

**RESOLUTION 21-21**

**TO CONFIRM RESOLUTION 21-20 DESIGNATING AN ECONOMIC REVITALIZATION AREA, APPROVING THE STATEMENT OF BENEFITS, AND AUTHORIZING AN ABATEMENT PERIOD FOR REAL PROPERTY IMPROVEMENTS**

**Re: Property at 1730 S. Walnut Street (Retreat at Switchyard)  
(Real America LLC/Retreat at Switchyard, LP, Petitioner)**

- WHEREAS, Indiana Code § 6-1.1-12.1-1 *et seq.* specifies that the Common Council may designate an “Economic Revitalization Area” (“ERA”); and
- WHEREAS, the Common Council of the City of Bloomington updated and adopted Tax Abatement General Standards in Resolution 21-06 that established the standards to be used in finding an area to be an ERA; and
- WHEREAS, Real America LLC and its successor Retreat at Switchyard, LP (collectively “Petitioner”), have submitted an application in which it seeks to have an area located at 1730 S. Walnut Street, Bloomington, Indiana, (“Property”) and including the following descriptions as recorded in the Monroe County Recorder’s Office, designated as an ERA:
- Parcel Numbers:       53-08-09-208-002.000-009  
                                  53-08-09-208-003.000-009  
Legal Descriptions:  015-50425-00 AUTO PARK LOT A (.60A)  
                                  015-50415-01 AUTO PARK LOT B; (.92A); and
- WHEREAS, Indiana Code § 6-1.1-12.1-1 *et seq.* provides for the designation of ERA within which property taxes may be abated on improvements to real estate; and
- WHEREAS, Petitioner has also applied for a tax abatement and submitted its Statement of Benefits form on the real estate improvements associated with its proposed affordable housing project located at the Property indicated above; and
- WHEREAS, according to its application, Petitioner has proposed investing \$11.8 million to construct an affordable housing development, which would include 64 units in a five-story building with dedicated first-floor retail space (“Project”); and
- WHEREAS, Petitioner has been awarded a 9% Low Income Housing Tax Credit by the State of Indiana for the Project; and
- WHEREAS, of the 64 total housing units in the Project, 48 units (75% of the total units) would be reserved for low to moderate-income residents for a period of 99 years, which represents more than 20% of the total available units for the purposes of Indiana Code § 6-1.1-12.1-3, and the remaining 16 units would be available for lease at the market rate; and
- WHEREAS, the affordable units in the Project would be managed by Retreat at Switchyard, LP; and
- WHEREAS, rent for the 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-telecommunication utilities shall not exceed 30% of a resident’s gross income; and
- WHEREAS, Petitioner is also partnering with Stone Belt and will set aside 10 units as housing along with additional service areas within the Project for Stone Belt’s clients; and
- WHEREAS, according to Petitioner’s Statement of Benefits, this Project would create two new full-time, permanent jobs with an estimated total annual payroll of \$80,000.00, with the lower starting full-time wage of \$35,000.00 per year; and

WHEREAS, as required by Indiana Code, Bloomington Municipal Code, and a Memorandum of Understanding to be executed between the Petitioner and the City 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 its 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 Project is located in the Thomson-Walnut-Winslow Allocation Area within the Consolidated Tax Increment Financing ("Consolidated TIF") district, and Indiana Code § 6-1.1-12.1-2(k) provides that when a property is designated as an ERA for tax abatement purposes and is also located in a TIF allocation area, the Common Council must approve the Statement of Benefits by resolution; and

WHEREAS, the Common Council of the City of Bloomington—in Ordinance 97-06—gave the Economic Development Commission the responsibility for making recommendations to the Council regarding requests for tax abatement; and

WHEREAS, on May 12, 2021, the Economic Development Commission determined that the application falls within the statutory qualifications in Indiana Code § 6.1.1-12.1-1 *et seq.* and recommended designation of the Property as an ERA and approval of Petitioner's Statement of Benefits and abatement application in Commission Resolution 21-02 and Resolution 21-03; and

WHEREAS, the Common Council has investigated the area, reviewed the Application and Statement of Benefits, and finds 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 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 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 Common Council has further found that the Project will not negatively impact the ability of the Consolidated TIF (Thomson-Walnut-Winslow Allocation Area) to meet its debt obligations; and

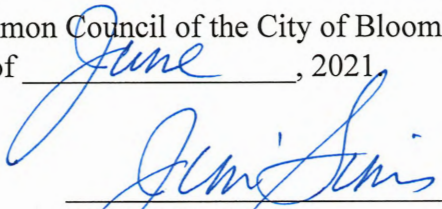
WHEREAS, the Common Council adopted Resolution 21-20 on June 2, 2021, which designated the Property as an Economic Revitalization Area, approved the Statement of Benefits, and authorized a ten-year tax abatement period for the real property improvements; and

WHEREAS, the City Clerk published notice of the passage of Resolution 21-20, which requested that persons having objections or remonstrances to the designation, the Statement of Benefits, and findings of fact appear before the Common Council at its meeting on June 16, 2021; and

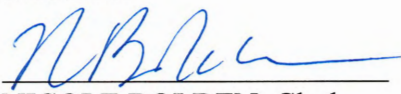
WHEREAS, the Common Council has reviewed and heard all such objections and remonstrance to the ERA designation.

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


PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this 16<sup>th</sup> day of June, 2021.

  
\_\_\_\_\_  
JIM SIMS, President  
Bloomington Common Council

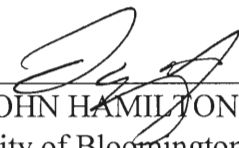
ATTEST:

  
\_\_\_\_\_  
NICOLE BOLDEN, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 25 day of June, 2021.

  
\_\_\_\_\_  
NICOLE BOLDEN, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this 25 day of June, 2021.

  
\_\_\_\_\_  
JOHN HAMILTON, Mayor  
City of Bloomington

SYNOPSIS

This resolution confirms Resolution 21-20, which designated two parcels located at 1730 South Walnut Street as an Economic Revitalization Area (“ERA”) for Real America LLC (“Petitioner”). This designation was recommended by the Economic Development Commission on May 12, 2021, and will enable the proposed affordable housing redevelopment project to be eligible for tax abatement. The resolution affirms the approval of the Petitioner’s Statement of Benefits, and it authorizes a ten-year period of abatement for real property improvements and sets the abatement schedule.

Distributed to: Clerk, Council Attorney, Legal, Mayor, EDC, Controller

SECTION 1. Pursuant to Indiana Code § 6-1.1-12.1-1, *et seq.*, the Common Council affirms its determinations made in Resolution 21-20 that the Property located at 1730 South Walnut Street, composed of the two parcels identified above, which is within the Thomson-Walnut-Winslow Allocation Area within the Consolidated Tax Increment Financing Area, is an Economic Revitalization Area as set forth in Indiana Code § 6-1.1-12.1-1, *et seq.*

SECTION 2. This designation shall expire no later than December 31, 2035, unless extended by action of the Common Council and upon recommendation of the Bloomington Economic Development Commission.

SECTION 3. The Common Council affirms its approval of the Petitioner’s Statement of Benefits for its real estate improvements, and the Common Council reaffirms that the proposed capital investment will create affordable housing units within the City.

SECTION 4. The Common Council affirms its findings that the totality of the benefits of the project entitle the Petitioner or its successor(s) to a deduction from the assessed value of the real property improvements for a period of ten (10) years.

SECTION 5. The Common Council further finds and determines 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.*, for a period of ten (10) years with the following deduction schedule:

|         |      |
|---------|------|
| Year 1  | 100% |
| Year 2  | 95%  |
| Year 3  | 80%  |
| Year 4  | 65%  |
| Year 5  | 50%  |
| Year 6  | 40%  |
| Year 7  | 30%  |
| Year 8  | 20%  |
| Year 9  | 10%  |
| Year 10 | 5%   |

SECTION 6. 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 \$11.6 million for real estate improvements;
- b. the land and improvements shall be developed and used in a manner that complies with local code;
- c. the Project shall be completed before or within twelve months of the completion date as listed on the application;
- d. the Affordable Units 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 7. The Common Council affirms its incorporation of the provisions of Indiana Code § 6-1.1-12.1-12 into Resolution 21-20, 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.