RESOLUTION 93-16
TO ALLOW THE PROPERTY LOCATED AT 122 SOUTH WALNUT STREET TO BE ENCUMBERED WITH A COVENANT RUNNING WITH THE LAND AND LEGALLY ENFORCEABLE BY THE STATE OF INDIANA
(Bloomington Area Arts Council [BAAC], Petitioner)

WHEREAS, BAAC has been awarded a grant from the State of Indiana through the Department of Natural Resources, Hometown Indiana Program, in the amount of $70,000.00 for the purpose of historical preservation of the old Bloomington City Hall, a condition of said grant being the recording of the attached covenant which is required to be executed by the City of Bloomington as mortgagee; and

WHEREAS, the City of Bloomington Common Council has demonstrated support for the development of the BAAC's John Waldron Arts Center at the above address by a contribution of a portion of the property for the purpose of operating an arts center; and

WHEREAS, the Bloomington Comprehensive Master Plan supports historic preservation in the downtown area; and

WHEREAS, all other terms of the proposed covenant are consistent with City policy;

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

The Common Council finds that it is in the interest of the City that the BAAC receive the above referenced grant for the stated purpose of historic preservation and does hereby resolve to authorize the execution of the proposed covenant.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 1st 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, Mayor
City of Bloomington

ATTEST:

PATRICIA WILLIAMS, Clerk
City of Bloomington

SYNOPSIS

This resolution would allow a covenant to be recorded that would encumber the property known as the John Waldron Arts Center so as to assure the historic preservation of the property for a period of 20 years and to assure compliance with Title VI of the Civil Rights Act of 1964 [42 USC 2000 (d)], Section 504 of the Rehabilitation Act of 1973 [29 USC Section 794] and the Americans With Disabilities Act. It is the intention of the BAAC to comply fully with all terms of the covenant. Should the BAAC default on its responsibility under the terms of the mortgage with the City to operate an arts center in the property then the City as owner would be required to obtain permission from the State prior to making visual or structural alterations to the building.

Signed copies to:
BAAC
Legal

CITY OF BLOOMINGTON
INTERDEPARTMENTAL MEMO

TO: Nancy Brinegar
Redevelopment Dept.

FROM: Toni McClure, Asst. Director
Planning Dept.

SUBJECT: Tax Abatement for Covey Park (Huntington Renaissance)

DATE: February 26, 1993

Following are planning responses to the questions you asked regarding tax abatement for Huntington Renaissance.

1. Does the envisioned construction meet the current zoning requirements?

   This property has received all required approvals, including outline and development plan approvals. It is in compliance with zoning.

2. Would any variances be required, and are they likely to be approved?

   No variances are required.

3. Are any public improvements needed?

   Public improvements required including road, sidewalk, and utilities, have been provided by the developer.

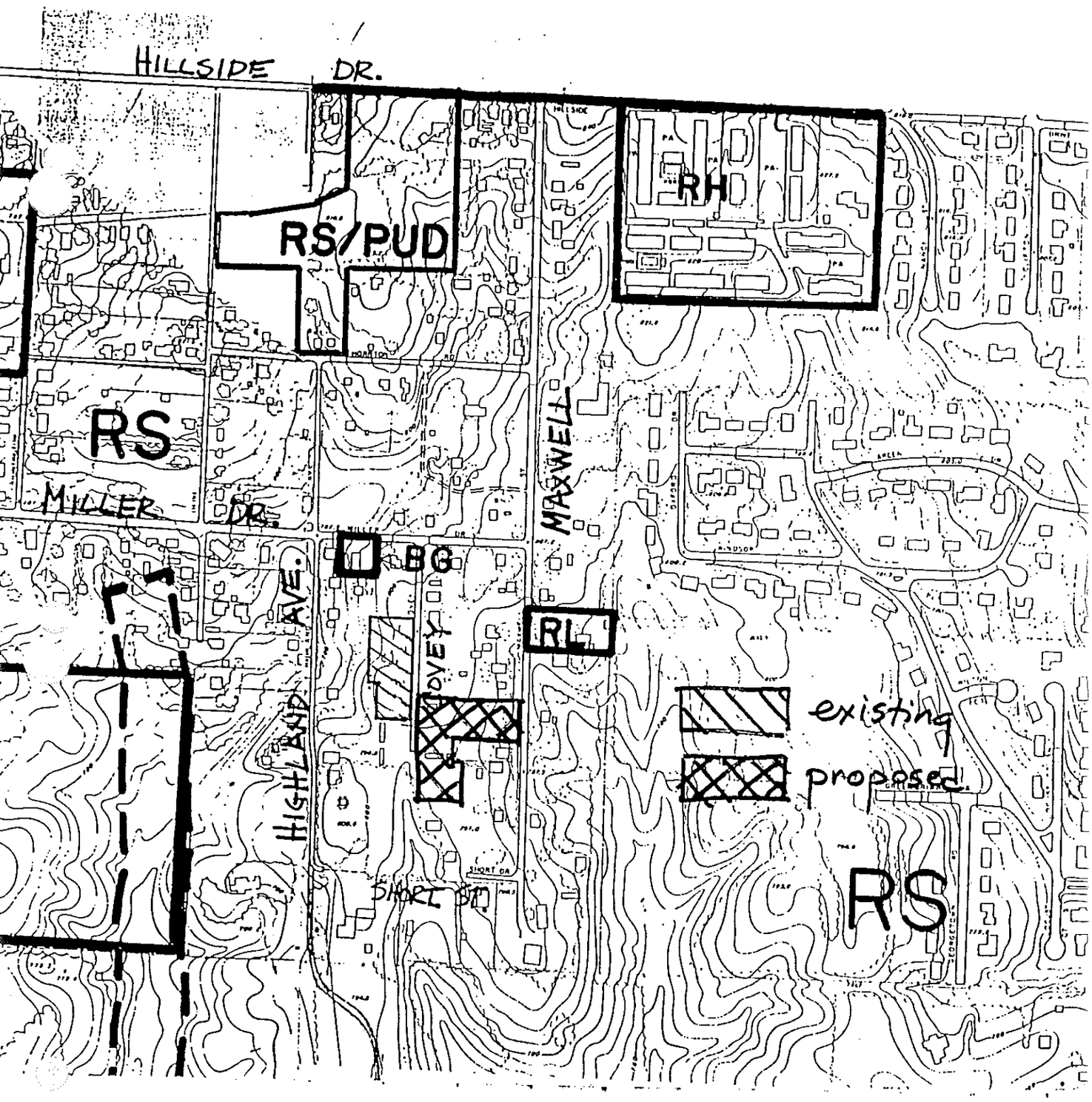
4. Are there any probably significant environmental problems likely to result?

   Staff does not anticipate negative environmental impacts to result from this development.

5. Please prepare a street map/plat of the property.

   Map is attached.

I hope this gives you the information you need. If I can be of further assistance, just give me a call.


HILLSIDE DR.
RS/PUD
RH
RS
MILLER DR.
BG
MAXWELL
RL
DOVEY
HIGHLAND AVE.
SHORT DR.
existing
proposed
RS

RENAISSANCE RENTALS COMPANY Inc.

February 1, 1993

Chris Spiek
Director, Redevelopment Commssion
9220 Old Dutch Ridge Road
Heltonville, IN 47436

Dear Chris:

As you know, I have built affordable housing in the Miller Drive area. I propose to build two more duplexes for families with incomes at or below 60% of area median income. I have two lots already properly zoned for duplexes in my Huntington Renaissance development. The proposed buildings are similar in design to the buildings in our Covey Parke development. They will each have two bedrooms; the two first floor residences are designed for wheelchair access and have specially designed kitchens and baths.

I am writing to you to ask for your help. I need tax abatement in order to build affordable housing. Let me explain. Even though the low income housing tax credit is the primary government program that allowed us to build affordable homes, we have found that tax abatement is also required to allow for mortgage payments. I found this out the hard way. The largest development Covey Parke was awarded a 10-year property tax abatement and has sufficient income to meet its expenses. However, my first building at 1819-1821 S. Covey Lane did not receive property tax abatement because we did not request it. The building at 1819-1821 loses approximately $600 per year even though we charge the maximum rents. At Covey Parke we are able to charge as much as $50. per month less rent for a 3-bedroom residence. Our property tax expense at 1819-1821 S. Covey Lane is almost $80. per month per unit for a total of $160. per month and over $1900. per year. Furthermore, the construction of my proposed building will be more expensive than the others due to the street improvements that are required.

I have made every effort to build a neighborhood, not just a housing development; part of my plan has always been to have people of different backgrounds and incomes living together. Our plan for Huntington Renaissance has always been for two duplexes to serve low income persons, but without property tax abatement it will not be financially feasible. I have enclosed some information you may find helpful. I do appreciate your help; I believe in our efforts to provide affordable housing.

Thank you!

Sincerely,

Tim Henke

Tim J. Henke
/rc
Enclosure

Tim Henke, President, 106 East Sixth Street, Bloomington, IN 47408, Tel. (812) 330-1123, Fax (812) 330-1123

received
2-8-93

APPLICATION
PROPERTY TAX ABATEMENT PROGRAM

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

2. PROPERTY DESCRIPTION
   A. Lots 1 & 2, Huntington Renaissance Addition
   B. Attached

3. CURRENT STATUS OF PROPERTY
   A. RSPUD - no zoning changes needed
   B. None
   C. None
   D. Market value land $40,000; Improvements -0-;
      Assessed valuation $1,000+/-
   E. No structures

4. PROPOSED IMPROVEMENTS
   A. Two duplex buildings, each will have two 2-bedroom apartments. The downstairs residence in each building will be handicapped accessible. $200,000.

   B. Photo attached of similar building

   C. We will need to extend Covey Lane and sidewalks at least 100 feet. We will also install sewer laterals to each building as well as water service. We will likely expend approximately $12,300. for street and sidewalk improvements.

   D. Start date 4/15/93; completion 7/30/93.

   E. Construction related jobs will be created during the construction period.

   F. Our local economy is suffering from a lack of affordable housing. Currently, the Section 8 office has a list of 800 families waiting to be served. We have dozens of applications for our Covey Parke development and receive calls daily from desperate families and individuals looking for decent affordable housing. This proposal will serve four more families and to these families it will have a most important economic effect.

LEGAL DESCRIPTION - Huntington Renaissance Lots 1 and 2

Part of Lots 82 and 83 in Huntington Park, a subdivision of a part of the Northeast quarter of Section 10, Township 8 North, Range 1 West, as recorded in Plat Book 3, Page 80, Office of the Recorder of Monroe, Indiana, being more particularly described as follows:

Beginning at the Southwest corner of said Lot 82; thence North 00 degrees 45 minutes 52 seconds West along the West line of Lot 82 for 56.00 feet; thence South 89 degrees 56 minutes 45 seconds East 103.00 feet; thence South 00 degrees 45 minutes 52 seconds East 21.99 feet; thence South 89 degrees 56 minutes 45 East 12.33 feet; thence South 00 degrees 45 minutes 52 seconds East 34.01 feet to the South line of said Lot 82; thence South 00 degrees 45 minutes 52 seconds East 100.00 feet; thence North 89 degrees 56 minutes 45 seconds West 115.33 feet to the West line of said Lot 83; thence North 00 degrees 45 minutes 52 seconds West along said West line 100.00 feet to the point of beginning, containing 0.407 acres, more or less.

Witness my hand and seal this 24TH

day of November, 1992.

Kevin B. Potter

Kevin B. Potter, L.S. No. S 0487
P.O. Box 5982
Bloomington, Indiana 47407

KEVIN BURTON POTTER
REGISTERED
No
S0487
STATE OF
INDIANA
LAND SURVEYOR

INFORMATION SHEET

- The Low Income Housing Tax Credit program requires buildings be rented to persons or families at or below 60% of area median income for a period of at least 15 years. This program is enforced by the state Indiana Housing Finance Authority and also by the Internal Revenue Service.

- The Perry City tax rate for property taxes payable 1993 has gone from $9.56+ per $1,000. assessed valuation to $10.30+ per $1,000. assessed valuation.

- We currently serve 9 adults, 12 disabled adults, and 15 children; all low income.

- We anticipate street improvements in the public right-of-way of Covey Lane to cost $10,000.

REAL ESTATE TAX STATEMENT

1991 PAYABLE 1992

MONROE COUNTY, INDIANA

ADD 10% PENALTY AFTER DELINQUENT DATES

SECOND INSTALLMENT DELINQUENT AFTER NOVEMBER 10, 1992

B

APPROVED BY STATE BOARD OF ACCOUNTS FOR MONROE COUNTY - 1990

HSI

PARCEL NUMBER	DUPLICATE NUMBER	BILL TO	TAXING UNIT NAME	TOTAL TAX RATE	HOMESTEAD CREDIT RATE	REPLACEMENT CREDIT RATE
015-76660-00	02853		PERRY CITY	9.5682	11.0000	14.3789

CHECK ☐ CASH ☐ MONEY ORDER ☐ OTHER ☐

GROSS VALUE	STANDARD DEDUCTION	EXEMPTIONS	NET TAXABLE VALUE	GROSS TAX EACH INSTALLMENT	HOMESTEAD AND REPLACEMENT CREDIT	NET TAX EACH INSTALLMENT
2070 -L 20430 -I	0		22500 -NR	0.00 1076.43	0.00 154.78	921.65

DESCRIPTION HUNTINGTON PARK PT. (EX. W 9')
W1/2 LOT 79
(DEL CF 1623.44 + 162.34 99891-70)

MAP NO:015-76660-00

DELINQUENT TAX →	
PENALTY →	
OTHER PENALTIES AND INTEREST	0.00
CREDITS	0.00
PAY THIS BY NOV 10 →	921.65

CURRENT TAX BREAKDOWN

STATE	[illegible]
COUNTY	370.[illegible]
TOWNSHIP	[illegible]
SCHOOL	[illegible]
CITY	[illegible]
LIBRARY	[illegible]
SOLID WASTE DIST	[illegible]
GROSS TAX	2152.36

ADDRESS
H S PARTNERSHIP
130 N. WALNUT
BLOOMINGTON, IN 47404

THIS IS A VALID RECEIPT WHEN STAMPED PAID BY TREASURER.
MAKE ALL CHECKS PAYABLE TO "TREASURER OF MONROE COUNTY"
MAIL OR BRING BOTH STATEMENTS TO COURTHOUSE BLOOMINGTON, INDIANA 47401.
ENCLOSE SELF-ADDRESSED STAMPED ENVELOPE WHEN PAYING BY MAIL.

PAID

Date 11/19/92 Time 13:29:12
Seq #0535 Parcel #015-76660-00
Amount $*******921.65 Pymt Type 7

PAID

LEGEND: A - Age; B - Blind/Disabled; G - Government; M - Mortgage; N - Non-Billable; V - Veteran's

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
Tim J. Henke	12-3-92
David Kenworthy	12-3-92
Ray Sharp	12-3-92

*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

STATEMENT OF BENEFITS

State Form 27167 (R3 / 11-91)
Form SB - 1 is prescribed by the State Board of Tax Commissioners, 1989
The records in this series are CONFIDENTIAL according to IC 6-1.1-35-9

FORM SB - 1

INSTRUCTIONS:

1. *This statement must be submitted to the body designating the economic revitilization area prior to the public hearing if the designating body requires info mation from the applicant in making its decision about whether to designate an Economic Revitilization Area. Otherwise this statement must be submitte to the designating body BEFORE a person installs the new manufacturing equipment, or BEFORE the redevelopment or rehabilitation of real property fo 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 th "project" was planned and committed to by the applicant, and approved by the designating body, prior to that date. "Projects" planned or committed to aft July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)*
2. *Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitatio or prior to installation of the new manufacturing equipment, BEFORE a deduction may be approved.*
3. *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. Wit 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 assessme 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 manufac turing equipment is installed, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 an June 14 of that year.*
4. *Property owners whose Statement of Benefits was approved after July 1, 1991 must submit Form CF - 1 annually to show compliance with the Statement c Benefits. (IC 6-1.1-12.1-5.6)*

SECTION 1 — TAXPAYER INFORMATION

Name of taxpayer: Covey Parke Partners

Address of taxpayer *(street and number, city, state and ZIP code)*: 106 East 6th Street, Bloomington, IN 47408

Name of contact person: Tim J. Henke

Telephone number: (812) 339-9975

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body: City of Bloomington

Resolution number:

Location of property: 1851,1853,1855,1857 S. Covey Lane, Bloomington IN

County: Monroe

Taxing district:

Description of real property improvements and / or new manufacturing equipment to be acquired *(use additional sheets if necessary)*: 2 - New Duplex Buildings for low income residents with: 2 - handicap accessible 2 bedroom apartments; and 2 second floor 2 bedroom apartments.

Estimated starting date:

Estimated completion date:

SECTION 3 — ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries

SECTION 4 — ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

		Real Estate Improvements		Machinery	
		Cost	Assessed Value	Cost	Assessed Value
Current values	A	4,000.	1,000.		
Plus estimated values of proposed project	B	$200000.	75,000.		
Less values of any property being replaced	C	0.	-0-		
Net estimated values upon completion of project	D	200,000.	75,000.		

SECTION 5 — OTHER BENEFITS PROMISED BY THE TAXPAYER

Partnership hereby guarantees that all units will be occupied by tenants at or below 60% of area median income for a period of not less than 15 years.

SECTION 6 — TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative	Title	Date signed *(month, day, year)*
Tim J. Henke	Managing General Partner Covey Parke Partners	12-3-92

FOR USE OF THE 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 _____ calendar years * *(see below)*. The date this designation expires is _____.

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 ☐ Yes ☐ 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)*_____

F. The deduction for new manufacturing equipment installed and first claimed eligible for deduction after July 1, 1991is allowed for:
☐ 5 years ☐ 10 years

Also we have reviewed the information contained in the statement of benefits and find t' ... and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deductio

Approved: *(signature and title of authorized member)*	Telephone number .( )	Jack	*(month, day, year)*
...ested by: Patricia Williams, City Clerk	Designated bod Commo		...ngtons

* If the designating body limits the time period during which an area is an econ ... es not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated un... 5 Namely: *(see tables below)*

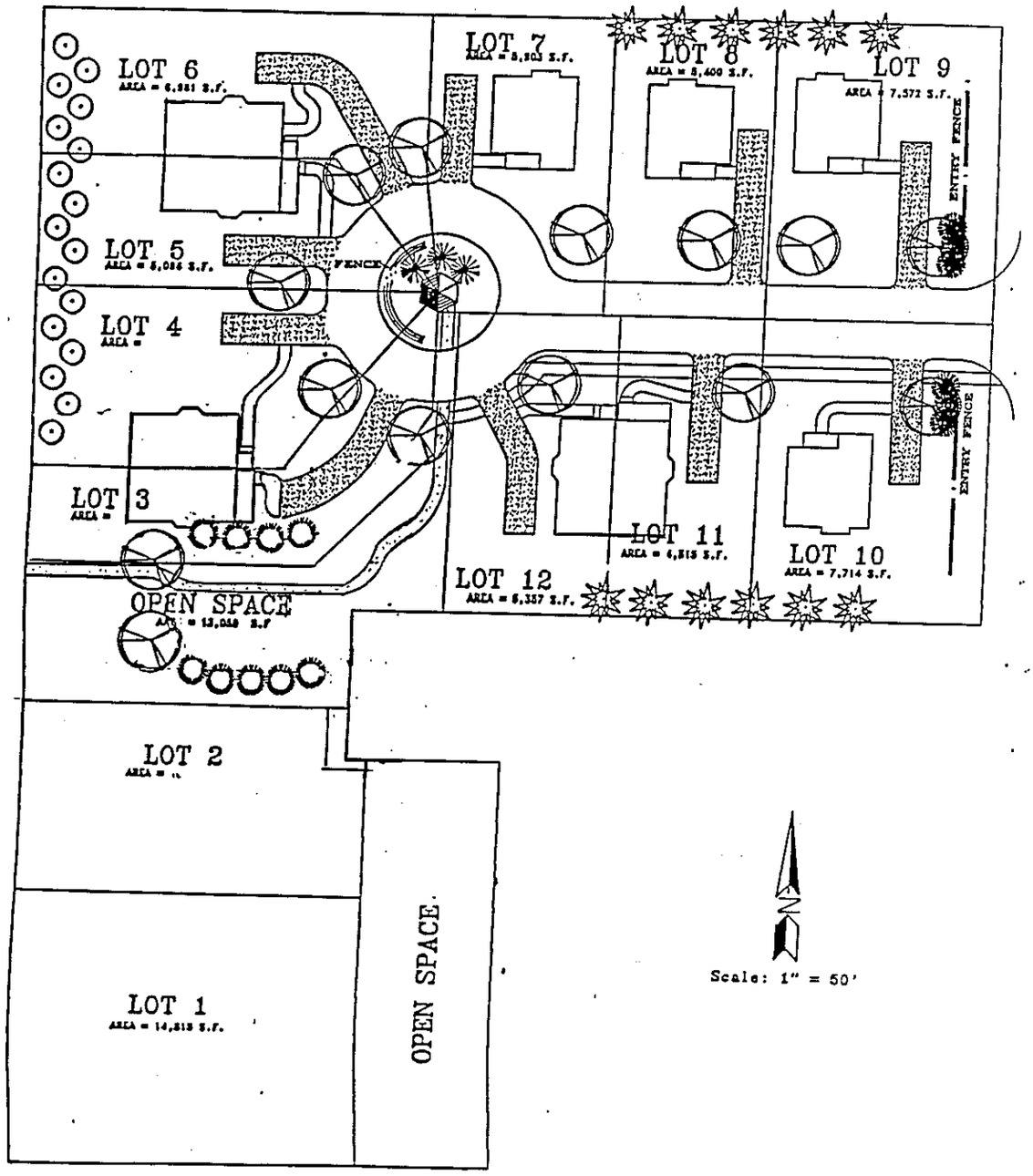
NEW MANUFACTURING EQUIPMENT

For Deductions Allowed Over A Period Of:		
Year of Deduction	Five (5) Year Percentage	Ten (10) Year Percentage
1st	100%	100%
2nd	95%	95%
3rd	80%	90%
4th	65%	85%
5th	50%	80%
6th		70%
7th		55%
8th		40%
9th		30%
10th		25%

REDEVELOPMENT OR REHABILITATION OF REAL PROPERTY IMPROVEMENT

For Deductions Allowed Over A Period Of:			
Year of Deduction	Three (3) Year Deduction	Six (6) Year Deduction	Ten (10) Year Deduction
1st	100%	100%	100%
2nd	66%	85%	95%
3rd	33%	66%	80%
4th		50%	65%
5th		34%	50%
6th		17%	40%
7th			30%
8th			20%
9th			10%
10th			5%

HUNTINGTON RENAISSANCE



11.10.92

COVEY

Affordable

Housing

Paired

Homes

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Covey Park 991, and 2
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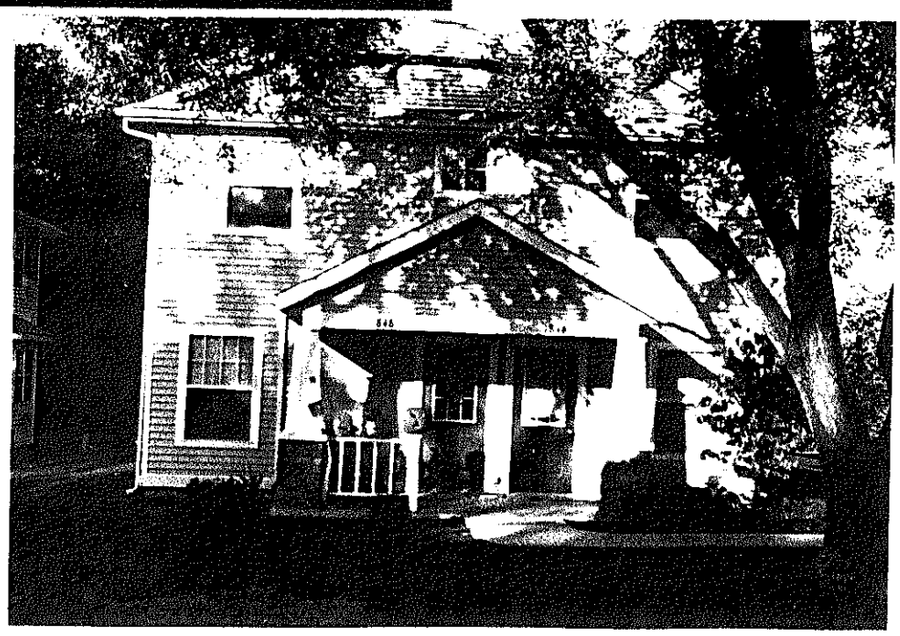

CONFIDENTIAL

TO: Bloomington City Council Members

FROM: Tim Henke

DEVELOPMENT COST ESTIMATES

Street & Drives	14,000.00
Building	73,000.00
Lot	22,000.00
TOTAL	$109,000.00

INCOME AND EXPENSE ESTIMATES

	Monthly	Annual
Income - 2 Residences X 370.00	740.00	8,880.00
Vacancy	37.00	444.00
Mortgage Expense	52.00	624.00
Property Insurance	30.00	360.00
Utilities	14.00	168.00
Maintenance		
Lawn	33.00	396.00
Other	33.00	396.00
Maintenance Reserve	38.00	456.00
	977.00	11,724.00
Available for Property Tax and Mortgage	503.00	6,036.00
TOTAL	$1,480.00	$17,760.00

FINANCING ESTIMATES

Total Cost	109,000.00
Equity raised in exchange for tax credit	(55,000.00)
Mortgage Needed	$54,000.00

Monthly payment for 20 year 9% fixed mortgage = $485.85

These estimates are financially conservative; i.e. rents could be slightly higher, vacancy may be less, mortgage rate may by 8.5%, etc. A 5 year projection with 3% inflation shows rents increasing by $117.00 per month and expenses increasing by $70.00 per month (the largest expense is the mortgage which does not increase with inflation). With the 10 year phase in Tax Abatement this project is feasible. If you have further questions or would like more informations please call me. Thank you.

Sincerely,

Timothy J. Henke