

RESOLUTION 14-15

*passed 9-0*

**TO MODIFY AND CONFIRM RESOLUTION 14-14 WHICH DESIGNATED AN  
ECONOMIC REVITALIZATION AREA, APPROVED TWO STATEMENTS OF BENEFITS,  
AND AUTHORIZED PERIODS OF TAX ABATEMENT  
FOR REAL PROPERTY IMPROVEMENTS AND PERSONAL PROPERTY  
- Re: Properties at 304 W. Kirkwood Avenue  
(Elmore Y Orrego, LLC, Petitioner)**

- WHEREAS, Elmore Y Orrego, LLC, ("Petitioner") has filed an application for designation of the properties at 304 W. Kirkwood Avenue, Bloomington, Indiana, comprised of four parcels identified by Parcel Numbers listed below, as an "Economic Revitalization Area" ("ERA") for removal of an aging structure and construction of a new building pursuant to IC 6-1.1-12.1 et. seq.; and
- WHEREAS, the subject site is currently identified by the following Monroe County Parcel Numbers:  
53-05-33-310-260.000-005; (Alt Parcel Num 013-08290-00)  
53-05-33-310-120.000-005; (Alt Parcel Num 013-44860-00)  
53-05-33-310-139.000-005; (Alt Parcel Num 013-44850-00)  
53-05-33-310-112.000-005; (Alt Parcel Num 013-08300-00); and
- WHEREAS, the Petitioner has also submitted statement of benefits forms to the Common Council;
- WHEREAS, according to this material, the Petitioner wishes to remove a one-story office building and invest \$11.5 million in the construction of a new multi-story, mixed use office, retail and residential building and wishes to acquire new information technology equipment with an estimated investment of \$400,000, all of which will enable the retention of 53 full-time permanent positions and two part-time permanent positions with an annual payroll of \$3,637,099, excluding benefits and overtime, and will create 10 new full-time positions and two new part-time positions with an additional annual payroll of \$825,000, (the "Project"); 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; and
- WHEREAS, the Economic Development Commission has reviewed the Petitioner's application and Statement of Benefits and passed Resolution 14-02 recommending that the Common Council designate the area as an ERA, approve both Statement of Benefits forms, and authorize a five-year period of abatement for the real estate improvements and a ten-year abatement for the personal property; and
- WHEREAS, the Common Council has investigated the area and reviewed the Application and Statement of Benefits, which are attached and made a part of Resolution 14-14 and has found the following:
- A. the estimate of the value of the redevelopment or rehabilitation 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 proposed described redevelopment or rehabilitation;
  - 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 proposed described redevelopment or rehabilitation;
  - D. the redevelopment or rehabilitation has received approval from the Planning Department, is consistent with the Growth Policies Plan, is expected to be developed and used in a manner that complies with local code, and provides housing in the downtown area; and
  - E. the totality of benefits is sufficient to justify the deduction; and
- WHEREAS, the Common Council has further found that the Project will not negatively impact the ability of the Downtown Tax Increment Finance (TIF) district to meet its debt obligations; and
- WHEREAS, the property described above has experienced a cessation of growth; and
- WHEREAS, the Common Council adopted Resolution 14-14 on September 3, 2014, which designated the above property as an "Economic Revitalization Area," approved both Statement of Benefits forms, and authorized a five (5) year period of tax abatement for real estate improvements and a ten (10) year period of tax abatement for the new information technology equipment;
- WHEREAS, the City Clerk published notice of the passage of that resolution, which requested that persons having objections or remonstrance to the designation, statement of benefits submission, and findings of fact appear before the Common Council at its meeting on September 17, 2014; and

WHEREAS, the Common Council has reviewed and heard all such objections and remonstrance to such designation;

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

1. Pursuant to Indiana Code 6-1.1-12.1-1 et seq., the Common Council hereby affirms its determination made in Resolution 14-14 that the area described above, including subsequent new parcel identification numbers created by condominium subdivision within the mixed-use development project, is an "Economic Revitalization Area" and that the totality of benefits of the Project entitle the owner of the property or its successor(s) to a deduction from the assessed value of the real estate improvements for a period of five (5) years and a deduction from the assessed value of the personal property for a period of ten (10) years.

2. Pursuant to Indiana Code 6-1.1-12.1-17, the Common Council hereby sets the following abatement schedules for the Project:

a. For real estate improvements for the Project, a period of abatement for five (5) years with the following deduction schedule, pursuant to IC 6-1.1-12.1-17:

|        |      |
|--------|------|
| Year 1 | 100% |
| Year 2 | 80%  |
| Year 3 | 60%  |
| Year 4 | 40%  |
| Year 5 | 20%  |

b. For new information technology equipment as described in the application, a personal property abatement with a period of ten (10) years, with the following deduction schedule, pursuant to IC 6-1.1-12.1-17:

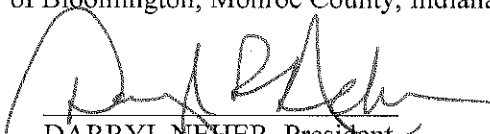
|                         |      |
|-------------------------|------|
| Each Year, 1 through 10 | 100% |
|-------------------------|------|

3. In granting this designation and deduction the Common Council incorporates I.C. 6-1.1-12.1-12. It also expressly exercises the power set forth in I.C. 6-1.1-12.1-2(I)(5) to impose additional, reasonable conditions on the rehabilitation or redevelopment beyond those listed in the Statement of Benefits. 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 \$11.5 million for real estate improvements and an estimated \$400,000 for new information technology equipment as described in the application shall be completed before or within twelve months of the completion date as listed on the application; and
- b. the land and improvements shall be developed and used in a manner that complies with local code; and
- c. the two penthouse condominium units proposed for the top floor of this project shall not be eligible for a tax abatement; and
- d. Petitioner will comply with all compliance reporting requirements in the manner described by Indiana Code, Bloomington Municipal Code, and by the Memorandum of Understanding.

4. This designation shall expire no later than December 31, 2027, unless extended by action of the Common Council and upon recommendation of the Bloomington Economic Development Commission.


PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this day of September, 2014. 12/14

  
 DARRYL NEHER, President  
 Bloomington Common Council

SIGNED and APPROVED by me upon this 18th day of SEPTEMBER

  
 MARK KRUZAN, Mayor  
 City of Bloomington

ATTEST:

  
 REGINA MOORE, Clerk  
 City of Bloomington

## SYNOPSIS

This resolution modifies and confirms Resolution 14-14 and designates four parcels and their subsequent subdivided parcels collectively owned by Elmore Y Orrego LLC and known as 304 W. Kirkwood Street as an Economic Revitalization Area (ERA). This designation was recommended by the Economic Development Commission and will enable the proposed mixed use redevelopment project, which includes newly constructed office, retail and upper-story market-rate residential units and condominiums, to be eligible for tax abatement. The resolution also approves a five-year period of abatement for real property improvements and a ten-year period for personal property abatement and sets deduction schedules for each.

*Note: At the Regular Session on September 17<sup>th</sup>, the Common Council adopted Amendment 01, which amended Section 3 (as well as the title and synopsis) to remove (and reflect removal of) the proposed tax abatement for the two penthouse condominium units on the top floor of this project.*

Signed copies to:

|                   |              |                |
|-------------------|--------------|----------------|
| Legal(s)          | MC Auditor   | Clerk (2)      |
| Controller        | MC Assessor  | CA/CA          |
| Planning & Transp | MC Recorder  | For King Books |
| ESB               | MC Treasurer |                |