

Economic Development Commission  
Board Meeting Minutes  
April 18, 2018  
City Hall – Hooker Conference Room

Kurt Zorn called the meeting to order at 4:17 p.m.

ROLL CALL: Malcolm Webb, Vanessa McClary, Kurt Zorn, Geoff McKim

STAFF: Brian Payne, Alex Crowley, Laurel Waters, Jeff Underwood

GUESTS: Mary Friedman, Omega Properties, Marc Cornett, Project Architect

APPROVAL OF MINUTES –August, 18, 2017

There were no minutes from October 18, 2017. Geoff McKim moved to approve the minutes from August 18, 2017. Vanessa McClary seconded the motion. Malcolm stated his name was misspelled, and Jane's last name was omitted. Those will be corrected. The motion passed unanimously,

NEW BUSINESS

Resolution 18-01 and 18-02: Real Property Tax Abatement Application – Omega Visions, LLC – 223 N. Morton Street. The motion passed unanimously.

Brian explained Omega is a Bloomington based company. Brian stated there are two questions, does the City support the development which the answer is yes, it's a good development and the Planning Commission has approved the site plan. However, City staff will be recommending a rejection of this application but Omega has asked to come and make their case.

Omega proposes to redevelop .14 acres at the corner of 7th & Morton. It will be 8 four bedroom market rate units on the top three floors. On the bottom floor there will be 3500 square feet of retail, which is 1,000 more than required by code. There will be 1000 feet of outdoor patio space with about 700 feet under a canopy. They have agreed to have the two one bedroom units on the first floor be workforce housing. They have also agreed to take two units (one bedroom) at a separate property owned by Omega and move them from market rate to workforce housing. They have also agreed to donate \$25,000 to the affordable housing fund. There will be 32 market rate bedrooms, 8 four bedroom units, and two one bedroom units which will be workforce housing. The location of the other two one bedroom units that will change to work force housing are at 340 South Walnut.

The request is for a Tax Abatement over 5 years that starts at 100%, going down in the final year to 10%. They are projected to increase their annual assessed value about \$27,000.

Brian explained staff's position is that typically public investment in the form of a tax abatement should come with some community beyond what is required by the Planning Commission. In this case what was required by Planning Commission was not an extra 1000 square feet of retail of space, or patio, so that is something the Petitioners are interested in doing that Planning Commission did not require, and in the staff's mind does not rise to the level to merit a tax abatement.

Kurt Zorn asked for questions with regard to his introductory comments.

Both Mary Friedman and Mark Cornett spoke about what had transpired with this development. It was originally approved by Planning with no affordable housing unanimously. Mary stated she decided she wanted to have a little bit more commercial space. With the addition of the commercial space two bedrooms were added to the townhomes. So 32 bedrooms turned into 34 bedroom. With the additional 2 bedrooms, two apartments could now be offered up for affordable housing. She wanted the space to be more vibrant by being a little larger. At this point it was taken back to Plan Commission. Even before this there had been a conversation with the Mayor and the issue of the City having tools to work with, one being a tax abatement. When the development was being taken back to the Planning Commission workforce housing was offered up, but it wasn't a condition of approval. Having had the discussion with the Mayor's office, they decided to do this and go for a tax abatement afterward. She felt she was led to believe if workforce housing was offered up then tax abatement was something the City could do.

There was much discussion about the project with the consensus being not much was being gained for this to justify a tax abatement.

Kurt Zorn asked Brian to read the requirements for designating an ERA. Brian read Indiana Code 6-1.1-12 aloud.

Kurt Zorn stated before discussion could move forward a motion on Resolution 18-01, must pass which would establish the area as an Economic Revitalization Area (ERA). This is a precursor to a tax abatement.

The Petitioners were asked to address the criteria of ERA. Mary stated that much has been developed on the east side of Morton but because of the historic building in this area, there would probably be no more development. She noticed there was no much happening in the way of development in this area along Morton

Discussion between Board and Petitioners continued.

Vanessa made a motion to designate 223 N. Morton an Economic Revitalization Area. Malcolm seconded the motion. There was no further discussion. Vote was called. Vote as follows:

Malcolm – Yes

Vanessa – Yes

Kurt – No

Geoff – No

Larry Allen, City Attorney, stated in the event of tie the motion fails. Motion to designate 223 N. Morton as an Economic Revitalization Area failed.

Due to failure of Resolution 18-01, no action could be taken on Resolution 18-02.

Meeting adjourned at 5:23 p.m.