

**AGENDA**  
**ECONOMIC DEVELOPMENT COMMISSION**  
**April 29, 2024 at 4:00 p.m.**

McCloskey Conference Room  
Suite 135 Bloomington City Hall  
401 North Morton Street  
Bloomington, Indiana 47404

**Join Zoom Meeting <https://bloomington.zoom.us/j/2087220462?omn=82336643318>**

**Meeting ID: 208 722 0462**

- I. ROLL CALL
- II. APPROVAL OF THE MINUTES – March 2024
- III. NEW BUSINESS
  - A. Overview of Tax Abatement Program Guidelines
  - B. Overview of Abatement Approval and Compliance Process
  - C. New Urban Station Abatement Review
- IV. BUSINESS/GENERAL DISCUSSION
- V. ADJOURNMENT

The City is committed to providing equal access to information. If you encounter difficulties accessing material in this packet, please contact Susan Coates at [esd@bloomington.in.gov](mailto:esd@bloomington.in.gov) or (812) 349-3418 and provide your name, contact information, and a link to or description of the document or web page you are having problems with.

Auxiliary aids for people with disabilities are available upon request with adequate notice. Please call 812-3493429 or e-mail [human.rights@bloomington.in.gov](mailto:human.rights@bloomington.in.gov).

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## Mar 19, 2024 | Economic Development Commission

Attendees: allenl@bloomington.in.gov  
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### Notes

- Roll Call
  - De
  - Jane
  - Isak
  - Kurt
  - Cheryl
  - Larry
  - Travis
  - John Beatty
- Approval of minutes
  - Kurt Zorn moves approval
  - Correct to Geoff McKim
  - Second from Isak
    - Roll call vote: Tim (yes), Cheryl (yes), Kurt (yes), Isak (yes)
- Election of Officers
  - PRESIDENT: Isak moves Kurt Zorn to serve as president. Tim seconds.
    - Roll call: Tim-y, Cheryl-y, Kurt-abstain, Isak-yes
  - VICE PRESIDENT: Cheryl nominates Isak as VP. Tim seconds. Roll call: Kurt-y, Cheryl-y, Tim-y, Isak-n.
  - SECRETARY: Isak nominates Cheryl. Kurt seconds. Roll call: Tim-y, Cheryl-abstention, Isak-y, Kurt-y
- Summit Development: Travis Vencel offers an overview of Summit District PUD, which will be reviewed by the Plan Commission on 03-19-2024. Vencel discusses the history of the site and the planning process to date. How do we bring a diverse and affordable housing mix to this PUD? The PUD contemplates that Adams and Sudbury Street should be completed before occupancy of any single-family - multi-family dwellings. Working with the City to develop a funding source for the completion of roads. Closest to Renwick in scale, which has taken 20 years to develop. It will be a more aggressive schedule than that. Very similar comparison. There is an area reserved for the new fire station. There are bike lanes, pedestrian lanes, and trail systems. 140 acres contains a lot of information.
  - Questions:

- Tim: Travis, you compared Renwick. How does it compare units-per-acre to Renwick? TV: Since we don't use this metric, we can't do an apples-to-apples comparison. The ordinance does not codify numbers.
- Isak: Regarding the question of density, we talk about a maximum of 4250 houses and also a percentage of affordable houses. What is the number you end up landing on?
  - We will develop each parcel within each neighborhood or with the next developer. We have tried to allow for diversity and options. Each developer will conduct a market study. There is high demand for workforce, < 80% AMI, and townhomes / paired homes.
- Isak: Will all of it be sold or will some be rentals?
  - There will be some that we retain and rent and others that others may purchase and rent. TV explains that we can build things to be owner-occupied, but in Indiana, it is very difficult to legislate who will live in what. Therefore, we have to build a mechanism.
- Isak: Do you envision any student housing here?
  - We do not envision student housing here, but I can guarantee that students will live here. We have adopted the design standards, which don't allow by-design ....., but we have not included those uses in our use table.
- Cheryl: Have you planned for an additional site for schools—elementary?
  - We have not. We have talked to MCCSC, which states that enrollment has not increased over the last 40 years. Population shifts, but we haven't seen a significant increase. We do allow schools in a couple of our districts—allowed within PUD—but at this point in time, they are not planning to add a school.
  - Cheryl notes that with 4000 units, we anticipate an increase in school-aged children.
- Isak: Some of the mock-ups include retail space. Are there going to be areas zoned for, for example, a grocery store?
  - TV: The use table includes a grocery store and a fuel station (electric or fossil fuel). 10k, 20k, or 30k SF, not talking about big box development. That may not take place. But we do have the ability to have retail.
- Isak: Where do you see the balance? The opportunity is that if you have a dense area, you also have a particular mass of retail. What's happened at Renwick—you have a coffee shop and some offices. What can we do from a government side to incentivize the critical mass of that type of development?
  - TV: You have to have residents living there.
    - You have to be flexible in how those pieces come together.
    - We have the ability to have a temporary surface parking lot, which is not typically allowed within UDO. We believe that we would like a parking structure when the scale comes, but we can't afford to build one that supports the full region.
  - Isak: Tax incentives. That comes through...

- TV is currently discussing the creation of a new TIF with Legal and ESD. They are not ready to present a formal request to EDC.
- Tim: Roads?
  - TV: How do you justify those dollars for expanding infrastructure? So yes, the cost of roads drives density, but also the density that we need as a city overall... the greatest economic advantage to serve the best.
- Cheryl: Trying to put this development in a larger context. Do you have a graphic that shows this?
  - Connectivity and Mobility map is shared.
  - TV describes connections of Sudbury on the west to Weimer and on the East to Strong Drive.
  - Weimar Rd. and 2nd St. do not currently operate very well. Before any new development, Adams will help both of those intersections because it creates another path to roundabouts. We are continuing to look at improvements—some are included in the transportation plan, some are not.
- Other Business
  - Kurt: Since there has been a turnover in membership, I would like to acknowledge Malcolm Webb's service as a member of EDC. I would like the minutes to reflect our thanks.
  - Cheryl: You may think it's strange that I'm here. Geoff McKim preceded me. He cared about this place. Bloomington is my City at the edge of the County. What's good for Bloomington is good for the county.
  - Kurt also wishes to acknowledge Geoff's service as a valuable commission member.
- The meeting adjourned at 4:51

## **City of Bloomington**

### **Tax Abatement Program: General Standards**

This document sets forth the General Standards under which the City of Bloomington may authorize deductions on the rehabilitation of real and personal property (also known as tax abatement), as allowed under Indiana law.

#### **Program Description:**

The City of Bloomington recognizes tax abatement as a useful economic development tool which can be implemented to improve the overall economic lives of citizens and to aid in achieving the Administration's vision of a strong and diverse economy, with an eye toward sustainability and balance. City of Bloomington tax abatements allow taxes on real estate improvements or eligible equipment installation to be phased in over a period of time, thus promoting new business and agencies and initiatives that improve the overall quality of life in our community. New construction, rehabilitation of existing buildings or installation of eligible equipment within designated ERAs receives tax abatement through a reduced assessed valuation on those improvements over a specified period of time.

Indiana law (Ind. Code § 6-1.1-12.1) allows up to ten year abatement on the increased assessed valuation due to construction or rehabilitation improvements in the areas of the city where development needs to be encouraged. I.C. § 6-1.1-12.1 also allows a one- to ten-year abatement on "new manufacturing equipment." The equipment must be used in "the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining or finishing or other tangible personal property; and never before used by its owner for any purpose in Indiana." Further, "enterprise information technology equipment" purchased after June 30, 2009 may also be eligible for abatement if the project is approved prior to January 1, 2013. See I.C. § 6-1.1-10-44 for the statutory definitions of "enterprise information technology equipment" and eligibility requirements.

The rate at which the new assessed valuation will be phased in for approved abatements is set forth by Indiana law (I.C. § 6-1.1-12.1-3 for real property; I.C. § 6-1.1-12.1-4.5 for eligible equipment or personal property). The City of Bloomington Economic Development Commission shall recommend a term of abatement for each project, which shall be authorized by the City Council in the process outlined below and allowed for by Indiana law. With respect to new construction and personal property, the City Council may choose to limit the dollar amount of the deduction that will be allowed.

#### **Project Eligibility:**

In order for a project to be eligible for tax abatement, the area in which it is located must be designated as an Economic Revitalization Area (ERA) by the City of Bloomington. Decisions to designate areas as ERAs are determined on a project-by-project basis for any project located within the corporate limits of the City of Bloomington.

An Economic Revitalization Area (ERA) must have “become undesirable for or impossible of, normal development and occupancy,” because of such factors as “a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property,” and includes “any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues.” (I.C. § 6-1.1-12.1-1)

**Review Criteria:**

Each project is reviewed on its own merits, and the effect of each project on the revitalization of the surrounding areas and employment is considered. Basic eligibility is achieved through demonstrating the following:

- Creation of capital investment as an enhancement to the tax base
  1. Significantly increases full-time, permanent living-wage jobs<sup>1</sup>;
  2. Significantly increases existing wages; or
  3. Creates affordable housing units.

In addition, other qualifying and evaluative criteria will be considered. The following page provides a general list of such criteria and their definitions. It is intended to be neither exhaustive nor definitive, and applicants are encouraged to submit proposals of projects that may not be found on this list but make a significant positive contribution to overall economic vitality and quality of life in the City of Bloomington.

Projects must be in accordance with the current City of Bloomington Unified Development Ordinance (UDO) and should be located within current areas of economic development focus.

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<sup>1</sup> In accordance with Chapter 2.28 (Bloomington Living Wage Ordinance) of the City of Bloomington Municipal Code.

**Additional Evaluative Criteria:**

In addition to the creation of full-time, living wage employment, capital investment enhancements to the tax base, and the creation of affordable housing units, other evaluative criteria will be considered in the review of tax abatement applications, outlined below. This list is neither exhaustive nor definitive, and applicants are encouraged to submit proposals of projects that may not be found on this list but make a significant positive contribution to overall economic vitality and quality of life in the City of Bloomington.

<b>Criteria</b>	<b>Definition</b>
<b>Quality of Life and Environmental/Sustainability</b>	A project that is consistent with or advances principles found in the Sustainability Action Plan (2018), Climate Vulnerability and Risk Assessment (2020), or the Climate Action Plan (draft, 2020), and any other future sustainability planning documents; and/or a project which results in responsible sustainable development; and/or a project that results in environmental remediation or protection which makes a positive contribution to the overall quality of life within the City of Bloomington.
<b>Affordable Housing</b>	A project which is consistent with or advances principles found in the Community Housing Needs Assessment (2016), the City of Bloomington Comprehensive Plan (2018), Bloomington Housing Study (2020) and any other future planning documents related to affordable housing. Residential developments with a recorded restriction that requires the housing for a certain number of years to be rented or owned by qualified very low and low income households are considered affordable housing. Projects of this nature may be directed toward specified individuals, for example, first-time homebuyers and persons with disabilities.
<b>Community Service</b>	Volunteerism and civic engagement, such as serving on and working with boards, commissions and foundations, in the Bloomington community.
<b>Community Character</b>	A project that preserves and/or enhances the unique character of the city of Bloomington.

*A list of examples for all criteria is provided in Appendix 1.*



**Ineligible Projects:**

Facilities as listed in Indiana Code § 6-1.1-12.1-3 are ineligible. Some facilities which are generally prohibited under this law (such as retail or residential) may be eligible to apply under these General Standards for abatement if the area of the project is designated by the City Council as an Economic Development Target Area (EDTA), as allowed by I.C. § 6-1.1-12.1-7.

Other factors which may render a project ineligible for designation by the City of Bloomington include the following:

- A building permit has been obtained or construction has been initiated prior to final approval.
- The petitioner holds outstanding obligation or debt to the City which is in default or arrears, or is currently in litigation with the City.
- The project involves the demolition or removal of structures that are listed on the local Historic Register, that are eligible for individual listing on the National Historic Register or that are contributing structures within a nationally or locally designated historic district.
- The project requires major public infrastructure improvements at additional cost to the City of Bloomington.
- The project is not consistent with the City’s long-range plans for the area in question.

The City Council may void the tax abatement designation awarded to a project if the project has not been initiated within twelve (12) months of the date of the confirmatory resolution (final approval) of the tax abatement, or if the actual use is different than that approved.

**Application Procedure and Review:**

I.C. 6-1.1-12.1 requires an applicant to file a Statement of Benefits. The Economic Development Commission shall develop and implement, with the City of Bloomington Economic & Sustainable Development Department, application and Commission review procedures to ensure consistency with Indiana statutory requirements as set forth in I.C. § 6-1.1-12.1-1 and to fulfill the purpose of these General Standards.

Each application shall be reviewed by the Economic Development Commission and any other City commission as may be required by law. The Economic Development Commission shall make the final recommendation regarding designation to the City Council, based upon criteria in these General Standards and according to Indiana Code.

A non-refundable \$100.00 application fee shall be required for each application.

The Economic Development Commission’s recommendation shall be submitted to the City Council, along with all application and supplementary documents as necessary for the designating body’s review.

The City Council's determination of whether the area shall be designated as an Economic Revitalization Area shall be based on procedures and the following findings as set forth in Indiana Code (I.C. 6-1.1-12.1):

- Whether the estimate of the value of the redevelopment or rehabilitation is reasonable for the projects of that nature.
- Whether 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 proposed described redevelopment or rehabilitation.
- Whether 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 proposed described redevelopment or rehabilitation.
- Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- Whether the totality of the benefits is sufficient to justify the deduction.

If the City Council makes the above findings in the affirmative, it shall pass a declaratory resolution to designate an area an Economic Revitalization Area, approve a Statement of Benefits and authorize the term of abatement.

If the Council recommends designation of an ERA and approval thereof, the City Clerk shall:

- A. Certify a copy of the resolution and the application to the Monroe County Assessor and Auditor's Office;
- B. Publish a legal notice to inform interested parties that the tax abatement application is available for inspection at the Assessor's Office;
- C. Set a meeting date, at which time the Common Council shall hear all remonstrance and objections to the area being designated an "Economic Revitalization Area".

The Common Council shall subsequently hold a regular meeting and vote on a resolution confirming, modifying, or rescinding the earlier resolution recommending designation and approval.

**Memorandum of Agreement:**

Upon approval by the Common Council of a confirmatory resolution:

- A. The applicant will sign a Memorandum of Agreement with the City of Bloomington, thereby agreeing to all terms set forth by the Common Council approval and as required by the City of Bloomington.
- B. The City Clerk shall certify a copy of the confirming resolution and the application to the Applicant, the Monroe County Assessor and Auditor's Office.

### **Compliance Procedures and Annual Review:**

The Department of Economic & Sustainable Development will compile a yearly compliance report related to all active tax abatement projects to present to the Economic Development Commission. The Commission will forward the report to the City Council. The report will be based upon Compliance with Statement of Benefits Forms (CF-1s) as submitted by property owners receiving tax abatement. The annual compliance process for the property owner is set forth in I.C. § 6-1.1-12.1-5.1 and additional terms may be set forth in the Memorandum of Agreement.

If the CF-1 is not filed, the benefits promised are not materialized, or other terms of the Memorandum of Agreement are not fulfilled, the Council may find the property owner not in Substantial Compliance as described below, and may act to rescind the remaining term of abatement, or enforce similar penalties as set forth in the Memorandum of Agreement.

### **Substantial Compliance Requirements:**

In addition to terms set forth in I.C. § 6-1.1-12.1-5.9, the Memorandum of Agreement may set forth additional terms related to what may constitute substantial compliance or noncompliance.

Noncompliance occurs when the designating bodies (Economic Development Commission and City Council) determine that the property owner has not made reasonable efforts to comply with the Statement of Benefits. Noncompliance may not result from factors beyond the control of the property owner, such as declining demand for the owner's products or services. If factors beyond the property owner's control do not cause noncompliance, the termination of deduction procedure will be implemented as prescribed by I.C. § 6-1.1-42-30.

Factors within the control of the property owner that may contribute to noncompliance may include, but are not limited to, the following:

- Failure to comply with any terms set forth in the Memorandum of Agreement;
- An incomplete, inaccurate, or missing CF-1;
- Petitioner vacates the city of Bloomington during the term of abatement;
- Fraud on the part of petitioner;
- Initiation of litigation with the City of Bloomington.

The City Council may void the tax abatement designation awarded to a project if the project has not been initiated within twelve (12) months of the date of the confirmatory resolution (final approval) of the tax abatement, or if the actual use is different than that approved.

## Appendix 1: Project Eligibility Criteria Examples

The following is a list of general examples. It is not intended to be exhaustive nor definitive. The Department of Economic and Sustainable Development will assist potential applicants with understanding project eligibility on a case-by-case basis.

-- Job creation

- Full-time, living-wage jobs are created for Bloomington residents – from new business or expansion of existing employee base
- Compensation may include wages and benefits such as childcare.

-- Creation of capital investment as enhancement to the tax base

- Projects that provide a major private infrastructure improvement paid by the developer
- Includes real property investment – new and existing buildings
- Includes eligible manufacturing and other eligible equipment

-- Quality of Life and Environmental/Sustainability

- Urban infill redevelopment and/or brownfield remediation<sup>2</sup>
- Green building according to “Leadership in Energy and Environmental Design” (LEED)<sup>3</sup> or other commonly accepted green building standards
- A business engaged in research and development of alternative energy production or other methods to build community resilience in a volatile energy market
- A social enterprise or business helping formerly incarcerated persons re-enter the workforce
- A business specializing in fine arts/crafts (bolstering the arts sector and assisting with diversifying the local economy).

-- Affordable Housing

- A housing development sets aside 50% of the units to be affordable (at, e.g., HUD Fair Market rent) for low income to moderate income individuals
- Housing units for workforce housing
- Housing stipulated for sale to first-time homebuyers
- Affordable housing with handicap-accessible units, and/or the units are designed for occupancy by senior citizens.

-- Community Service

- Volunteering labor, materials, money, or a combination of the three to charitable organizations and non-profit agencies that make a significant impact in Bloomington.
- Serving on boards, commissions, and/or foundations whose mission involves community service and the betterment of Bloomington.

-- Community Character

- Art space and art studio expansion and development
- Petitioner is a local home-grown business, headquartered in and/or unique to Bloomington
- Rehabilitation, preservation, and renovation of historic properties according to Secretary of the Interior Standards in consultation with the City Historic Preservation Officer.

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<sup>2</sup> 1 By definition, a brownfield site is real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. 42 U.S.C. §9601(39) (Public Law 107-118 (H.R. 2869) – “Small Business Liability Relief and Brownfields Revitalization act” – signed into law Jan. 11, 2002).

<sup>3</sup> www.usgbc.org

## Appendix 2:

### **Excerpt from IC 6-1.1-12.1-5.9: Determination of substantial compliance with statement of benefits; notice of noncompliance; hearing; resolution; appeal**

- (a) This section does not apply to a deduction under section 3 of this chapter for property located in a residentially distressed area; or
- (b) Not later than forty-five (45) days after receipt of the information described in section 5.1, 5.3(j), or 5.6 of this chapter, the designating body may determine whether the property owner has substantially complied with the statement of benefits approved under section 3, 4.5, or 4.8 of this chapter. If the designating body determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:
  - (1) An explanation of the reasons for the designating body's determination.
  - (2) The date, time, and place of a hearing to be conducted by the designating body for the purpose of further considering the property owner's compliance with the statement of benefits. The date of the hearing may not be more than thirty (30) days after the date on which the notice is mailed.
- (c) On the date specified in the notice described in subsection (b)(2), the designating body shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the hearing by the property owner and other interested parties, the designating body shall again determine whether the property owner has made reasonable efforts to substantially comply with the statement of benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the designating body determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the designating body shall adopt a resolution terminating the property owner's deduction under section 3, 4.5, or 4.8 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.
- (d) If the designating body adopts a resolution terminating a deduction under subsection (c), the designating body shall immediately mail a certified copy of the resolution to:
  - (1) the property owner;
  - (2) the county auditor; and (3) the county assessor.The county auditor shall remove the deduction from the tax duplicate and shall notify the county treasurer of the termination of the deduction. If the designating body's resolution is adopted after the county treasurer has mailed the statement required by IC 6-1.1-22-8.1, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.
- (e) A property owner whose deduction is terminated by the designating body under this section may appeal the designating body's decision by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court is final and conclusive unless an appeal is taken as in other civil actions.
- (f) If an appeal under subsection (e) is pending, the taxes resulting from the termination of the deduction are not due until after the appeal is finally adjudicated and the termination of the deduction is finally determined.

*As added by P.L.14-1991, SEC.6. Amended by P.L.90-2002, SEC.124; P.L.256-2003, SEC.7; P.L.1932005, SEC.5; P.L.154-2006, SEC.30; P.L.3-2008, SEC.37; P.L.146-2008, SEC.128; P.L.288-2013, SEC.17, eff. July 1, 2013.*

# Economic Development Commission

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## *Program Review and 2023 Activity Reported to Date*

Economic Development  
Commission  
April 29, 2024

**Jane Kupersmith**

Director of Economic & Sustainable Development  
jane.kupersmith@bloomington.in.gov

Common Council  
May 1, 2024

**Andrea “De” de la Rosa**

Assistant Director, Small Business Development  
de.delarosa@bloomington.in.gov

# Overview of Abatement Approval 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 2023 to acknowledge affordable housing projects

# 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



# 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)

# Residential

## Urban Station

401 S. Washington St. / 403 S Walnut St. / Resolution 16-11 & 16-12



# Residential

## Urban Station

*401 S. Washington St. / 403 S Walnut St. / Resolution 16-11 & 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 or CPI increases over the base rates of \$641 for a 1BR or \$1282 for a 2BR
- Affordability duration of 99 years.

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

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

- CPI increase over \$641 = \$807.66. CPI increase over \$1282 = \$1615.32
- See table below for Rental Rate as a % of Market Rate

Floorplan	#Units	Avg Sq Ft	Avg Market Rent	Market Rent Amt/Sqft	Average Leased	Rate as a % of Market	Leased Amt/SQFT	Units Occupied	Occupancy %	Units Available
A1-WFH	1	700	\$749	\$1.07	725	0.48	1.04	1	100	0
A2-WFH	1	760	\$774	\$1.02	750	0.50	0.99	1	100	0
A3	1	602	\$1,495	\$2.48	1495		2.48	1	100	0
A3-WFH	4	602	\$799	\$1.33	930	0.53	1.54	4	100	0
B1	8	956	\$1,035	\$1.08	935		0.98	6	75	0
B1-WFH	2	458	\$749	\$1.64	725	0.70	1.58	2	100	0
B2	12	1137	\$1,280	\$1.13	1103.89		0.97	9	75	8
B3	8	917	\$1,183	\$1.29	1083.13		1.18	8	100	0
B3-WFH	2	459	\$749	\$1.63	725	0.63	1.58	1	50	1
C1	36	1210	\$1,061	\$0.88	1035.63		0.86	24	66.67	9
D1	12	1605	\$1,074	\$0.67	1063.75		0.66	12	100	5
D2	24	1336	\$856	\$0.64	846.11		0.63	18	75	2
D3	36	1454	\$960	\$0.66	955.18		0.66	34	94.44	5
Suite 100	1	1	\$2,440	\$2,440.00	2643		2643.00	1	100	0
Total / Averages	148	1231	\$1,086	\$0.88	992.16		0.81	122	88.29	30

# Residential

## Urban Station

401 S. Washington Street / Resolution 16-12

<b>Abatement Type:</b>	Real Property (Affordable Housing)
<b>Abatement Length, Rate:</b>	10-year, 30% (Year 7 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$11,500,000	\$11,500,000	Compliant
<b>Retained Employment:</b>	10	10	Compliant
<b>Retained Salaries:</b>	\$400,000	\$400,000	Compliant
<b>New Employment:</b>	5	5	Compliant
<b>New Salaries:</b>	\$165,000	\$170,000	Compliant
<b>Assessed Value:</b>	N/a	\$17,078,700	Compliant

# THANK YOU.

## Questions?

*Jane Kupersmith*

Director of Economic & Sustainable Development  
[jane.kupersmith@bloomington.in.gov](mailto:jane.kupersmith@bloomington.in.gov)

**Andrea “De” de la Rosa**

Assistant Director, Small Business Development  
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**RESOLUTION 16-12**

**TO MODIFY AND CONFIRM RESOLUTION 16-11 WHICH DESIGNATED AN ECONOMIC REVITALIZATION AREA, APPROVED A STATEMENTS OF BENEFITS, AND AUTHORIZED A PERIOD OF TAX ABATEMENT FOR REAL PROPERTY IMPROVEMENTS**

**- Re: Properties at 405 S. Walnut Street; 114, 118, and 120 E. Smith Avenue; and 404 S. Washington Street**

**(H.M. Mac Development, LLC, Petitioner)**

WHEREAS, H.M. Mac Development, LLC, (“Petitioner”) has filed an application for designation of the properties at 405 S. Washington Street; 114, 118, and 120 E. Smith Avenue; and 404 S. Washington Street, Bloomington, Indiana, and identified by the Parcel Numbers listed below, as an Economic Revitalization Area (“ERA”) pursuant to Indiana Code 6-1.1-12.1 *et seq.*; and

WHEREAS, the subject site is currently identified by the following Monroe County Parcel Numbers:

53-08-04-200-037.000-009 (Alt Parcel Num: 015-35020-00)  
53-08-04-200-088.000-009 (Alt Parcel Num: 015-35010-00)  
53-08-04-200-021.000-009 (Alt Parcel Num: 015-35030-00)  
53-08-04-200-185.000-009 (Alt Parcel Num: 015-10000-00)  
53-08-04-200-203.000-009 (Alt Parcel Num: 015-33130-00); and

WHEREAS, the Petitioner has also submitted a statement of benefits form to the Common Council regarding its real estate improvements; and

WHEREAS, according to this material, the Petitioner wishes to invest \$11.5 million to construct two four-story mixed use buildings, which will include approximately 8,000 square feet of retail or commercial space, and 54 residential units (the “Project”); and

WHEREAS, when the proposal was submitted to the Council in June, five of the residential units were be Workforce Housing Units, available for at least thirty (30) years to residents who held a full time job (constituting at least thirty five hours per week) and made less than or equal to the Bloomington Living Wage, with rents that were based on thirty percent—the average percent of income that is used for housing—of the resident’s annual wages; and

WHEREAS, as required by 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; and

WHEREAS, the Economic Development Commission has reviewed the Petitioner’s application and Statement of Benefits and passed Resolution 16-02 recommending that the Common Council designate the area as an ERA, approve the Statement of Benefits, and authorize a five-year period of abatement for the real estate improvements; and

WHEREAS, pursuant to Indiana Code § 6-1.1-12.1-3(b), the Common Council has investigated the area and reviewed the Application and Statement of Benefits, which are attached and made a part of this Resolution and has found the following:

- A. the estimate of the value of the redevelopment or rehabilitation 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 proposed described redevelopment or rehabilitation;
- 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 proposed described redevelopment or rehabilitation;
- D. the redevelopment or rehabilitation has received approval from the Planning Department, is consistent with the Growth Policies Plan, is expected to be developed and used in a manner that complies with local code, and provides housing in the downtown area; 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 Tax Increment Finance (TIF) district to meet its debt obligations; and

WHEREAS, the property described above has experienced a cessation of growth; and

WHEREAS, after a vote of the Common Council at its meeting on July 13, 2016 and subsequent signature by the Mayor, the City adopted Resolution 16-11, which designated the above property as an "Economic Revitalization Area," approved the Statement of Benefits, and authorized a three (3) year period of tax abatement for real estate improvements;

WHEREAS, in conjunction with Resolution 16-11, the Common Council and Mayor also adopted Ordinance 16-17, which designated this site as an Economic Development Target Area (EDTA), as required by Indiana Code § 6-1.1-12.1-7(a) and as recommended by the EDC with adoption of its Resolution 16-01;

WHEREAS, the City Clerk published notice of the passage of Resolution 16-11, 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 August 31, 2016; and

WHEREAS, after an amendment of the Common Council was adopted on August 31, 2016, a total of fifteen bedrooms will be for Workforce Housing, available to residents who work at least thirty five hours per week and (2) whose total household income is less than 80% of the Area Median Income for the household size or where every wage earner in the household earns less than or equal to the Bloomington Living Wage; and

WHEREAS, the rent for a one bedroom Workforce Housing unit shall not exceed Six Hundred Forty One Dollars per month (\$641) and the rent for a two bedroom Workforce Housing unit shall not exceed One Thousand Two Hundred Eighty Two Dollars (\$1,282), which may increase annually by the Consumer Price Index; and

WHEREAS, in no event may the rent for a Workforce Housing unit exceed eighty-five percent (85%) of the market rate rent for those bedrooms; and

WHEREAS, the Workforce Housing Units will be available for at least ninety-nine (99) years; 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:

1. Pursuant to Indiana Code § 6-1.1-12.1-1 *et seq.*, the Common Council hereby modifies and confirms its determination made in Resolution 16-11 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.

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:

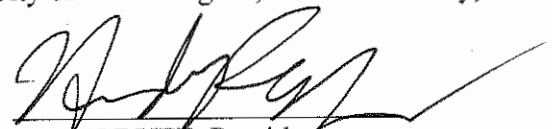
Year 1	100%
Year 2	95%
Year 3	90%
Year 4	85%
Year 5	80%
Year 6	30%
Year 7	30%
Year 8	20%
Year 9	10%
Year 10	10%

3. In granting this designation and deduction the Common Council incorporates Indiana Code § 6-1.1-12.1-12. It also expressly exercises the power set forth in Indiana Code § 6-1.1-12.1-2(i) (5) to impose additional, reasonable conditions on the rehabilitation or redevelopment beyond those listed in the Statement of Benefits. 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 \$11.5 million for real estate improvements shall be completed before or within twelve months of the completion date as listed on the application; and
- b. the land and improvements shall be developed and used in a manner that complies with local code; and
- c. the Workforce Housing Units shall be maintained for at least ninety-nine (99) years; and
- d. Petitioner will comply with all compliance reporting requirements in the manner described by Indiana Code, Bloomington Municipal Code, and by the Memorandum of Understanding.

4. This designation shall expire no later than December 31, 2024, unless extended by action of the Common Council and upon recommendation of the Bloomington Economic Development Commission.

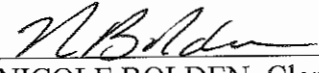
PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 31 day of August, 2016.

  
ANDY RUFF, 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 1<sup>st</sup> day of September, 2016.

  
NICOLE BOLDEN, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this 1<sup>st</sup> day of September, 2016.

  
JOHN HAMILTON, Mayor  
City of Bloomington

#### SYNOPSIS

This resolution modifies and confirms Resolution 16-11 and designates five parcels owned by H.M. Mac Development, LLC and known as 405 S. Walnut Street; 114, 118, and 120 E. Smith Avenue, and 404 S. Washington Street as an Economic Revitalization Area (ERA). This designation was recommended by the Economic Development Commission and will enable the proposed mixed use redevelopment project, which includes newly constructed retail/commercial and residential units, to be eligible for tax abatement. The resolution also approves a ten-year period of abatement for real property improvements and sets its deduction schedule, in exchange for the inclusion of 15 bedrooms of Workforce Housing.

*Note: This resolution was amended by the Council at its Regular Session on August 31, 2016 with adoption of Am 01 and Am 02.*

#### *Am 01:*

- *indicated that the resolution was modified and confirmed;*
- *reflected the legislative history;*
- *set a maximum differential between market and workforce housing rent of 85%;*
- *approved a 10-year alternate schedule of abatement with a 10% abatement in year 10; and*
- *established that 15 bedrooms (equal to 10% of the bedrooms in the project) will be available for workforce housing for a period of 99 years.*

*Am 02 was amended on the floor of the Council and revised one Whereas Clause inserted by Am 01 and added two more Whereas clauses, which together:*

- *made the Workforce Housing units available to residents who "work at least thirty five hours per week and (2) whose total household income is less than 80% of the Area Median Income for the household size or where every wage earner in the household earns less than or equal to the Bloomington Living Wage;" and*
- *assured that the rent for a one bedroom Workforce Housing unit shall not exceed Six Hundred Forty One Dollars per month (\$641) and the rent for a two bedroom Workforce.*