



## Packet Related Material

### **Memo**

### **Agenda**

### **Calendar**

### **Notices and Agendas:**

**Agenda** for Jack Hopkins Social Services Funding Committee Allocation Meeting on Monday, May 24<sup>th</sup> at 5:30 p.m. in the Council Chambers

**Notice** of the Council Sidewalk Committee Meeting on Wednesday, May 26<sup>th</sup> at noon in the McCloskey Room

### **Legislation for Discussion:**

**Res 04-11** To Amend Resolution 03-26 to Revise the Map for a Community Revitalization Enhancement District (Creed) for the Downtown Area

- Revised Map; Memo from Ron Walker, Director of Economic Development; Map with the Existing and Revised Boundaries; Map of District Indicating Sites for Potential Development and the Downtown Development Overlay Zone; April 30<sup>th</sup> Letter from the State Budget Agency

*Contact: Ron Walker at 349-3534 or [walkerr@bloomington.in.gov](mailto:walkerr@bloomington.in.gov)*

**Ord 04-11** To Amend Title 15 of the Bloomington Municipal Code Entitled "Vehicles And Traffic" - Re: Certain Stop and Signalized Intersections, Speed Zones, and Parking Regulations

*(Please see the packet distributed on May 14<sup>th</sup> for the May 19<sup>th</sup> Regular Session to find the summary, legislation, and background material)*

- Revised Am 3 – this and the other two amendments reflect recommendations of the Traffic Commission. The initial amendment proposed a signal at Henderson Street and Atwater Avenue. The revised amendment includes another, overlooked recommendation of the Commission, which would restrict right turns from Henderson Street to Atwater Avenue while the light is red.

*Contact: Justin Wykoff at 349-3593 or [wykoffj@bloomington.in.gov](mailto:wykoffj@bloomington.in.gov)*

## Memo

**Jack Hopkins Social Services Funding Committee Allocation Meeting on  
Monday, May 24<sup>th</sup> at 5:30 p.m. in the Council Chambers**

**Council Sidewalk Committee at Noon on Wednesday, May 26<sup>th</sup> in the  
McCloskey Room**

**Chair of Meeting: Sturbaum**

**Two Items for Discussion at Your Committee of the Whole on May 26<sup>th</sup>**

There is a resolution and an ordinance on your Committee of the Whole agenda next Wednesday. The resolution can be found in this packet and the ordinance can be found in the packet for the May 19<sup>th</sup> Regular Session which was distributed on May 14<sup>th</sup>. The two items are synopsized below and the resolution is summarized further in the memo.

### Items for Discussion at the May 26<sup>th</sup> Committee of the Whole

**Res 04-11** Amending Res 03-26 by replacing the map and reducing the size of the Downtown CREED

**Ord 04-11** Amending Title 15 (Vehicles and Traffic) regarding certain stop and signalized intersections, speed zones, and parking regulations. *(Please note that it is accompanied by three amendments proposed by the Traffic Commission.)*

***Revised Am 3 (in this packet)** – Am 3 has been revised to fully reflect the recommendations of the Traffic Commission. The amendment initially proposed a signalized intersection at Henderson Street and Atwater Avenue, and now has been revised to include a restriction on turning from Henderson to Atwater when the light is red.*

**Item One – Res 04-11 Proposing a Smaller Boundary for the Downtown CREED**

**Res 04-11** amends Res 03-26 by proposing a smaller boundary for the Downtown Community Revitalization Enhancement District (CREED). As many of you recall

and as Ron Walker, Economic Development Director, notes in his memo, the City began the process of creating a downtown CREED last September when it adopted Res 03-26. We already had one CREED district at the former Thomson site and, as a result in state law, sought another for the downtown.

### Boundaries of CREED were Too Large for the State Budget Agency

The resolution last year authorized the Mayor to request that the Bloomington Industrial Advisory Commission (BIDAC) take the necessary steps to create a downtown CREED. Those steps were taken last fall and included finding the need for the district, preparing a map, adopting a resolution, and submitting an application to the State Budget Agency for its approval. Since he took his position in January, Ron has been working with the State Budget Agency (SBA) regarding the size of the district. The SBA was concerned because the legislation diverts a certain amount of sales and income taxes away from other taxing entities to the City for enhancing the district. It argued for a smaller district in order to tie the new revenues to redevelopment rather than normal economic growth and in order to bring the administrative burden of tracking revenues within reason. (See SBA letter dated April 30<sup>th</sup>)

After months of negotiations, Ron is confident that the smaller boundaries drawn in the revised map will be acceptable to the SBA as well as be useful for the City, and is requesting that the Council adopt it. As the maps in the packet demonstrate, the revised area is about 40% of the size of the former district and centers around prime sites for redevelopment. (See maps in packet)

### Reprise of the CREED Economic Development Tools

The CREED legislation gives localities special tools to use for revitalizing areas that face unusual obstacles to economic growth. In brief, these tools include:

- Capturing 75% of income and sales taxes over a base amount up to \$750,000 per year and placing these revenues into a local Industrial Development Fund (IDF), which then may be expended by the Council upon recommendation of the local 9-member Bloomington Industrial Advisory Board (BIDAC) for the purpose of enhancing the value of real property within the district;
- Authorizing the City to bond, levy a tax of no more than .0167 cents per \$100 of assessed valuation (which the City has not pursued), deal in real property, and enter into agreements to provide incentives for developers to redevelop real property; and

- Offering property owners (and assignees) a 25% credit against their income taxes for "qualified expenditures." These expenditures must be for the redevelopment and rehabilitation of property within the CREED district that are made under a plan adopted by the BIDAC and approved by the Department of Commerce before the expenditure is made. The resulting credits may be carried over to reduce future income taxes, but are not available to tax payers who substantially reduce operations elsewhere in Indiana in order to relocate to the district. (I.C. 6-3.1-19- 2 thru 5).

## Resolution

In brief, Res 04-11:

- Summarizes Res 03-26, which began the process of creating the downtown CREED;
- Recites the history of this legislative program from the adoption of the resolution through the negotiation with the State Budget Agency regarding the size of the district;

And then resolves to:

- Amend Res 03-26 by adopting a map which encompasses a smaller area; and
- Confirm and ratify all the findings made in the original resolution (regarding the need for the district and our eligibility to create it).

**NOTICE AND AGENDA  
BLOOMINGTON COMMON COUNCIL COMMITTEE OF THE WHOLE  
7:30 P.M., WEDNESDAY, MAY 26, 2004  
COUNCIL CHAMBERS  
SHOWERS CENTER, 401 N. MORTON**

**Chair: Sturbaum**

1. Resolution 04-11 To Amend Resolution 03-26 To Revise the Map for a Community Revitalization Enhancement District (CREED) for the Downtown Area

Asked to Attend:     Ron Walker, Director of Economic Development

2. Ordinance 04-11 To Amend Title 15 of the Bloomington Municipal Code Entitled “Vehicles and Traffic” – Re: Certain Stop and Signalized Intersections, Speed Zones, and Parking Regulations

Asked to Attend:     Justin Wykoff, Manager of Engineering Services  
Representative of the Traffic Commission

City of  
Bloomington  
Indiana

City Hall  
401 N. Morton St.  
Post Office Box 100  
Bloomington, Indiana 47402



**Office of the Common Council**  
(812) 349-3409  
Fax: (812) 349-3570  
e-mail: council@bloomington.in.gov

**To: Council Members**  
**From: Council Office**  
**Re: Calendar for the Week of**  
**May 24, 2004 – May 29, 2004**  
**Date: May 21, 2004**

Monday, May 24, 2004

5:30 pm Bloomington Human Rights Commission, McCloskey  
5:30 pm Jack Hopkins Social Services Funding Committee, Chambers

Tuesday, May 25, 2004

4:00 pm Board of Park Commissioners, Council Chambers  
5:30 pm Public Transportation Corporation Board, Transportation Center – 130 W. Grimes

Wednesday, May 26, 2004

2:00 pm Hearing Officer, Kelly  
6:30 pm Metropolitan Planning Organization – Citizen Advisory Committee, McCloskey  
7:30 pm Common Council – Committee of the Whole, Chambers

Thursday, May 27, 2004

5:30 pm Board of Zoning Appeals, Chambers  
7:00 pm Environmental Commission, McCloskey

Friday, May 28, 2004

*There are no meetings scheduled for today.*

Saturday, May 29, 2004

7:00 am Bloomington Community Farmers' Market, Showers Common

# **AGENDA**

**THE JACK HOPKINS  
SOCIAL SERVICES FUNDING COMMITTEE MEETING  
ON MONDAY, MAY 24, 2004, AT 5:30 P.M.  
IN THE COUNCIL CHAMBERS (401 NORTH MORTON)  
TO MAKE FUNDING RECOMMENDATIONS**

1. Preliminary Matters
  - Summary of Agenda
  - Announcing Potential Conflicts of Interest
2. Funding Recommendations
3. Other Matters
  - Reminder for Agencies to Review Draft Funding Agreements
  - Other Matters
4. Adjournment



City of Bloomington  
Office of the Common Council

# MEETING NOTICE

## Common Council Sidewalk Committee

The Common Council Sidewalk Committee will meet at 12:00 p.m. on Wednesday, May 26, 2004. The meeting will be held in the McCloskey Room, at City Hall (401 N. Morton Street). The purpose of the meeting is to discuss sidewalk projects and procedures for 2004. Because a quorum of the Council may be present, this meeting would also constitute a meeting of the Council as well as of this committee under the Indiana Open Door Law. For that reason, this statement is providing notice that this meeting will occur and is open for the public to attend, observe, and record what transpires.

Dated and Posted: Friday, May 21, 2004



**\*\*\* Amendment Form \*\*\***

**Ordinance #:** 04-11

**Amendment #:** 03 (Revised)

**Submitted By:** Traffic Commission

**Date:** Initially distributed on May 14<sup>th</sup> and subsequently revised on May 22<sup>nd</sup>

**Proposed Amendment:**

1. SECTION IV of Ordinance 04-11, regarding Section 15.12.030 Schedule D of the Bloomington Municipal Code shall be amended to add the following:

SIGNALIZED INTERSECTIONS

<b>Cross Street</b>	<b>Cross Street</b>	<b>Flasher Hours and Days</b>	<b>Preferentiality</b>
Atwater Avenue	Henderson Street	23:00-6:00 7 days	Atwater Avenue

2. A new SECTION V shall be inserted into Ordinance 04-11 and the subsequent sections shall be renumbered accordingly. The new Section V shall amend Schedule H in Section 15.20.020 of the Bloomington Municipal Code by adding the following intersection:

SCHEDULE H

RESTRICTED TURNS ON RED AT SIGNALIZED INTERSECTIONS

<b>Intersection</b>	<b>From</b>	<b>To</b>
Henderson Street & Atwater Avenue	South	East

**Synopsis**

This amendment is proposed by the Traffic Commission and would authorize a signal at the intersection of Henderson Street and Atwater Avenue. It was revised on May 22<sup>nd</sup> to reflect the recommendation of the Traffic Commission to prohibit a right turn on a red light at this intersection.

**5/26/04 Committee Action:** Pending

**6/2/04 Regular Session Action:** Pending  
(May 22, 2004)

**RESOLUTION 04-11**  
**TO AMEND RESOLUTION 03-26 TO REVISE THE MAP**  
**FOR A COMMUNITY REVITALIZATION ENHANCEMENT DISTRICT (CREED)**  
**FOR THE DOWNTOWN AREA**

WHEREAS, in 2003 the Bloomington Common Council, by Resolution 03-26, authorized the Mayor to apply to the Bloomington Industrial Development Advisory Commission (BIDAC) pursuant to Indiana Code 36-7-13 for creation of a CREED district in downtown Bloomington; and

WHEREAS, the BIDAC approved the application on October 28, 2003 in its Resolution 03-04; and

WHEREAS, final approval of the downtown CREED must be given by the State Budget Committee and the State Budget Agency; and

WHEREAS, both Council Resolution 03-26 and BIDAC Resolution 03-04 authorized as the proposed CREED an area depicted on a map, hereinafter referred to as the "Original Map," that was bounded primarily by Grimes Lane to the south, the railroad tracks north of 12<sup>th</sup> Street on the north, the Indiana University campus on the east, and Rogers Street on the west; and

WHEREAS, the State Budget Agency has advised the City that the City's proposed downtown CREED as shown on the Original Map contains so many businesses that calculation of the revenue base with which to compare ongoing economic activity would be extremely burdensome, and has asked the City to reduce the size of the proposed CREED; and

WHEREAS, after discussions with the State Budget Agency on revised boundaries for the proposed CREED, the City has prepared a map, hereinafter referred to as the "Revised Map," that is attached hereto and incorporated herein by reference, to satisfy the issues raised by the State Budget Agency; and

WHEREAS, all parcels proposed for inclusion in the CREED on the Revised Map were areas that were proposed for inclusion on the Original Map; and

WHEREAS, in Resolution 03-26, the Council made all the statutory findings required to be made for establishment of a CREED pursuant to IC 36-7-13-12.1, and said findings remain applicable to the Revised Map, and should be ratified and confirmed;

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

SECTION 1. Resolution 03-26 shall be amended by replacing the Original Map that was attached to the resolution with the Revised Map. The Revised Map is attached to the current resolution and is incorporated by reference into the former resolution. Two copies of the Revised Map have been filed with the Office of the City Clerk and are available for public inspection. The Revised Map shall also be attached to the application to the Bloomington Industrial Development Commission (BIDAC), which requests the designation of a CREED district for the City's downtown commercial area.

SECTION 2. All findings made by the Council in Resolution 03-26 regarding the establishment of a CREED in the downtown area are hereby ratified and confirmed.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
MICHAEL DIEKHOFF, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
MARK KRUZAN, Mayor

#### SYNOPSIS

This resolution amends Resolution 03-26, which authorized the Mayor to apply to the Bloomington Industrial Development Commission (BIDAC) for the creation of a Community Revitalization Enhancement District (CREED) encompassing much of the City's downtown area. It replaces the map, which is attached to the resolution and the application to the Bloomington Industrial Development Advisory Commission (BIDAC), with one that depicts a reduced area.



## Memorandum

**To:** City of Bloomington Common Council  
**From:** Ron Walker, Director of Economic Development  
**Date:** May 18, 2004  
**Regarding:** Resolution 04-11  
Downtown Community Revitalization Enhancement District

On September 24, 2003 the Common Council approved Resolution 03-26 allowing the Office of the Mayor to submit an application to the Bloomington Industrial Development Advisory Commission (BIDAC) for the establishment of a downtown CREED. The BIDAC subsequently approved the application and authorized submittal to the Indiana State Budget Agency.

*Upon taking office on January 1, 2004 I learned that the City of Bloomington's proposal for a downtown CREED would likely receive a recommendation for denial from the State Budget Committee and subsequent denial from the State Budget Agency (the Director of the State Budget Agency grants final approval) if the district boundaries could not be amended.* The State Budget Agency sent a memorandum to the Office of the Mayor on December 3, 2003 outlining several concerns and criteria that were guiding their consideration of Bloomington's downtown CREED proposal.

On January 12, 2004 the State Budget Committee considered Bloomington's proposal for a downtown CREED. Being aware of the status of our proposal at the state level, having reviewed the memorandum sent on December 3, 2003 and having spoken previously to Marilyn Schultz, Director of the State Budget Agency, and Senator Vi Simpson regarding the boundaries of the district, I gave a brief presentation on our CREED boundaries. The committee did not take a vote of approval or denial so that the City of Bloomington could work with the State Budget Agency on our CREED boundary revisions and amend our proposal to more accurately reflect state criteria for the creation of this type of tax district.

Since the January 12, 2004 meeting, the Office of the Mayor has worked with state officials, local organizations, local businesses and city staff to determine the boundaries for a CREED district that will enable the continued revitalization of our downtown and meet the approval of the state. We have had several communications (both via phone and in person) with the State Budget Agency and Department of Revenue to discuss our proposal. On April 30, 2004 we received a letter from the State Budget Agency which clearly outlined the state's criteria (the letter is included in this packet). An excerpt from the letter is as follows:

*"In the original plan submitted by Bloomington, the district was so large, the numbers of businesses so numerous, that defining a revenue base against which to compare on-going economic activity would have been an extraordinarily burdensome if not impossible task for the*

***Department of Revenue. We have appreciated working with your administration to determine a district which is more manageable, which meets statutory requirements, our criteria, and which, at the same time, provides the City of Bloomington with tools to enhance economic growth.”***

The letter also outlined five concerns and criteria regarding the CREEDs and other tax increment districts. Since receiving the April 30, 2004 letter, the Office of the Mayor has received a favorable review of our draft CREED boundaries from the state and we feel confident that the district will be approved at the state level. We also believe the revised CREED district offers a tremendous opportunity for focused redevelopment and new development in downtown Bloomington and that CREED revenues will be a significant source of financing for future public improvements.

The purpose of creating a downtown CREED district remains the same as it was with the previous submittal:

- To retain and create employment opportunities in downtown Bloomington
- To overcome obstacles to downtown business development such limited parking, and deteriorating infrastructure

Indiana code provides the criteria for establishing a second CREED district for cities that already have an established CREED. The BIDAC must find that redevelopment of the proposed CREED will:

- Promote significant opportunities for gainful employment of its citizens;
- Attract a major new business or retain; or
- Retain or expand a significant business within the area

Additionally, the BIDAC must find that significant obstacles to redeveloping the area exist, including any of the following:

- Obsolete or inefficient buildings;
- Aging infrastructure of ineffective utility services;
- Transportation or access problems;
- Lack of development or cessation of growth;
- Deterioration of improvements or character of occupancy, age, obsolescence or substandard buildings; and
- Other factors that have impaired values or prevent a normal development or use of property

The downtown CREED will help the City of Bloomington address the barriers mentioned above through the economic incentives that a CREED offers:

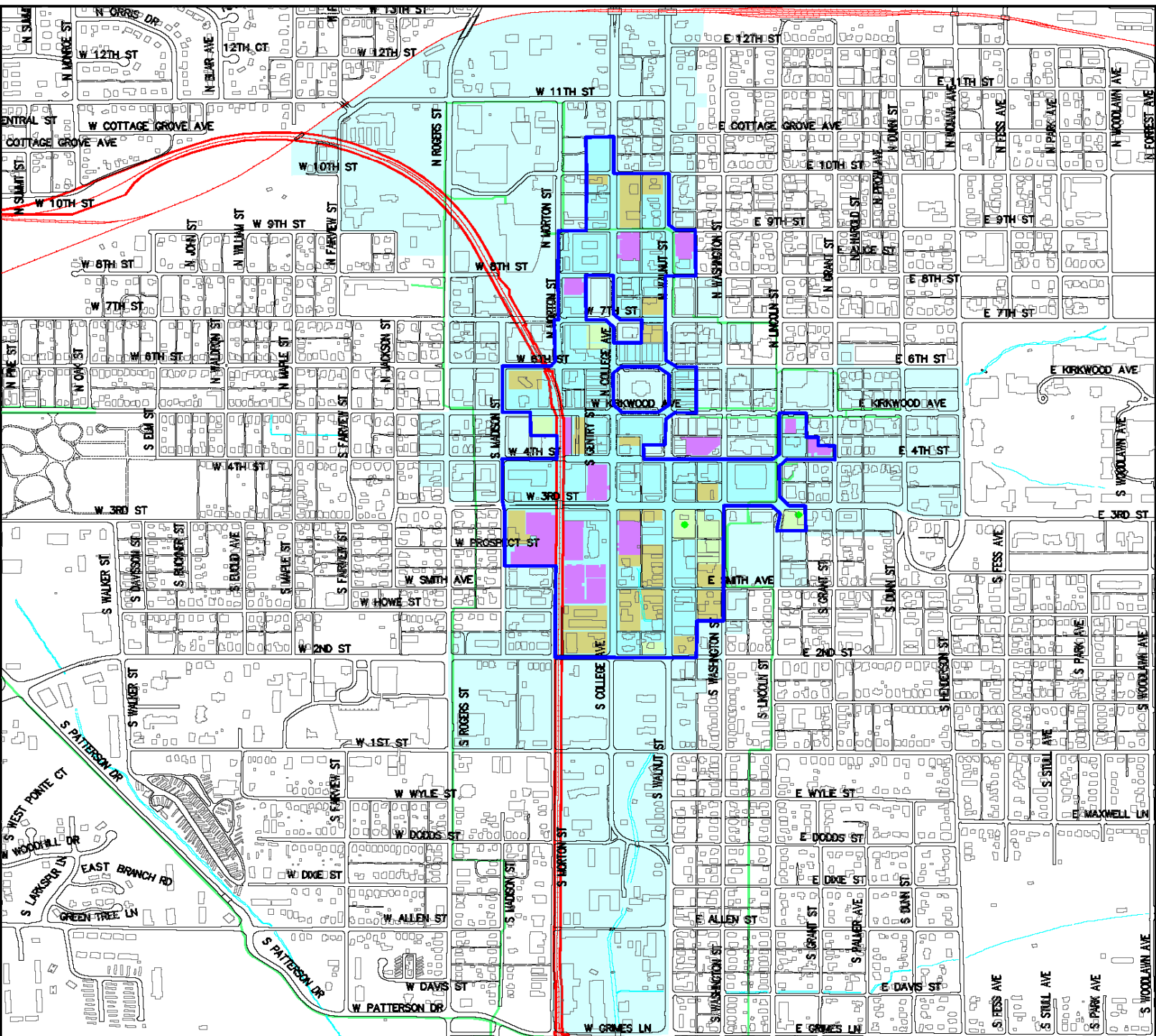
- A 25 percent tax CREEDit for investments in the redevelopment or rehabilitation of real property in the district
- The capture of 75 percent of the growth (increment) in sales tax and income tax above the base year

The first item (25% CREEDit) is a CREEDit awarded to the taxpayer for making a “qualified investment.” This CREEDit will be a significant inducement for new development and redevelopment in the CREED district. A taxpayer’s investment that is used for redeveloping or rehabilitating property located within a CREED for the purposes of constructing, reconstructing or repairing:

- Public ways
- Sidewalks
- Sewers or drains
- Fences
- Buildings
- Anything else that would enhance the value of real property and make it more suitable for industrial use

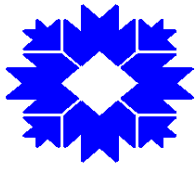
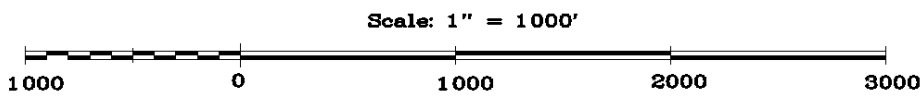
The second incentive, captured tax increment, will assist the City of Bloomington in improving public infrastructure and constructing new public facilities. CREED districts capture the incremental growth in retail sales taxes and income taxes within the district. Similar to a tax increment finance (TIF) district, a base year is established in order to determine the incremental growth. A CREED district then retains 75 percent of the tax growth up to a maximum of \$750,000 per year.

Through investment induced through the assistance of the CREED tax credit and the incremental tax generated from sales and income tax growth, the creation of a downtown CREED district will create new jobs and investment in our downtown. The CREED district gives the City of Bloomington a great tool to continue the revitalization and ongoing support of our downtown – the heart and soul of our community.



# City of Bloomington Proposed Downtown CREED District with Future and Potential Development

City of Bloomington  
Mayor's Office

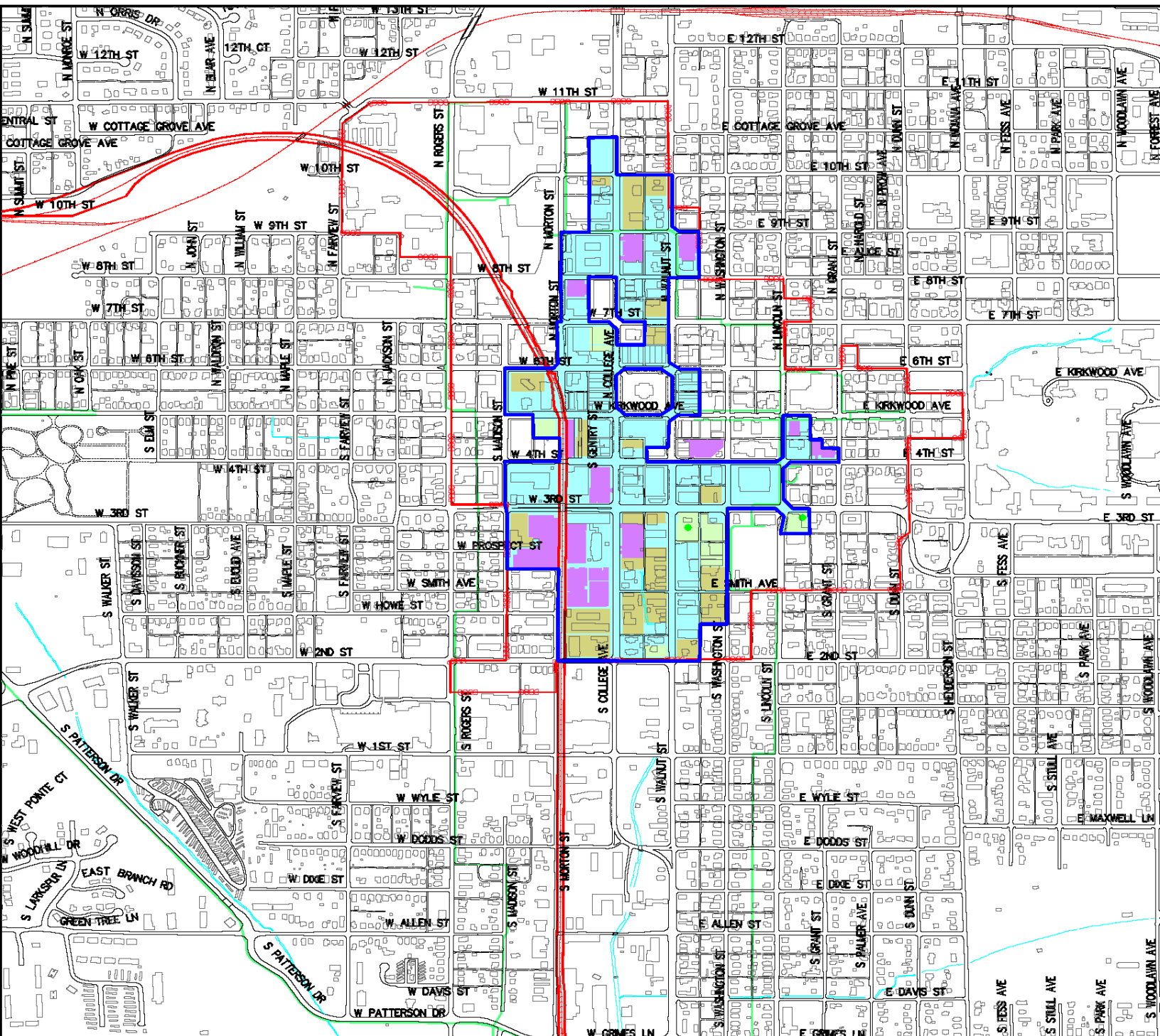


May 19, 2004

For use as map information only. Information is NOT warranted.

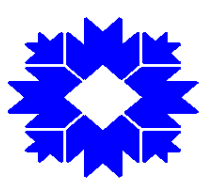
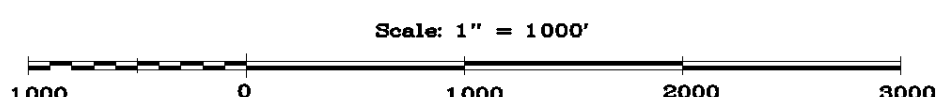
Geographic Information System





# City of Bloomington Proposed Downtown CREED District with Future and Potential Development

City of Bloomington  
Mayor's Office



May 19, 2004

For use as map information only, information is NOT warranted.

Geographic Information System



# STATE OF INDIANA

Joseph E. Kernan  
Governor

## STATE BUDGET AGENCY

212 State House  
Indianapolis, Indiana 46204-2796  
317/232-5610

Marilyn F. Schultz  
Director

April 30, 2004

**RECEIVED**

MAY 10 2004

**OFFICE OF THE MAYOR  
BLOOMINGTON, INDIANA**

Mr. Ron Walker  
Director of Economic Development  
Office of Mayor  
City of Bloomington  
PO Box 100  
Bloomington 47402

Dear Mr. Walker,

In our discussions about Community Revitalization Enhancement Districts (CRED) we have emphasized that as originally conceived, CREDs were intended to support the renovation and increased economic activity associated with a specific facility or business. In recent months, communities have requested that large areas in their community, which may or may not have an identifiable project, be made eligible for tax increment financing through CREDs or Sales Tax Increment Financing. These requests stimulated much conversation among the Budget Agency, the Departments of Commerce and Revenue, and the State Budget Committee leading to the development of a set of criteria to be applied as projects are submitted and begin to move through the process.

These criteria (attached) provide that first and foremost, the district must be defined in such a way as to capture revenues clearly generated from enhanced economic activity and must not create an erosion of state revenues or of revenue which would have accrued to other taxing units within the county.

In the original plan submitted by Bloomington, the district was so large, the numbers of businesses so numerous, that defining a revenue base against which to compare on-going economic activity would have been an extraordinarily burdensome if not impossible task for the Department of Revenue. We have appreciated working with your administration to determine a district which is more manageable, which meets statutory requirements, our criteria, and which, at the same time, provides the city of Bloomington with tools to enhance economic growth.

Once we receive your final proposal, it will be included on the State Budget Committee agenda for review and findings pursuant to I.C. 36-7-13-12. Once this committee has made its recommendation, the proposal will return to the State Budget Agency for action by the Director.

We appreciate the opportunity to discuss your plans. If you have questions, please contact me or Angela Mansfield.

Sincerely,

Marilyn F. Schultz



**Tax Increment Districts: STIF, CRED, Certified Technology Parks**

**Purpose:** To allow local government to capture increased state revenue that otherwise would not have occurred in order to promote economic development and job growth.

**Authority:** IC 36-7-13-12.1(STIF); IC 36-7-13(CRED), IC 36-7-32 (Technology Parks), IC 36-7-31 (Professional Sports)

**Concerns and Criteria:**

1. With the state fiscal crisis, it is imperative that districts be defined in such a way that there be no erosion of state revenues. The purpose of the district must clearly be to stimulate economic activity and to capture only those state revenues which would not have occurred had this economic activity not taken place.
2. The CRED statute allows the district to capture 75% of the increases in local option income tax revenue in the CRED district. Some percentage of the total increment would, without the district, accrue to the county and other taxing districts. However, these other taxing districts have no voice in the CRED creation. It is therefore essential to other taxing units within the county that the district be so defined as to ensure that all tax increases are truly the result of the improvements made because of the CRED designation.
3. CRED districts when originally established were business or building specific. We are now seeing cities propose as CRED districts large areas of their city which have no specific identifiable project. This makes establishment of a tax base more difficult and more essential. In cases where a city is requesting a large district with multiple businesses, it is administratively impossible for the Department of Revenue to establish a base and determine increments. Therefore, identification of existing businesses will be the obligation of the city requesting the district, and will be documented based on Department of Revenue instructions.
4. The statutory annual cap over a 15 or 20 year period will effectively provide as much or more state assistance than that given through Department of Commerce and other business development grants for high wage/high benefit jobs. Understanding that some local entities are not limited to one CRED (Bloomington, So. Bend and Marion Co) and that all first and second class cities are (or will eventually be) permitted to participate, the potential impact to the state could be substantial.

There should be substantial local revenues committed to the project commensurate with local matches required in other economic development grants through the Department of Commerce. In addition, there should be evidence of capital investment on the part of private business as well.

5. As the purpose is to promote economic development and to permit local governments to capture increased revenue that otherwise would not have occurred, the tax base should generally include only increased income tax revenue generated from private entities. Income tax revenue generated from employees paid through federal, state or local tax dollars will be excluded from the base unless it can be clearly demonstrated that the increased economic activity of the defined area has promoted job growth in the public arena which would not have occurred without the district.