

RESOLUTION 86-8

To Approve Criteria and Procedure 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, Recent amendment to 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 on real estate in areas of the City where development needs to be encouraged, while deductions for new manufacturing equipment installed within designated economic revitalization areas are limited by law to five years; and

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

WHEREAS, A Council committee was established to meet with members of the Redevelopment staff to develop criteria and procedure for considering applications for designation of areas within the City as "economic revitalization areas", and committee members recommend approval of the criteria and procedure contained in the attached application packet:

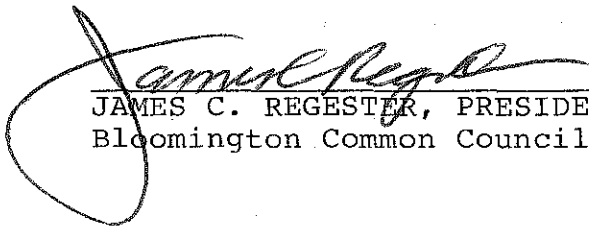
NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

Section I. The Procedure and Criteria for designation of "economic revitalization areas" within the City of Bloomington, contained in the "Property Tax Abatement Program Application Packet", attached hereto and made a part hereof, are hereby approved.

Section II. The Bloomington Redevelopment Commission is requested to continue to review all applications for designation of "economic revitalization areas" within the City of Bloomington, and based on the procedures and criteria contained in the "Property Tax Abatement Program Application Packet" shall make its advisory, non-binding recommendation to the Common Council prior to consideration by the Common Council of such application, except in the Tax Increment Finance District, where Redevelopment Commission approval is required.

Section III. The Common Council, upon receiving an application for designation of property as an "economic revitalization area", and following recommendation of the Bloomington Redevelopment Commission, shall consider by Resolution whether such designation is appropriate. If such area is designated an "economic revitalization area" by majority vote of members of the Bloomington Common Council, such Resolution shall also include a determination at the time the ERA is designated whether the deduction for such designation shall be for a period of three, six, or ten years, if the property has been redeveloped or rehabilitated, pursuant to I.C. 6-1.1-12.1-3; an owner of new manufacturing equipment located in an "economic revitalization area" is entitled to a deduction from the assessed value of that equipment for a period of five years, pursuant to I.C. 6-1.1-12.1-4.5. The Resolution, if approved, shall be filed with the Monroe County Assessor and notice of approval shall be published in accordance with law; following publication the Common Council shall hold a regular meeting and vote on a resolution confirming, modifying, or rescinding the earlier approved resolution as required by I.C. 6-1.1-12.1 et seq..


PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 5 day of March, 1986.


JAMES C. REGISTER, PRESIDENT
Bloomington Common Council

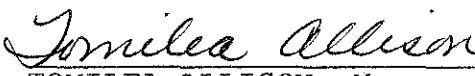
ATTEST:


PATRICIA WILLIAMS, City Clerk

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 6 day of March, 1986.


PATRICIA WILLIAMS, City Clerk

SIGNED and APPROVED by me upon this 6 day of March, 1986.


TOMILEA ALLISON, Mayor
City of Bloomington

- 3/10/86 signed copies
1. Controller 5. Redev.
2. Legal
3. Auditor
4. C of C

SYNOPSIS

Recent changes in Indiana Law require the Common Council, if designating "economic revitalization areas" for purposes of tax abatement on improvements as a result of rehabilitation or new construction on real estate within the City, to do so for a period of three, six, or ten years. This Resolution approves criteria developed by the Redevelopment Department for designation of such areas within the City, and formally approves the procedure for advisory review and recommendation by the Redevelopment Commission and designation by the Common Council of such areas for tax abatement purposes.

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 geographic areas 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:

(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%

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%

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 is considered, although in the past the City Council has primarily awarded tax abatements for projects in one of the three following described areas.

Three geographic areas within the City have been identified as areas which have suffered slow growth and deterioration of improvements under the Community Development and Housing Plan for the City which was prepared by the Redevelopment Department. 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.

These 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; and 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.

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."

If the project has not begun within twelve (12) months of the reconfirmation date of the tax abatement resolution, the City Council has the right to void the designation.

Application Procedure:

The Application along with a \$25.00 (for improvements up to \$100,00) or \$50.00 (for improvements over \$100,000) non-refundable application fee, is submitted by the property owner(s) to the Department of Redevelopment. 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 Application is then submitted to the City Council for final approval. The applicant has the right to proceed to the City Council for its approval or denial even if the Redevelopment Commission approval of the application is not obtained. However, Redevelopment Commission approval is necessary in the Downtown Redevelopment Area (Tax Increment Finance District), as provided in Resolution 85-15 of the City Council passed on May 1, 1985, before proceeding to the City Council for final action on the application. The applicant or a representative will need to be present at the Redevelopment Commission meeting and subsequent City Council meetings.

APPLICATION FOR DESIGNATION OF AN AREA
AS AN ECONOMIC REVITALIZATION AREA

CITY OF BLOOMINGTON

PROPERTY TAX ABATEMENT PROGRAM

Provide 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:

State reasons why the project site qualify 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.")

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 \$25.00 (for improvements up to \$100,000) or \$50.00 (for improvements over \$100,000) Checks should be made out to the Department of Redevelopment to:

Redevelopment Department
City Municipal Building
220 East Third Street
Bloomington, Indiana 47401
(812) 339-2261, Ext. 79

PROCEDURES FOR REVIEW OF APPLICATION
BY THE REDEVELOPMENT COMMISSION AND THE COMMON COUNCIL

I. DEFINITIONS

- A. **ECONOMIC REVITALIZATION AREA:** The State of Indiana in Indiana Code Section 6-1.1-12-1 et. seq. provides for the designation of a Economic Revitalization Area. "Economic revitalization area" means an area which is within the corporate limits of a city, town, or county which has become undesirable for, or impossible of, normal development and occupancy because of a 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. The term "economic revitalization area" also 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." The designation allows for the reduction of property taxes on a statutory scale for a period of three (3), six (6), or ten (10) years on improvements to real property or five (5) years for new manufacturing equipment after approval of designation by the Common Council.
- B. **APPLICATION FOR DESIGNATION OF AN AREA AS AN ECONOMIC REVITALIZATION AREA:** An application submitted by the property owner or by the City of Bloomington, requesting an area be designated as an Economic Revitalization Area.
- C. **APPLICATION FOR DEDUCTION FROM ASSESSED VALUATION OF STRUCTURES IN ECONOMIC REVITALIZATION AREA OF CITIES OR TOWNS IN INDIANA:** A State of Indiana Form 332 filed by the property owner with the Monroe County Auditor's Office after designation of the property as an Economic Revitalization Area.

II. PROCEDURE FOR REVIEW OF APPLICATIONS BY THE REDEVELOPMENT COMMISSION

- A. Applicant shall submit a completed copy of the Application for Designation of an Area as an Economic Revitalization Area to the City of Bloomington Redevelopment Department with a non-refundable application fee of \$25.00 for improvements up to \$100,000 and a \$50.00 application fee for improvements over \$100,000.
- B. The Department of Redevelopment shall review the application for completeness and forward the application to the Planning Department to insure compliance with City plans and zoning requirements. The Planning Department shall prepare a map/plat of the site.

C. 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.

D. 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.

III. ACTIONS BY THE BLOOMINGTON COMMON COUNCIL TO DESIGNATE THE PROPERTY AS AN "ECONOMIC REVITALIZATION AREA"

- 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 calendar.
- B. The application shall be reviewed at the next Common Council Committee meeting.
- C. The Common Council shall 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 Assessor and County Auditor concerning the application procedure required on the property after designation as an Economic Revitalization Area. (State of Indiana Form 322).

GUIDELINES TO BE USED BY THE REDEVELOPMENT COMMISSION
IN RECOMMENDING TERMS FOR TAX ABATEMENT

	Downtown	Miller Drive and Westside	Other Areas of the City
Single-Family Housing	0	0	0
Single-Family Subdivision	0	3	0
Multi-Family Housing	10	3	0
Commercial/Retail	6	0	0
Warehousing	3	0	3
Industry/Manufacturing	10	10	10
Mixed Use 50% or more Commercial/Retail	6	0	0
Mixed Use 50% or more Housing	10	0	0
Historic Properties with Local Designation	6	3	3
Hotel/Convention Facility	10	6	6

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. Permanent jobs will be created for low-income residents of the City.
2. If project is a housing development, a percentage of the units will be set aside for low-income people or the homes will be affordable for low-income people.
3. A historic building is rehabbed according to the Secretary of Interior Standards.
4. Project provides a major public infrastructure improvement.
5. Project makes a significant contribution to the revitalization of the area.

Decrease

1. The density of the area is increased by the project.
2. A zoning change is required to allow the project to proceed.
3. Historic buildings are demolished.
4. Project requires major public infrastructure improvements.
5. Other public incentives are involved in the project.
6. Project is not consistent with long range plans for the area.