Failed 4-4 (Ruff, Chopra, Granger, Piedmont-Smith) (Rollo absent) June 14, 2017

RESOLUTION 17-29

TO DESIGNATE AN ECONOMIC REVITALIZATION AREA, APPROVE THE STATEMENTS OF BENEFITS, AND AUTHORIZE PERIODS OF ABATEMENT FOR REAL PROPERTY IMPROVEMENTS
- Re: Property Located at N. Kinser Pike and Identified by the Monroe County Parcel ID Number 53-05-28-300-170.000-005 (015-38250-00)
(Naples, LLC, Petitioner)

WHEREAS, Naples, LLC, ("Petitioner") has filed an application for designation of property on N. Kinser Pike comprised of one parcel identified by Parcel Numbers listed herein, as an Economic Revitalization Area ("ERA") for construction of new buildings pursuant to Indiana Code 6-1.1-12.1 *et seq.*; and

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

53-05-28-300-170.000-005 (Alt Parcel Num: 015-38250-00); and

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

WHEREAS, according to this material, the Petitioner wishes to invest $4.0 million to construct a new, 3-story, 39 unit multi-family building which will include approximately 39 residential units, (the "Project"); and

WHEREAS, six of the residential units will be Workforce Housing Units, available to residents who hold a full time job (constituting at least thirty five hours per week) and make less than or equal to 120% of the Area Median Income; and

WHEREAS, the rent for the Workforce Housing Units will not exceed the lesser of $647 or 85% of the market rate rent for those units adjusted annually based on the Housing Consumer Price Index; and

WHEREAS, the Workforce Housing Units will be available for at least ninety-nine (99) years; 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, including its commitments regarding the Workforce Housing Units; and

WHEREAS, the Project is not located in a TIF allocation area; and

WHEREAS, the Economic Development Commission has reviewed the Petitioner's application and Statement of Benefits and passed its Resolution 16-02 recommending that the Common Council designate the area as an ERA, approve the Statement of Benefits, and authorize a seven-year period of abatement for the real estate improvements; and

WHEREAS, Indiana Code § 6-1.1-12.1-17 authorizes the Common Council to set an abatement schedule for property tax abatements, based on specific factors; and

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WHEREAS, the EDC has recommended that the real property abatement be a sliding scale with Year 1 abated at 100 percent, Year 2 at 75 percent, Year 3 at 60 percent, Year 4 at 45 percent, Year 5 at 30 percent, Year 6 at 15 percent, Year 7 at 5 percent; and

WHEREAS, 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;

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 on N. Kinser Pike comprised of the one parcel identified above should be designated as an "Economic Revitalization Area" as set forth in Indiana Code 6-1.1-12.1-1 *et. seq.*, and Petitioner's Statements of Benefits is hereby approved.

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 Indiana Code § 6-1.1-12.1-1 *et seq.*, as follows:

a. For real estate improvements for the Project, a period of seven (7) years with the following deduction schedule, pursuant to Indiana Code § 6-1.1-12.1-17:

Year 1	100%
Year 2	75%
Year 3	60%
Year 4	45%
Year 5	30%
Year 6	15%
Year 7	5%

SECTION 3. In granting this designation and deductions the Common Council incorporates Indiana Code § 6-1.1-12.1-12 and also expressly exercises the power set forth in Indiana Code § 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 $4.0 million for real estate improvements; and

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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. the six units designated as Workforce Housing Units shall be maintained for at least ninety-nine (99) years, as agreed to by Petitioner and solemnized in Petitioner's Statement of Benefits and Petitioner's Application for Designation as an Economic Revitalization Area; and

e. Petitioner will comply with all 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, 2030, 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 June 28, 2017.

PASSED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2017.

_____
SUSAN SANDBERG, President
Bloomington Common Council

ATTEST:

_____
NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____ ____, 2017.

_____
NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2017.

_____
JOHN HAMILTON, Mayor
City of Bloomington

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SYNOPSIS

This resolution designates one parcel owned by Naples, LLC on N. Kinser Pike as an Economic Revitalization Area (ERA). This designation was recommended by the Economic Development Commission and will enable the proposed residential redevelopment project to be eligible for a tax abatement. The resolution also approves the Petitioner's Statement of Benefits, authorizes a seven-year period of abatement for real property improvements, and sets a deduction schedule. Further, the resolution declares the intent of the Council to hold a public hearing on June 28, 2017 to hear public comment on the ERA designation.

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