

RESOLUTION 18-09

TO DESIGNATE AN ECONOMIC REVITALIZATION AREA, APPROVE THE STATEMENT OF BENEFITS, AND AUTHORIZE PERIODS OF ABATEMENT FOR REAL PROPERTY IMPROVEMENTS

- Re: Property Located at 1107 West 3rd Street and Identified by the Monroe County Parcel ID Number 53-08-05-200-044.000-009 (Milestone Ventures, LLC, Petitioner)

- WHEREAS, Milestone Ventures, LLC, (“Petitioner”), has filed an application for designation of property on West 3rd Street 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:
- 53-08-05-200-044.000-009 (Alt Parcel Num: 015-63090-00); and
- WHEREAS, the Petitioner has also submitted a statement of benefits form to the Common Council for its real estate improvements; and
- WHEREAS, according to this material, the Petitioner wishes to invest \$6.3 million to construct an affordable housing development, which will include approximately 31 residential units, (the “Project”); and
- WHEREAS, the Project will incorporate green building materials and will achieve a minimum LEED Silver green building designation; and
- WHEREAS, the Petitioner is seeking Federal Low-Income Housing Tax Credits (LIHTC) and believes the tax abatement will be crucial to its success in qualifying for these credits; and
- WHEREAS, the current design for the Project provides 42 bedrooms in those 31 units (15 studio units, 8 one-bedroom units, 5 two-bedroom units, and 3 three-bedroom units) within a two-story building; and
- WHEREAS, in years 1-15, 100% of the 31 units will be affordable to households with incomes at or below 80% of the Area Median Income, and no fewer than 75% of the units (24 units) will be affordable to households with incomes at or below 60% of the Area Median Income; and
- WHEREAS, in years 1-15, seven (7) units will be set aside as permanent supportive housing for individuals experiencing homelessness, who will receive services provided by Shalom Community Center; and
- WHEREAS, in years 1-15, an additional seven (7) units will be set aside for persons with developmental disabilities provided by LifeDesigns; and
- WHEREAS, in years 16-30, 100% of the 31 units will be affordable to households at or below 80% of the Area Median Income; and
- WHEREAS, in years 31 through 99, at least 50% of the units (16 units) will be affordable to households with incomes at or below 80% of the Area Median Income; and
- WHEREAS, rent for the aforementioned affordable units will be in accordance with the U.S. Department of Housing and Urban Development’s housing cost burden guidelines, which stipulate that the cost of housing and non-telecom utilities shall not exceed 30% of a resident’s gross income; and

WHEREAS, as required by the 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 regarding the Affordable Units; and

WHEREAS, the Project is located in the Consolidated Tax Increment Financing (TIF) allocation area (Adams Crossing Area) and Indiana Code § 6-1.1-12.1-2(k) provides that when a property is located in an Economic Revitalization Area (ERA) and also located within a TIF allocation area, the Common Council must approve the Statement of Benefits by resolution; and

WHEREAS, the Common Council finds that the Project will not negatively impact the ability of the Consolidated TIF allocation area to meet its debt obligations; and

WHEREAS, the Economic Development Commission has reviewed the Petitioner's application and Statement of Benefits and passed Resolutions 18-03 and 18-04 recommending that the Common Council designate the area as an ERA, approve the Statement of Benefits, and authorize a ten-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; and

WHEREAS, the EDC has recommended that the real property abatement be set at 98% for all ten years of the abatement; 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 and a deterioration of improvements which have made the property undesirable for normal development and occupancy;

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 property at 1107 W. 3rd Street, comprised of 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, attached hereto, 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:

For real estate improvements for the Project, a period of ten (10) years with the following deduction schedule, pursuant to Indiana Code § 6-1.1-12.1-17:

Year 1	98%
Year 2	98%
Year 3	98%
Year 4	98%
Year 5	98%
Year 6	98%
Year 7	98%
Year 8	98%
Year 9	98%
Year 10	98%

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 \$6.3 million for real estate improvements; and
- 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 affordable units as described above shall be maintained for at least ninety-nine (99) years; and
- e. Petitioner will comply with all compliance 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 27, 2018.

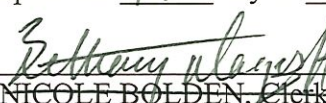
PASSED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 13 day of June, 2018.


~~DOROTHY GRANGER, President~~
Bloomington Common Council
Isabel Piedmont-Smith,
Vice Pres.


ATTEST:


~~NICOLE BOLDEN, Clerk~~
City of Bloomington
Bethany Wages, Deputy Clerk

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 14 day of June, 2018.


~~NICOLE BOLDEN, Clerk~~
City of Bloomington
Bethany Wages, Deputy Clerk

SIGNED and APPROVED by me upon this 14th day of June, 2018.


Mick Renneisen
Deputy Mayor
~~JOHN HAMILTON, Mayor~~
City of Bloomington

SYNOPSIS

This resolution designates one parcel owned by Milestone Ventures, LLC, on West 3rd Street 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 tax abatement. The resolution also authorizes a ten-year period of abatement for real property improvements and sets a deduction schedule. The resolution also declares the intent of the Council to hold a public hearing on June 27, 2018 to hear public comment on the ERA designation.