

Summary of Minutes

ECONOMIC DEVELOPMENT COMMISSION (EDC) MEETING HELD ON FRIDAY, JUNE 6, 2014 AT 12:00 PM IN THE MCCLOSKEY CONFERENCE ROOM OF CITY HALL AT SHOWERS, 401 NORTH MORTON STREET, BLOOMINGTON, INDIANA

Call to Order

The meeting was called to order by Kurt Zorn at 12:00 PM.

Roll Call

Economic Development Commission Members present: Kurt Zorn and Malcolm Webb

Staff present: Danise Alano-Martin, Economic and Sustainable Development Director; Jason Carnes, Economic and Sustainable Development Assistant Director; Greg Small, Assistant City Attorney, Legal Department.

2013 Annual Tax Abatement Report

Danise Alano-Martin began the annual tax abatement report explaining that a tax abatement is a reduction in tax liability on new investment and a phase-in of new property taxes. Alano-Martin gave update on changes at the State level. Approved projects are those that staff, the EDC, and the City Council have determined to have a significant community benefit, in addition to job retention/creation and enhancement to the tax base, and is deserving of the reduction in tax liability. The City Administration supports abatements that aim to aid private investment and job creation, improve quality of life, environmental sustainability, and community service or character. The City authorizes abatements within the corporate boundaries and the County Auditor's office administers the abatements each year.

Alano-Martin explained that currently active abatements exist within three categories of investment: residential, commercial, and mixed-use. Alano-Martin and Jason Carnes presented individual abatement projects within each category and explained each type of investment, what year the abatement is currently in, the assessed value of each project and the level of salaries and job creation, both temporary and permanent. Carnes also noted expired abatements and identified those active abatements that did not submit all correct paperwork to receive the annual abatement.

Malcolm Webb asked staff how we would react to a project that did not meet employment requirements stated on their SB-1. Alano-Martin explained that new tax abatements have claw-back provisions that allow us to recoup City dollars if requirements are not met. Also, projects that receive tax abatements must meet the City's Living Wage requirement.

Malcolm Webb asked about changes to State law regarding Personal Property taxes. Staff explained that the State had considered eliminating Personal Property taxes, but instead decided to allow each County to make that decision individually.

Malcolm Webb asked staff about the effectiveness of tax abatements in spurring economic development. Alano-Martin stated that it has been a very useful tool in courting traditional development projects, but has been less successful with tech businesses since most of their expenses are in personnel/talent, and not in new construction. Webb asked that staff keep an eye on changes to State programs that would help us with tech and small businesses.

There was not a quorum for this meeting but Jason Carnes contact City Legal Department and Council Legal staff and was told that a quorum was not required for the EDC to recommend forwarding the Tax Abatement report to City Council. Kurt Zorn and Malcolm Webb approved unanimously to recommend forwarding the Tax Abatement report to the City Council for the Council's acceptance.

Old Business

New Business

Adjournment

A motion by Kurt Zorn to adjourn was accepted unanimously at 12:37 PM.