

Passed: 7-2 (P. Cole
J. Hopkins)

RESOLUTION 94-03

**TO DESIGNATE THE PROPERTY LOCATED
AT 1201 and 1212 West Cottage Grove
AN "ECONOMIC REVITALIZATION AREA"
(Cottage Grove Housing, Inc., Petitioner)**

WHEREAS, Cottage Grove Housing Inc. has filed an application for designation of the property located at 1201 and 1212 West Cottage Grove as an "Economic Revitalization Area"; and

WHEREAS, the application has been reviewed by the Departments of Redevelopment and Planning, and the Redevelopment Commission has passed a resolution recommending to the Common Council the approval of the "Economic Revitalization Area" designation for said property and for said term of years; and

WHEREAS, petitioners seeking designation for their property as an "Economic Revitalization Area" must complete a Statement of Benefits and must, prior to March 1st of each year, provide the county Auditor and the Common Council with information showing the extent to which there has been compliance with the Statement of Benefits; and

WHEREAS, the Common Council has investigated the area described in detail in Exhibit "A", attached hereto and made a part hereof, more commonly described as 1201 and 1212 West Cottage Grove; and found the following:

- A. the estimate of the value of the redevelopment or rehabilitation is reasonable;
- B. the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation;
- C. the estimate of the annual salaries of these individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation;
- D. any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation;
- E. the totality of benefits is sufficient to justify the deduction;

and

WHEREAS, the property described above is part of the West Side area as defined in the Redevelopment Department's Community Development and Housing Plan, and has experienced a cessation of growth;

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

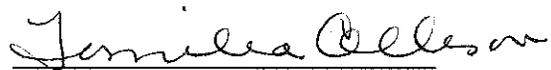
1. The Common council finds and determines that the area described above is an "Economic Revitalization Area" as set forth in Indiana Code 6-1.1-12.1-1 et. seq.; the Common Council further finds and determines that the owner of the property shall be entitled to a deduction from the assessed value of the property for a period of ten (10) years for the sole purpose of low income housing if the property is rehabilitated or redeveloped pursuant to I.C. 6-1.1-12.1-3.
2. As agreed to by Petitioner, in its application, if the improvements described in the application are not commenced (defined as obtaining a building permit and actual start of installation) within twelve (12) months of the date of the

designation of the above area as an "Economic Revitalization Area," this Common Council shall have the right to void such designation.

PASSED and ADOPTED by the Common Council of the City of
Bloomington, Monroe County, Indiana, upon this 19th day of
January, 1994.


JIM SHERMAN, President
Bloomington Common Council

SIGNED and APPROVED by me upon this 20th day of January,
1994.


TOMILEA ALLISON, Mayor
City of Bloomington

ATTEST:


PATRICIA WILLIAMS, Clerk
City of Bloomington

SYNOPSIS

Cottage Grove Housing Inc., represented by Leo E. Moncel, President, has filed an application for designation of the property located at 1201 and 1212 West Cottage Grove as an "Economic Revitalization Area." Indiana Law provides that upon a finding by the Common Council that an area is an "Economic Revitalization Area," property taxes are reduced on improvements to that real estate for a period of three, six, or ten years. This resolution provides that the owners of the property shall be entitled to a deduction for a period of ten (10) years.

**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:**

1. 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)
2. 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.
3. 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.
4. 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 Cottage Grove Housing Inc.	
Address of taxpayer (street and number, city, state and ZIP code) 2623 N. Walnut St. Bloomington, IN 47404	
Name of contact person Roy Campbell	Telephone number (812) 333-7000

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT		
Name of designating body City of Bloomington--Redevelopment Commission		Resolution number
Location of property 1200 block West Cottage Grove	County Monroe	Taxing district Bloomington City
Description of real property improvements and / or new manufacturing equipment to be acquired (use additional sheets if necessary) 1201 --1237 Square Feet, 3 bedrooms, 2 bath home 1212 --1100 Square Feet, 3 bedrooms, 1 1/2 bath home		Estimated starting date March 1994 Estimated completion date April 1994

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number	Salaries	Number retained	Salaries	Number additional	Salaries
NA		NA		NA	

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT				
	Real Estate Improvements		Machinery	
	Cost	Assessed Value	Cost	Assessed Value
Current values	0	2110 40 420 = 2530	NA	NA
Plus estimated values of proposed project	106092	19200 35,364		
Less values of any property being replaced	0	0		
Net estimated values upon completion of project	106092	19200		

SECTION 5 OTHER BENEFITS PROMISED BY THE TAXPAYER
Provide low and low-moderate income housing using federal HOME funds. Fair market Rents will be maintained for a period of 20 years.

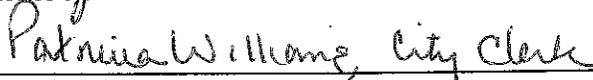
SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative Ron Moore	Title President	Date signed (month, day, year) Dec 10, 1993

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

- A. The designated area has been limited to a period of time not to exceed 10 calendar years * (see below). The date this designation expires is _____.
- B. The type of deduction that is allowed in the designated area is limited to:
1. Redevelopment or rehabilitation of real estate improvements; Yes No
 2. Installation of new manufacturing equipment; Yes No
 3. Residentially distressed areas Yes No
- C. The amount of deduction applicable for new manufacturing equipment installed and first claimed eligible for deduction after July 1, 1987, is limited to \$ _____ cost with an assessed value of \$ _____.
- D. The amount of deduction applicable to redevelopment or rehabilitation in an area designated after September 1, 1988 is limited to \$ 106,029 cost with an assessed value of \$ 19,200.
- E. Other limitations or conditions (specify) _____
- F. The deduction for new manufacturing equipment installed and first claimed eligible for deduction after July 1, 1991 is allowed for:
- 5 years 10 years

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member) 	Telephone number (812) 331-6408	Date signed (month, day, year) 1-19-94
Attested by: 	Designated body Common council / city of Bloomington	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4 or 4.5 Namely: (see tables below)

NEW MANUFACTURING EQUIPMENT		
For Deductions Allowed Over A Period Of:		
Year of Deduction	Five (5) Year Percentage	Ten (10) Year Percentage
1st	100%	100%
2nd	95%	95%
3rd	80%	90%
4th	65%	85%
5th	50%	80%
6th		70%
7th		55%
8th		40%
9th		30%
10th		25%

REDEVELOPMENT OR REHABILITATION OF REAL PROPERTY IMPROVEMENT			
For Deductions Allowed Over A Period Of:			
Year of Deduction	Three (3) Year Deduction	Six (6) Year Deduction	Ten (10) Year Deduction
1st	100%	100%	100%
2nd	66%	85%	95%
3rd	33%	66%	80%
4th		50%	65%
5th		34%	50%
6th		17%	40%
7th			30%
8th			20%
9th			10%
10th			5%

94-03
RESOLUTION
OF THE
REDEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA

WHEREAS, the City of Bloomington Common Council has established the Bloomington Industrial Incentive Loan Fund and approved Guidelines and Procedures for the use of the Fund; and

WHEREAS, procedures for the Industrial Incentive Loan Fund require that an application be made to the Redevelopment Commission of the City of Bloomington, and following approval by the Redevelopment Commission, the application shall be forwarded to the Bloomington Common Council for approval by resolution; and

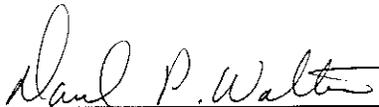
WHEREAS, Bloomington Developmental Learning Center (BDLC, Inc.) has filed an application for an Industrial Incentive Loan through the Bloomington Industrial Incentive Loan Fund which has been submitted to the Redevelopment Commission of the City of Bloomington for its approval;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Redevelopment Commission does hereby approve the Industrial Incentive Loan Fund Application in the amount of \$69,100 to Bloomington Developmental Learning Center (BDLC, Inc.) for a maximum term of five years subject to an interest rate of 3.85% with collateral.

FURTHER, said approval is a firm commitment preceding the approval of the City of Bloomington Common Council and the execution of note and lien documents necessary to the making of the loan, together with all terms and conditions contained in Resolution 86-15 "Program Guidelines".



President



Secretary

1/3/94

Date

LOAN COMMITTEE PRESENTATION

Borrower: BDLC, Inc.
 Bloomington Developmental Learning Center

Borrower Address: 1807 S. Highland 47401
 Phone Number: (812)336-6600

Principals in Corporation (501(3)(c)
 or Partnership:

President, Board Of Directors:
 Vickie Renfrow Ph. 331-6438

Executive Director:
 Marty Lash Cook Ph. 336-6600

<u>Name</u>	<u>Yea</u>	<u>Nay</u>
Linnemeier	✓	—
Farnsworth-Law	✓	—
Stevens	✓	—
Schmalz	✓	—
Walter	✓	—

Revised Request ~~Tabled~~ \$69,100

Loan Request

Purpose: To purchase building, or building and land, which is currently being leased from CFC to house this non-profit childcare center.

Amount of Project:	City of Bloomington	Participation:
\$350,000 (Bldg. only)	Portion:	Bank \$276,000 (80%)
or	\$70,000 (20%)	
\$480,000 (Bldg. & Land)	\$96,000 <i>\$69,100</i>	Bank \$337,600

Terms and/or Repayment Schedule:
 5 year loan, with Monthly Payments

Rate: 3.85%

<u>Collateral</u>	<u>Prior Loan</u>	<u>Value</u>
#1 2nd mortgage on Bldg.		May '93 Appraisal-Bldg. Only:
or 2nd mortgage on Bldg. and Land		\$345,500
#2		Bldg. and Land:
		\$422,000

Guarantees or Endorsements:

Source or Repayment: Aggregate Borrowings

Primary Income from Childcare Services

Secondary Fundraising Efforts/Grants

STAFF REPORT

INDUSTRIAL INCENTIVE LOAN

APPLICANT: Bloomington Developmental Learning Center

LOCATION: 1807 S. Highland Ave

REQUEST: \$70,000 to \$96,000 for acquisition of the building and/or property. The request is eligible under section II of the program guidelines as an allowable child care activity.

The BDLC is requesting an Industrial Incentive Loan for between \$70,000 and \$96,000 to be used for the purchase of the building and possibly the land at 1807 S. Highland Ave. CFC Inc. is the current owner of the building and land. A portion of the land was purchased from the Redevelopment Dept. in 1986 in order to aggregate a large enough parcel for construction of the facility. BDLC has a 15 year lease that was executed in 1986. BDLC is proposing to purchase the building and hopefully the land also to solidify their long-term financial security. (see attached application)

This petition presents a dilemma for the Redevelopment Staff. We wish to support BDLC in their goal of becoming self-sufficient, but at the same time want to insure the security of any loan that is made to them through the Industrial Incentive Loan Program. Under the possible current scenarios BDLC would be financing 100% of the costs through a conventional bank loan and the Industrial Incentive Loan. The program guidelines require that we have acceptable collateral with at least 20% equity remaining after total project financing. The collateral will not meet the requirements of the program in this instance. BDLC has been trying to work out a deal with CFC to provide the necessary collateral as a part of the financing package, but as of this writing have not been successful. This leaves the Staff with two options; deny the loan based on insufficient collateral, or waive the program rules to allow the loan to be unsecured. Given the important service that BDLC provides to the community and their stable financial history the Staff is willing to recommend that the program guidelines be waived in this particular instance and that a loan package with up to 100% financing be allowed. The amount of the Industrial Incentive Loan would be \$70,000 for purchase of the building only or \$96,000 for purchase of the land and building.