

In the Council Chambers of the Showers City Hall on Wednesday, June 22, 2011 at 7:30 pm with Council President Susan Sandberg presiding over a Special Session of the Common Council.

COMMON COUNCIL
SPECIAL SESSION
June 22, 2011

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

ROLL CALL

Council President Sandberg gave the Agenda Summation

AGENDA SUMMATION

The minutes of June 1, 2011 were approved by a voice vote.

APPROVAL OF MINUTES

Danise Alano Martin, Director of the Department of Economic Development and Sustainability presented the report to the council. In introducing the report, Alano Martin reviewed the state requirements for tax abatements, explained the process and noted that the 2010 Guidelines that were adopted by the council created new general standards for the City's program.

REPORTS FROM THE MAYOR
AND CITY OFFICES

Annual Tax Abatement Report

Alano Martin proceeded to review each abatement, noting the intent of the project, specifics of timeline, investment and employment, and gave a recommendation as to compliance based on the CF1 forms filed with the Clerk's office. She reported that two abatements had now expired, and one approved abatement that was incomplete. She asked that the council not take action on the Woolery Ventures LLC abatement at this time in order to give the Economic Development Commission, the Economic and Sustainable Development Department and principals of Woolery Ventures LLC a chance to discuss the status of the abatement and a possible amendment to the original approval.

Alano Martin noted the few CF1s that had not been received. She also highlighted economic impacts as gathered from all the abatements with relation to investments, creation of jobs, and increase in assessed value of properties.

Volan asked about differences in some numbers on some of the abatement reports, to which Alano Martin noted that some projects added to public infrastructure, specifically sidewalks, and that would not be reflected in the assessment. He asked for more information on the Kirkwood abatement.

Volan asked if the abatement was for a ten year period from the start of the project or the approval of the abatement. Alano Martin explained that this was being discussed with the county in regards to the Woolery Project. She added that was the reason that she suggested a fresh start with this project.

Satterfield, the council member serving on the city Economic Development Commission, asked if the representative of Woolery Properties would like to make a statement or answer questions.

Randy Cassidy, representing Woolery Ventures, said that conversations with the EDC and Council were needed to bring forth a project with updated details.

Satterfield noted that Alano Martin had asked for a recommendation of substantial compliance in good faith. Alano Martin agreed, and said that since no abatement had been applied to the property, no impact to taxes received, nothing would happen to this abatement. She added that if Woolery came to the EDC to discuss the project a course of action and plans would be developed from there.

Rollo asked about the estimated new employment with the Omega building abatement, and asked about the two commercial areas in the building. He asked about anticipating more at the time. He asked Alano Martin to explain this. She said that the petitioner estimated the employment, and it was possible that they only included a property maintenance person, and did not estimate the employment

Rollo also asked about the IMA east facility, noting that their employment and community work were more than anticipated at the presentation of the tax abatement. He asked if the community service was specific to the employees working at this site. Alano Martin said it was both from that site and from IMA in general. She said that their employees provide assistance to Volunteers in Medicine and also sit on numerous boards.

Rollo asked Alano Martin to comment on the facility's proximity to assisted living facilities, and parts of the community that wouldn't be served unless people traveled across town. He asked if that were proven to be the case with this facility. She noted that that was the case.

Ruff noted that several affordable housing abatements were about to end, and asked Alano Martin what happened with affordability after the abatements expired. She said it depended on the property itself, noting that some might have restrictions on the years of affordability past the abatement period. He said he'd like to have affordability or covenantal restriction information in future reports. Alano Martin said that if it were part of the approval it could be reported.

Sandberg asked about Metropolitan Printing noting the difficulty for them. She asked if any follow-up would be done with them since they were in year 10 of a ten year tax abatement. She was concerned about their viability in the market. Alano Martin said that her office was in touch with many of the businesses. She said that a phase-in of taxes helped in most cases. Sandberg said she would like to see more about the post-abatement stability of businesses incorporated into the report in the future.

Volan asked how mixed-use projects were categorized. Alano Martin said that mixed-use included projects that had both a residential and retail component. Volan asked if acreage information on the properties was available. Alano Martin said that this was not information required or supplied on the CF1 forms.

Rollo noted the 45 day window in which the council needed to review and act on the tax abatements. He asked Alano Martin if it was her opinion that even though the project was not in compliance it was worthy of not being rescinded. Alano Martin said that in the project in question they had not filed a CF1, and therefore there technically was no abatement. She said that there were not time constraints with this as with the others who's CFIs needed to be reviewed.

There was no public comment on the tax abatement report.

Volan asked for clarification on the motion. Dan Sherman, Council Attorney/Administrator noted that the council had several motions that they might consider. He said one would approve the report as amended by staff. He said that the council might want to inquire into the abatements where CFIs were not submitted, in which case there might need to be more deliberation.

Sandberg noted that several amendments had been spelled out for council to consider, and she asked Sherman to enumerate the appropriate motion to use in this case.

Volan said he needed to ask a question before making a motion. Sandberg entertained his question.

Annual Tax Abatement Report (cont'd)

Volan asked that, since the Woolery project had not started and had received no tax abatement benefits, how the report being accepted as it was presented would need to be modified. He asked why it needed to be taken out of the report since they were not technically out of compliance.

Sherman noted that the Woolery project was out of compliance because they had not commenced construction within the year after the abatement was granted. Volan argued that no tax abatement benefits had been received. Sherman said that commencing construction was a factor independent of the receipt of the abatement of taxes. He said that was the benefit of including the amendment of the report, and not finding the company was not in compliance.

Satterfield asked Sherman to clarify the acceptance of the report as it was presented at this meeting versus the report as amended by staff. Sherman said that the packet report recommended termination of the tax abatement for Woolery, and if it was approved without amendment he would have to suggest a second motion resulting from finding Woolery in non-compliance. This motion would call for a hearing to examine the issue, and require the council to then approve a resolution terminating the abatement. He said the two courses were to terminate the abatement, or to wait and see what developed from the EDC discussions with Woolery.

It was moved and seconded that the council accept the Tax Abatement summary as amended by staff at this meeting.

Motion to accept the tax abatement report received a roll call vote of Ayes: 8, Nays: 0.

Sandberg polled the council to judge attendance at the Internal Work Session scheduled for Friday, June 24, 2011. Three members said they intended to attend.

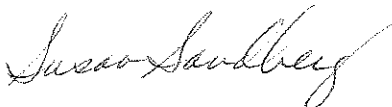
COUNCIL SCHEDULE

The meeting was adjourned at 8:43 pm.

ADJOURNMENT

APPROVE:

ATTEST:



Susan Sandberg, PRESIDENT
Bloomington Common Council



Regina Moore, CLERK
City of Bloomington