RESOLUTION 89-20

TO AMEND CRITERIA AND PROCEDURES FOR DESIGNATION OF ECONOMIC REVITALIZATION AREAS WITHIN THE CITY OF BLOOMINGTON

WHEREAS, under Indiana law, the Bloomington Common Council designates geographic areas of the City as "Economic Revitalization Areas" so that new construction or rehabilitation of existing buildings or the installation of new manufacturing equipment within such designated areas receive tax abatement through reduced assessed valuation on the improvements and/or equipment based on a statutory schedule; and

WHEREAS, in the past the Common Council has requested that the Bloomington Redevelopment Commission review and make its recommendation to the Council concerning applications for designation of areas as "Economic Revitalization Areas" within the City, and the Council desires to continue that process of non-binding, advisory recommendation, by the Redevelopment Commission; and

WHEREAS, an ad hoc Council committee was established to meet with members of the Redevelopment staff to review the Criteria and Procedures for considering applications for designation of areas within the City as "Economic Revitalization Areas," and committee members present recommended approval of the amendments to the Criteria and Procedures contained in the attached application packet; and

WHEREAS, on May 1, 1989, the Redevelopment Commission unanimously passed and adopted Resolution 89-27, which recommends amendments to the Criteria and Procedures for review of applications for designation as "Economic Revitalization Areas"; and

WHEREAS, the recommended amendments, as approved, have been forwarded to the Common Council;

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

The Common Council approves the recommended amendments to the Criteria and Procedures for review of applications for designation of Economic Revitalization Areas, attached hereto and made a part hereof.

This Resolution shall be in full force and effect from and after its passage by the Common Council and approval by the Mayor.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 17 day of May, 1989.

James C. Regester

JAMES C. REGESTER, President
Bloomington Common Council

SIGNED and APPROVED by me upon this 18 day of May, 1989.

Tomilea Allison

TOMILEA ALLISON, Mayor
City of Bloomington

ATTEST:

Patricia Williams

PATRICIA WILLIAMS, Clerk
City of Bloomington

SYNOPSIS

This resolution approves the resolution passed by the Redevelopment Commission which amends the Criteria and Procedures for tax abatement.

OUTLINE OF STEPS FOR

PROPERTY TAX ABATEMENT

CITY OF BLOOMINGTON

1. Applicant applies to Redevelopment for property tax abatement.

2. Redevelopment Commission reviews application and makes recommendation to City of Bloomington Common Council.

3. Common Council approves or disapproves designation as an Economic Revitalization Area and term (3, 6, or 10 years) of the Tax Abatement.

4. A. City Clerk sends certified copy of the Council's resolution to the Monroe County Assessor and Auditor.

   B. Meeting date is set for Common Council to hear all remonstrances and objections to Economic Revitalization Area.

5. Council meets to confirm, modify, or rescind earlier resolution.

6. City Clerk sends certified copy of confirming resolution and application to Monroe County Assessor and Auditor.

7. **APPLICANT** consults with County Auditor concerning the procedure **AFTER** the property is designated as an Economic Revitalization Area. This last step is very **IMPORTANT**. Your Tax Abatement **WILL NOT** take effect if you do not file the appropriate forms with the County Auditor.

City of Bloomington
PROPERTY TAX ABATEMENT PROGRAM

Program Description:

Indiana Law (I.C. 6-1.1-12.1) allows a three (3), six (6) or ten (10) year abatement on the increased assessed valuation due to construction or rehabilitation improvement in areas of the City where development needs to be encouraged. This has the effect of substantially reducing the property taxes that would otherwise be paid on such improvements. Indiana law also allows a five year deduction for any new manufacturing equipment installed during the period from January 1, 1982 through December 31, 1991. The equipment must be used in "the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property; and never before used by its owner for any purpose in Indiana."

Under this law the Bloomington Common Council designates specific properties of the City as "Economic Revitalization Areas". An Economic Revitalization Area must have "...become undesirable for or impossible of, normal development and occupancy," because of such factors as "cessation of growth, existence of sub-standard or obsolescent structures and deterioration of character of occupancy" for property, and "includes 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" for new manufacturing equipment.

New construction or rehabilitation of existing buildings within designated Economic Revitalization Areas receive tax abatement through reduced assessed valuation on the improvements based on the following schedule. With respect to new construction, the City Council may choose to limit the dollar amount of the deduction that will be allowed.

(1) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(2) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

(3) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

EQUIPMENT

For new **manufacturing equipment** installed within designated Economic Revitalization Areas, the deductions allowed are as follows:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%

th respect to manufacturing equipment, the City Council may choose to limit the dollar amount of the deduction that will be allowed.

Project Eligibility:

Decisions to designate areas as Economic Revitalization Areas are determined on a project-by-project basis for any project located within the corporate limits of the City of Bloomington. Each project is reviewed on its own merits and the effect of the project on the revitalization of the surrounding areas and employment is considered.

Tax Abatement will primarily be awarded in one of four geographic areas within the City which have been identified as areas which have suffered slow growth and deterioration of improvements in the Redevelopment Department's Community Development and Housing Plan. In assessing the revitalization needs of the areas, several goals and objectives were cited, including: to encourage retention of existing businesses and expand employment opportunities; to encourage the rehabilitation, preservation and restoration of historic properties; to promote economic development activities within the downtown; and to utilize vacant land for new development.

e four areas are the **Westside Area** bounded by 17th Street to the North, Rogers Street to the East, Grimes Lane on the South, and a course boundary of Walker Street, Adams Street and Spring Street on the West; **The Miller Drive Area** bounded by Henderson on the West, Hillside on the North, Maxwell on the East and Miller Drive and Short Street on the South; the **Downtown Area** bounded by 10th Street to the North, Indiana Avenue to the East, Rogers Street to the West, and Second Street to the South, and **South Central Area** bounded by Second street on the North, Walnut Street on the West, Vermilya to the South, and an irregular boundary of Fess, Henderson, Stull and Park to the East.

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.

Ineligible Projects

Projects will not be considered if a building permit has already been obtained or construction has been initiated. This is because the decision of the Council to designate the Economic Revitalization Area must be based on the finding that the area is "undesirable for normal development."

City Council has the right to void the tax abatement designation awarded to a project if the project has not been initiated within twelve (12) months of the reconfirmation date of the tax abatement resolution, or if the actual use is different than that approved.

Tax Abatement for the rehabilitation or development of real property is not eligible for the following types of facilities:

1. Private or commercial golf courses.
2. Country club.
3. Massage parlor.
4. Tennis club.
5. Skating facility (including roller skating, skateboarding, or ice skating).
6. Racquet sport facility (including any handball or raquetball court).
7. Hot tub facility.
8. Suntan facility.
9. Racetrack.
10. Any facility the primary purpose of which is:
    a. retail food and beverage service;
    b. automobile sales or service; or
    c. other retail;
    unless the facility is located in an economic development target area as established by the Bloomington Economic Development Commission.

11. Residential, unless the facility is a multi-family facility that contains at least twenty percent (20%) of the units available for use by low and moderate income individuals or unless the facility is located in an economic development target area established under section 7 of Indiana statute (I.C. 6-1.1-12.1-7).

Application Review and Procedure:

The Application along with a $100.00 application fee must be submitted by the property owner(s) to the Department of Redevelopment. The application fee is nonrefundable. The applicant should prepare a statement which provides the information requested on the next page.

The Application is reviewed by the Planning Department for compliance with zoning regulations and processed by the Redevelopment staff, with a recommendation for approval or denial to the Redevelopment Commission based on the attached guideline chart. The applicant should plan to attend the Redevelopment Commission meeting, which is usually the 1st Monday of each month.

The Application is then submitted to the City Council for final approval and the applicant should plan to attend. The applicant does, however, have the right to proceed to the City Council for approval of the ERA even if the Redevelopment Commission denies the request except as provided in City Council resolution 85-15 which states Redevelopment approval is necessary for projects in the downtown area before proceeding to City Council.

The Redevelopment Department shall prepare a written report on the application, which shall include:

1. Whether the property meets the statutory requirements for designation as an ERA;
2. If proposed development will require any City expenditures;
3. Estimated yearly amount of property tax revenues to be abated;
4. If granting of ERA would be in accordance with existing City policies.

The report shall contain a staff recommendation to the Redevelopment Commission for approval or disapproval of the designation including the term of the abatement.
In determining the term of the abatement (3, 6, or 10 years), the attached chart will be used as a guide.

Redevelopment and Council Approval

The Redevelopment Department shall present the application, map/plats, and report to the Redevelopment Commission for its consideration. The applicant shall receive notification of the Commission's next meeting date. The Redevelopment Commission shall recommend to the City of Bloomington Common Council approval or rejection of the application and the term of the abatement that should be granted.

A. The resolution of the Redevelopment Commission, accompanied with the application, map/plats, and the reports from the Planning and Redevelopment Departments shall be forwarded to the Common Council Office for placement upon the Council's calender.
B. The application will be reviewed at the next Common Council Committee meeting.
C. The Common Council will approve or disapprove the application submitted for the "Economic Revitalization Area" designation at the next following Common Council meeting.
The Common Council will also designate the term of the abatement for three, six, or ten years as required by law.
D. If the application is approved by the Common Council, the City Clerk shall:

1. Certify a copy of the resolution and the application to the Monroe County Assessor and Auditor's Office:
2. Publish a legal notice to inform interested parties that the tax abatement application is available for inspection at the Assessor's Office;
3. Set a meeting date, at which time the Common Council shall hear all remonstrances and objections to the area being designated an "Economic Revitalization Area".

E. The Common Council shall hold a regular meeting and vote on a resolution confirming, modifying, or rescinding the earlier approved resolution.

IV. ACTIONS AFTER COMMON COUNCIL APPROVAL

A. Upon approval of the confirming resolution, the City Clerk shall certify a copy of the confirming resolution and the application to the Applicant, the Monroe County Assessor and Auditor's Office.

B. **AFTER RECEIPT OF THE CONFIRMING RESOLUTION, the APPLICANT** IS ADVISED TO CONSULT WITH THE COUNTY AUDITOR CONCERNING THE APPLICATION PROCEDURE REQUIRED ON THE PROPERTY AFTER DESIGNATION AS AN ECONOMIC REVITALIZATION AREA. (State of Indiana Form 322).

CITY OF BLOOMINGTON

APPLICATION

PROPERTY TAX ABATEMENT PROGRAM

vide the following information on a separate sheet and attach it to this application form.

1. OWNERSHIP:

   A. List full name, address and telephone number of each owner of the property.
   B. List the percentage ownership of each owner if more than one owner.
   C. If owner is a partnership, list the name, address, and telephone number of each general and/or limited partner and the percentage of interest in the property held by each general and/or limited partner.
   D. If owner is a corporation, list the name, address, and telephone number of all officers.

2. PROPERTY DESCRIPTION:

   A. Give street address, lot number and dimensions.
   B. Attach legal description of property to the application.

3. CURRENT STATUS OF PROPERTY:

   A. State current zoning designation and if applicable, describe any anticipated zoning changes.
   B. Describe current improvements to the property, including age of building(s).
   C. Describe the current use of the property, including the names of businesses currently operating and the current number of jobs.
   D. Give estimate of current market value of land and improvements; separately list the current assessed valuation and property tax assessment on land and buildings.
   E. Describe any unique historical structural or aesthetic improvements.

4. PROPOSED IMPROVEMENTS:

   A. Describe proposed improvements and projected costs.
   B. Include sketch of finished project, if available.
   C. List any public improvements and costs that will be necessary.
   D. List the probable start/completion dates of the project.
   E. List the type and number of jobs that will be retained or created by the project.
   F. Describe any beneficial or detrimental economic effect (other than jobs) that the proposed project will likely have on the City.

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.

*OWNER	DATE
_____	_____
_____	_____
_____	_____

*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