

RESOLUTION 18-10

TO MODIFY AND CONFIRM RESOLUTION 18-09 WHICH DESIGNATED AN ECONOMIC REVITALIZATION AREA, APPROVED A STATEMENT OF BENEFITS, AND AUTHORIZED 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 for its real estate improvements to the Common Council; 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 the 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 the Shalom Community Center; and

WHEREAS, in years 1-15, an additional seven (7) units will be set aside for persons with developmental disabilities, who will receive support services 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 at least 2 of the 2- or 3-bedroom-units shall be affordable for this period of time;

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 (EDC) 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;

WHEREAS, the Common Council adopted Resolution 18-09 on June 13, 2018, which designated the above property as an "Economic Revitalization Area," approved the Statement of Benefits, and authorized a ten (10) year period of tax abatement for real estate improvements; and

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 June 27, 2018; 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:

SECTION 1. Pursuant to Indiana Code § 6-1.1-12.1-1 *et seq.*, the Common Council hereby affirms its determination made in Resolution 18-09 that the area described above 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 ten (10) years.

SECTION 2. Pursuant to Indiana Code § 6-1.1-12.1-17, the Common Council hereby sets the following abatement schedule for the Project for real estate improvements:

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.


PASSED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 27th day of June, 2018.


DOROTHY GRANGER, 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 28th day of June, 2018.


NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 2^d day of July, 2018.


JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This resolution modifies and confirms Resolution 18-09, and 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 its deduction schedule.

Note: This resolution was modified by Am 01 to require that in years 31-99, at least 2 of the 2- or 3-bedroom units shall be affordable for this period.