investment commitment has increased over time from thirteen million seven hundred thousand dollars (\$13,700,000) to seventeen million seven hundred thousand dollars (\$17,700,000). The proposal would increase the foregiveable loan amount from two million three hundred thousand (\$2,300,000) to three million three hundred thousand dollars (\$3,300,000) in tax increment financing (TIF); however, the loan would be forgiven only if the project is completed. These proposed changes are being driven by market forces, especially challenges on pricing and materials, which has affected other projects as well. Labor costs are also on the rise, particularly when you take into account the number of construction projects in the area. However, if this ordinance is approved, Community Investment does not anticipate the need for any additional changes.

Devereaux Peters, Chateaux 14 Development, LLC, with offices at 1335 Pyle Avenue, South Bend, IN 46615, stated that the cost of the project has been going up. Toward the end of 2023, the previous contractor estimated the cost of the project would be five million dollars (\$5,000,000) over budget. They spent the last year redesigning and cost cutting, while also raising more funds for the project. They have changed contractors and have selected Yoder Builders from Nappanee, IN, which allowed the project to maintain a quality building with high-level finishes and amenities and only a slight change to the exterior. To make up the difference and to complete the project, Devereaux Peters has deferred one-half of her fee and has agreed that some funds already spent on the project will go unreimbursed. She stated that they are now in the process of closing and anticipate closing at the end of next month.

Donald Mouch, Licensed Architect, Pappageorge Haymes Partners, with offices at 640 North LaSalle Street, Suite 400, Chicago, IL 60654, reviewed the architectural changes to the Monreaux Project. By eliminating the mezzanine level, they were able to maintain wood trim and other amenities. The project will include large windows and a brick exterior along with street level commercial space and will have great interior finishes and a strong curbside appeal.



Committee Chair Warner asked about the ready funds, which did not materialize in the amount anticipated.

Devereaux Peters stated that they were awarded funds along with Milkweed Commons, and their portion was approximately two million five hundred thousand (\$2,500,000.00), which did not completely cover their cap. By reducing the overall budget, the ready funds and the additional commitment by City of South Bend will cover their gap.

Caleb Bauer noted that the TIF commitment for the forgivable loan is funded by the River West Development Area, which generates approximately twenty million dollars (\$20,000,000) per year with about five million (\$5,000,000) in serviceable debt. He estimates that the June 2025 distribution amount will total approximately eleven million dollars (\$11,000,000) with the remainder coming in December.

Committee Member Ophelia Gooden-Rodgers stated that she wanted to thank Devereaux Peters for the commitment of these apartments, and wanted her to commit to have hot running water and to take care of the people living in these apartments.

Devereaux Peters stated that they are covering all of the utilities in the apartments.

Committee Member Kaine Kancuzewski had a question about the architectural requirements, specifically if the building met the Slab On Deck (SOD) and glazing requirements.

Donald Mouch confirmed that they would meet those requirements, and the project is going through local review after receiving approval from the State of Indiana.

Committee Member Kancuzewski asked about horizontal articulation requirements on buildings of this size.

Donald Mouch thanked him for bringing that to his attention.

Sherry Bolden-Simpson noted that they made some changes to the architectural design but that she thought the building still looked great. She encouraged Devereaux Peters to take care of the residents.

Devereaux Peters and Donald Mouch expressed their appreciation.

Committee Chair Warner held the public hearing, and nobody spoke.

Committee Member Bolden-Simpson moved to send Bill No. 36 -25 to the Full Council with a favorable recommendation, which was seconded by Committee Member Kancuzewski and carried by a vote of six (6) ayes.

Committee Chair Troy Warner - <i>Aye</i>	Committee Vice Chair Karen L. White – <i>Aye</i>
Committee Member Ophelia Gooden-Rodgers - <i>Aye</i>	Committee Member Sherry Bolden-Simpson – <i>Aye</i>
Citizen Member Thomas Gryp - <i>Aye</i>	Citizen Member Kaine Kancuzewski - <i>Aye</i>



Bill No. 25-34 - Designating Resolution - Real Property Tax Abatement for KCG Companies, LLC

Joe Molnar, Deputy Director, Department of Community Investment, with offices on the 14th floor of the County-City Building, South Bend, IN 46601, presented Bill No. 25-34, which is ten (10) year real property tax abatement for KCG Donald and Main project as part of the City's support package to assist KCG in being awarded low-income housing tax credits (LIHTC). One of the ways to receive points in the LIHTC review process is to have support for the local governmental body.

The site is a vacant lot owned by the Redevelopment Commission and they have an active purchase agreement with KCG Development, located in the Indianapolis, IN. KCG Development is a mixed-use and multi-family housing developer that intends to invest at least fourteen million dollars (\$14,000,000) developing this site with fifty (50) units of low-income housing.

During the ten-year (10) abatement period, it is estimated that the project will generate tax revenue of one hundred twenty-one thousand five hundred fifty-one dollars (\$121,551), while abating three hundred twenty-seven thousand seven hundred seventy-seven dollars (\$327,777). After the abatement ends, the project would generate tax revenue during the next decade of six hundred eleven thousand seven hundred ninety-two dollars (\$611,792). Currently, the property is owned by the City and not generating significant tax revenue.

Megan Schuetz, Vice President of Development, KCG Development, with offices at 9311 N. Meridian Street, Suite 100, Indianapolis, IN 46260, stated that, when the City supports their LIHTC application, not only does it make the application more competitive, it ensures the viability of the project through the length of the project.

Committee Member Gooden-Rodgers thanked KCG for bringing affordable housing to South Bend because there is a great need for this type of housing. However, her concern is that the housing units will have good water supply and parking lots – she wants KCG to keep the property in good condition.

Megan Schuetz stated that, in addition to KCG's commitment to care for residents, an additional benefit of the tax credit process is that it provides for additional layers of oversight to ensure that the residents are taken care of. Residents are always KCG's top priority.

Committee Member Thomas Gryp asked how many projects has KCG managed in St. Joseph County, IN.

Megan Schuetz stated that this would be their first project in St. Joseph County, IN.

Caleb Bauer noted that the reason that KCG had not sought LIHTC in Indiana is because of a non-compete agreement, which has expired.

Committee Chair Warner noted that, during the Zoning and Annexation Committee hearing, KCG indicated that they are doing business in ten (10) states but that this is their first project in Indiana.

Megan Schuetz agreed with that summarization, and said that the KCG founder had worked for a competitor and was under a non-compete agreement in Indiana.



Committee Member Rachel Tomas Morgan asked what brought KCG to Indiana and to South Bend, in particular.

Megan Schuetz said that the states she is responsible for are Wisconsin, Indiana, and Ohio. As KCG started considering Indiana projects, they looked at places that were competitive and where affordable housing was needed. KCG is willing to be catalyst of change. In addition to the economic factors, the City staff has been super supportive of their bid to promote affordable housing.

Committee Chair Warner held the public hearing, and nobody spoke.

Committee Member Gooden-Rodgers moved to send Bill No. 25-34 to the Full Council with a favorable recommendation, which was seconded by Committee Vice Chair Karen L. White and carried by a vote of six (6) ayes.

Committee Chair Troy Warner - <i>Aye</i>	Committee Vice Chair Karen L. White – <i>Aye</i>
Committee Member Ophelia Gooden-Rodgers - <i>Aye</i>	Committee Member Sherry Bolden-Simpson – <i>Aye</i>
Citizen Member Thomas Gryp - <i>Abstain</i>	Citizen Member Kaine Kanczuzewski - <i>Aye</i>

Bill No. 25-35 - Designating Resolution - Real Property Tax Abatement for South Bend Chippewa, LLC and South Bend Chippewa ACG, LLC

Mark Bemenderfer, Business Development, Department of Community Investment, with offices on the 14th floor of the County-City Building, South Bend, IN 46601, stated that Bill No. 25-35 is a resolution seeking a eight (8) year real property tax abatement for property located at 701 W. Chippewa Avenue, South Bend, IN. The property is co-owned by South Bend Chippewa, LLC, and South Bend Chippewa ACG, LLC, both of which are subsidiaries of Industiral Real Property (IRG), which is a national company focused on redeveloping difficult properties. The property consists of twenty-nine (29) acres with a one point four million (1,400,000) square foot facility of which ninety seven five hundred thousand (97,500) square feet are leasable for manufacturing, industrial, and office space. There is two hundred twenty-one thousand two hundred fourty-eight (221,248) square feet of unusable space between and it had been occupied by avation testing cells during World War II. The tax abatement would allow for the redevelopment and reactivation of this long unusable space by demolishing the current site and building truck docks, which would provide additonal leasing and job opportunites as well as improving the location for truck traffic. Current annual tax revenue from the property is three hundred sixty-four thousand one hundred eighty-one dollars (\$364,181.00), and estimated annual taxes would increase to five hundred three thousand one hundred eighty-two dollars (\$503,182) following the project. The eight (8) year abatement would abate ninety-seven six hundred eighty-three dollars (\$97,683) in real property taxes.

Matt DeVicchio, Vice-President and Senior Portfolio Manager, IRG Realty Advisors, LLC, with offices at 4020 Kinross Lakes Parkway Suite 200, Richfield, OH 44286, along with John Szypczak, Property Manager, IRG Realty Advisors, LLC, with offices at 4020 Kinross Lakes Parkway Suite 200, Richfield, OH 44286, made a statement in support of the resolution. Matt DeVicchio stated that IRG is one of the country's largest owners of commercial and industrial properties, which includes a property portfolio exceeding one million (1,000,000) square feet with



one hundred fifty (150) major projects across thirty-one (31) states. The Chippewa project is a significant redevelopment project aimed at transforming the historic twenty-nine (29) acres property at 701 W. Chippewa, South Bend, IN. The property improvements were originally built in 1940 and renovated in 1993; however, the property needs substantial improvement to meet modern demands. IRG envisions partnering with state government to transform this former Studebaker property into usable, high-demand leasable space. IRG is seeking support from the City of South Bend for approximately eleven million dollars (\$11,000,000) of Phase One (1) improvements, which include roof replacement, asphalt milling and pavement, landscape upgrades, architectural siding on West, South, and East of the building, new signage, and trenching utilities. Phase Two (2) would envision environmental abatement and demolition of the obsolete aviation engine test cell area, which will allow the redevelopment of the is two hundred twenty-one thousand two hundred forty-eight (221,248) square feet of space to include truck docks. The estimated cost for Phase Two (2) is approximately eleven million dollars (\$11,000,000). Additional support is crucial to ensure this project's success. Operating plan envisions hiring local workers and subcontractors.

Committee Member Gooden-Rodgers asked what type of jobs will be created and at what pay levels.

Matt DeVicchio stated that they have general ranges. Manufacturing would create fifty-five (55) new jobs, but it could be as high as four hundred (400) new jobs. While Phase One (1) will improve the site, the total benefits would not come to fruition until Phase Two (2) is completed.

Committee Member Gooden-Rodgers said she was very familiar with the building because she used to work at that location when she worked for AM General. She is glad someone is fixing up what was once at very nice building.

Matt DeVicchio noted that it is a well-built building but it needs a lot of work and investment to bring it back to where it needs to be.

Committee Member Gryp asked how many properties in St. Joseph County does IRG own and how long IRG has been in business.

Matt DeVicchio said this is the only property in this area IRG has been in business since 1992.

Committee Member Gryp asked if IRG envisions coming back to the Council for additional abatements or additional assistance during later phases of the project.

Matt DeVicchio noted that such a request is a possibility, and depending on developments there is a good chance that they would come back for additional help and support.

Committee Member Bolden-Simpson asked what type of business would be leasing besides manufacturing.

Matt DeVicchio said that general warehousing, and asked John Szypczak to list current tenants.

John Szypczak said that they currently have tenants in automotive distribution, supplying the New Carlisle data center, and manufacturing rubber hoses and wiring racks. They also have 3PL and AM General in the building.

Committee Member Bolden-Simpson said that she has been inside the building.



Committee Chair Warner held the public hearing, and nobody spoke.

Committee Chair Warner noted that a lot of the abatements are based on assessed value, but because of the assessed value of an established building, IRG is not getting as much of an abatement as a vacant lot.

Matt DeVicchio agreed with that assessment, and said that is why he left the door open to coming back to request additional support to develop this complicated property. IRG works with cities to take blighted properties and turn them back into useable space.

Committee Chair Warner thanked IRG for their investment in the City of South Bend.

Committee Chair Warner moved to send Bill No. 25-35 to the Full Council with a favorable recommendation, which was seconded by Committee Member Gooden-Rodgers and carried by a vote of six (6) ayes.

Committee Chair Troy Warner - <i>Aye</i>	Committee Vice Chair Karen L. White - <i>Aye</i>
Committee Member Ophelia Gooden-Rodgers - <i>Aye</i>	Committee Member Sherry Bolden-Simpson - <i>Aye</i>
Citizen Member Thomas Gryp - <i>Aye</i>	Citizen Member Kaine Kanczuzewski - <i>Aye</i>

With no further business, Committee Chair Troy Warner adjourned the Community Investment Committee meeting at 5:57 P.M.

Respectfully Submitted,

Troy Warner, Committee Chair

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