Passed 9-0

ORDINANCE 13-04

REVISING PARTICIPATION FEES FOR BUSINESSES LOCATED WITHIN THE BLOOMINGTON URBAN ENTERPRISE ZONE AND A TAX INCREMENT FINANCE AREA THAT RECEIVE AN ENTERPRISE ZONE INVESTMENT DEDUCTION

WHEREAS, the Bloomington Urban Enterprise Zone ("Zone") and its administrative entity, the Bloomington Urban Enterprise Association ("BUEA"), were created in 1991 pursuant to IC 4-4-6.1 (now IC 5-28-15) to provide access to tax credits for Zone businesses and develop programs to promote economic development within the designated Zone boundaries; and

WHEREAS, the BUEA obtains funding for its programs by assessing an annual participation fee from Zone businesses receiving tax credits and incentives in the amount of 20% of the credit or incentive; and

WHEREAS, in 2005 the Indiana legislature passed IC 6-1.1-45 regarding the Enterprise Zone Investment Deduction (EZID), which allows taxpayers making qualified investments, as defined in IC 6-1.1-45-7, in an enterprise zone to obtain a 100% abatement on the investment for ten years; and

WHEREAS, the Zone contains parts of several Tax Increment Finance (TIF) areas, as shown on the map attached hereto as Attachment A and incorporated herein by reference, in which TIF revenues have been included in revenue forecasts for City projects, and abatement of 100% of new assessed value for ten years could significantly reduce TIF revenue and negatively impact the City's ability to perform projects needed for public safety and welfare, and for economic development; and

WHEREAS, when a taxpayer applies for an EZID for a project located within a TIF allocation area, the Common Council must approve the EZID pursuant to IC 6-1.1-45-9(d)(3); and

WHEREAS, IC 5-28-15-5(b) allows the legislative body of a municipality containing an enterprise zone to set participation fees for zone businesses that receive incentives described in IC 5-28-15-3, which are tax credits or exemptions available under IC 5-28-15, IC 6-1.1-45, IC 6-3.1-7, IC 6-3.1-10, and IC 6-3-3-10 ("Incentives"); and

WHEREAS, the Zone business participation fee, as established by the BUEA prior to the enactment of IC 5-28-15-5(b), is 20% of the amount of the Incentive(s) received by the business; and

WHEREAS, in addition to the fee to the BUEA, the Indiana Economic Development Corporation (IEDC) receives a fee in the amount of 1% of the amount of the Incentive(s) for each Zone business receiving Incentives, pursuant to IC 5-28-15-5(a)(4)(A); and

WHEREAS, the BUEA and the Bloomington Redevelopment Commission agree that it is desirable for the participation fee to be increased by 9% and for the BUEA to provide the 9% to the Redevelopment Commission to allow it to recoup a portion of the TIF revenues lost due to the EZID; and

WHEREAS, if a Zone business is located within a TIF allocation area and a taxpayer receives an EZID for such a Zone business, the BUEA participation fee would be increased to 29%; and

WHEREAS, the participation fee established herein is intended to apply in all TIF districts that overlap with the Zone, so that if TIF district boundaries are revised from those shown on the map in Attachment A, the participation fee shall be effective in any territory added to a TIF district;

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

SECTION 1. The Zone participation fee shall be 29% of the amount of the EZID for each year the EZID is in effect for each Zone business for which a taxpayer applies for and receives approval from the Monroe County Auditor that the taxpayer's proposed project is a qualified investment under IC 6-1.1-45-7 and from the Common Council under IC 6-1.1-45-9Id)(3) and the qualified investment is located in a TIF allocation area.

SECTION 2. The BUEA Board of Directors has agreed to transfer to the City 9% of the participation fee for each approved EZID within a TIF allocation area, and once said fees have been received by the City, they shall be deposited in the City's Redevelopment Fund.

SECTION 3. The map of the Zone and intersecting TIF districts referred to in the fourth Whereas clause as Attachment A shall be attached to the ordinance and incorporated by reference into the ordinance. In accordance with IC 36-1-5-4, two copies of this map are on file in the Office of the City Clerk for public inspection. In the event that the boundaries of any TIF district that overlaps with the Zone are changed, the participation fee established herein shall apply in any territory added to a TIF district that overlaps with the Zone.

SECTION 4. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 27th day of March, 2013.

DARRYL NEHER, 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 28th day of March, 2013.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 28th day of March, 2013.

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This ordinance increases the participation fee to the Bloomington Urban Enterprise Association for business located in the Enterprise Zone that receive an Enterprise Zone Investment Deduction (EZID) and are located in a Tax Increment Finance District from 20% to 29%, with the increased portion to be paid by the BUEA to the City to partially offset lost TIF revenue.