RESOLUTION 93-14
TO AMEND THE PROGRAM GUIDELINES FOR
THE INDUSTRIAL INCENTIVE LOAN FUND
(Eligibility for businesses relocated by public projects)

WHEREAS, the Bloomington Redevelopment Commission recommended the creation of the Industrial Incentive Loan Program and adoption of Guidelines in Resolution 86-16; and

WHEREAS, the Bloomington Common Council created the Industrial Incentive Loan Program and adopted Guidelines in Resolution 86-6; and

WHEREAS, certain changes in the program Guidelines ("Guidelines") which are attached and made a part hereof are now desired;

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

1. Section II of the Guidelines entitled, "Eligibility", shall be amended by adding subsection "D" that reads as follows:

D. Relocated Businesses

Section II B notwithstanding, any business that is required to relocate from its business location due to acquisition of the property by the City of Bloomington for a project serving a public purpose may apply for a loan to buy, build, or renovate a building for use by the business. "Relocate" as used herein means that the business is required to move all its operations from the property to be acquired and cannot use the property for any purpose after the acquisition, except to the extent that, and for purposes that, any member of the public may use the property.

2. Section IV of the Guidelines entitled, "Terms and Conditions", shall be amended by replacing Section A with the following:

A. Amount

Except as provided herein, the loan fund is available for projects where the total cost is a minimum of $250,000 or where the project creates five new, permanent jobs. The maximum loan amount is $100,000 or 20% of the total project cost, whichever is less. Where the business seeking the loan is being relocated due to a public project, the minimum project cost, new job, and maximum loan amount requirements may be waived by the Redevelopment Commission and City Council. In addition, the total amount of outstanding loans to any applicant may not exceed $100,000 or 25% of funds authorized for loans through the program, whichever is less.

3. Section V of the Guidelines entitled, "Application Procedure", shall be amended by revising the first sentence in paragraph B to read as follows:

The application is submitted to the Redevelopment Department's Loan Specialist along with a non-refundable application fee of $100.00.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 7th day of April, 1993.

JACK W. HOPKINS President
Bloomington Common Council

SIGNED and APPROVED by me upon this 12th day of April, 1993.

Tomilea Allison
TOMILEA ALLISON, Mayor
City of Bloomington

ATTEST:
Patricia Williams
PATRICIA WILLIAMS, Clerk
City of Bloomington

SYNOPSIS

This resolution approves changes to the Industrial Incentive Loan Fund Program Guidelines as adopted under Council Resolution 86-6. These changes allow a business that is forced to relocate due to acquisition of their property by the City for a public project, to be eligible for a loan under the Program Guidelines. It also increases the loan application fee from $50 to $100.

Signed copies to
Controller
Redevelopment.

93-14
RESOLUTION
OF THE
REDEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA

WHEREAS, the Redevelopment Commission of the City of Bloomington recognizes the need to stimulate growth and to maintain a sound economy within the corporate limits of the City of Bloomington, and

WHEREAS, the Indiana Code at 6-1.1-12.1 et.seq. provides for the designation of "Economic Revitalization Areas" within which property taxes may be abated on improvements to real estate, and

WHEREAS, the Redevelopment Commission of the City of Bloomington has adopted Resolution 89-27 providing for a procedure for the prompt and careful processing of applications for designation of "Economic Revitalization Area", and

WHEREAS, an application for designation of an "Economic Revitalization Area" for the certain property located at 1851, 1853, 1855, 1857 S. Covey Lane has been received and reviewed by the Redevelopment Department and Planning Department of the City of Bloomington,

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Commission of the City of Bloomington does hereby recommend to the Common Council of the City of Bloomington that it approve said application for designation of the property located at 1851, 1853, 1855, 1857 S. Covey Lane as an Economic Revitalization Area.

BE IT FURTHER RESOLVED that the term of the "Economic Revitalization Area" designation on improvements to real property be for a period of 10 years.

Lon Stevens, President

David Walter, Secretary

March 1, 1993
Date

CITY OF BLOOMINGTON
DEPARTMENT OF REDEVELOPMENT
PROPERTY TAX ABATEMENT PROGRAM

EXHIBIT A

Staff Report on Property Tax Abatement Application

1. **Description of Property**

Lots 1 & 2, Huntington Renaissance Addition (0.407 acres)
1851, 1853, 1855, 1857 S. Covey Lane.

2. **Owner-Applicant**

Covey Parke Partners:	1/3	Tim J. Henke
	1/3	David J. Kenworthy
	1/3	Raymond T. Snapp

3. **Proposed Development**

Plans call for the construction of two duplex buildings. Each building will have two 2-bedroom apartments. The downstairs apartment in each building will be handicapped accessible.

4. **Public Improvements Needed or Required**

Developer will provide street and sidewalk improvements needed to extend Covey Lane and sidewalks at least 100 feet. Developer will also install sewer laterals and water service to each building.

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?**

The proposed site is in the Miller Drive redevelopment area. The project would meet the goal of providing more affordable housing for lower income residents. According to the Property Tax Abatement Guidelines, this project meets the criteria of providing multi-family housing and is eligible for an <u>increase</u> over the three years tax abatement recommended in the guidelines. A recommended tax abatement period of 10 years for this project is warranted due to the owners' guarantee to keep 100% of the units set aside and affordable for low-income people (at or below 60% of the area median income level) for a period of 15 years. The 15 year restricted rent period for this project is assured by the owners' acceptance of Low Income Housing Tax Credits (LIHTC) and by annual reviews conducted by the Indiana Housing Finance Authority.

TAX ABATEMENT CALCULATIONS FOR REAL PROPERTY
FOR: COVEY PARKE PARTNERS
Using 1992 Tax Rate and A.V. Estimates

Improvements	200,000
Rate	20%
Est. Assessed Value from	
"Statement of Benefits":	40,000
Perry City 1993Tax Rate:	.103043
Property Tax Payable:	4,122

THREE YEAR TAX ABATEMENT

Year	Percentage	Deduction
1	100.00%	4,122
2	66.67%	2,748
3	33.33%	1,374
Total Abatement		8,243

SIX YEAR TAX ABATEMENT

Year	Percentage	Deduction
1	100%	4,122
2	85%	3,503
3	66%	2,720
4	50%	2,061
5	34%	1,401
6	17%	701
Total Abatement		14,508

TEN YEAR TAX ABATEMENT

Year	Percentage	Deduction
1	100%	4,122
2	95%	3,916
3	80%	3,297
4	65%	2,679
5	50%	2,061
6	40%	1,649
7	30%	1,237
8	20%	824
9	10%	412
10	5%	206
Total Abatement		20,403