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RESOLUTION 15-01

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Eric Schmitz
Monroe County Recorder IN
Recorded as Presented

TO DESIGNATE AN ECONOMIC REVITALIZATION AREA, APPROVE THE STATEMENTS OF BENEFITS, AND AUTHORIZE PERIODS OF ABATEMENT FOR REAL PROPERTY IMPROVEMENTS
- Re: Properties at 338 S. Walnut Street
(Big O Properties, LLC, Petitioner)

WHEREAS, Big O Properties, LLC, ("Petitioner") has filed an application for designation of properties at 338 S. Walnut Street, Bloomington, Indiana, comprised of a parcel identified by Parcel Numbers listed herein, as an "Economic Revitalization Area" ("ERA") for removal of an aging structure and construction of a new building pursuant to IC 6-1.1-12.1 et. seq.; and

WHEREAS, the subject site is identified by the following Monroe County Parcel Number:

53-08-04-200-013.000-009; Alt Parcel Num (015-47810-00); and

WHEREAS, the Petitioner has also submitted a statement of benefits form to the Common Council for its real estate improvements;

WHEREAS, according to this material, the Petitioner wishes to invest $1.95 million to construct a three-story mixed use building including 1,663 square feet of ground-floor retail and commercial space and 18 units of market-rate residences, (the "Project"); and

WHEREAS, as required by Indiana Code, Bloomington Municipal Code, and a Memorandum of Understanding to be executed pursuant to the City of Bloomington Tax Abatement General Standards, the Petitioner shall agree to provide information in a timely fashion each year to the County Auditor and the Common Council showing the extent to which the Petitioner has complied with the Statement of Benefits, complied with the City of Bloomington's Living Wage Ordinance (B.M.C. 2.28), and complied with commitments specified in the Memorandum of Understanding; and

WHEREAS, the Project is located in the Downtown Tax Increment Finance (TIF) district and I.C. 6-1.1-12.1-2(k) provides that when a property is located in an ERA for tax abatement purposes is also located in a TIF allocation area, the Common Council must approve the statement of benefits by resolution; and

WHEREAS, the Economic Development Commission has reviewed the Petitioner's application and Statement of Benefits and passed Resolution 15-02 recommending that the Common Council designate the area as an ERA, approve the Statement of Benefits, and authorize a three-year period of abatement for the real estate improvements; and

WHEREAS, IC 6-1.1-12.1-17 authorizes the Common Council to set an abatement schedule for property tax abatements; and

WHEREAS, the EDC has recommended that the real property abatement be a sliding scale with Year 1 abated at 100 percent, Year 2 at 66 percent and Year 3 at 33 percent; and

WHEREAS, pursuant to IC 6-1.1-12.1-3(b), the Common Council has investigated the area and reviewed the Application and Statement of Benefits, which are attached and made a part hereof, and found the following:

A. the estimate of the value of the Project 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 Project as proposed;
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 Project as proposed;
D. any other benefits about which information was requested are benefits that can be reasonably expected to result from the Project; and
E. the totality of benefits is sufficient to justify the deduction; and

WHEREAS, the property described above has experienced a cessation of growth; and

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

SECTION 1. The Common Council finds and determines that the properties located at 338 S. Walnut Street, comprised of one parcel identified above, which is within the Downtown Tax Increment Financing Area, should be designated as an "Economic Revitalization Area" as set forth in I.C. 6-1.1-12.1-1 et. seq., and Petitioner's Statements of Benefits is hereby approved; and

SECTION 2. The Common Council further finds and determines that the Petitioner, or its successors as allowed by the Memorandum of Understanding, shall be entitled to an abatement of real property taxes for the Project as provided in IC 6-1.1-12.1-1 et seq., as follows:

a. For real estate improvements for the Project, a period of three (3) years with the following deduction schedule, pursuant to IC 6-1.1-12.1-17:

Year 1	100%
Year 2	66%
Year 3	33%

SECTION 3. In granting this designation and deductions the Common Council also expressly exercises the power set forth in I.C. 6-1.1-12.1-2(i)(6) to impose additional, reasonable conditions on the rehabilitation or redevelopment beyond those listed in the Statement of Benefits, and authorizes the City of Bloomington to negotiate a Memorandum of Understanding with the Petitioner specifying substantial compliance terms and consequences and remedies for noncompliance. In particular, failure of the property owner to make reasonable efforts to comply with the following conditions is an additional reason for the Council to rescind this designation and deduction:

a. the capital investment of at least $1.95 million for real estate improvements; and
b. the land and improvements shall be developed and used in a manner that complies with local code; and
c. the Project shall be completed before or within twelve months of the completion date as listed on the application; and
d. Petitioner will comply with all compliance reporting requirements in the manner described by Indiana Code, Bloomington Municipal Code, and by the Memorandum of Understanding.

SECTION 4. The provisions of Indiana Code 6-1.1-12.1-12 are hereby incorporated into this resolution, so that if the Petitioner ceases operations at the facility for which the deduction was granted and the Common Council finds that the Petitioner obtained the deduction by intentionally providing false information concerning its plans to continue operations at the facility, the Petitioner shall pay the amount determined under Indiana Code 6-1.1-12.1-12(e) to the county treasurer.

SECTION 5. This designation shall expire no later than December 31, 2020, unless extended by action of the Common Council and upon recommendation of the Bloomington Economic Development Commission.

SECTION 6. The Common Council directs the Clerk of the City to publish a notice announcing the passage of this resolution and requesting that persons having objections or remonstrances to the ERA designation appear before the Common Council at a public hearing on March 4, 2015.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 18th day of FEBRUARY, 2015.

DAVE ROLLO, President
Bloomington Common Council

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 19th day of FEBRUARY, 2015.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 19th day of February, 2015.

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This resolution designates a parcel owned by Big O Properties LLC and known as 338 S. Walnut Street as an Economic Revitalization Area (ERA). This designation was recommended by the Economic Development Commission and will enable the proposed mixed use redevelopment project, which includes newly constructed retail/commercial and upper-story market-rate residential units, to be eligible for tax abatement. The resolution also authorizes a three-year period of abatement for real property improvements and sets its deduction schedule. The resolution also declares the intent of the Council to hold a public hearing on March 4, 2015 to hear public comment on the ERA designation.

Note: This resolution was distributed in the Legislative Packet prepared for the January 14, 2015 Committee of the Whole. That Committee of the Whole, however, was cancelled and the resolution was revised and distributed in the Legislative Packet prepared for the February 11, 2015 Committee of the Whole. The revisions, in brief, primarily reflect the new date for public hearing in March, but also make other minor additions or corrections.

Signed copies to:

legal (5)	Mc Assessor	Clerk
Controller	Mc Auditor	CA/CA
EDC	Mc Recorder	
E&SDD	Mc Treasurer	Mayor's bodies list