Comm: 2-1-4 10/17/90
7-1 (SH)

RESOLUTION 90-31

TO DESIGNATE THE PROPERTY LOCATED IN THE 1800 BLOCK OF SOUTH COVEY AS AN "ECONOMIC REVITALIZATION AREA" (Tim Henke, H. S. Partners, Petitioner)

WHEREAS, Tim Henke, H. S. Partners, has filed an application for designation of the property located in the 1800 block of South Covey 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, the Common Council has investigated the area described in detail in Exhibit "A," attached hereto and made a part hereof, more commonly described as the 1800 block of South Covey (Part Lots 85 & 86 in Huntington Park); and

WHEREAS, the property described above is part of the Miller Drive 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.

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 construction) 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 17 day of October, 1990.

Iris Kiesling

IRIS KIESLING, President
Bloomington Common Council

SIGNED and APPROVED by me upon this 19 day of October, 1990.

Tomilea Allison

TOMILEA ALLISON, Mayor
City of Bloomington

ATTEST:

Patricia Williams

PATRICIA WILLIAMS, Clerk
City of Bloomington

SYNOPSIS

H. S. Partners, represented by Tim Henke, has filed an application for designation of the property located in the 1800 block of South Covey 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. Property tax rates and assessments on land existing prior to the designation are not reduced.

Signed copies to:
Auditor Redevelopment
Assessor
Petitioner

IDS FINANCIAL SERVIC
RES. 90-31 NOT

THE HERALD-TIMES
BLOOMINGTON, INDIANA

PROOF OF PUBLICATION

State of Indiana)
)ss
County of Monroe.....)

Leah Leahy or Sue May being duly sworn on oath, says that she is billing clerk of The Herald-Times, a public newspaper of general circulation, printed in the town of Bloomington in said county and state; that the notice, of which the annexed is a true copy, was published in regular edition of said paper, issued upon the following dates, to wit:

1990:
10/24

Sue May

Subscribed and sworn to before me on 10/24 /90.

John D Hodge

Notary Public or Clerk

JOHN D. HODGE
NOTARY PUBLIC STATE OF INDIANA
MONROE COUNTY
MY COMMISSION EXP JAN.10,1992

My commission expires

NOTICE OF PUBLIC HEARING

Notice is hereby given, pursuant to IC 6-1.1-12, as amended, that on the 17th day of October, 1990, the Bloomington Common Council adopted Resolution 90-31, declaring the following property to be an economic revitalization area, and eligible for deduction from the assessed value of the property for a period of 10 years if rehabilitated or redeveloped: 1800 South Corey Lane.

A description of the affected area is available for inspection in the office of the County Assessor.

On the 7th day of Nov., 1990, at 7:30 p.m. in the Council Chambers of the Municipal Building, the Common Council will hold a public hearing at which time the Council will reconsider Resolution 90-32 and will receive and hear remonstrances and objections from all interested persons.

Submitted by
Patricia Williams
City Clerk 24

Publication Fee $9.00

90-75
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 ~~87-86~~ 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 in the 1800 block of South 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 in the 1800 block of South Covey Lane as an Economic Revitalization Area, for sole use as housing for low income persons, and

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

David P. Walter
David Walter, President

Patricia A. Gross
Patricia Gross, Secretary

Oct. 1, 1990
Date

CITY OF BLOOMINGTON
DEPARTMENT OF REDEVELOPMENT
STAFF REPORT ON PROPERTY TAX ABATEMENT APPLICATION

Tim Henke
1800 S. Covey Lane

1. Description of Property
   1800 Block of South Covey Lane (1.16 acres) south of its intersection with Miller Drive.

2. Owner - Applicant
   H. S. Partners, Tim Henke, general partner

3. Proposed Development
   Plans call for the construction of six duplex buildings. Two of the duplexes will be two-story, three bedroom townhouses and four buildings will be one-story two bedroom duplexes designed so they may be retro-fitted with special features suitable for the elderly or handicapped.

4. Are any public improvements needed or required?
   Widening of Covey Lane from 12' to 18' from Miller Drive south along the petitioner's site, to allow for a two-lane road. Street improvements will include 18' of pavement with a small shoulder on each side of the street. A barrier curb or guard rail will be used on the west side of the new street adjacent to the Bloomington Developmental Learning Center property. A sidewalk will be provided for pedestrian accommodations and will run from Covey Lane through the site and out to Highland Avenue. The sidewalk will be constructed within a public easement.

5. Estimated yearly amount of property tax revenues to be abated
   See attached.

6. Would granting 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 abatement.

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An American Express company

IDS Financial Services Inc.
IDS Life Insurance Company
130 North Walnut Street
Bloomington, Indiana 47401
Bus. (812) 339-9975
Res. (812) 333-0333

Timothy J. Henke
Personal Financial Planner

PROPERTY TAX ABATEMENT

APPLICATION 1800 SOUTH COVEY LANE

1.

a. Currently, the property in question is owned by C.F.C. We have a contract to purchase the property subject to zoning approval. The contract is in the name of Timothy J. Henke. The contract, along with other assets, will be transferred to H.S. III a general partnership formed to develop the property. The partnership will likely have 7 partners and equity capital of up to $270,000. The remaining funds needed for construction will come from a first mortgage.

b. N/A

c. N/A

d. N/A

2.

a. The address of our development is the 1800 block of South Covey Lane.

b. A survey map with the legal description is attached.

3.

a. The current zoning is R.S. We have applied for a zoning change to RL/PUD which has been approved by the Plan Commission and will be before the City Council in October.

b. There are no improvements on the property now. At one time the property had six dilapidated homes and two trailers.

c. Property not currently used.

d. We estimate the market value of the property to be about $65,000. We estimate the assessed value to be $1,000.

e. N/A

4.

a. HS Partners III will build a total of 6 low income duplex buildings on Covey Lane. Two of these will be available to those with incomes below 50% of area median income, the other four of which will be available to those below 60% of area median income. Two duplex buildings will be two-story three bedroom townhomes ideal for a family. The other four buildings will be one-story two bedroom duplexes suitable for the elderly, handicapped or a smaller family. Each of these was designed so that they could be retrofitted with special features (i.e. lower cabinets and sinks etc.) when needed.

b. see preliminary outline plan drawing and building floor plans.

c. We are making 100% of on-site contingent improvements. In addition to that, we are required by the City Planning Dept. to make off-site improvements. The total cost of the needed improvements will be $22,000., some of which we expect will be paid by the City. To date, we have paid $5000. for R.O.W. acquisition and street design.

d. We expect to begin work in November 1990 and complete work prior to December 1991.

e. N/A

f. Our property will serve the dramatic need in this community for low cost housing. According to a recent study done by the Indiana Housing Finance Authority, it was indicated that Monroe County has the worst rental housing conditions in the state, nearly 30% more severe than any other county in the state. Most new jobs created in our City in recent years have been in the service sector or tourist sector, the bulk of which are low paying. Meanwhile, our community has not found a way to provide housing for people with low incomes. To our knowledge there are no other entities proposing to build low income housing in any quantity.

ELIGIBILITY

The site of our development is in the Miller Dr. area which has traditionally been a target area for CDBG funds. (2.4 million spent) HUD regulations state CDBG activities must meet a two-pronged test. First, each proposed activity must be determined to benefit lower income persons or prevent or eliminate slums and blight or meet an urgent need. Secondly, the program as a whole must principally benefit the lower income. Our project will enhance the second part of the HUD requirement.

Property values have escalated to the point that we can not develop property in this area for the benefit of low income people without other incentives such as ten year tax abatement.

5. ELIGIBILITY:

A. State reasons why the project site qualifies as an Economic Revitalization Area as defined under State Law ("lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors which have impaired values or prevent a normal development of property or use of property." In the case of manufacturing equipment, "any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues.")

B. State the estimated number of new employees and employees retained as a result of the project. Also include salaries and a description of employee benefits.

C. Complete and submit the attached Statement of Benefits form with narrative application.

I hereby certify that the representations made in this application are true and I understand that if the above improvements are not commenced (defined as obtaining a building permit and actual start of construction) within 12 months of the date of the designation of the above area as an Economic Revitalization Area, the Bloomington Common Council shall have the right to void such designation.

*O R	DATE
Tim J Hecke	9-25-90
General Partner	

*All owners must sign; all general partners must sign; the president of the corporation must sign.

Please submit this Application along with a non-refundable fee of $100.00 Checks should be made out to the Department of Redevelopment to:

Redevelopment Department
City Municipal Building
220 East Third Street
Bloomington, Indiana 47401
(812) 331-6401

RL/PUD-65-90
SITE PLAN

12

COVEY LANE
Job No. 1584

A part of lots 85 and 86 in Huntington Park, Plat Book 3 Page 80 in the office of the recorder of Monroe County, and a part of the Northeast Quarter of Section 9 and part of the Northwest Quarter of Section 10 all in Township 8 North, Range 1 West more particularly described as follows:

Beginning at the Southeast corner of Lot 85 and the West right-of-way of a twelve (12) foot alley in said Huntington Park, thence South 89 degrees 09 minutes 32 seconds West along south line of said Lot 85 130.00 feet; thence leaving said south line North 01 degrees 16 minutes 17 seconds West 160.00 feet; thence South 89 degrees 09 minutes 32 seconds West 27.00 feet; thence North 01 degrees 16 minutes 17 seconds West 190.00 feet; thence North 89 degrees 09 minutes 32 seconds East 157.00 feet to the west right-of-way of a twelve (12) alley; thence South 01 degrees 16 minutes 17 seconds East along said west right-of-way line 350.00 feet to the point of beginning containing 1.16 acres more or less.

This certification does not take into consideration additional facts that an accurate and correct title search and/or examination might disclose.
Evidence of easements have not been located in the field and are not shown on this survey drawing.
Subject to the above reservation, I hereby certify that the survey work performed on the project shown hereon was performed either by me or under my direct supervision and control and that all information shown is true and correct to the best of my knowledge and belief.

Certified this 5th day of September, 1990.

Ben E. Bledsoe
Registered Land Surveyor No. S0559
State of Indiana

BEN E. BLEDSOE
REGISTERED
No. S0559
STATE OF
INDIANA
LAND SURVEYOR

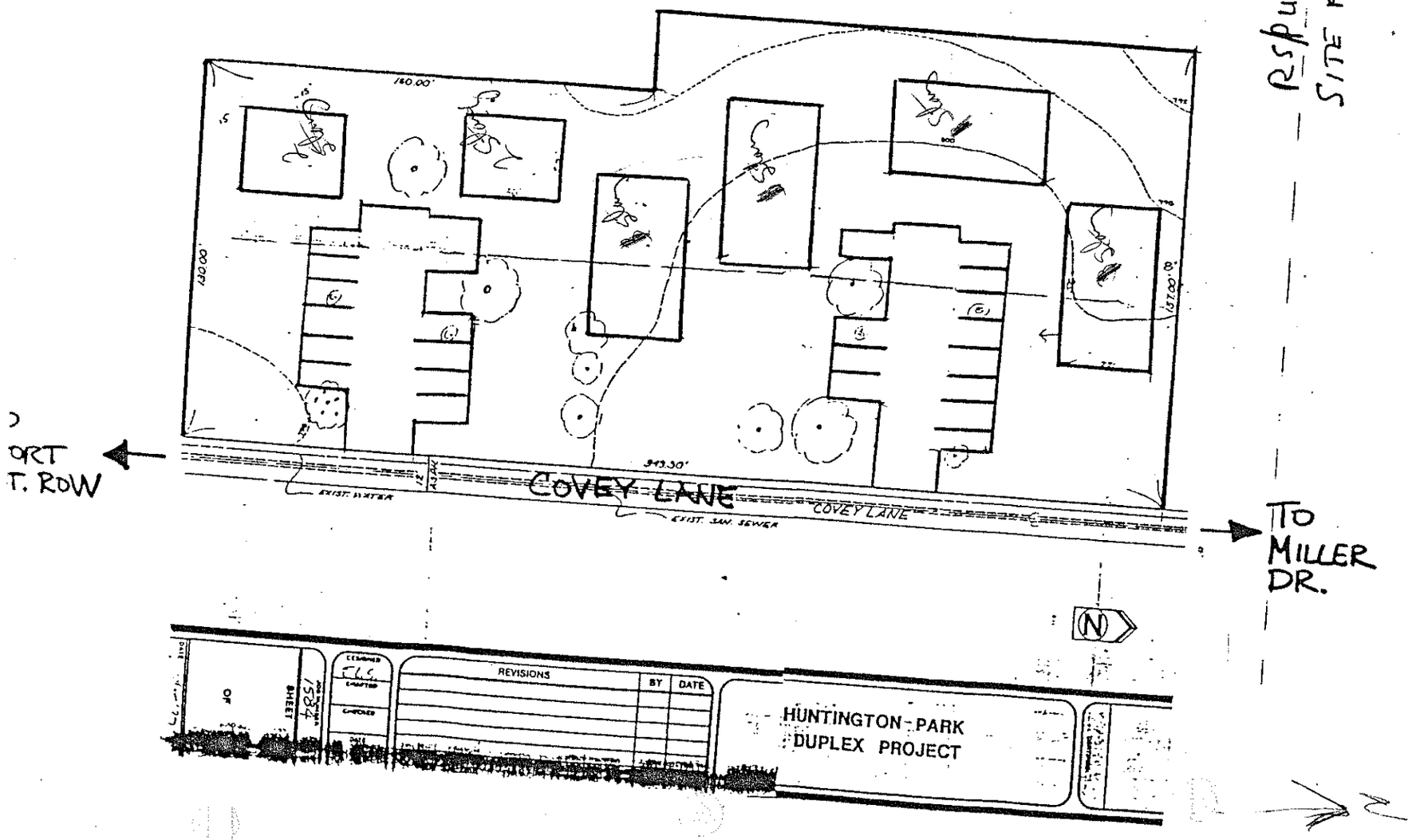
Preliminary

Site Plan

[redacted]

15

RSPUD-65-90
SITE PLAN



City of
Bloomington
Indiana

Department of
Redevelopment

Post Office Box 100
Municipal Building
Bloomington, Indiana 47402

Telephone 812 339 2261
Extension 79

MEMORANDUM

TM Mueller

TO: THE REDEVELOPMENT COMMISSION

FROM: TIM MUELLER, PLANNING DIRECTOR

DATE: SEPTEMBER 28, 1990

RE: PLANNING AND ZONING COMPLIANCE--COVEY LANE DUPLEXES

This memo certifies that the H.S. Partners' proposal to build six Duplexes on Covey Lane has received a recommendation by the Plan Commission that the Common Council approve an outline plan and designate the property a Planned Unit Development.

Upon approval by the Common Council, and submittal and approval of a Development Plan, building permits will be issued.

lm

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IDS Financial Services Inc.
IDS Life Insurance Company
130 North Walnut Street
Bloomington, Indiana 47401
Bus. (812) 339-9975
Res. (812) 333-0333

Timothy J. Henke
Personal Financial Planner

September 25, 1990

City of Bloomington Redevelopement
Commission and Redevelopment Dept.
P.O. Box 100
Bloomington, IN 47402

Dear Ms. Morrison:

Thank you for considering our development for 10 year tax abatement. Tax abatement is one of the most important tools our community has available to promote its goals, including the provision of quality low income housing.

I have attempted to summarize some of the factors that pertain to our request for 10 year tax abatement. They are:

1.) While this project is not downtown, it is greater than 6 units (12) and 100% low income. Our community has a desperate need for low income housing. Our development will only rent to low income persons at controlled rents. In 1990, a family of three with an income of less than $14,400. would pay out of their funds no more than $240. per month. A family of three with an annual income of less than $17,287. would pay no more than $307. per month.

2.) Ten year tax abatement will ensure our ability to finance our construction as well as give us more fexibility in setting rents. This is especially important for those of our tenants who are very low income and do not recieve section 8 or other housing subsidies.

3.) This proposal has concrete guarantees to rent to low income persons. Our guarantee will be enforced by the Indiana Housing Finance Authority and the IRS. Thus ensuring that in exchange for 10 year tax abatement, our community will get 18 years of quality low income housing.

4.) This development requires no other local tax payer subsidy. We will make all on site improvements at our cost. We are also in discussion stages with the City of Bloomington about cost sharing for off-site improvements to a portion of Covey Lane not contingent to our property. To date, we have spent $5,000. for street design and right-of-way acquisition for these off-site improvements. The entire neighborhood, including the adjacent day care (BDLC) will benefit from these improvements and the elimination of what City Planning Officials term "unsafe street conditions."

Again, thank you for your thoughtful consideration. I assure you that tax abatement is integral to the initial feasibility of our development as well as critical to its long term health.

Sincerely,

Timothy J. Henke for H.S. Partners

STATEMENT OF BENEFITS

STATE BOARD OF TAX COMMISSIONERS

State Form 27167 (R 2 / 1-89)

Form SB-1 is prescribed by the State Board of Tax Commissioners (1989)

Confidential Statement: The records in this series are CONFIDENTIAL according to Indiana Code 6-1.1-35-9.

INSTRUCTIONS: (I.C. 6-1.1-12.1) THIS PAGE TO BE COMPLETED BY APPLICANT

1. *This statement must be submitted to the body designating the economic revitilization area prior to the public hearing required to designate an economic revitalization area, or BEFORE a person installs the new manufacturing equipment, or BEFORE the redevelopment or rehabilitation of real property for 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.*
2. *If a person is requesting the designation of an economic revitalization area, this form must be submitted prior to the public hearing required under IC 6-1.1-12.1-2.5 (c). Otherwise, the Statement of Benefits must be submitted for the designating body's approval prior to the installation of the new manufacturing equipment or prior to redevelopment or rehabilitation of real property.*
3. *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.*
4. *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 extention has been obtained. A person who obtains a filing extention must file the form between March 1 and June 14 of that year.*

ame of Designating Body: Bloomington IN. City Council	County: MONROE
ame of Taxpayer: Tim Henke for H.S. Partners	
ddress of Taxpayer (Street, city, county): 130 N. Walnut Bloomington IN.	ZIP Code: 47401

SECTION I LOCATION, COST AND DESCRIPTION OF PROPOSED PROJECT

ocation of property if different from above: 1800 block S. Covey lane	Taxing District: PERRY-city

ost, description and date of real property improvements and / or estimated installation of new manufacturing equipment to be acquired:
Begining 1990 construction of 6 buildings total cost estimated to be $539,000. excluding land.

(Attach additional sheets if needed)	Estimated Starting Date: 10-90	Estimate Completion Date: 12-91

SECTION II ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

urrent Number	Salaries	Number Retained	Salaries	Number Additional	Salaries

SECTION III ESTIMATE TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS		MACHINERY	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current Values land	65,000			
Plus estimated values of proposed project	530,000.			
Less: ' of any property being replaced	-0-			
Net esti ed values upon completion of project	595,000.			

SECTION IV OTHER INFORMATION REQUIRED BY THE DESIGNATING BODY

I hereby certify that the representations on this statement are true.	Signatures of Authorized Representative: Tim J Henke for H.S.	
tle: PARTNER	Date of Signature: 9-25-90	Telephone Number: 812 339 9975

FOR USE OF 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 _____ calander years. *(See Below)*

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 ☐ 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 $ _____ cost with an assessed value of $ _____.

E) Other limitations or conditions: *(specify)* _____

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 of Authorized Member and Title	Date of Signature
Attested By:	Designated Body

* If the designating body limits the time period during which an area is an economic revitilization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under I.C. 6-1.1-12.1-4 or 4.5 Namely:

NEW MANUFACTURING EQUIPMENT		REDEVELOPMENT OR REHABILITATION OF REAL PROPERTY IMPROVEMENT			
		For Deductions Allowed Over A Period Of:			
Year of Deduction	Percentage	Year of Deduction	Three (3) Year Percentage	Six (6) Year Percentage	Ten (10) Year Percentage
1st	100%	1st	100%	100%	100%
2nd	95%	2nd	66%	85%	95%
3rd	80%	3rd	33%	66%	80%
4th	65%	4th		50%	65%
5th	50%	5th		34%	50%
6th and thereafter	0%	6th		17%	40%
		7th			30%
		8th			20%
		9th			10%
		10th			5%

TAX ABATEMENT CALCULATIONS
H.S. PARTNERS
Using 1990 Tax Rate and A.V. Estimates

Estimated Assessed Value from "Statement of Benefits":	$106,000	($530,000 x 20%)
Perry City 1990 Tax Rate:	9.3222	
Property Tax Payable:	$9,882	

Three Year Tax Abatement

Year	Percentage	Deduction
1	100.00%	$9,882
2	66.67%	$6,588
3	33.33%	$3,294
Total Abatement:		**$19,763**

Six Year Tax Abatement

Year	Percentage	Deduction
1	100%	$9,882
2	85%	$8,399
3	66%	$6,522
4	50%	$4,941
5	34%	$3,360
6	17%	$1,680
Total Abatement:		**$34,783**

Ten Year Tax Abatement

Year	Percentage	Deduction
1	100%	$9,882
2	95%	$9,387
3	80%	$7,905
4	65%	$6,423
5	50%	$4,941
6	40%	$3,953
7	30%	$2,964
8	20%	$1,976
9	10%	$988
10	5%	$494
Total Abatement:		**$48,914**

GUIDELINES TO BE USED BY THE REDEVELOPMENT COMMISSION
IN RECOMMENDING TERMS FOR TAX ABATEMENT

	Downtown	Miller Drive South Central Area and Westside	Other Areas of the City
Multi-Family Housing 20% low income 6 units or more	10	3	0
Industry/Manufacturing	6	0	6
Officespace Minimum 5,000 sq. ft. No Retail	3	0	0
Hotel/Convention Facility	10	0	0

A project may be upgraded (ex: from 0 to 3 years) or downgraded (ex: from 6 to 3 years) at the discretion of the reviewing bodies based on such factors as the following:

Increase

1. Well-compensated permanent jobs will be created for residents of the City. Compensation may include wages and benefits such as childcare.
2. If project is a housing development, at least 50% of the units will be set aside and be affordable for low-income people. (Fair Market Rent)
3. A historic building is rehabbed according to the Secretary of Interior Standards.
4. Project provides a major public infrastructure improvement paid by the developer.
5. The designation of a residentially distressed area or economic development target area in downtown would be considered if appropriate.

Decrease

1. The density of the area is increased by the project.
2. Historic buildings are demolished.
3. Project requires major public infrastructure improvements requiring additional cost to the City.
4. Project is not consistent with long range plans for the area.