

In the Council Chambers of the Showers City Hall, Bloomington, Indiana on Wednesday, February 13, 2019 at 6:33pm with Council President Dave Rollo presiding over a Special Session of the Common Council.

COMMON COUNCIL
SPECIAL SESSION
February 13, 2019

Members present: Ruff, Sturbaum, Chopra, Piedmont-Smith, Granger, Volan, Sandberg, Sims, Rollo
Members absent: None

ROLL CALL [6:33pm]

Council President Dave Rollo gave a summary of the agenda.

AGENDA SUMMATION [6:34pm]

Councilmember Steve Volan moved and it was seconded to approve the minutes of January 16, 2019. The motion was approved by voice vote.

APPROVAL OF MINUTES [6:35pm]

January 16, 2019 Regular Session

Volan moved and it was seconded that Resolution 19-03 be introduced and read by title and synopsis only. The motion was approved by voice vote. Chief Deputy Clerk Stephen Lucas read the legislation by title and synopsis, giving the committee do-pass recommendation of Ayes: 5, Nays: 0, Abstain: 3.

LEGISLATION FOR SECOND
READING AND RESOLUTIONS
[6:36pm]

Volan moved and it was seconded that Resolution 19-03 be adopted.

Resolution 19-03 To Extend the Designation of an Economic Revitalization Area, Approve the Statements of Benefits, and Authorize A Period of Abatement for Real and Personal Property Improvements – Re: Properties at 1300 S Patterson Drive (Catalent Indiana, LLC, Petitioner)

Brian Payne, Assistant Director of Small Business Development, presented the legislation to the Council. He explained that the resolution would support job and wage growth in the community. He noted that the proposed expansion would happen in two phases and would involve both real and personal property. He said that the petitioner was planning to invest \$125 million in total, which would include adding 200 full-time jobs. He reviewed the proposed abatement schedule, which would amount to an estimated \$2.45 million over the term of the abatement. He said that staff and the Economic Development Commission strongly recommended approval of the resolution.

Councilmember Dorothy Granger asked how the abatement would impact other taxpayers.

Council Questions:

Jeff Underwood, Controller, explained the effect of an abatement on property tax rates.

Councilmember Isabel Piedmont-Smith asked if the costs of job growth, such as demand on city services and infrastructure, were calculated by the city when analyzing a proposed tax abatement.

Payne said that calculation was not part of the application form, nor was it included in the staff memorandum. He said there were also ancillary benefits from job growth that were not explicitly included.

Rollo asked about the wage floor for the added jobs.

Payne said that the lowest paying job added would pay approximately \$18 per hour.

Rollo asked if there was data available on wage floors broken down by economic sector.

Payne said that there was aggregated data available from the federal government, but there was work being done to disaggregate that data.

Piedmont-Smith asked if there was an example of an abatement that led to a decrease in property taxes.

Resolution 19-03 (cont'd)

Underwood said he could not think of a specific example because tax rates were so variable year to year. He said the total assessed value was so large that an abatement would have to be quite big before it had a noticeable impact on tax rates. He said the planned investment by the petitioner might decrease the rate by two cents.

There was no public comment:

Public Comment:

Councilmember Chris Sturbaum said that international corporations could choose where to locate, and abatements were one way to welcome them to the community while also gaining good jobs. He said that the resolution encouraged the kind of growth Bloomington wanted to see.

Council Comment:

Councilmember Andy Ruff said he did not think the costs of growth were completely measured but should be a consideration. He said he was pleased the petitioner planned to make the investments, but hoped that the added jobs were filled by local residents. He thought that the petitioner would make the same investment, regardless of whether the Council approved the abatement. He said he would oppose the abatement for that reason, not because he disapproved of the investment or of the petitioner.

Granger voiced concerns with the impact of the abatement on other taxpayers in the community. She also noted that the petitioner was already operating under an abatement.

Piedmont-Smith said she appreciated Ruff's research into abatements. She questioned how much abatements actually impacted the decision of a company to invest or not invest in a community. She thought the abatement was an odd mechanism that presented some of the problems noted by other councilmembers. She said she would support the resolution, but would closely examine future abatements.

Volan commented that past abatements were much more generous and the community received much less in return. He said that abatements could also be thought of as a phase-in of taxes owed on new investments. He agreed that the city should be judicious with abatements without fear that companies would relocate or forego investments. He thought the proposed abatement struck a good balance, and he supported the resolution.

Councilmember Susan Sandberg agreed that abatements were given out more readily in the past. She said the proposed abatement furthered the community's goal of attracting and encouraging quality job growth. She said she took a broad view of abatements and saw them as a tool to incentivize job growth with community partners. She said she would vote in favor of the resolution.

Councilmember Jim Sims said his position on the Bloomington Economic Development Commission gave him a chance to consider the issue from different perspectives. He said he took a broad view of the issue and viewed it as an investment in the overall community. He hoped that Catalent would continue to be a good community partner. He said he would support the resolution.

Councilmember Allison Chopra thought tax abatements should be used as incentives, rather than as a reward. She thought the petitioner would make the same investment without the abatement. She said she would vote no on the abatement. Piedmont-Smith said that tax abatements helped perpetuate income inequality by rewarding corporate shareholders rather than average workers. She thought that was an issue to think about moving forward.

Resolution 19-03 (cont'd)

Sturbaum said that it was sometimes tough to find a good job in Bloomington, and thought the abatement helped incentivize the addition of 200 good jobs to the community.

Rollo supported the abatement but agreed that abatements should be used judiciously. He said that Catalent had other locations, so it could have chosen to expand its operations elsewhere. He said there were natural benefits to Catalent expanding in Bloomington, but did not want to take that for granted. He said the jobs the petitioner planned to add were the jobs that the city and local educational institutions were targeting, so he thought the jobs would be filled with local residents. He appreciated the petitioner partnering with the city.

The motion to adopt Resolution 19-03 received a roll call vote of Ayes: 6, Nays: 3 (Ruff, Chopra, Granger), Abstain: 0.

Vote to adopt Resolution 19-03
[7:30pm]

Rollo moved and it was seconded to schedule an internal work session for February 15, 2019. The motion was approved by voice vote.

COUNCIL SCHEDULE [7:31pm]

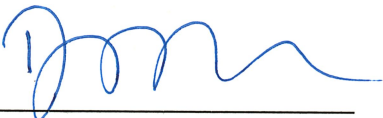
The meeting was adjourned at 7:33pm.

ADJOURNMENT

APPROVED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this 13th day of March, 2019.

APPROVE:

ATTEST:



Dave Rollo, PRESIDENT
Bloomington Common Council



Nicole Bolden, CLERK
City of Bloomington

