



City of Bloomington Common Council

Legislative Packet

Regular Session

30 June 2010

Office of the Common Council
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**NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL REGULAR SESSION
7:30 P.M., WEDNESDAY, JUNE 30, 2010
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON ST.**

I. ROLL CALL

II. AGENDA SUMMATION

III. APPROVAL OF MINUTES FOR: June 23, 2010 (Special Session)

IV. REPORTS FROM:

- 1. Councilmembers**
- 2. The Mayor and City Offices**
- 3. Council Committees**
- 4. Public**

V. APPOINTMENTS TO BOARDS AND COMMISSIONS

VI. LEGISLATION FOR SECOND READING AND RESOLUTIONS

None

VII. LEGISLATION FOR FIRST READING

None

Motion to cancel upcoming meeting(s)

VIII. PRIVILEGE OF THE FLOOR (This section of the agenda will be limited to 25 minutes maximum, with each speaker limited to 5 minutes)

IX. ADJOURNMENT



**City of Bloomington
Office of the Common Council**

To: Council Members
From: Council Office
Re: Calendar for the Week of June 28-July 3, 2010

Monday, June 28, 2010

4:00 pm Council for Community Accessibility, McCloskey
5:30 pm Bloomington Human Rights Commission, McCloskey

Tuesday, June 29, 2010

4:00 pm Bloomington Community Farmers' Market, Madison St, Between 6th & 7th St

Wednesday, June 30, 2010

7:30 pm Common Council Regular Session, Council Chambers

Thursday, July 1, 2010

4:00 pm Bloomington Digital Underground Advisory Council, McCloskey
5:30 pm Commission on the Status of Women, McCloskey
5:30 pm Daniel Orr Reception and Book Signing, City Hall Atrium

Friday, July 2, 2010

No meetings are scheduled for this date.

Saturday, July 3, 2010

8:00 am Bloomington Community Farmers' Market, Showers Common, 401 N. Morton

Posted and Distributed: Friday, June 25, 2010

In the Council Chambers of the Showers City Hall on Wednesday, June 23, 2010 at 7:30 pm with Council President Isabel Piedmont-Smith presiding over a Special Session of the Common Council.

COMMON COUNCIL
SPECIAL SESSION
June 23, 2010

Roll Call: Mayer, Piedmont-Smith, Rollo, Sandberg, Satterfield, Sturbaum, Wisler
Absent: Ruff, Volan

ROLL CALL

Council President Piedmont-Smith gave the Agenda Summation

AGENDA SUMMATION

The minutes of the Special Session to consider amendments to the Unified Development Ordinance (occurring on July 8th, July 15th, July 29th, August 5th and September 16th of 2009) were approved by a voice vote after a minor correction.

APPROVAL OF MINUTES

The minutes of March 24, 2010 were approved by a voice vote.

REPORTS:
MAYOR and CITY OFFICES
• Tax Abatement Report

Danise Alano, Director of Economic and Sustainable Development, gave the annual tax abatement report to the council. She noted that the Economic Development Commission had recommended approval of the report and the adoption of Substantial Compliance for the projects.

Alano said that the state law allowed for local government's authority to provide a reduction of tax liability for new investment -- real property or personal property. She said this could be reconstruction or rehabilitation as long as new assessed value was generated. She noted that equipment could be new or old, as long as it was not previously taxable in Indiana. She outlined the payment schedule for both real estate and personal property as established in state statute.

Alano noted the City of Bloomington's focus in recent tax abatement grants was capital investment, new or retained jobs, historic property rehabilitation, affordable housing, downtown housing and community benefits.

Alano proceeded to summarize each active tax abatement by giving an outline of each project, its proposed and actual investments according to the Statement of Benefits and the compliance report (CF-1) forms submitted this year, and gave the staff recommendation for substantial compliance where appropriate.

She noted several tax abatements that expired in 2009, and noted that one project, Woolery Ventures, LLC, located on Tapp Road had not yet begun. She also noted the compliance forms for residences that were expected to be filed but that had not yet been received.

Alano provided some data aggregated from the compliance forms that showed trends in jobs/salary estimations, real estate and personal property investments, and total new investments. She also calculated the economic impact on all active abatements, including residential abatements as well as commercial and mixed use investments. In conclusion, Alano provided maps of the abatement projects that indicated their position in the city, and the location of the historic reuse projects as well.

Satterfield asked Alano to state for the public what would constitute substantial compliance. She said that the petitioner provided a Statement of Benefits form as part of the process. She said that this form would estimate the project's impact on job creation and capital investments in real estate or personal property. She said that each year the compliance forms (CF-1) were based on the original Statement of

Benefits. The actual job creation and investment is then compared to the Statement of Benefits to determine if the project is on target or on the way to meeting the goals. If so, they are found to be in compliance. She said that the entire term of abatement is considered time to meet the goals. She noted that construction completion date was used in determining if they are doing what they promised in the Statement of Benefits.

She said that to find a project in non-compliance was a bit more complicated. She said that state law noted that a project cannot be found in non-compliance if there are factors outside the petitioner's control such as market conditions.

Rollo asked about targeting the downtown area for residential developments that would receive tax abatements. He specifically asked if the city was succeeding in creating a diversity of different demographic groups. Alano said that the abatements achieved their intended goal. She gave the example of the Madison Park Condominiums, approved in 1991, that initiated residential density in the downtown area. She said that over time the development target would shift, with more owner occupied properties, but more professionals and more retirees living in the downtown would be encouraged.

Rollo asked about efforts to attract "green" businesses by means of abatements. Alano said that some revisions to the tax abatement guidelines would be coming to the council for consideration in late September. She said this was a tool for meeting economic development and it would be used, like other tools, to attract these businesses. She said that there would be more of a stated purpose in the new guidelines.

Rollo asked Alano what deficiencies she saw in the tax abatement strategy at this point. Alano said that the tax abatement guideline revisions had been formed with the Economic Development Commission and an advisory group. She said it had been over ten years since the present guidelines had been reviewed, and that the city's economic development strategies were now more specific, and that the market had changed.

Rollo asked about the geography of tax abatements and asked if part of the strategy was to encourage commercial developments in areas that people could walk or bike to. Alano said that current strategy was open to the city limits of Bloomington and that would not change. She said that each tax abatement was considered on a project by project basis and the same project might have different merits depending on location.

Rollo asked about the status of the Woolery Stone Mill. Alano said that the actual development project had not been initiated. She noted that Woolery was seeking economic recovery bonds through the county. She said that if the projects moved forward with any changes, Woolery would need to come back to the council for approval. Rollo said the initial proposal was intriguing.

Sandberg asked about the Hopewell Project status. Alano said the first part of the project were apartments that were transferred to Centerstone and were not taxable as they were not-for-profit. All of the homes were complete, and some of them were for sale or resale, and others were occupied by first time home buyers.

Sandberg asked about compliance forms not being submitted. Alano said it was not specific to the Hopewell project, but that single family homeowners often didn't turn in forms. She said that her staff had talked with the Monroe County Auditor's office regarding this issue. She said the information received was that that if there was no CF-1

filed, the owner would not be receiving the tax abatement for the year, although they could be eligible the following year. She said that her office made all attempts to get compliance forms from the homeowners.

Sturbaum asked Alano to speak about IMA and their community service, the primary public good indicated on their tax abatement application. She said that IMA was exceeding their target of \$200,000 in uncompensated health care in 2009. She noted that staff provided volunteer hours to VIM and that the group had also provided physicals to high school and college athletes.

Piedmont-Smith asked for clarification on the Hopewell project apartments. Alano clarified that there were two apartments managed by Centerstone and that there were twelve town homes in six buildings, which were condos.

Piedmont-Smith asked for a review of the process for granting new tax abatements. Alano said that the petitioner would first come to the Economic Development Department where they would get help on the application process. The application would then proceed to the Economic Development Commission for review and recommendation to the Common Council. She said that the council review process was in the form of a resolution and a confirming resolution after a period of public comment with public notice. She noted that the County was provided with the tax abatement information for their records.

Piedmont-Smith asked if there could be an estimate made of the amount of money not taken in by the city because of the abatements. Alano said that tax abatements were figured on new assessed value, and therefore there was no loss of assessed value from the time before the projects were done. She said she didn't think there was any tax loss, and in fact, said taxes were being phased in on the project. Piedmont-Smith said that was working on the assumption that the property owner would not have made the investment without the abatement. Piedmont-Smith noted that 100% of the increased property taxes would have been garnered if not for the abatement. Alano said she did not always have the assessed values and property tax bill information at the time the tax abatement report was being developed. She said she would try to find it in the future but had doubts as to the completeness of information she could find. She said that the tax abatement report was based on the compliance form, and that the amount of taxes was not on the form. Piedmont-Smith suggested doing the math with the known tax rate and the increased assessed value.

Satterfield asked if the end date of the abatement was adjusted to provide for the year that a CF-1 was not submitted. Alano said it was not. Satterfield noted that this was a loss for the owner. He also noted projects that had not started construction could wait until market conditions were more favorable and asked if that was a negative. Alano said that there was no assessed value, or improved value of the property, so there was no benefit provided to them at this time. She noted that as time went on, any changes to the original proposal would have to be reviewed for the abatement to proceed.

There was no public comment on this report.

Sturbaum said it was interesting to look back over the last ten years to see the amount of jobs, historic projects and affordable housing projects that existed because of the tax abatements. He especially noted the community service offerings of IMA project. He said if there was a cost, it was shared over the community and that was why it was important to determine public good in the review process. He said that

tax abatements were a good tool to use to help Bloomington grow in the direction wanted.

Rollo said downtown commercial/residential/mixed use developments were important in the economic development of the city. He said that the near future would indicate a need to focus on the diversity of local businesses that could provide goods and services in a very local setting where citizens could walk or bike or use public transportation. He said he was looking forward to reviewing the tax abatement guideline revisions.

Sandberg said the abatements profiled a good mix of projects. She said that she appreciated the compliance recommended on the Metropolitan Printing abatement. She said she would like to see more truly affordable housing options along with "green" business incentives.

Mayer said he wanted to thank the staff who facilitated the tax abatement process. He said that government couldn't always invest directly into businesses and that the tax abatement program substituted for this. Referring to the Metropolitan Printing abatement, he spoke of the shift in technology in the printing business that changed the dynamic of the industry in a short period of time.

Satterfield noted that the Economic Development Commission had reviewed this information and asked good questions. He thanked them for their efforts.

Sturbaum again commented by echoing Rollo's statement about new criteria for a new era, specifically mentioning a grocery store for neighborhoods without one as being a good example of this along with increased insulation and better construction practices.

It was moved and seconded to accept the Tax Abatement Report as presented by Alano.

The motion was approved by a voice vote of Ayes: 7, Nays: 0.

The meeting was adjourned at 8:39 pm.

ADJOURNMENT

APPROVE:

ATTEST:

Isabel Piedmont-Smith PRESIDENT
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington