

# Economic Development Commission

## *2021 Activity and Tax Abatement Summary*

Economic Development  
Commission  
*June 14, 2022*

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Common Council  
*June 15, 2022*

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# Agenda

- Overview of Compliance Review Process
- Evaluative Criteria and Process
- Economic Impact of Abatements
- Residential Abatements - Project Details
- Commercial Abatements - Project Details
- Pending Abatements - Project Details
- Other Economic Development Commission Activity

# Overview of Compliance Review Process

## Annual Reporting

- Compares original commitments to self-reported results
- Taxpayer submits annual compliance form (IN Form CF-1)
  - CF-1 is filed with County Auditor for deduction administration
  - CF-1 is filed with City Clerk for reporting to Common Council
- Council has given ESD Department the responsibility to compile and report to Economic Development Commission
- Economic Development Commission forwards final report to Council for any action

# Overview of Compliance Review Process

## Roles & Responsibilities in Tax Abatement Approvals

- Economic Development Commission Recommends
- Common Council authorizes
- County administers

## City of Bloomington General Standards

- Creation of capital investment as an enhancement to the tax base
  1. Significantly increases full-time, permanent living-wage jobs;
  2. Significantly increases existing wages; or
  3. Creates affordable housing units.
- Review criteria adopted in 2021 to acknowledge affordable housing projects

# Evaluative Criteria and Process

Other evaluative criteria considered during application process:

- Quality of Life and Environmental/Sustainability
- Affordable Housing
- Community Service
- Community Character
  - Art, local business, historic preservation

# Evaluative Criteria and Process

## Authorization Process

- ESD Department
  - Receives Application and Statement of Benefits (IN Form SB-1)
  - Recommends to Economic Development Commission (EDC)
- EDC recommendation to Common Council
  - Economic Revitalization Area
    - Economic Development Target Area, if appropriate
  - Abatement term and schedule
- Common Council
  - Designating resolution
  - Public hearing and confirmatory resolution

# Evaluative Criteria and Process

- Phase-in of new property taxes
  - All or part of new assessed value exempted from paying property tax
  - Reduction of tax liability on added assessed value (AV) only – from *improvements* only
- Terms from 1 to 10 years (up to 20 years for Personal Property)
  - Sliding scale from 100% to **no** exemption on the new AV;
  - Designating body may provide an “alternative deduction schedule” (IC 6-1.1-12.1-17)

# Economic Impact of Tax Abatements

New real and personal property investment  
(Active Abatements only)

<b>Category</b>	<b>Proposed New Investment (SB-1)</b>	<b>Actual New Investment (CF-1)</b>
Mixed Use	\$11,500,000	\$ 14,500,000
Commercial RE	\$75,700,000	\$ 162,798,922
Commercial PP	\$110,000,000	\$ 138,687,453
Residential	\$21,246,130	\$ 28,891,875
<b>Total</b>	<b>\$ 218,446,130</b>	<b>\$ 344,878,251</b>



# Economic Impact of Tax Abatements

New and retained jobs and salary estimates

Total Jobs New and Retained	Total Salaries New and Retained
3,467	\$186,657,180
<i>Avg. New and Retained Salary</i> = \$53,838	

- *Excludes temporary jobs and corresponding salaries from construction.*
- *Excludes unknown salary information from some businesses leasing space in mixed-use developments, non-reported information and commissions/benefits.*

# Economic Impact of Tax Abatements

Category	Current Assessed Values (Improvements only)
Mixed Use	\$ 16,386,400
Commercial RE	\$ 63,980,400
Commercial PP	\$ 52,241,714
Residential	\$ 7,069,000
<b>Total</b>	<b>\$ 139,677,514</b>

# Economic Impact of Tax Abatements

- “But for” threshold means no increase in Assessed Value without presence of the tax abatement
- Benefits to residents are investments in quality of life: new/retained jobs, expanded community economic vibrancy, direct/indirect increased assessed value; investment in challenging property sites
- Example of impact of tax abatements on individual tax rates:
  - Assuming a flat levy
  - Total Bloomington Net Assessed Value: \$4.2 billion
  - Example: \$10 million AV @ 100% abatement = 0.2% impact on tax rate

## Southern Knoll / Milestone Ventures *1107 W 3rd St / Resolution 18-09*



## Southern Knoll / Milestone Ventures

*1107 W 3rd St / Resolution 18-10*

**Property Description:** A 31-unit 2-story affordable housing complex.

### Public Benefits:

- All units affordable to households at or below 80% AMI
- At least 75% of units affordable to households at or below 60% AMI
- 7 units set aside as permanent supportive housing for the homeless. (Shalom)
- 7 units will be set-aside for persons with developmental disabilities. (LifeDesigns)

**Development Status:** Real estate improvements are complete. Property is 100% occupied.

**Staff Recommendation:** Compliant with tax abatement commitments.

## Southern Knoll / Milestone Ventures

1107 W 3rd St / Resolution 18-09

<b>Abatement Type:</b>	Real Property (Affordable Housing)
<b>Abatement Length, Rate:</b>	10-year, 98% (Year 2 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$4,000,897	\$4,417,937	Compliant
<b>New Employment:</b>	1	2	Compliant
<b>New Salaries:</b>	\$21,372	\$71,368	Compliant

<b>Current Assessed Value:</b>	\$1,418,000
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# Residential

## Union at Crescent *N. Crescent Road / Resolution 17-30*



## Union at Crescent

*N. Crescent Road / Resolution 17-30*

**Property Description:** A new 146-unit, 5-story multi-family, mixed affordable and market rate housing development within four attached buildings.

### **Public Benefits:**

- No less than 70% or 102 units allocated to households with incomes at or below 60% of the AMI
- No less than 20% of the units will be Market Rate

**Development Status:** Real estate improvements are complete.

**Staff Recommendation:** Compliant with tax abatement commitments.



# Residential

## Union at Crescent N. Crescent Road / Resolution 17-30

<b>Abatement Type:</b>	Real Property (Affordable Housing)
<b>Abatement Length, Rate:</b>	10-year, 100% (Year 3 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$17,245,233	\$24,473,938	Compliant
<b>New Employment:</b>	5	5	Compliant
<b>New Salaries:</b>	\$135,200	\$234,400	Compliant

<b>Current Assessed Value:</b>	\$5,651,000
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# Mixed Use

## Urban Station 403 South Walnut St. / Resolution 16-12



## Urban Station

*403 South Walnut St. / Resolution 16-12*

**Property Description:** A new 4-story, mixed-use building with 7,000 sq ft of commercial space and 148 bedrooms.

### **Public Benefits:**

- No less than 15 bedrooms will be allocated to households with incomes at or below 80% of the AMI
- Rent for the affordable units may not exceed 85% of the market rate
- Affordability duration of 99 years.

**Development Status:** Real estate improvements are complete.

**Staff Recommendation:** Substantially compliant with tax abatement commitments.

# Residential

## Urban Station

403 South Walnut St. / Resolution 16-12

<b>Abatement Type:</b>	Real Property (Affordable Housing)
<b>Abatement Length, Rate:</b>	10-year, 80% (Year 5 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$11,500,000	\$14,500,000	Compliant
<b>Retained Employment:</b>	10	4	Non-Compliant
<b>Retained Salaries:</b>	\$400,000	\$150,000	Non-Compliant
<b>New Employment:</b>	5	0	Non-Compliant
<b>New Salaries:</b>	\$115,000	\$0	Non-Compliant

<b>Current Assessed Value:</b>	\$16,386,400
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# Commercial

## The Foundry *304 West Kirkwood Ave. / Resolution 14-15*



## The Foundry

304 West Kirkwood Ave. / Resolution 14-15

**Property Description:** A new 4 story, mixed-use building with 12,640 sq ft of commercial space on 1st and 2nd floor, residential condominiums above (excluded from abatement).

### Public Benefits:

- Redevelopment of parcel abutting B-Line trail
- Retention and creation of new economy jobs for growing local technology business

**Development Status:** Real estate improvements are complete. Given changes in technology, the Company no longer plans to make the personal property investment related to this abatement.

**Staff Recommendation:** Compliant with tax abatement commitments.

# Commercial

# The Foundry

304 West Kirkwood Ave. / Resolution 14-15

<b>Abatement Type:</b>	Real Property, Personal Property
<b>Abatement Length, Rate:</b>	RE 5-year, 60% (Year 3 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$11,500,000	\$17,847,312	Compliant
<b>New PP Investment:</b>	\$400,000	\$0	Not activated
<b>Retained Employment:</b>	54	54	Compliant
<b>Retained Salaries:</b>	\$3,637,099	\$4,702,485	Compliant
<b>New Employment:</b>	11	52	Compliant
<b>New Salaries:</b>	\$825,000	\$5,776,168	Compliant

<b>Current Assessed Value:</b>	\$14,857,400
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**Hoosier Energy**  
*2501 South Cooperative Way / Resolution 13-03*





# Commercial

## Hoosier Energy

*2501 South Cooperative Way / Resolution 13-03*

**Property Description:** A new multi-story, LEED-certified 80,000+ square foot headquarters building.

### Public Benefits:

- Development of a LEED-certified corporate headquarters facility
- Retention of jobs for growing local business

**Development Status:** Real estate improvements are complete.

**Staff Recommendation:** Compliant with tax abatement commitments.

# Commercial

## Hoosier Energy

2501 South Cooperative Way / Resolution 13-03

<b>Abatement Type:</b>	Real Property
<b>Abatement Length, Rate:</b>	10-year, 40% (Year 5 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$20,000,000	\$20,800,000	Compliant
<b>Retained Employment:</b>	116	116	Compliant
<b>Retained Salaries:</b>	\$11,118,764	\$11,118,764	Compliant
<b>New Employment:</b>	0	21	N/A

<b>Current Assessed Value:</b>	\$9,659,500
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## Woolery Mill Ventures, LLC

*Property at 2600 S. Kegg Rd / Resolutions 04-02; 13-14*



# Commercial

## Woolery Mill Ventures, LLC

*Property at 2600 S. Kegg Rd / Resolution: 04-02; 13-14*

**Property Description:** Renovation and reactivation of historic limestone mill.

### Public Benefits:

- Renovation of an abandoned limestone mill into a mixed use facility (original abatement forecasted 42 apts/condos, 55-room hotel, recreational amenities, event space)
- Rehabilitation to the historic standards of the Secretary of Interior.

**Development Status:** Woolery Ventures completed Phase I (event space) in May 2019. They have met their investment and construction timeline for Phase I requirements. The property owners continue to work to develop Phase II (condo/hotel) but have been significantly delayed given a variety of market pressures.

**Staff Recommendation:** Compliant with tax abatement commitments.

# Commercial

## Woolery Mill Ventures, LLC

*Property at 2600 S. Kegg Rd / Resolution: 04-02; 13-14*

<b>Abatement Type:</b>	Real Property
<b>Abatement Length, Rate:</b>	10-year, 80% (Year 3 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$4,200,000	\$4,306,645	Compliant
<b>New Employment:</b>	45	80	Compliant
<b>New Salaries:</b>	\$762,000	\$5,771,116	Compliant

<b>Current Assessed Value:</b>	\$2,057,700
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# Catalent Indiana, LLC (Formerly Cook Pharmica)

*1300 S Patterson Drive / Resolution 15-06, 19-04*



## Catalent Indiana, LLC (Formerly Cook Pharmica)

*1300 S Patterson Drive / Resolution 15-06, 19-04*

- Multiple tax abatements covering separate expansion phases and employee growth projections
- Initial abatement with Cook Pharmica, assumed by Catalent Indiana as part of its acquisition
- Real and Personal Property abatements have distinct phases
- Employee growth is blended in Catalent's CF-1's
- CF-1 data reflects total annual payroll and year-end headcount. Catalent's month-to-month average salary exceeded \$62,000.
- Projected job growth significantly exceeds commitments
- Catalent's 2022 tax abatement is pending and therefore not included in compliance assessment

**Staff Recommendation:** Compliant with tax abatement commitments.

# Commercial

## Catalent Indiana, LLC (Formerly Cook Pharmica)

1300 S Patterson Drive / Resolution 15-06

**Property Description:** Investment in building improvements, machinery and equipment in order to expand its capacity to formulate, fill and finish (package) vials and syringes.

<b>Abatement Type:</b>	Personal Property
<b>Abatement Length, Rate:</b>	10-year, 70% (Year 4 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New PP Investment:</b>	\$25,000,000	\$31,855,102	Compliant

<b>Current Assessed Value:</b>	\$7,671,997
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# Commercial

## Catalent Indiana, LLC (Formerly Cook Pharmica)

1300 S Patterson Drive / Resolution 19-04

**Property Description:** Phase 1: Build out 15,000 ft of manufacturing space to expand packaging capacity and to support new specialized device assembly.

<b>Abatement Type:</b>	Real Estate and Personal Property
<b>Abatement Length, Rate:</b>	RE: 10-year, 100% (Year 1 of Abatement) PP: 10-year, 95% (Year 2 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$40,000,000	\$119,844,965	Compliant
<b>New PP Investment:</b>	\$85,000,000	\$106,832,351	Compliant

<b>Current Assessed Value:</b>	\$81,975,517
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# Commercial

## Catalent Indiana, LLC (Formerly Cook Pharmica) 1300 S Patterson Drive / Resolution 15-06, 19-04

	Resolution 15-06		Resolution 19-04		
	SB-1	CF-1	SB-1	CF-1	Staff Evaluation
<b>Retained Employment:</b>	550	550	839	839	Compliant
<b>New Employment:</b>	70	2,579	200	2,209	Compliant
<b>Total Employment:</b>	<b>620</b>	<b>3,129</b>	<b>1,039</b>	<b>3,129</b>	<b>Compliant</b>

# Commercial

## Catalent Indiana, LLC (Formerly Cook Pharmica) 1300 S Patterson Drive / Resolution 15-06, 19-03, 19-04

	Resolution 15-06		Resolution 19-03/19-04		Staff Evaluation
	SB-1	CF-1	SB-1	CF-1	
<b>Retained Salaries:</b>	\$31,000,000	\$26,639,992	\$43,926,000	\$40,638,097	Non-Compliant
<b>New Salaries</b>	\$3,200,000	\$124,917,345	\$13,312,000	\$110,919,240	Compliant
<b>Total Salaries:</b>	<b>\$34,200,000</b>	<b>\$151,557,337</b>	<b>\$57,238,000</b>	<b>\$151,557,337</b>	<b>Compliant</b>
Total Employment:	620	3,129	1,039	3,129	Compliant
<i>Av. Salaries:</i>	\$55,161	\$48,436	\$55,090	\$48,436	Compliant *

\*See slide 31 re: average salaries

## Catalent Indiana, LLC (Formerly Cook Pharmica)

*1300 S Patterson Drive / Resolution 15-06, 19-04*

### Rationale for Staff Recommendation of Substantial Compliance

- Personal Property capital investments for 15-06 exceed commitments
- Real and Personal Property investments for 19-04 exceed commitments
- Cumulative employment growth significantly exceeds commitments
- CF-1 data reflects total annual payroll and year-end headcount. Catalent's month-to-month average salary exceeded \$62,000.

# Pending (Residential)

## Real America, LLC

*1730 S. Walnut St. / Resolution 21-20*

**Property Description:** 48 affordable units with 10 fully ADA units reserved for individuals working with StoneBelt. 6 units at 80% AMI, 6 at 70% AMI, 6 at 50% AMI, and 6 at 30% AMI. 16 additional market rate units (excluded from abatement).

**Development Status:** Project broke ground on June 9, 2022. Estimated completion: 2023.

	Commitment (SB-1)
<b>New RE Investment:</b>	\$9,777,122
<b>New Employment:</b>	2
<b>New Salaries:</b>	\$80,000

## Pending (Commercial)

### Catalent Indiana, LLC

*1300 S. Patterson Drive / Resolution 22-06*

**Property Description:** Expanded drug substance capacity in Building A (Parcel 1); expanded drug product fill/finish capacity, additional quality control lab space, and expanded packaging capacity in Building B (Parcel 1); expanded packaging capacity and additional cold storage in Building D (parcel 5); and the development of surface parking at the former IMI parcel.

#### Development Status:

	Commitment (SB-1)
<b>New RE Investment:</b>	\$10,000,000
<b>New PP Investment:</b>	\$340,000,000
<b>New Employment:</b>	1,000
<b>New Salaries:</b>	\$66,560,000

# Other Economic Development Commission Activity

- **January:** RAD Phase II inducement resolution for Crestmont
- **May:** Retreat @ the Switchyard, LP—Tax Abatement i. Resolution 21-02, ERA Designation, vote ii. Resolution 21-03, Tax Abatement Recommendation, vote
- **August:** Economic Development Revenue Bonds for Phase II of Crestmont Renovation—Resolution 21-05, RAD II, LP Approval
- **December:** Economic Development Revenue Bond for the Renovation of Country View Apartments, 2500 S Rockport Road

# THANK YOU.

## Questions?

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