

ORDINANCE 94-19
 TO DESIGNATE AN ECONOMIC DEVELOPMENT TARGET AREA
 Re: 500-520 N. Walnut Street
 (CFC, Inc., Petitioners)

WHEREAS, I.C. 6-1.1-12.1-7 authorizes the Common Council to designate an area as an Economic Development Target Area; and

WHEREAS, statutory criteria (I.C. 6-1.1-12.17-7(a)) require that an area so designated must be an area that:

- (1) has become undesirable or impossible for normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvement or character of occupancy, age, obsolescence, substandard buildings, or other factors that have impaired values or prevented a normal development of property or use of property; or
- (2) is designated as a registered historic district under the National Historic Preservation Act of 1966 or under the jurisdiction of a preservation commission organized under I.C. 36-7-11, I.C. 36-77-11.1 or I.C. 14-3-3.2; or
- (3) encompasses buildings, structures, sites or other facilities that are:
 - (A) listed on the national register of historic places under the National Historic Preservation Act of 1966; or
 - (B) listed on the register of Indiana historic sites and historic structures; or
 - (C) determined to be eligible for listing on the Indiana register by the state historic preservation officer;

and

WHEREAS, the request to designate the above-described area as an Economic Development Target Area alleges that the property is impossible or undesirable for normal development and is based upon I.C. 6-1.1-12.1-7(a)(1); and

WHEREAS, the City of Bloomington Economic Development Commission considered the request of CFC, Inc. to designate the area commonly known as 500 and 520 N. Walnut Street, Bloomington, Indiana, as a Economic Development Target Area at a public hearing held on March 10, 1994; and

WHEREAS, the Economic Development Commission, by a vote of 5-0, recommends that the Common Council designate the above-described area as an Economic Development Target Area in compliance with I.C. 6-1.1-12.1-7(a)(1) recited above. A copy of Resolution 94-3 of the Economic Development Commission is attached hereto and incorporated herein;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION I. The area commonly known as 500 and 520 N. Walnut St., Bloomington, Indiana, described in Exhibit A attached hereto and incorporated herein, is hereby designated as an Economic Development Target Area under the authority of I.C. 6-1.1-12.1-7(a)(1).

SECTION II. The favorable recommendation of the Economic Development Commission shall be attached hereto and made a part hereof.

SECTION III. This ordinance shall be in full force and effect from and after its passage by the Common Council and approval by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this _____ day of April, 1994.

JIM SHERMAN, President
Bloomington Common Council

ATTEST:

PATRICIA WILLIAMS, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of April, 1994.

PATRICIA WILLIAMS, Clerk
City of Bloomington

SIGNED and APPROVED by the me upon this _____ day of April, 1994.

TOMILEA ALLISON, Mayor
City of Bloomington

SYNOPSIS

This ordinance designates parts of the area commonly known as 500 and 520 N. Walnut Street, in Bloomington, Indiana, as an Economic Development Target Area. Such designation is an optional step in the process of obtaining a tax abatement that offers a broader range of uses than are available under the basic designation as an Economic Revitalization Area (ERA). Assuming the ERA and EDTA are granted, further action by the Council in the form of a reconfirming resolution is necessary before the tax abatement is finally approved.

RESOLUTION 94-3

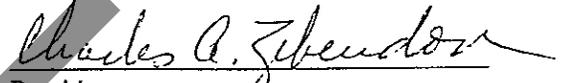
WHEREAS, Indiana Code §6-1.1-12.1-7 specifies that an economic development target area may be designated by the Common Council after a favorable recommendation by an economic development commission; and

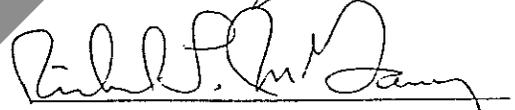
WHEREAS, the Bloomington Economic Development Commission, at the request of the petitioner, CFC, Inc., held a public hearing on March 10, 1994, to consider petitioner's application for economic development target area designation of an area located at 500 and 520 N. Walnut Street, in the City of Bloomington, Indiana;; and

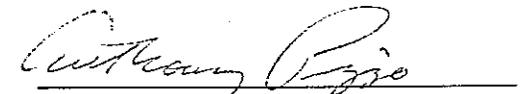
WHEREAS, the Commission has determined after the public hearing that the application falls within the statutory qualifications in Indiana Code §6.1.1-12.1-7 and has voted approval of the designation;

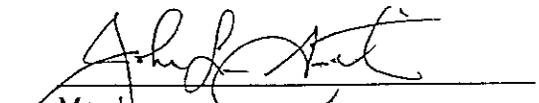
NOW THEREFORE, BE IT RESOLVED by the Bloomington Economic Development Commission that the Commission recommends to the City of Bloomington Common Council that an ordinance be passed designating the above described location as an economic development target area.

PASSED this 10th day of March, 1994.


President


Secretary


Member


Member


Member

**STAFF REPORT ON TAX ABATEMENT REQUEST FOR THE PROPERTY AT 500-520
N. WALNUT ST.
CFC INC. PETITIONER
MARCH 7, 1994**

Requested is ten years of tax abatement for a proposed 21 unit residential condominium project to be built at 500 N. Walnut St. and the remodeling of the existing structure at 520 N. Walnut into two additional condominiums. The proposed cost of the project is 9.75 million dollars and would generate an estimated \$251,472 in new property taxes per year, or \$2,514,720 over ten years. This abatement would relieve the owners of \$1,244,786 in tax payments.

An initial hearing before the Plan Commission has been held on a request for rezoning from BG to RH/PUD. A final hearing is set for March 14th. (see Planning report enclosed) Economic Target Area Designation (EDTA) is also required from the Economic Development Commission, this hearing is scheduled for March 10th. A portion of the north-south alley west of the proposed development is also requested to be vacated. This request will go before the Board of Public Works on March 8th.

All of these considerations including abatement, EDTA designation, rezoning, and alley vacation will come before the Council for final approval; it is our understanding that these requests will be brought as a package to the Council on April 6, 13, and 20th. for final action. The reconfirming resolution of the Council on the abatement would follow in early May.

In terms of the findings in regard to designation of this property as an Economic revitalization Area (ERA) which then allows the property taxes to be abated, the State law requires that the site be found undesirable for or impossible of, normal development and occupancy, because of such factors as cessation of growth, existence of substandard or obsolescent structures and deterioration in character of occupancy. Staff would defer to the petitioners statement in regard to the qualifications of this site as an ERA.

Staff recommends that the Commission approve this property as an ERA and grant a ten year abatement as recommended in the recently adopted tax abatement guidelines.

CITY OF BLOOMINGTON
DEPARTMENT OF REDEVELOPMENT
PROPERTY TAX ABATEMENT PROGRAM

Staff Report on Application for Designation
as an
Economic Development Target Area

1. Description of Property

500 North Walnut and 520 North Walnut

Lots 11, 13, 15, and the Southern 44.68 feet of Lot 17 in Bollman Place Subdivision, and any vacated land lying between Lots 13 and 15, City of Bloomington, Monroe County, Indiana.

2. Owner-Applicant

CFC, Inc., 405 North Rogers, Bloomington, IN 47404

Officers of the Corporation:

President: James E. Murphy

405 North Rogers, Bloomington

Ph. 332-0053

Vice President: Bob Doty

239 Fountain Square, Bloomington

Ph. 336-7100

Secretary/Treasurer: Chris Taylor

405 North Rogers, Bloomington

Ph. 332-0053

3. Proposed Development

500 North Walnut - Construct (approximately) 21-unit condominium and a 43 car parking garage at an estimated construction cost of \$9.6 million.

and

520 North Walnut - renovation/remodeling of the existing large, historic house to become a 2-unit condominium at an estimated construction cost of \$150,000.

4. Public Improvements Needed or Required

None

5. Estimate of Yearly Property Tax Revenues to be Abated

See attached chart.

6. Would the Granting of Such a Designation be in Accordance with Existing City Policies?

See attached Staff Recommendation.

TAX ABATEMENT CALCULATIONS FOR REAL PROPERTY

FOR: CFC

Using 1992 payable 93 Tax Rate and A.V. Estimates

Feb-94

Improvements	9,750,000		Current A.V.	650,000
Rate	25.00%		From State. Benefit	
Est. Assessed Value from			Blgtn City 1993Tax Rate:	.103168
"Statement of Benefits":	2,437,500		Property Tax Payable:	67,059
Blgtn City 1993Tax Rate:	.103168			
Property Tax Payable:	251,472			

3 YEAR TAX ABATEMENT			Petitioner's T. A.	Current Value
Year	Percentage	Deduction	Payment	Payment
1	100.00%	251,472	0	67,059
2	66.67%	167,656	83,816	67,059
3	33.33%	83,816	167,656	67,059
Total Abatement		502,944	251,472	201,178

6 YEAR TAX ABATEMENT				
Year	Percentage	Deduction		
1	100%	251,472	0	67,059
2	85%	213,751	37,721	67,059
3	66%	165,972	85,500	67,059
4	50%	125,736	125,736	67,059
5	34%	85,500	165,972	67,059
6	17%	42,750	208,722	67,059
Total Abatement		885,181	623,651	402,355

10 YEAR TAX ABATEMENT				
Year	Percentage	Deduction		
1	100%	251,472	0	67,059
2	95%	238,898	12,574	67,059
3	80%	201,178	50,294	67,059
4	65%	163,457	88,015	67,059
5	50%	125,736	125,736	67,059
6	40%	100,589	150,883	67,059
7	30%	75,442	176,030	67,059
8	20%	50,294	201,178	67,059
9	10%	25,147	226,325	67,059
10	5%	12,574	238,898	67,059
Total Abatement		1,244,786	1,269,934	670,592



STATEMENT OF BENEFITS

State Form 27167 (R3 / 11-91)
Form SB - 1 is prescribed by the State Board of Tax Commissioners, 1989
The records in this series are CONFIDENTIAL according to IC 6-1.1-35-9

FORM
SB - 1

INSTRUCTIONS:

- This statement must be submitted to the body designating the economic revitalization area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment, or BEFORE the redevelopment or rehabilitation of real property to which the person wishes to claim a deduction. A statement of benefits is not required if the area was designated an ERA prior to July 1, 1987 and the "project" was planned and committed to by the applicant, and approved by the designating body, prior to that date. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation or prior to installation of the new manufacturing equipment, BEFORE a deduction may be approved.
- To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PP, New Machinery, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of: (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PP must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment is installed, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and June 14 of that year.
- Property owners whose Statement of Benefits was approved after July 1, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)

SECTION 1 TAXPAYER INFORMATION	
Name of taxpayer	CFC, Inc.
Address of taxpayer (street and number, city, state and ZIP code)	405 N. Rogers St., Bloomington, IN 47401
Name of contact person	James E. Murphy
Telephone number	(812) 332-0053

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT	
Name of designating body	City of Bloomington
Location of property	500/520 N. Walnut
County	Monroe
Description of real property improvements and / or new manufacturing equipment to be acquired (use additional sheets if necessary)	Construction of an approximate 21 unit condominium and renovation of existing vacant property to a condominium.
Resolution number	
Taxing district	
Estimated starting date	on approval
Estimated completion date	9-30-96

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number	Salaries	Number retained	Salaries	Number additional	Salaries
0	0	0	0	7	\$125,000

	ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT		Machinery	
	Cost	Assessed Value	Cost	Assessed Value
Current values	\$225,000/425,000	\$3,400/31,700		
Plus estimated values of proposed project	\$9.6M/150,000	\$1.92M/80,000		
Less values of any property being replaced				
Net estimated values upon completion of project	\$9.825M/575,000	\$1,923,400/61,700		

SECTION 5 OTHER BENEFITS PROMISED BY THE TAXPAYER
Preservation of historic structure.

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative	Title	Date signed (month, day, year)
James E. Murphy	President CFC Inc	2-15-94

LOCATION : 500 & 520 North Walnut, and 515 & 521 North
Washington

PETITIONER: Name : CFC, Inc.
Address: 405 N. Rogers St.

COUNSEL: Name : William Finch
Address: 403 E. Sixth St.

PRELIMINARY HEARING DATE: February 21, 1994
FINAL HEARING DATE : March 14, 1994

REQUEST: Rezoning From: BG To: RH/PUD (condominium)

PROPOSAL SUMMARY: The site is located at 500 & 520 N. Walnut and 515 & 521 N. Washington. The entire site is zoned BG. The petitioner is requesting a rezone from BG to RH/PUD for all of the parcels involved. The two existing houses fronting on Washington Street will be renovated and restored to single family homes. The existing Portico's which is currently vacant will be converted from a restaurant to a two-unit condominium. On the vacant lot a 21-unit condominium building will be constructed with parking at ground level beneath the units. There will also be some surface parking. The condominiums will be one, two, and three bedroom units. Parking requirements will be met.

The new structure is proposed to be 11 stories of residential units with the two upper floors for mechanicals. The petition will require variance from the density requirement of 25 units/acre for a PUD. Please refer to the petitioner's statement and the site plan. There is an alley right-of-way which must be vacated where the new constructed is proposed. Access is proposed from 9th St. which is one-way west.

MASTER PLAN COMPLIANCE: The Growth Policies Plan designates this area as commercial. However, the downtown area encourages the use of multifamily structures in its compact urban form and receptivity to mixed uses in the arterial corridors. This petition meets those requirements and must be considered carefully. Two issues that rise are the height of the building at 148 ft. and the density of 25 units on slightly less than one acre of land.

IMPACT OF CHANGE

A. Physical Impacts: This site is currently an asphalt parking lot with few natural amenities. The proposed building will be two

stories on either end for several feet in order to give relief to the streetscape and the height of the proposed building. Landscaping and the preservation of existing trees will soften the building. The effect of the tall building on light and streetscape should be considered.

B. Traffic Considerations: Walnut St. is a principal arterial and is designed to handle the traffic as the parcels develop. Washington is classified as a principal collector and 9th St. is local.

C. Range of Possible Use: The condominiums will be for residential use only as will the two single family homes on Washington St. and Portico's.

D. Utility Availability: All necessary utilities are in place.

E. Architectural Compatibility: While not so designated, the Portico's is a historic house. Modifications to it and to the two houses on Washington St. should be in historic character, and the new tall building should be compatible.

RECOMMENDATIONS AND COMMENTS

Staff recommends forwarding this petition to a second hearing on March 14, 1994.

TABBLE

CITY OF BLOOMINGTON

APPLICATION FOR PROPERTY TAX ABATEMENT

FOR 500 and 520 NORTH WALNUT STREET, BLOOMINGTON, INDIANA

1. OWNERSHIP

A. CFC, Inc., James E. Murphy, President, 405 North Rogers Street, Bloomington, Indiana, 47401, (812) 332-0053.

Bob Doty, Vice-President, 239 Fountain Square, Bloomington, Indiana, 47402, (812) 336-7100.

Chris Taylor, Secretary/Treasurer, 405 North Rogers Street, Bloomington, Indiana, 47401, (812) 332-0053.

2. PROPERTY DESCRIPTION:

A. 500 North Walnut, 520 North Walnut.

Lots 11, 13, 15, and the Southern 44.68 feet of Lot 17 in Bollman Place Subdivision, and any vacated land lying between Lots 13 and 15, City of Bloomington, Monroe County, Indiana.

Each lot being approximately 62.08 feet wide by 132.09 feet deep.

B. Legal description attached.

3. CURRENT STATUS OF PROPERTY:

A. The property is currently zoned BG. A rezoning is being requested to RH/PUD.

B. 500 N. Walnut is currently a paved parking lot. 520 North Walnut is a vacant historic structure commonly known as The Porticos which is approximately 96 years old.

C. See above.

D. Current Fair Market Value of 500 N. Walnut is approximately \$225,000. Current Fair Market Value of 520 N. Walnut is approximately \$425,000. 500 North Walnut is currently assessed at a value of \$29,740 for the land, and the improvements are assessed at a value of \$3,400. 520 North Walnut is currently assessed at a value of \$14,870 for the land, and the improvements are assessed at a value of \$31,700.

E. See the attached statement regarding the Porticos.

4. PROPOSED IMPROVEMENTS:

- A. The improvements at 500 North Walnut will consist of an approximate 21-unit condominium, and a 43 car parking garage at an estimated construction cost of \$9.6 million. The improvements at 520 North Walnut will include renovation and remodeling to a 2-unit condominium at an estimated construction cost of \$150,000.
- B. A proposed sketch of the project has been furnished to the Plan Commission.
- C. No public improvements or costs will be necessary.
- D. The probable start date of the project is summer, 1994. The probable completion date is fall, 1996.
- E. Seven jobs of a permanent nature will be created by the project. These will include a Manager, a Sales Agent, a Security Director, two maintenance positions, and two housekeeping positions. Annual salaries for these positions will range from \$15,500 to \$25,000. Benefits include Life Insurance, Health and Dental Insurance, paid vacations, paid holidays, personal days, and profit sharing. Employer costs for the positions will range from \$24,700 to \$39,500. One Hundred jobs of a temporary construction nature will be created by the project.
- F. The project is an infill project which will increase the amount and diversity of housing in the downtown area, will utilize existing infrastructure, will utilize space which is currently underutilized, and will help stabilize the residential nature of North Washington Street. The property is part of a proposed planned development which will include two other residential structures. These structures are the two houses at 521 and 515 North Washington.

5. ELIGIBILITY:

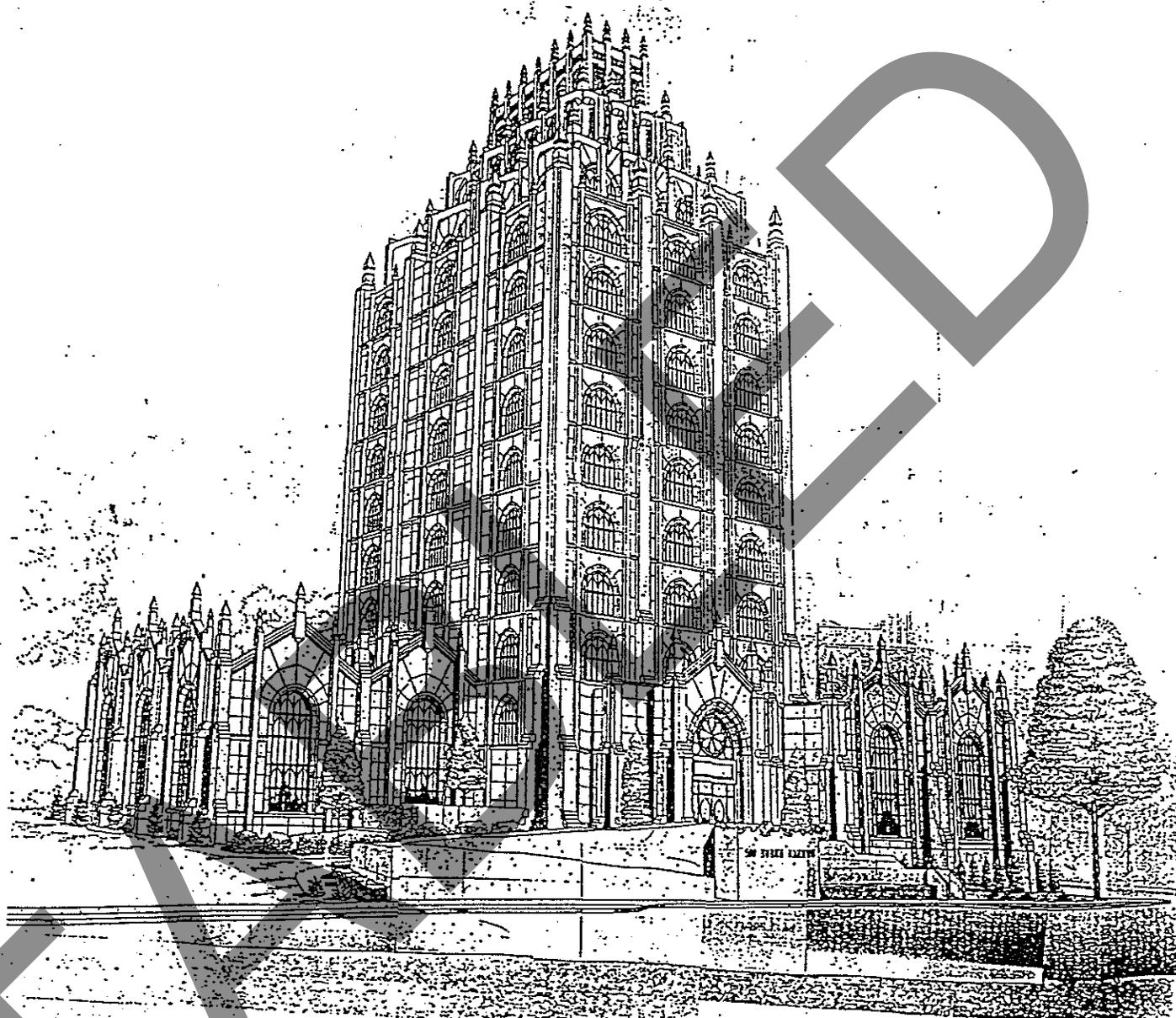
- A. The sites clearly qualify as Economic Revitalization Areas for a number of reasons. While zoned BG, the simple fact of the matter is that the parking lot has been underutilized for a number of years, and is currently still underutilized. Porticos was last used as a restaurant and is currently vacant. The land uses along North Walnut Street have been in a somewhat constant state of transition over the past few years with a high rate of turnover. Groves restaurant was replaced by a small shopping center which was vacant for a long period of time; a house just north of 10th

Street on Walnut was vacant and dilapidated for a period of time, and was finally sold by the bank and refurbished, but only after a considerable period of vacancy; going farther north on Walnut Street, there is a bar which, prior to its current use, was home to a number of different short-lived restaurants; the property south is a fraternal lodge (Elks); at 7th and Walnut, there is a vacant lot which has been vacant for over a decade and which was once occupied by a theatre. The Growth Policies Plan calls for more housing downtown and for the preservation of the North Washington Street neighborhood. These two sites combined with 515 and 521 North Washington (all part of the same planned unit development) represent a way to meet these goals. The development on North Walnut Street has been inconsistent and sporadic. These factors, coupled with the age, historic nature and other factors of 520 and 500 North Walnut will prevent normal development and use of these properties.

B. See 4E above.

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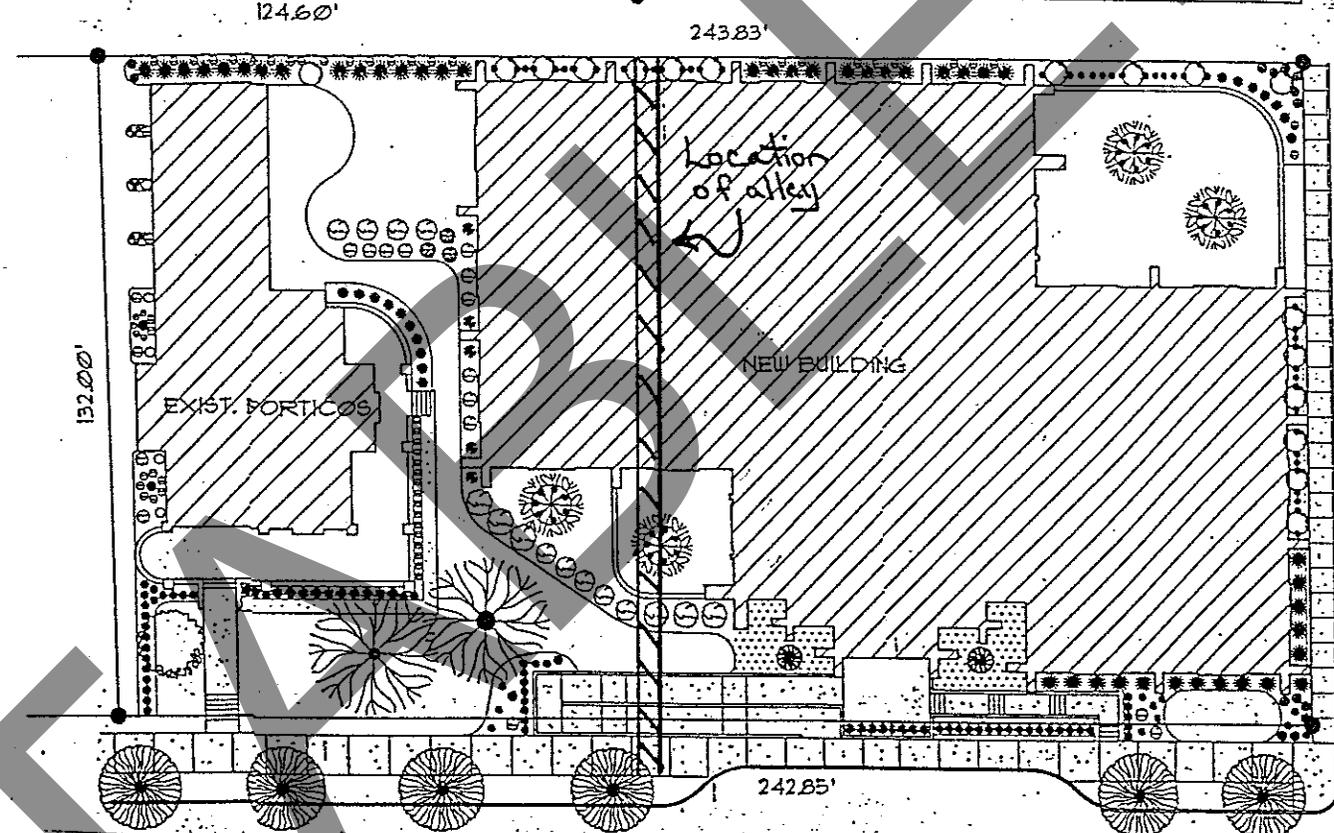
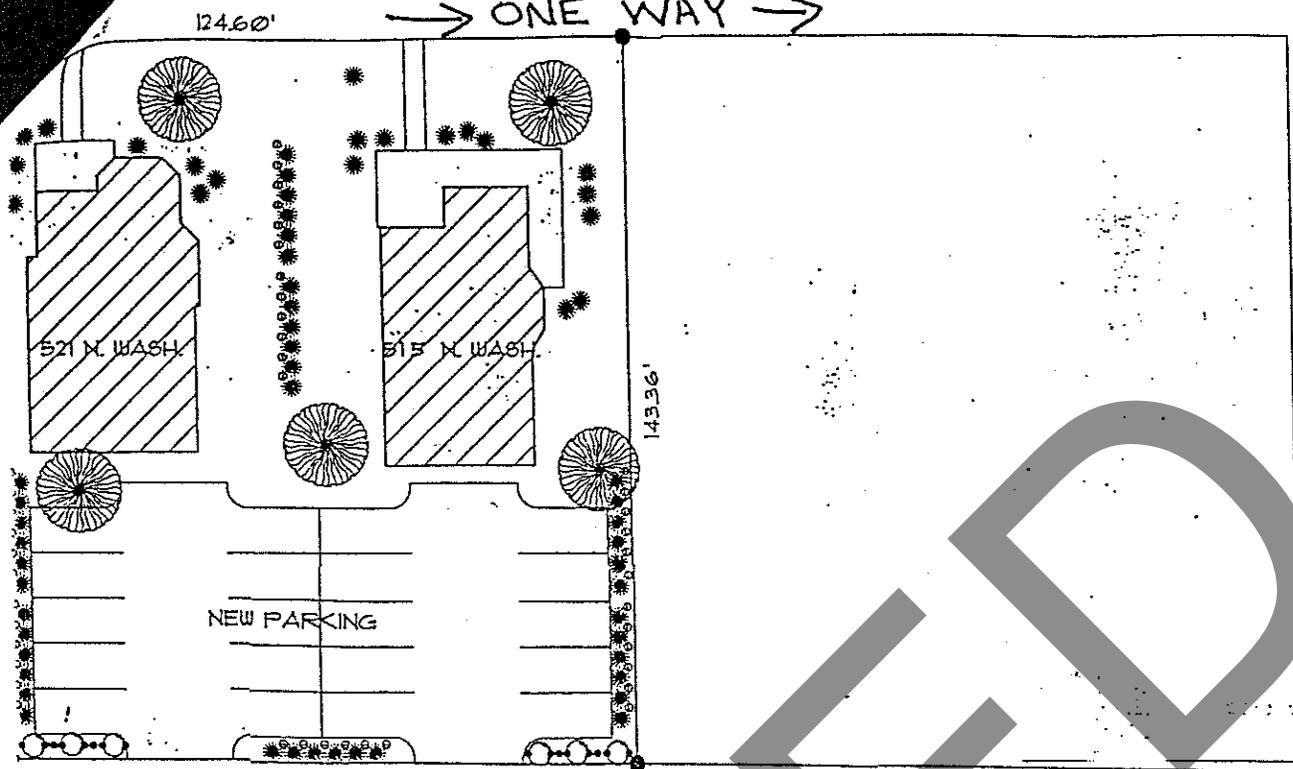
TABBLEE



RH/PUD-9-94
Elevation

NORTH WASHINGTON

ONE WAY →



← ONE WAY ←

← ONE WAY ←
NORTH WALNUT



Site Plan