

City of Bloomington Common Council

Legislative Packet

Wednesday, 6 June 2018

Committee of the Whole

All legislation and background material regarding Resolution 18-09 is included herein.

For a schedule of upcoming meetings of the Council and the City's boards and commissions, please consult the City's [Calendar](#).

Office of the Common Council
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Bloomington, Indiana 47402
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**City of
Bloomington
Indiana**

City Hall
401 N. Morton St.
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Bloomington, Indiana 47402



Office of the Common Council
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To: Council Members
From: Council Office
Re: Weekly Packet Memo
Date: 01 June 2018

Legislative Packet Contents:

- Memo from Council Office
- Agenda for the Committee of the Whole on 06 June 2018
- Notices:
 - Rescheduled Jack Hopkins Social Services Funding Meeting
June 6, 2018, 5pm, Council Library
 - Chamber of Commerce Hype, “Meet the City Council” Event
Tuesday, 12 June 2018, 5:30pm, Grant Street Inn, 310 N. Grant.

Legislation for Consideration at the Committee of the Whole:

Resolution 18-09 To Designate an Economic Revitalization Area, Approve the Statement of Benefits and Authorize Periods of Abatement for Real Property Improvements Re: Property Located at 1107 West 3rd Street and Identified by the Monroe County Parcel ID Number 53-08-05-200-044.000-009) (Milestone Ventures, LLC, Petitioner)

Supporting Documents:

- Petitioner’s Completed Statement of Benefits Form
- Petitioner’s ERA and Tax Abatement Application
- Memo to Council from Brian Payne, Assistant Director for Small Business Development, Economic and Sustainable Development Department
- Economic Development Commission Resolutions 18-03 and 18-04.
- Project *Pro Forma* and Estimated Value of Abatement
- Site Plan
- Elevations
- Petitioner’s Resume
- City of Bloomington’s *Tax Abatement Guidelines* (also linked)

Contacts:

- Brian Payne, Assistant Director for Small Business Development, Department of Economic and Sustainable Development. 812.349.3419; payneb@bloomington.in.gov.
- Larry Allen, Assistant City Attorney. 812.349.3557; allenl@bloomington.in.gov

Memo

Committee of the Whole Wednesday, 06 June 2018: One Item for Discussion

Only one legislative item is scheduled for discussion at Wednesday's Committee of the Whole: Res 18-09, granting a tax abatement (and associated actions) for property at 1107 W. 3rd. The petition for the tax abatement is described below. The legislation and all supporting documentation is included in this packet.

Resolution 18-09 (Tax Abatement for 1107 W. 3rd, Milestone Ventures, Petitioner)

Resolution 18-09 is a request by Milestone Ventures, LLC ("Milestones") for an abatement of taxes for real estate improvements. Milestones proposes to develop a 31-unit, two-story affordable housing project on a 1.26 parcel located at 1107 W. 3rd Street. Fifteen of these units will be studio units, eight will be one-bedroom units, five will be two-bedroom units, three will be three-bedroom units. Milestone is requesting a 98% abatement on real estate improvements for a period of ten years. Milestone is seeking federal Low-Income Tax Credits (LITC) and has indicated that the requested abatement is key to the company securing those federal credits for this project. ESD staff have indicated that to meet the LITC application deadline, hopes to secure an abatement by July 30.

The Petitioner

Milestone is an Indianapolis-based housing developer specializing in affordable housing and community development. According to its application, the developer has been in business for 18 years and "has developed or preserved over 2,100 affordable housing units throughout the state." *Please see* list of Milestone's current and completed projects with non-profit clients included in this packet. However, Milestone is not new to Bloomington. Milestone was the development consultant for Crawford Apartments I and II in Bloomington.

The Project

Again, the 31-unit project is located on 1.26 acres at 1107 W. 3rd. *Please see* maps and images of the current site appended to the memo from Brian Payne, Assistant Director for Small Business Development, Economic and Sustainable Development Department. The petitioner is promising affordability of the units for 99 years, according to the following time schedule:

Years 1-15

- 100% of the 31 units will be affordable to households with incomes at or below 80% AMI, and no fewer than 75% of the units (24 units) being affordable to households with incomes at or below 60% of AMI.¹
- During this period, 7 of the 31 affordable units will be set aside as permanent supportive for individuals experiencing homelessness, with supportive services provided by the Shalom Center and another 7 of the 31 units will be set aside for persons with developmental disabilities, with supportive services provided by LifeDesigns.

Years 16-30

In years 16-30, 100% of the 31 units will be affordable to households at or below 80% of AMI.

Years 31-99

In years 31-99, at least 50% of the units (16 units) will be affordable to households with incomes at or below 80% of AMI.

The Requested Abatement

The Petitioner requests a ten-year abatement of real property improvements at an abatement rate of 98%.

Other Funding: Federal LITC & HOME Funds

To develop this project, Milestone is seeking a combination of federal and local assistance. On the federal level, Milestone is seeking \$5.31 million in federal Low Income Tax Credits (LITC). Notably, LITC (also commonly referred to as Section 42, in reference to the provision's location in the IRS Code), does not provide direct assistance to renters, but is instead, strictly used to finance the construction – and not the operation – of rental properties. LITC is a tightly-prescribed program, with strict federal and State requirements attaching to most aspects of the development, such as rents, utility allowance, minimum per unit operating expense, and, debt coverage ratio.

To fill a funding gap, Milestone is also applying for \$875,000 in other funding:

- \$375,000 in HOME funds through the City of Bloomington Housing and Neighborhood Development Department.
- \$500,000 from the Federal Home Loan Bank Affordable Housing Program.

¹ 80% of AMI: \$38,950 – 1-person household; \$44,500 – 2-person household; \$50,050 – 3-person household.
60% of AMI: \$29,220 – 1-person household; \$33,360 – 2-person household; \$37,560 – 3-person household.

Significantly, last year, Milestone pursued a similar project but fell two points short of the score needed to be considered for LIHTC funding. According to the Memo from Payne:

With a reduced unit count and lowered overhead costs, a successful HOME funds application and this 98% tax abatement over 10 years, Milestone would narrowly qualify for 3.5 more points than the site's previous LIHTC score in the "Leveraging Capital Resources" category. In essence, this tax abatement may well provide the crucial, marginal score increase necessary to secure the \$5.31 million in Federal tax credits.

Pending Reviews

To build this project, the petitioner will need a use variance to allow for ground-floor residential units and is requesting a parking minimum reduction variance.² Last year, Milestone proposed a substantially similar project in partnership with LifeDesigns, known as Kinser Flats, at the same site as this proposal. That project was comprised of three floors and 40 units. The Plan Commission approved that project unanimously and the petitioner received the ground floor and parking variances. However, the petitioner and LifeDesigns did not pursue that project as they did not receive the necessary LIHTC score, as described above. Because the Plan Commission approved the site plan for the previous, substantially-similar instantiation, Planning and Transportation staff advise that it is highly likely that the Plan Commission will approve this site plan. Staff also expect Milestone to receive the same variances. The request for variances will be put to a hearings officer on 13 June. This has not yet been scheduled for Plan Commission action. According to the memo from Payne, "To meet the Federal LIHTC application deadline, Milestone must secure a tax abatement agreement by July 30." Payne further writes that the Council's recess, "precludes waiting for Plan Commission review."

Valuing Affordable Housing Incentives

Inclusive of the abatement and the requested HOME funds, Payne indicates that the estimated incentive package for this proposal is \$17,200/affordable unit. In comparison, Payne points out that the PedCor development to be sited in the Trades District is valued to be a City incentive package coming in at \$20,833/affordable unit (PedCor's "Moving Forward" project received \$250,000 in HOME funds and in \$500,000 in land value; the project is a 36-unit development). As a reminder, the Mecca development was estimated to come in at \$15,680/affordable unit.

The Administration is supportive of this request and the City's Economic Development Commission (EDC) voted on May 16, 2018 in support of the abatement and the ERA designation.

The Requested Abatement

In return for an investment of approximately \$6.3 million, \$4 million of which is the project's capital improvements, and a 99-year commitment to affordable housing, the petitioner is requesting a 10-year tax abatement of real property improvements at 98% each year. This is

² This project is located in the UDO Commercial General (CG) zoning district, which does not currently allow residential units on the ground floor in multi-family buildings.

different than the typical incremental step-down of abated taxes over the life of the incentive. Currently, the total assessed value of the property (existing improvements + land) is \$364,000. After the completion of the proposed development, the total assessed value is estimated to be \$1,033,000. Currently, the tax liability for this property is estimated to be approximately \$7,727.52 annually. After the completion of the proposed development, the tax liability for this property is estimated to be an average of \$16,144/annum.

Over a period of ten years, the total gross value of the abatement is **\$158,213**.

The proposed deduction schedule is as follows:

		Value Abated	Taxes Payable
Year 1	98%	\$13,361	\$11,724
Year 2	98%	\$13,855	\$11,867
Year 3	98%	\$14,384	\$12,014
Year 4	98%	\$14,919	\$12,166
Year 5	98%	\$15,470	\$12,322
Year 6	98%	\$16,037	\$12,483
Year 7	98%	\$16,622	\$12,649
Year 8	98%	\$17,224	\$12,820
Year 9	98%	\$17,844	\$12,996
Year 10	98%	<u>\$18,482</u>	<u>\$13,177</u>
		\$158,213	\$124,219

Please see the “Tax Abatement Calculations” submitted by ESD, and included herein, for more details.

Council Review of Tax Abatement Petitions

The process of granting a tax abatement is informed by both State statute and local rules. As you are aware, State law outlines the minimum requirements associated with an abatement of property taxes. Locally, we promulgate guidelines that provide further guidance and provide additional criteria an applicant must meet to be eligible for an abatement. Both are discussed below.

Indiana Code

State statute allows cities, towns, and counties to abate the incremental increase in the assessed valuation of certain real and personal property resulting from applicable investments. I.C. 6-1.1-12.1 *et seq.* Under State statute, the Council is “designating body,” the entity responsible for the approval of tax abatements. Generally, the designating body may provide for an abatement between one and ten years. For the designating body to approve an abatement such as this one, it is required by statute to take the following four actions:

- Create an Economic Revitalization Area (Res 18-09)
- Approve a Tax Abatement Schedule (Res 18-09)
- Review and Approve the Petitioner’s Statement of Benefits (Res 18-09)
- Approve a Confirmatory Resolution (Res 18-10, scheduled for consideration on June 27, 2018.)

Attached to each of these actions are distinct criteria or factors the Council must weigh in making its decision. These factors are discussed below.

Economic Revitalization Area

In order to be eligible for a tax abatement, the site/project in question must first be declared an “Economic Revitalization Area” (ERA) by the designating body. An ERA is an area within the corporate boundaries “which has become undesirable for, or impossible of, normal development and occupancy because of 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.” I.C. § 6-1.1-12.1-1(1). In determining whether to designate an area as an ERA and whether a tax abatement should be granted, state statute requires that those determinations be based on the following:

(1) whether the estimate of the value of the redevelopment or rehabilitation is reasonable for projects of that nature.

→ *Again, petitioner will make a capital investment of approximately \$4 million for real-estate improvements. The current AV of the property is \$364,000. After the improvements, the AV is expected to be \$1,033.*

(2) 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.

→ *The petitioner will create 2 new part-time positions. The part-time positions will provide approximately 15 hours/week per position.*

(3) whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

→ *The above-cited part-time employees will make a minimum of \$13/hour. The total annual payroll for these positions is \$23,322.*

(4) 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.

→ *In addition to the affordability and supportive services outlined above, the petitioner's application and Statement of Benefits makes the following additional commitments:*

- *incorporating green-friendly building materials to achieve a minimum LEED Silver green building designation*
- *re-developing a long-vacant historic Gospel Tabernacle church "into an amenity for the benefit of both the resident of Southern Knoll and the residents of the Prospect Hill Neighborhood." The structure is listed as "contributing."*

(5) whether the totality of benefits is sufficient to justify the deduction.

→ *This is a balancing test wherein Council weight benefits against costs.*

I.C. § 6-1.1-12.1-3 (b)

Notably, these are *required* findings. Statute requires that Council may not designate an ERA or approve an abatement *unless* the above findings are made in the affirmative. In its application for an ERA, the petitioner describes that the property has become undesirable for normal development and occupancy by stating the following:

The house and the church have been vacant for many years and the parcel suffers from a lack of investment. Redevelopment of this property requires the demolition of the single family home and incorporating the historic church into the project as demolition of this structure is not permitted by the City.

In Payne's memo to Council, he echoes that the conditions above make the property undesirable for normal development. Payne also relays that the estimates and benefits provided by the Petitioner in the application and the Statement of Benefits "are reasonable and the benefits, as outlined in the application packet and this memo, are sufficient to justify a tax abatement of the recommended term and schedule." Res 18-09 makes these required findings.

ERA in TIF District. Since this site lies within the Consolidated Tax Increment Financing allocation area (Adams Crossing Area), statute also requires that the Council approve the ERA designation in light of its location. TIF Districts are local financing devices authorized by statute, which set aside increases in property taxes above a base year which are then used to carryout improvements according to the Plan for the district. Any property taxes abated would not be deposited in the TIF and, therefore, not available for that purpose. The memo indicates that the

abatement would not adversely affect the TIF and that “only increases to the assessed value of the property will be abated, and only at a 98% rate, meaning the project will result in more tax revenue to the City than the status quo. In addition, the project is projected to dramatically increase the assessed value of the property’s built improvements, by a sum of more than \$825,000.”

Period of Abatement and Tax Abatement Schedule (Res 18-09)

Statute provides that the designating body must set an abatement schedule for a business situated in an ERA. I.C. § 6-1.1-12.1-17. The abatement schedule must specify the percentage amount deduction for each year. Statute generally allows an abatement for up to ten years, with the potential for full abatement each year. Again, proposed here is a 10-year abatement on real estate improvements at 98% each year.

In establishing an abatement schedule, statute provides that the Council base such a schedule on the following factors:

- **The total amount of the taxpayer's investment in real and personal property.**
→ *The petitioner proposes to invest \$6.3 million with this project. Petitioner also commits to a 99-year affordability term as outlined above.*
- **The number of new full-time equivalent jobs created**
→ *The petitioner indicated that it will create 2 new part-time jobs at 15 hours each.*
- **The average wage of the new employees compared to the state minimum wage.**
→ *Any new employees must make the City’s Living Wage (\$12.64, \$1.90 of which may be credited to health insurance.) Petitioner represents that the lowest hourly wage for the part-time positions is \$13/hour. The minimum wage in Indiana is \$7.25/hour.*
- **The infrastructure requirements for the taxpayer's investment.**
→ *As indicated on the ERA application, the project will not require any City expenditures for infrastructure.*
I.C. § 6-1.1-12.1-17 (a).

Statute does not provide guidance on the relative weight of each of these factors. Instead, it is likely that the General Assembly contemplated that all these factors be considered in concert, as a whole.

Review and Approve the Petitioner’s Statement of Benefits (Res 18-09)

Statute requires that the designating body review the Petitioner’s Statement of Benefits (SB-1), a State-prescribed form. With the approval of the designating body, the statement of benefits may be incorporated in a designation application. I.C. § 6-1.1-12.1-3. Res 18-09 so incorporates.

The SB-1 submitted in interest of this petition outlines the following:

- The improvements to real property will be a 2-story 31-unit affordable housing development.
- The historic (status: contributing) vacant Gospel Tabernacle Church will be renovated into a community space for the affordable housing project.

- Two new part-time positions will be created at 15 hours/week; \$13/hour for a total payroll of \$23,322.
- The process of improvement will commence in July 1, 2019 and will be completed by July 1, 2020.
- The current Assessed Valuation (AV) for the *existing* real estate improvements on the property (excluding land) is \$175,700 property; following the improvements the AV is estimated to be \$1,033,096 million.

Additional Reasonable Requirements. Statute authorizes the City to impose additional, reasonable requirements on the project beyond those listed in the Statement of Benefits, as long as those benefits are cited in the resolution. Failure to make reasonable efforts to comply with these requirements, like the commitments in the Statement of Benefits, may become a basis for rescinding the abatement. These additional requirements outlined in Res 18-09 include:

- the capital investment must total at least \$6.3 million for real estate improvements;
- the land and improvements must be developed and used in a manner that complies with local code;
- the Project must be completed before or within twelve months of the completion date as listed on the application (that date is listed as July 1, 2020);
- the affordable units, as outlined in the resolution, shall be maintained for a period of at least ninety-nine (99) years; and
- Petitioner must comply with all reporting requirements in the manner described by Indiana Code, Bloomington Municipal Code, and by the Memorandum of Understanding.

Local Requirements

Locally, the City promulgates additional guidelines, *Tax Abatement Program: General Standards* ([linked here](#) and included in this packet). Revised in 2011, the *Standards* outline evaluative criteria for considering a tax abatement petition and also outline certain factors that exclude petitioners and projects from consideration.³ The *Standards* direct that, “[e]ach project is reviewed on its own merits, and the effect of each project on the revitalization of the surrounding areas and employment is considered.” p. 2. Basic eligibility is achieved by demonstrating the creation of full-time, permanent living-wage jobs and the creation of capital investment as an enhancement to the tax base. Again, Milestone will be creating approximately 2 part-time positions with this project, at 15 hours/week and \$13/hour. However, after the completion of the proposed development, the tax liability for this property is estimated to be an average of \$16,144/annum.

³ Petitioners should not hold an outstanding obligation or debt to, be in default or arrears with, or be in litigation against, the City. Projects should not be commenced prior to final approval; involve the demolition or removal of certain historic structures; require major public infrastructure improvements at additional cost to the City; or be inconsistent with the City’s long range plans for the area.

The Standards also outline other evaluative criteria to be used in consideration of tax abatement projects. The criteria pivot on whether the project makes a “significant positive contribution to overall economic vitality and quality of life in the City of Bloomington.” p. 3. The *Standards* outline four primary additional criteria, but allow for petitioners to enumerate other contributions to local economic vitality that may not fit neatly within those categories. The following reflects the responses that petitioner provided in its satisfaction of those criteria as reflected in the petitioner’s application and in the memo from Payne.

- **Quality of Life, Environmental Stewardship, and/or Sustainability**

From Payne’s Memo:

This project will incorporate green-friendly building materials and will achieve a minimum LEED Silver green building designation. This includes low-flow toilets, water sensor faucets, and some building materials that have been harvested and manufactured within a 500-mile radius. Examples of these materials include flooring, drywall, cement, asphalt, stone, permeable pavers, and all landscaping. In addition, the development will be located within ¼ mile of four different Bloomington Transit stops. The project will include “Energy Star” appliances and energy efficient fixtures, energy-efficient and LED lighting throughout.

- **Affordable Housing**

The Petitioner is making a 99-year commitment to affordable housing as outlined above and at an average rent of \$501/month.

- **Community Service**

The project will add affordable housing that complies with the Indiana Housing Community and Development Authority’s design requirements to provide high-quality, safe, and efficient affordable housing. Additionally, the project will partner with the Shalom Center and LifeDesigns to provide seven units of supportive housing to persons experiencing homelessness and seven units of supportive housing to persons with developmental disabilities.

- **Community Character**

According to the petitioner’s application and the Memo from Payne, the project fits this criterion in that the project preserves and redevelops a historic church into community space for residents, and develops an otherwise difficult-to-develop parcel.

The Process: Declaratory and Confirmatory Resolutions

Please note that most usually, Council is accustomed to considering tax abatement petitions that implicate three distinct pieces of legislation: 1) a declaratory resolution which makes certain statutory findings and assertions as required by statute; 2) one which designates the area as one warranting targeted economic development (EDTA), a designation that is required for abatements on most residential projects, and; 3) one which confirms the statutory findings and assertions made by the declaratory resolution. With the Milestone Development petition, no EDTA

designation is necessary. Recall that statute makes a number of development projects types ineligible for tax abatements.⁴ One of those project types includes most residential development *unless* one of the following applies:

- the facility is a multifamily facility that contains at least 20% of the units available for use by low and moderate income individuals
- the facility is located in an economic development target area established under section 7 of this chapter; or
- the area is designated as a residentially distressed area. I.C. § 6-1.1-12.1-3

Under the current proposal, the petitioner is operating under the first exception, rather than the second. Because the project dedicates well over 20% of its units to affordable housing, EDTA designation (the second exception) is not necessary.

Please note further that the IC § 6-1.1-12.1-2.5 requires that the Council hold a legally-advertised public hearing before adopting Res 18-09. That public hearing is scheduled for 27 June 2018. At that meeting, the Council is scheduled to consider Res 18-10, confirming Res 18-09. In accordance with statute, the City Clerk must not only provide the relevant notice, but also file a copy of the notice and information contained in the Statement of Benefits with officials responsible for fixing budgets, tax rates, and tax levies for all of the taxing units within the City's jurisdiction.

⁴ Such uses include golf courses, country clubs, massage parlors, tennis clubs, racetracks, suntan facilities, hot tub facilities, certain sports facilities, certain retail facilities, and, as recounted above, certain residential facilities. I.C. 6-1.1-12.1-3 (e)

**NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL COMMITTEE OF THE WHOLE
6:30 P.M., WEDNESDAY, JUNE 6, 2018
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON ST.**

Chair: Councilmember Jim Sims

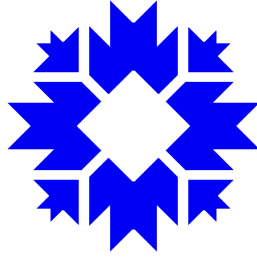
1. Resolution 18-09 – To Designate an Economic Revitalization Area, Approve the Statement of Benefits, and Authorize Periods of Abatement for Real Property Improvements - Re: Property Located at 1107 West 3rd Street and Identified by the Monroe County Parcel ID Number 53-08-05-200-044.000-009) (Milestone Ventures, LLC, Petitioner)

Asked to Attend: Brian Payne, Assistant Director, Small Business Development
 Chuck Heintzelman, Milestone Ventures

Public Comment: Please note that pursuant to the Bloomington Municipal Code, at Committee of the Whole meetings, the public may comment *only* on items listed on the Agenda. BMC § 2.04.250

*Auxiliary aids for people with disabilities are available upon request with adequate notice. Please call (812) 349 - 3409 or e-mail council@bloomington.in.gov.

Posted and Distributed: 1 June 2018



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

Notice of Reschedule

Jack Hopkins Social Service Fund Debriefing Meeting

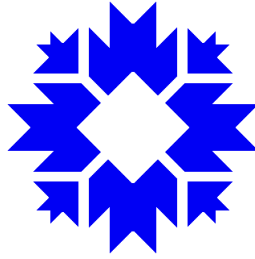
Previously scheduled for
Tuesday, 05 June 2018, will
now meet:

**Wednesday, 06 June
2018 at 5:00 pm**

**Council Library (Suite #110)
City Hall, 401 North Morton**

The Jack Hopkins Social Service Fund Committee is a standing committee of the Council. Under Indiana Open Door law, these are meetings where the public may attend, observe and record what occurs. In the event an additional member of the Council were to attend this meeting, a quorum of the Council would be present. For that reason, this notice also announces that this meeting may be meetings of the entire Council, as well.

Posted: Friday, 1 June 2018



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

NOTICE

Members of the Bloomington Common Council
have been invited to attend

Helping Young Professionals excel (hYPe)'s

Meet the City Council

Tuesday, 12 June 2018

5:30 – 7:00 pm

Grant Street Inn

310 N. Grant Street, Bloomington

As a quorum of the Council may be present, this gathering may constitute a meeting of the Common Council under Indiana Open Door Law (I.C. § 5-14-1.5). For that reason, this statement provides notice that this meeting will occur and is open for the public to attend, observe, and record what transpires.

RESOLUTION 18-09

TO DESIGNATE AN ECONOMIC REVITALIZATION AREA, APPROVE THE STATEMENT OF BENEFITS, AND AUTHORIZE PERIODS OF ABATEMENT FOR REAL PROPERTY IMPROVEMENTS

**- Re: Property Located at 1107 West 3rd Street and Identified by the Monroe County Parcel ID Number 53-08-05-200-044.000-009)
(Milestone Ventures, LLC, Petitioner)**

- WHEREAS, Milestone Ventures, LLC, (“Petitioner”), has filed an application for designation of property on West 3rd Street comprised of one parcel identified by Parcel Numbers listed herein, as an Economic Revitalization Area (“ERA”) for construction of new buildings pursuant to Indiana Code 6-1.1-12.1 *et seq.*; and
- WHEREAS, the subject site is identified by the following Monroe County Parcel Numbers:
- 53-08-05-200-044.000-009 (Alt Parcel Num: 015-63090-00); and
- WHEREAS, the Petitioner has also submitted a statement of benefits form to the Common Council for its real estate improvements; and
- WHEREAS, according to this material, the Petitioner wishes to invest \$6.3 million to construct an affordable housing development, which will include approximately 31 residential units, (the “Project”); and
- WHEREAS, the Project will incorporate green building materials and will achieve a minimum LEED Silver green building designation; and
- WHEREAS, the Petitioner is seeking Federal Low-Income Housing Tax Credits (LIHTC) and believes the tax abatement will be crucial to its success in qualifying for these credits; and
- WHEREAS, the current design for the Project provides 42 bedrooms in those 31 units (15 studio units, 8 one-bedroom units, 5 two-bedroom units, and 3 three-bedroom units) within a two-story building; and
- WHEREAS, in years 1-15, 100% of the 31 units will be affordable to households with incomes at or below 80% of the Area Median Income, and no fewer than 75% of the units (24 units) will be affordable to households with incomes at or below 60% of the Area Median Income; and
- WHEREAS, in years 1-15, seven (7) units will be set aside as permanent supportive housing for individuals experiencing homelessness, who will receive services provided by Shalom Community Center; and
- WHEREAS, in years 1-15, an additional seven (7) units will be set aside for persons with developmental disabilities provided by LifeDesigns; and
- WHEREAS, in years 16-30, 100% of the 31 units will be affordable to households at or below 80% of the Area Median Income; and
- WHEREAS, in years 31 through 99, at least 50% of the units (16 units) will be affordable to households with incomes at or below 80% of the Area Median Income; and
- WHEREAS, rent for the aforementioned affordable units will be in accordance with the U.S. Department of Housing and Urban Development’s housing cost burden guidelines, which stipulate that the cost of housing and non-telecom utilities shall not exceed 30% of a resident’s gross income; and

WHEREAS, as required by the 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, including regarding the Affordable Units; and

WHEREAS, the Project is located in the Consolidated Tax Increment Financing (TIF) allocation area (Adams Crossing Area) and Indiana Code § 6-1.1-12.1-2(k) provides that when a property is located in an Economic Revitalization Area (ERA) and also located within a TIF allocation area, the Common Council must approve the Statement of Benefits by resolution; and

WHEREAS, the Common Council finds that the Project will not negatively impact the ability of the Consolidated TIF allocation area to meet its debt obligations; and

WHEREAS, the Economic Development Commission has reviewed the Petitioner's application and Statement of Benefits and passed Resolutions 18-03 and 18-04 recommending that the Common Council designate the area as an ERA, approve the Statement of Benefits, and authorize a ten-year period of abatement for the real estate improvements; and

WHEREAS, Indiana Code § 6-1.1-12.1-17 authorizes the Common Council to set an abatement schedule for property tax abatements; and

WHEREAS, the EDC has recommended that the real property abatement be set at 98% for all ten years of the abatement; and

WHEREAS, the Common Council has investigated the area and reviewed the Application and Statement of Benefits, which are attached and made a part hereof, and found the following:

- A. the estimate of the value of the Project 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 Project as proposed;
- 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 Project as proposed;
- D. any other benefits about which information was requested are benefits that can be reasonably expected to result from the Project; and
- E. the totality of benefits is sufficient to justify the deduction; and

WHEREAS, the property described above has experienced a cessation of growth and a deterioration of improvements which have made the property undesirable for normal development and occupancy;

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

SECTION 1. The Common Council finds and determines that the property at 1107 W. 3rd Street, comprised of one parcel identified above, should be designated as an "Economic Revitalization Area" as set forth in Indiana Code 6-1.1-12.1-1 *et. seq.*, and Petitioner's Statements of Benefits, attached hereto, is hereby approved.

SECTION 2. The Common Council further finds and determines that the Petitioner, or its successors as allowed by the Memorandum of Understanding, shall be entitled to an abatement of real property taxes for the Project as provided in Indiana Code § 6-1.1-12.1-1 *et seq.*, as follows:

For real estate improvements for the Project, a period of ten (10) years with the following deduction schedule, pursuant to Indiana Code § 6-1.1-12.1-17:

Year 1	98%
Year 2	98%
Year 3	98%
Year 4	98%
Year 5	98%
Year 6	98%
Year 7	98%
Year 8	98%
Year 9	98%
Year 10	98%

SECTION 3. In granting this designation and deductions the Common Council incorporates Indiana Code § 6-1.1-12.1-12 and also expressly exercises the power set forth in Indiana Code § 6-1.1-12.1-2(i)(6) to impose additional, reasonable conditions on the rehabilitation or redevelopment beyond those listed in the Statement of Benefits, and authorizes the City of Bloomington to negotiate a Memorandum of Understanding with the Petitioner specifying substantial compliance terms and consequences and remedies for noncompliance. 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 \$6.3 million for real estate improvements; and
- b. the land and improvements shall be developed and used in a manner that complies with local code; and
- c. the Project shall be completed before or within twelve months of the completion date as listed on the application; and
- d. the affordable units as described above shall be maintained for at least ninety-nine (99) years; and
- e. Petitioner will comply with all compliance reporting requirements in the manner described by Indiana Code, Bloomington Municipal Code, and by the Memorandum of Understanding.

SECTION 4. The provisions of Indiana Code § 6-1.1-12.1-12 are hereby incorporated into this resolution, so that if the Petitioner ceases operations at the facility for which the deduction was granted and the Common Council finds that the Petitioner obtained the deduction by intentionally providing false information concerning its plans to continue operations at the facility, the Petitioner shall pay the amount determined under Indiana Code § 6-1.1-12.1-12(e) to the county treasurer.

SECTION 5. This designation shall expire no later than December 31, 2030, unless extended by action of the Common Council and upon recommendation of the Bloomington Economic Development Commission.

SECTION 6. The Common Council directs the Clerk of the City to publish a notice announcing the passage of this resolution and requesting that persons having objections or remonstrances to the ERA designation appear before the Common Council at a public hearing on June 27, 2018.

PASSED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2018.

DOROTHY GRANGER, 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 _____ day of _____, 2018.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2018.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This resolution designates one parcel owned by Milestone Ventures, LLC, on West 3rd Street as an Economic Revitalization Area (ERA). This designation was recommended by the Economic Development Commission and will enable the proposed residential redevelopment project to be eligible for tax abatement. The resolution also authorizes a ten-year period of abatement for real property improvements and sets a deduction schedule. The resolution also declares the intent of the Council to hold a public hearing on June 27, 2018 to hear public comment on the ERA designation.



**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R6 / 10-14)

Prescribed by the Department of Local Government Finance

20__ PAY 20__

FORM SB-1 / Real Property

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
- Residentially distressed area (IC 6-1.1-12.1-4.1)

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise, this statement must be submitted to the designating body **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
3. To obtain a deduction, a Form 322/RE must be filed with the County Auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between March 1 and May 10 of a subsequent year.
4. A property owner who files for the deduction must provide the County Auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5.1(b)
5. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/Real Property that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. IC 6-1.1-12.1-17

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer
Milestone Ventures, LLC on behalf of Southern Knoll (a to-be-formed limited partnership)

Address of taxpayer (number and street, city, state, and ZIP code)
8152 Castilla Dr., Indianapolis, IN 46236

Name of contact person Charles Heintzelman	Telephone number (317) 826-3488 x100	E-mail address chuck@milestoneventuresinc.com
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SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body City of Bloomington	Resolution number
Location of property 1107 W. 3rd St., Bloomington, IN 47404	County Monroe
DLGF taxing district number 53-08-05	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) New construction of a 2-story 31-unit affordable housing project along with the re-development of the vacant Gospel Tabernacle Church into community space for the affordable housing project.	Estimated start date (month, day, year) 7/1/19
	Estimated completion date (month, day, year) 7/1/20

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
0.00	\$0.00	0.00	\$0.00	2.00 (1.5 FTE)	\$13.00 (\$23,322 total)

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	125,000.00	175,700.00
Plus estimated values of proposed project	4,000,897.00	1,007,396.00
Less values of any property being replaced	125,000.00	150,000.00
Net estimated values upon completion of project	4,000,897.00	1,033,096.00

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) 0.00 Estimated hazardous waste converted (pounds) 0.00

Other benefits

1. Southern Knoll fulfills one of the City of Bloomington goals to increase the number of affordable housing units in the city..
2. This project will be an improvement to the neighborhood by re-developing the long vacant historic Gospel Tabernacle church into an amenity for the benefit of both the residents of Southern Knoll and the residents of the Prospect Hill Neighborhood.
3. The resulting multi-family residential development will have 100% of its units restricted for occupancy by low and moderate income households at affordable rents.
4. The new positions will consist of 2 part-time employees working approximately 15 hours per week each at \$13.00 per hour.

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative 	Date signed (month, day, year) 5/29/18
Printed name of authorized representative Charles Heintzelman	Title Member

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

- A. The designated area has been limited to a period of time not to exceed _____ calendar years* (*see below*). The date this designation expires is _____.
- B. The type of deduction that is allowed in the designated area is limited to:
 1. Redevelopment or rehabilitation of real estate improvements Yes No
 2. Residentially distressed areas Yes No
- C. The amount of the deduction applicable is limited to \$ _____.
- D. Other limitations or conditions (*specify*) _____
- E. Number of years allowed: Year 1 Year 2 Year 3 Year 4 Year 5 (* see below)
 Year 6 Year 7 Year 8 Year 9 Year 10
- F. For a statement of benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?
 Yes No
 If yes, attach a copy of the abatement schedule to this form.
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

We have also reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved (<i>signature and title of authorized member of designating body</i>)	Telephone number ()	Date signed (<i>month, day, year</i>)
Printed name of authorized member of designating body	Name of designating body	
Attested by (<i>signature and title of attester</i>)	Printed name of attester	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4.1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. The deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
 - (2) The number of new full-time equivalent jobs created.
 - (3) The average wage of the new employees compared to the state minimum wage.
 - (4) The infrastructure requirements for the taxpayer's investment.
- (b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.
- (c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.



CITY OF BLOOMINGTON
economic & sustainable development

Application for Designation as an Economic Revitalization Area (ERA): Real Property Tax Abatement

City of Bloomington, Indiana
Department of Economic and Sustainable Development
401 N. Morton St., PO Box 100, Bloomington, Indiana 47402-0100
812.349.3418

INSTRUCTIONS

1. State law and City of Bloomington policy require that the designation application and statement of benefits form (SB-1) be submitted **prior to the initiation of the project** (i.e., prior to filing for building permits required to initiate construction). If the project requires a rezoning, variance, or approval petition of any kind the petitioner must file prior to submission of the tax abatement application, and must be approved prior to a final hearing on the tax abatement request.
2. All questions must be answered as completely as possible and must be verified with a signature on the completed Statement of Benefits Form (SB-1) and last page of this application. Incomplete or unsigned applications will not be accepted as official filings. If attaching additional pages, please label responses with corresponding Section numbers.
3. Return completed Application and **\$100.00 non-refundable Application Fee** (payable to the **City of Bloomington**) to City of Bloomington Department of Economic & Sustainable Development, PO Box 100, 401 N Morton Street, Suite 130, Bloomington, IN 47402-0100 (economicvitality@bloomington.in.gov).

Section 1 – Applicant Information

Name of Company for which ERA Designation is being requested Milestone Ventures, LLC	
Primary Contact Information (for questions concerning this application and the Project)	
Name Charles Heintzelman	Job Title Member
Phone (317) 826-3488 ext. 100	Email chuck@milestoneventuresinc.com
Address 8152 Castilla Dr.	
(street and/or PO, city, ZIP) Indianapolis, IN 46236	
Compliance Contact Information (person responsible for completion and timely submittal of mandatory annual compliance forms if designation is granted)	
Name Charles Heintzelman	Job Title Member
Phone (317) 826-3488 ext. 100	Email chuck@milestoneventuresinc.com
Address 8152 Castilla Dr.	
(street and/or PO, city, ZIP) Indianapolis, IN 46236	

Section 2 – Real Property Location and Description

Monroe County Tax Parcel ID Number(s) 53-08-05-200-044.000-009	Township Perry
Street Address 1107 W.3rd St.	ZIP 47404-
Current Zoning CG	Current Use(s) of Property Vacant church and vacant house
Estimated Market Value of Property \$325,000	
Property or Building(s) Listed as Historic on the City of Bloomington <u>Historical Survey</u> ?	<input type="checkbox"/> Outstanding
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, check one:	<input type="checkbox"/> Notable
	<input checked="" type="checkbox"/> Contributing
	Age of Building(s), if applicable 71 years
Describe any other national or local historical significance or designation, if applicable None	
Please list all owners of the property. G. J. Anderson, Inc.	
Attach additional sheets as necessary to include all relevant property records. The City of Bloomington may require a copy of the property deed.	

Section 5 – Proposed Improvements (the "Project")

Describe all real estate improvements for which tax abatement on the property is being sought.

The new construction of a 31-unit 2-story affordable housing project along with the renovation of the historic church into community space.

Estimated Total Project Cost (Capital Improvements only)	\$4,000,897.00	Has Bloomington Planning approval been obtained for the Project? If yes, Case Number: UV/V-23-17	<input checked="" type="checkbox"/> Yes
Estimated Construction Start Date (month-year)	July 2019		<input type="checkbox"/> No
Estimated Completion Date (month-year)	July 2020		
Will the Project require any City expenditures (for public infrastructure, etc.)? If yes, please describe			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Proposed Use(s) of the property after Project completion. Describe uses for entire Project space, including any uses not of the applicant company (e.g., if portions of space are intended to be leased to other entities, provide details). 31-unit affordable housing project with 7 units set-aside as permanent supportive housing for the homeless and 7 units set-aside for persons with developmental disabilities.			
Describe the impact on your business if the proposed Project is not undertaken (e.g. loss of jobs, contract cancellations, loss of production, change in location, etc.). If this project is not undertaken, the property will remain undeveloped, the historic church will not be rehabilitated, and 31-units of affordable housing will not be developed.			
Attach renderings, site plans, drawings, etc., of the Project.			

Section 6 – City of Bloomington Evaluative Criteria

Describe how the Project will make a significant positive contribution to the community's overall economic vitality in at least one of the following areas which apply. Feel free to add details to any and all other categories which apply. See "General Standards" for explanations and examples.

<input checked="" type="checkbox"/> Quality of Life, Environmental Stewardship, and/or Sustainability	The project will be built to meet a LEED/NGBS Silver energy rating.
<input checked="" type="checkbox"/> Affordable Housing	31-units with an average rent (for the non-rent subsidized units) of \$501/month
<input checked="" type="checkbox"/> Community Service	Partnering with Shalom Community Center and LifeDesigns, Inc.
<input checked="" type="checkbox"/> Community Character	Preserves the historic Gospel Tabernacle Church
If applicable, describe any further (not yet described above) beneficial <i>and detrimental</i> impact to the community's economic, social or environmental wellbeing, resulting from the Project. Please see Attached Exhibit A	
Attach any additional information or documentation you feel to be pertinent to the City's decision to authorize this tax abatement.	

Project Overview

Milestone Ventures, LLC (“Milestone”) is an Indianapolis-based developer specializing in affordable housing developments. The company was founded and is led by Chuck Heintzelman. According to Milestone, since 2000, Milestone Ventures has focused solely on affordable housing development in both rural and urban communities, creating developments for families, senior citizens, and persons with disabilities. They developed both the Crawford I and Crawford II affordable housing projects in Bloomington.

Milestone proposes to develop a 31-unit, two-story affordable housing project on a 1.26-acre parcel located at 1107 W 3rd St in Bloomington. Unit breakdown will be 15 studio apartments; eight (8) one-bedrooms; five (5) two-bedrooms; and three (3) three-bedrooms. All 31 units will be affordable to households at or below 80% of the area median income (AMI), and greater than 75% of the units will be affordable to those with incomes at or below 60% AMI. Seven (7) units will be set aside as permanent supportive housing for individuals experiencing homelessness, with services provided by Shalom Community Center. Another seven (7) units will be set aside for persons with developmental disabilities, with services provided by LifeDesigns.

Crucially, Milestone is applying for \$5.31 million in Federal Low-Income Housing Tax Credits (LIHTC) as a make-or-break portion of its financing package. To fill an \$875,000 funding gap, they are also applying for \$375,000 in HOME funds through the City of Bloomington Housing and Neighborhood Development Department, and \$500,000 from the Federal Home Loan Bank Affordable Housing Program.

Criteria: City of Bloomington Tax Abatement General Standards.

Evaluative Criteria

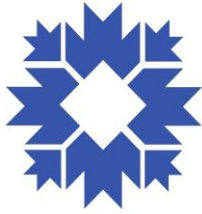
The City’s Tax Abatement General Standards describe additional criteria to evaluate whether a project will make “a significant positive contribution to overall economic vitality” of the city. Four categories are outlined as examples.

Quality of Life/Environmental Sustainability: This project will incorporate green-friendly building materials and will achieve a minimum LEED Silver green building designation. This includes low-flow toilets, water sensor faucets, and some building materials that have been harvested and manufactured within a 500-mile radius. Examples of these materials include flooring, drywall, cement, asphalt, stone, permeable pavers, and all landscaping. In addition, the development will be located within ¼ mile of four different Bloomington Transit stops. The project will include “Energy Star” appliances and energy efficient fixtures, energy-efficient and LED lighting throughout.

Affordable Housing: The property will 31-unit multi-family housing development with 100% affordable units. All 31 units will be affordable to households at or below 80% of the area median income (AMI), and greater than 75% of the units will be affordable to those with incomes at or below 60% AMI.

Community Service: The project will add high quality and safe affordable housing to the city and will adhere to the Indiana Housing Community and Development Authority design requirements to create a safe, efficient, and quality affordable housing project. In addition, the developer will partner with Shalom Community center and LifeDesigns, Inc. to provide seven (7) units of permanent supportive housing for individuals experiencing homelessness, and seven (7) units of permanent supportive housing for persons with developmental disabilities.

Community Character: The project preserves and redevelops a historic church into community space for residents, and develops an otherwise difficult-to-develop PUD.



CITY OF BLOOMINGTON
economic & sustainable development

MEMORANDUM

To: Common Council Members
cc: John Hamilton, Mayor; Mick Renneisen, Deputy Mayor; Jeff Underwood, Controller; Larry Allen, Assistant City Attorney; Alex Crowley, Director, Economic and Sustainable Development
From: Brian Payne, Assistant Director, Economic & Sustainable Development
Date: May 25, 2018
Re: Resolution 18-09 and 18-10
Real Property Tax Abatement Application and Economic Revitalization Area designation
Milestone Ventures, LLC – 1107 W. 3rd St
(Monroe County Parcel ID Number: 53-08-05-200-044.000-009)

Project Overview

Milestone Ventures, LLC (“Milestone”) is an Indianapolis-based developer specializing in affordable housing developments. The company was founded and is led by Chuck Heintzelman. According to Milestone, since 2000, Milestone Ventures has focused solely on affordable housing development in both rural and urban communities, creating developments for families, senior citizens, and persons with disabilities. They developed both the Crawford I and Crawford II affordable housing projects in Bloomington.

Milestone proposes to develop a 31-unit, two-story affordable housing project on a 1.26-acre parcel located at 1107 W 3rd St in Bloomington. Unit breakdown will be 15 studio apartments; eight (8) one-bedrooms; five (5) two-bedrooms; and three (3) three-bedrooms. All 31 units will be affordable to households at or below 80% of the area median income (AMI), and greater than 75% of the units will be affordable to those with incomes at or below 60% AMI. Seven (7) units will be set aside as permanent supportive housing for individuals experiencing homelessness, with services provided by Shalom Community Center. Another seven (7) units will be set aside for persons with developmental disabilities, with services provided by LifeDesigns.

The total projected investment for the property is approximately \$6.3 million, of which \$4 million represents capital improvements. 2017 assessed value of the property is \$364,700, of which \$175,700 represents built improvements. Due to the necessary demolition of a house on the lot, estimated current market value of the property is \$325,000. The affordable housing commitment will be not less than 99 years: 100% of the units will be affordable for the first 30 years, and no fewer than 50% of the units (16 units) will be affordable in years 31-99.

Crucially, Milestone is applying for \$5.31 million in Federal Low-Income Housing Tax Credits (LIHTC) as a make-or-break portion of its financing package. To fill an \$875,000 funding gap, they are also applying for \$375,000 in HOME funds through the City of Bloomington Housing and Neighborhood Development Department, and \$500,000 from the Federal Home Loan Bank Affordable Housing Program.

Last LIHTC application cycle, Milestone submitted a similar project approved for this site (Kinser Flats), which fell two points short of the minimum score that received funding through the competitive 9% LIHTC program that year. With a reduced unit count and lowered overhead costs, a successful HOME funds application and this 98% tax abatement over 10 years, Milestone would narrowly qualify for 3.5 more points than the site’s previous LIHTC score in the “Leveraging Capital Resources” category. In essence, this tax abatement may well provide the crucial, marginal score increase necessary to secure the \$5.31 million in Federal tax credits.

Current Status/Outcomes of Commission Reviews

Economic Development Commission:

On May 16, 2018, the Economic Development Commission (EDC) unanimously approved the tax abatement as detailed below and in EDC Resolution 18-04 with a vote of 3-0. The EDC also approved EDC Resolution 18-03, the designation of 1107 W 3rd St as an Economic Revitalization Area, by a 3-0 vote.

Plan Commission:

In 2017, Plan Commission approved a similar 40-unit affordable housing proposal for this same 1107 W 3rd St site, which received a first-floor use variance and a parking minimum reduction variance. That project, known as Kinser Flats, was also a partnership between Milestone Ventures and LifeDesigns, and was approved unanimously by Plan Commission.

To meet the Federal LIHTC application deadline, Milestone must secure a tax abatement agreement by July 30. Given Bloomington Common Council’s July recess, this compressed project schedule precludes waiting for final Plan Commission review.

According to Planning and Transportation, Milestone is expected to receive the same use variances as the prior project, and plan commission approval of the final site plan is highly likely.

Pending Reviews

Common Council review of Tax Abatement	June 6; June 13; June 27
Hearing Officer review of first-floor and parking use variances	June 13
Plan Commission review of final site design	TBD

Criteria: City of Bloomington Tax Abatement General Standards

Capital Investment as an enhancement to the tax base

Total estimated project capital investment is projected to be \$4 million. According to Monroe County, the current tax liability for the property is \$7727.52 annually, on an assessed value of \$364,000 (\$189,000 land and \$175,700 existing real property), according to County Assessor records. Based on the total estimated project assessed value, the new assessed value (excluding the abatement) is projected to grow to approximately \$1,033,000, placing the tax liability eligible for abatement at \$161,442 over ten years, or \$16,144 annually.

The project is located in a Consolidated Tax Increment Financing (TIF) allocation area (Adams Crossing Area) and Indiana Code § 6-1.1-12.1-2(k) provides that when a property is located in an Economic Revitalization Area (ERA) and also located within a TIF allocation area, the Common Council must approve the Statement of Benefits by resolution. In this case, only increases to the assessed value of the property will be abated, and only at a 98% rate, meaning the project will result in more tax revenue to the City than the status quo. In addition, the project is projected to dramatically increase the assessed value of the property's built improvements, by a sum of more than \$825,000.

Evaluative Criteria

The City's Tax Abatement General Standards describe additional criteria to evaluate whether a project will make "a significant positive contribution to overall economic vitality" of the city. Four categories are outlined as examples, and the petitioner may provide supportive evidence for how their project addresses any or all of the evaluative criteria, and may also offer a description of the project's contributions outside of these four categories as the petitioner deems appropriate. A summary of the application's category responses is below. Please also refer to the petitioner's application, which has been included in your packet.

Quality of Life/Environmental Sustainability: This project will incorporate green-friendly building materials and will achieve a minimum LEED Silver green building designation. This includes low-flow toilets, water sensor faucets, and some building materials that have been harvested and manufactured within a 500-mile radius. Examples of these materials include flooring, drywall, cement, asphalt, stone, permeable pavers, and all landscaping. In addition, the development will be located within ¼ mile of four different Bloomington Transit stops. The project will include "Energy Star" appliances and energy efficient fixtures, energy-efficient and LED lighting throughout.

Affordable Housing: The property will 31-unit multi-family housing development with 100% affordable units. All 31 units will be affordable to households at or below 80% of the area median income (AMI), and greater than 75% of the units will be affordable to those with incomes at or below 60% AMI.

Community Service: The project will add high quality and safe affordable housing to the city and will adhere to the Indiana Housing Community and Development Authority design requirements to create a safe, efficient, and quality affordable housing project. In addition, the developer will partner with Shalom Community center and LifeDesigns, Inc. to provide seven (7) units of permanent supportive housing for individuals experiencing homelessness, and seven (7) units of permanent supportive housing for persons with developmental disabilities.

Community Character: The project preserves and redevelops a historic church into community space for residents, and develops an otherwise difficult-to-develop PUD.

Criteria: Indiana Code

Establishing an Economic Revitalization Area and a Term of Abatement

After EDC's favorable recommendation, the City Council must consider this abatement application. In order for a property to be eligible for tax abatement, it must be designated an Economic Revitalization Area, or must be within an area already designated as an Economic Revitalization Area by the Common Council. An Economic Revitalization Area or "ERA" is an area that has obstacles to "normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements

or character of occupancy, age, obsolescence, substandard buildings, or other factors.” (Indiana Code § 6-1.1-12.1-1).

In order to establish an Economic Revitalization Area and authorize a tax abatement term, the Council must find that:

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

In this case, the parcel has a historic building and single-family dwelling that have decreased in value significantly since 2005, which constitutes “deterioration of improvements” under the criteria for designation. In addition, the site’s placement directly across from a cemetery may impede development.

City staff finds the estimates and benefits described in the Application and on the Statement of Benefits form are reasonable and that the benefits, as outlined in the application packet and this memo, are sufficient to justify a tax abatement of the recommended term and schedule.

On May 16, the EDC unanimously approved the designation of this site as an ERA.

Economic Development Target Area

Because this development includes more than 20% affordable housing, it does not require designation as an Economic Development Target Area (EDTA).

Rationale for Tax Abatement Recommendation

Most important to the recommendation, City staff and administration believe that it is in the interest of the community to support this development given its substantial number of affordable housing units. American Community Survey data point to a significant affordable housing challenge in Bloomington. Notably, on average, the community’s rental cost burden exceeds HUD’s recommended 30% cost-burden threshold for housing by 10%, excluding students. At a block group level, this severe cost burden is even more acute. Bloomington ranks among the worst for severe housing cost burdens among a sample of peer university communities:

<u>Peer City</u>	<u>% Renter Cost Burden</u>	<u>Rank</u>	<u>% Homeowner Cost Burden</u>	<u>Rank</u>
Ann Arbor, Michigan	26%	1	36.39%	5
Bowling Green, Kentucky	27.1%	2	21.73%	1
Lexington-Fayette, Kentucky	27.9%	3	38.92%	6
Lawrence, Kansas	29%	4	42.52%	8

Manhattan, Kansas	29%	4	33.21%	4
Ft. Collins, Colorado	32.7%	6	25.92%	2
Bloomington, Indiana	33%	7	40.2%	7
West Lafayette, Indiana	33.5%	8	31.98%	3

Milestone’s proposed development provides for unique permanent supportive housing for vulnerable populations, along with an important supply of affordable housing in Bloomington within HUD’s housing cost burden guidelines, which stipulate that the cost of housing and non-telecom utilities not exceed 30% of a resident’s gross income:

Cost Burden Analysis by Unit						
		<u>1</u>	<u>2 People</u>	<u>3 People</u>	<u>4 People</u>	
Bloomington Metro 80% of AMI (HUD):		\$38,950	\$44,500	\$50,050	\$55,600	
AMI	<u>Bed/Unit</u>	<u>Units</u>	<u>Avg Rent/Unit</u>	<u>Low HH Size</u>	<u>Income/Yr.</u>	<u>Cost Burden</u>
30%	1	7	\$320	1	\$14,600	26.3%
50%	1	2	\$485	1	\$24,350	23.9%
60%	1	2	\$575	1	\$29,220	23.6%
60%	2	1	\$610	2	\$33,360	21.9%
60%	3	1	\$750	3	\$37,560	23.9%
80%	1	7	\$545	1	\$38,950	16.7%
80%	3	1	\$750	3	\$50,050	17.9%

A review of LIHTC projects in the state suggests that the City’s tax abatement and potential additional HOME fund support – cumulatively totaling \$17,200/affordable housing unit – is in line with other similar developments. The project’s use of federal LIHTC funding, in addition to being a critical component of the developer’s ability to build the project, also allows the City to gain significant affordable housing unit stock with efficient use of its own local incentive resources. If successful, this project leverages Federal investment from City investment at a roughly a 10:1 return rate.

Additionally, staff has reviewed the proposed incentive package against incentive/affordable housing unit ratios of recently approved projects in Bloomington. Staff finds that the Milestone development incentive structure is aligned with previously approved incentives provided to affordable housing projects in Bloomington. As a reference, the PedCor “Moving Forward” development currently slated for 2018 completion was granted \$750,000 in local incentives -- \$250,000 in HOME funds and \$500,000 in land value – for its proposed 36-unit development in the Trades District. This equates to \$20,833/affordable unit.

City administration and staff believe the project appropriately balances the community's multiple interests in historic preservation as well as affordable units, among others. While the development's environmental impact is important to recognize, it is also the site's environmental challenges and the resulting previous lack of development that have effectively contributed to make the site's land affordable to purchase – a critical financial issue when developing an affordable housing project. Milestone has worked closely with City planning staff to create a design that fits largely within the historic constraints of the site and previous Plan Commission PUD approval.

Finally, and as noted above, the City recommends designation of the site as an Economic Revitalization Area. Specifically, the presence of a historic church and existing single-family dwelling have limited its opportunities for development, meeting Indiana's Code requirements that a property has obstacles to "normal development and occupancy because of lack of development..."

With the consideration of all factors outlined above, and especially recognizing the unique opportunity this development presents to substantially increase the availability of permanent supportive and affordable housing in Bloomington, the City supports the property owner's application for tax abatement with the following terms: **10-Year Real Estate (RE) Property Tax Abatement, at 98% for each of 10 years.** The total abatement gross value based on 2017 tax rates and projected gross rent received is \$158,213.

Should the Council approve the tax abatement, the City will negotiate and execute the required Memorandum of Agreement with Milestone. This agreement will include claw back provisions (remedies and consequences for noncompliance) related to the benefits stated in the Application and Statement of Benefits (SB-1) forms, and will define other substantial compliance terms through the duration of the tax abatement periods.

Appendix 1: Tax Abatement Schedule

Appendix 2: Site Images

Attachments:

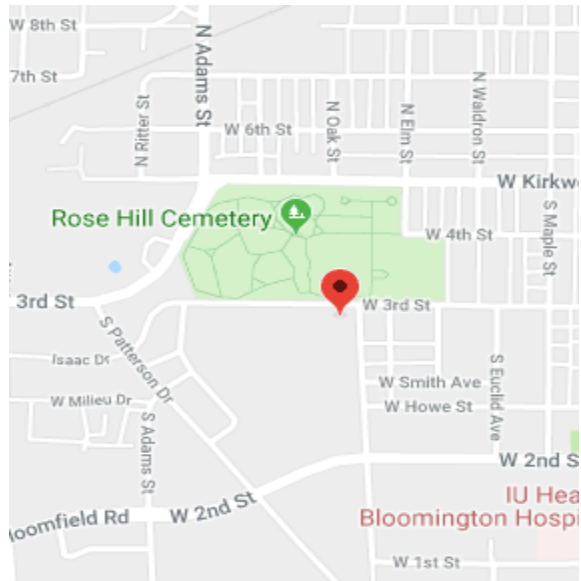
- Petitioner's City of Bloomington Tax Abatement Application

Appendix 1: Tax Abatement Schedule

Tax Abatement Calculations for Real Property Improvement				
Milestone Ventures, LLC -- 1107 W 3rd St				
Using 2017 Payable 2018 Tax Rate and Project Estimates				
% Affordable Units:		100%		
Project Cost:		\$6,300,000		
Capital Improvements:		\$4,000,000		
Year	Abatement Percent	Developer's Proj. Tax Liability*	Value Abated	Taxes Payable
1	98%	\$25,085	\$13,361	\$11,724
2	98%	\$25,732	\$13,855	\$11,867
3	98%	\$26,399	\$14,384	\$12,014
4	98%	\$27,085	\$14,919	\$12,166
5	98%	\$27,792	\$15,470	\$12,322
6	98%	\$28,521	\$16,037	\$12,483
7	98%	\$29,271	\$16,622	\$12,649
8	98%	\$30,043	\$17,224	\$12,820
9	98%	\$30,839	\$17,844	\$12,996
10	98%	\$31,659	\$18,482	\$13,177
		\$282,431	\$158,213	\$124,219
Average (10-years)		\$28,242	\$15,820	\$12,421
Note: Year 10 projected tax liability estimated.				
*IC 6-1.1-4-41: (b) For assessment dates after February 28, 2006, the true tax value of low income rental property is the greater of the true tax value: (1) determined using the income capitalization approach; or (2) that results in a gross annual tax liability equal to five percent (5%) of the total gross rent received from the rental of all units in the property for the most recent taxpayer fiscal year that ends before the assessment date.				

Appendix 2: Site Images

Site Location





**RESOLUTION 18-03
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA**

TO DESIGNATE AN ECONOMIC REVITALIZATION AREA

WHEREAS, Indiana Code § 6-1.1-12.1-1 *et seq.* specifies that the Common Council may designate an Economic Revitalization Area after a favorable recommendation by the Economic Development Commission; and

WHEREAS, Milestone Ventures, LLC has submitted an application in which it seeks to have an area located at 1107 W. 3rd St, and including the following Monroe County Parcel Number, designated as an Economic Revitalization Area:

53-08-05-200-044.000-009

WHEREAS, the Economic Development Commission of the City of Bloomington, Indiana held a meeting on May 16, 2018 to consider Milestone Ventures, LLC's application; and

WHEREAS, the Economic Development Commission of the City of Bloomington, Indiana, has determined that the application falls within the statutory qualifications in Indiana Code § 6.1.1-12.1-1 *et seq.* and has voted to support the designation;

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT COMMISSION OF THE CITY OF BLOOMINGTON THAT:

The Economic Development Commission of the City of Bloomington, Indiana recommends to the Common Council of the City of Bloomington that the application for the above-referenced location to be designated as an economic revitalization area is approved.

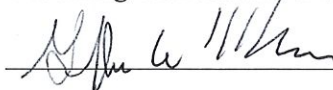
APPROVED this day of May 16, 2018.



Acting Chair Malcolm Webb

(Print Name and Title)

Bloomington Economic Development Commission



Geoffrey W. McKim

(Print Name and Title)

Bloomington Economic Development Commission

**RESOLUTION 18-04
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA**

WHEREAS, the Economic Development Commission of the City of Bloomington, Indiana, recognizes the need to stimulate growth and to maintain a sound economy within the corporate limits of the City of Bloomington, Indiana; and

WHEREAS, Indiana Code § 6-1.1-12.1-1 *et seq.* provides for the designation of “Economic Revitalization Areas” (“ERA”) within which property taxes may be abated on improvements to real estate and within which property taxes may be abated on personal property; and

WHEREAS, in addition to ERA designation, an applicant for tax abatement must receive the Common Council’s approval of the Statement of Benefits regarding the proposed project; and

WHEREAS, the Common Council of the City of Bloomington—in Ordinance 97-06—gave the Economic Development Commission the responsibility for making recommendations to the Council regarding requests for tax abatement; and

WHEREAS, the Common Council of the City of Bloomington—in Resolution 11-01—adopted Tax Abatement General Standards that established the standards to be used in finding an area to be an ERA; and

WHEREAS, Milestone Ventures, LLC, (“Petitioner”) proposes a project on one (1) parcel at 1107 W. 3rd St. (“Project”); and

WHEREAS, Petitioner has applied for a tax abatement on the real estate improvements associated with the Project (“Application”); and

WHEREAS, Petitioner’s Application includes a Statement of Benefits; and

WHEREAS, the Economic Development Commission of the City of Bloomington, Indiana, has met and considered Petitioner’s Application and Statement of Benefits, and recommends a ten-year tax abatement on the proposed real estate improvements;

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT COMMISSION OF THE CITY OF BLOOMINGTON THAT:

The following recommendations are made to the Common Council of the City of Bloomington, Indiana:

1. One (1) parcel — identified by Monroe County as the following Parcel Number — be designated an Economic Revitalization Area:

53-08-05-200-044.000-009

2. Petitioner’s Statement of Benefits regarding the Project at 1107 W. 3rd St. be approved, including a ten-year tax abatement with the following deduction schedule:

Year 1 98%

Year 2 98%
Year 3 98%
Year 4 98%
Year 5 98%
Year 6 98%
Year 7 98%
Year 8 98%
Year 9 98%
Year 10 98%

APPROVED this 16th day of May, 2018.



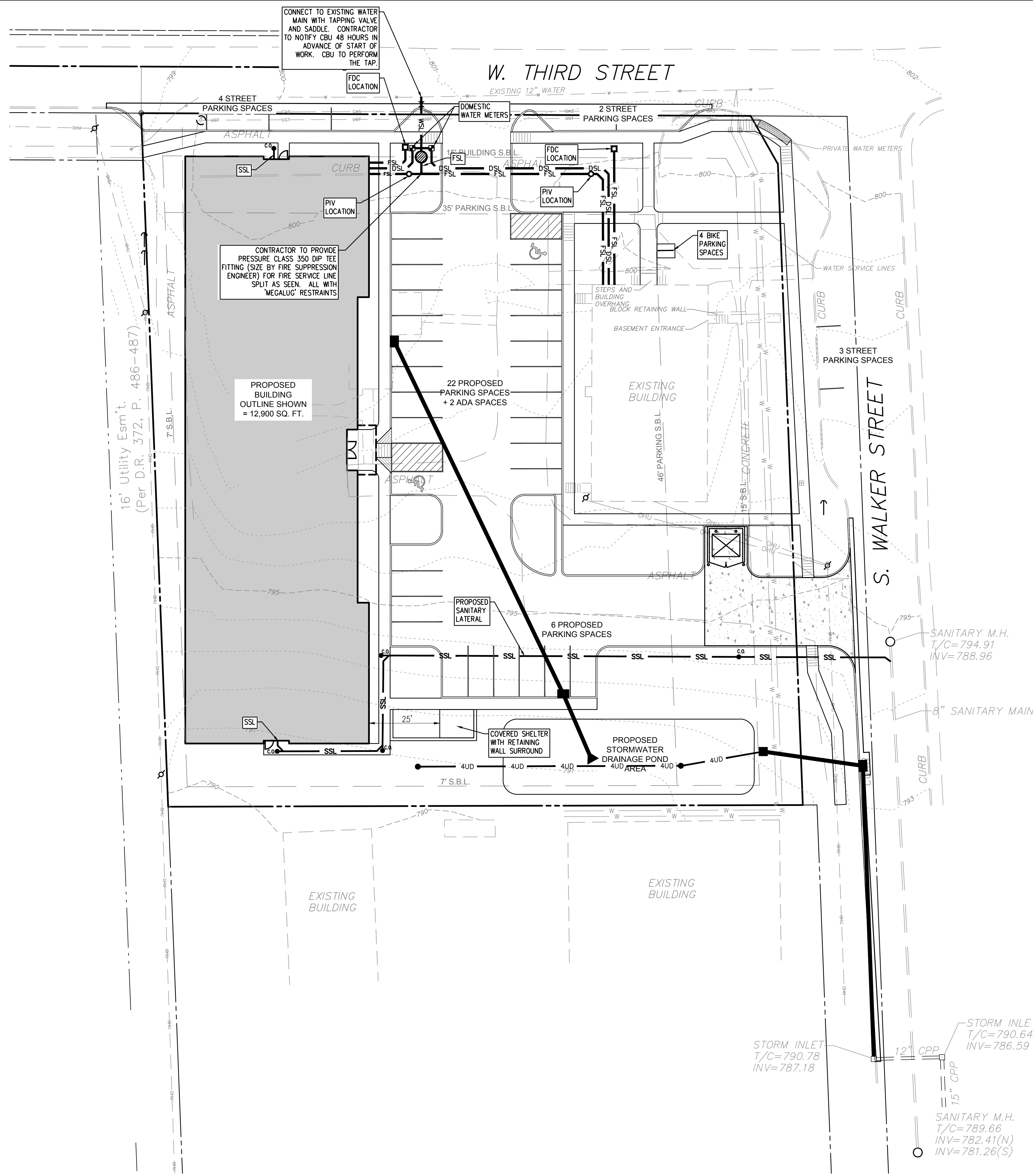
Malcolm Webb, Acting Chair
(Print Name and Title)

Bloomington Economic Development Commission



Geoffrey W. McKim
(Print Name and Title)

Bloomington Economic Development Commission



16' Utility Esm't.
(Per D.R. 372, P. 486-487)

CONTRACTOR TO PROVIDE
PRESSURE CLASS 350 DIP TEE
FITTING (SIZE BY FIRE SUPPRESSION
ENGINEER) FOR FIRE SERVICE LINE
SPLIT AS SEEN. ALL WITH
MEGALUG® RESTRAINTS

PROPOSED
BUILDING
OUTLINE SHOWN
= 12,900 SQ. FT.

PROPOSED
SANITARY
LATERAL

COVERED SHELTER
WITH RETAINING
WALL SURROUND

PROPOSED
STORMWATER
DRAINAGE POND
4UD AREA

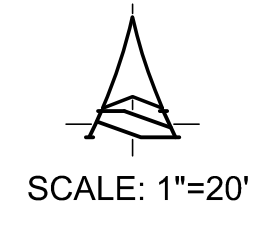
SANITARY M.H.
T/C=794.91
INV=788.96

8" SANITARY MAIN

STORM INLET
T/C=790.64
INV=786.59

STORM INLET
T/C=790.78
INV=787.18

SANITARY M.H.
T/C=789.66
INV=782.41(N)
INV=781.26(S)



W. 3RD ST. & S. WALKER ST. PROPERTY - 1.25 ACRES	PARKING COUNT	IMPERVIOUS SURFACE AREA	STUDIO UNITS LESS THAN 550 SQ. FT.	1 BED UNITS LESS THAN 700 SQ. FT.	2 BED UNITS LESS THAN 950 SQ. FT.	3 BED UNITS	UNIT DENSITY
CITY OF BLOOMINGTON 'UDO' ALLOWABLE	1 SPACE PER BEDROOM = 42	60% LOT COVERAGE = 0.75 ACRES	# UNIT x 0.20	# UNIT x 0.25	# UNIT x 0.66	# UNIT x 1.00	15 UNITS/ACRE X 1.25 ACRES = 18.77 UNITS
PROPOSED	30 ON-SITE + 9 ON-STREET = 39 = 93%	0.72 ACRES = 57.6%	15	8	5	3	11.33 UNITS AFTER WEIGHTED VALUES

NOTE TO CONTRACTOR

CONTRACTOR SHALL VERIFY ALL UTILITY LOCATIONS & DEPTHS AND NOTIFY ENGINEER OF ANY INACCURACIES IN LOCATION OR ELEVATION OR ANY CONFLICTS PRIOR TO & AFTER ANY EXCAVATION. NO PAYMENT SHALL BE MADE TO CONTRACTOR FOR UTILITY DESTRUCTION OR UNDERGROUND CHANGES REQUIRED DUE TO CONFLICTING ELEVATIONS.

revisions:

BBA
BYNUM FANYO & ASSOCIATES, INC.
528 north walnut street
(812) 332-8030

ARCHITECTURE
CIVIL ENGINEERING
PLANNING

Bloomington, Indiana
(812) 339-2990 (Fax)

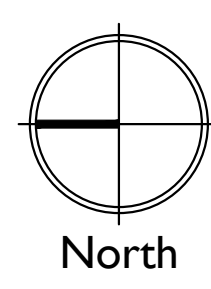
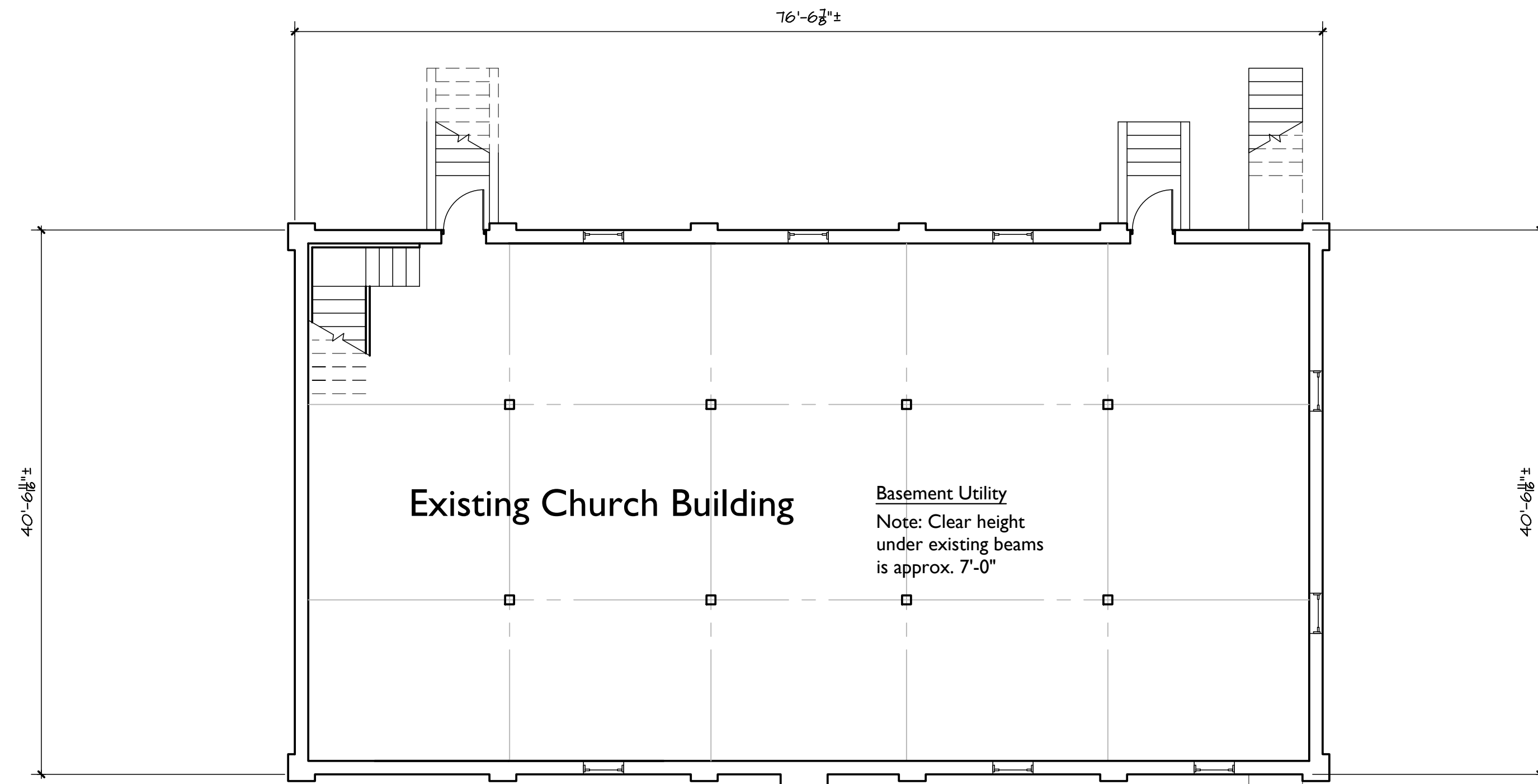
certified by:

**PROPOSED
SOUTHERN KNOLLS**

1107 W. 3RD STREET
BLOOMINGTON, INDIANA 47404

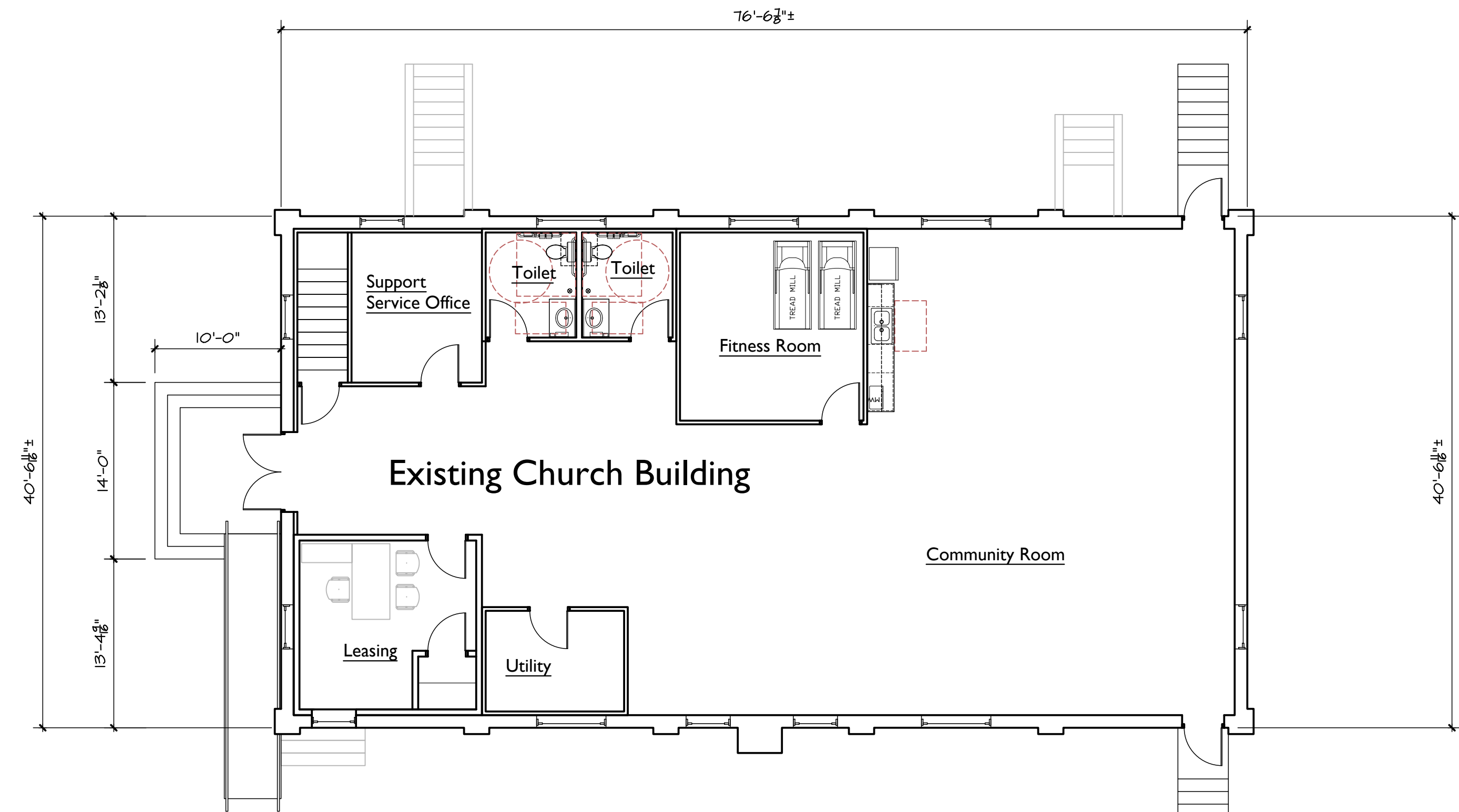
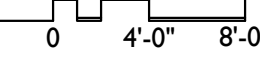
title: SITE IMPROVEMENT
& UTILITY PLAN

designed by: DJB
drawn by: DJB
checked by: JSF
sheet no.: C301
project no.: 401741



Existing Church Basement Plan

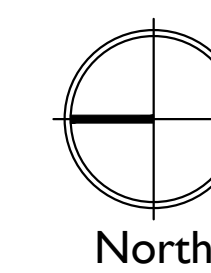
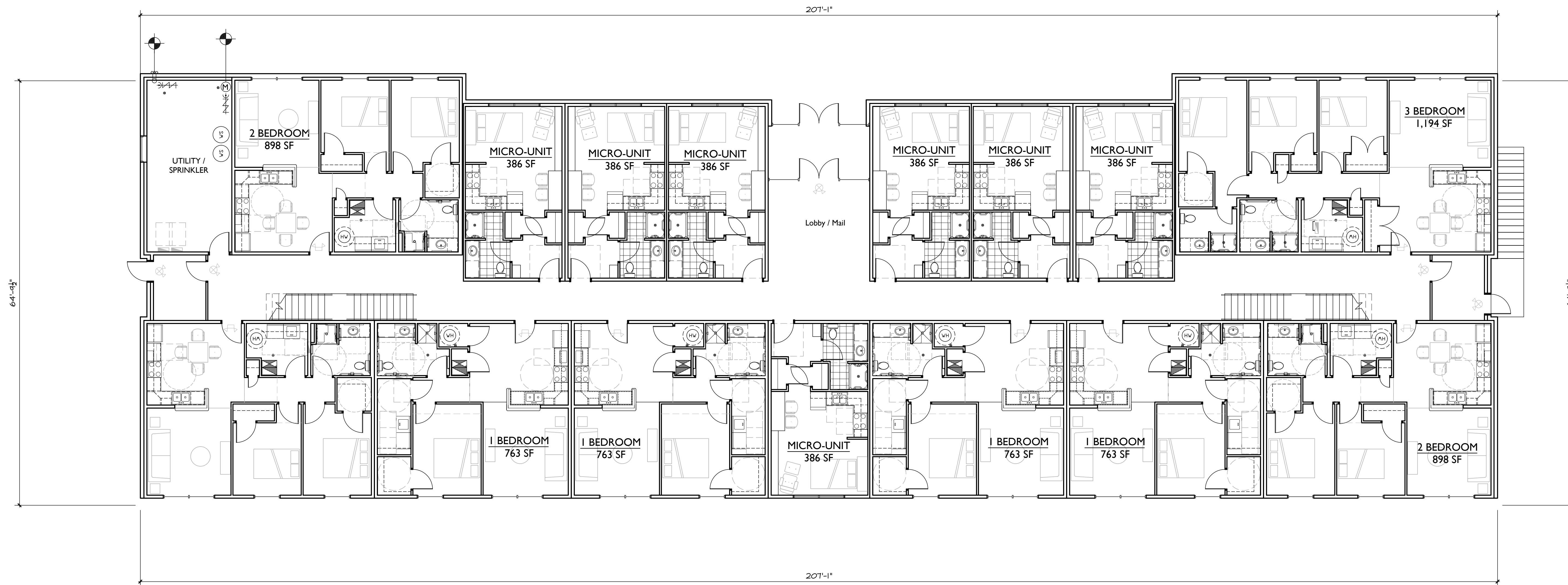
full size plot scale: 1/8" = 1'-0"



Existing Church First Floor Plan

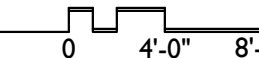
full size plot scale: 1/8" = 1'-0"

Total Gross Building Footprint 3,127 s.f.

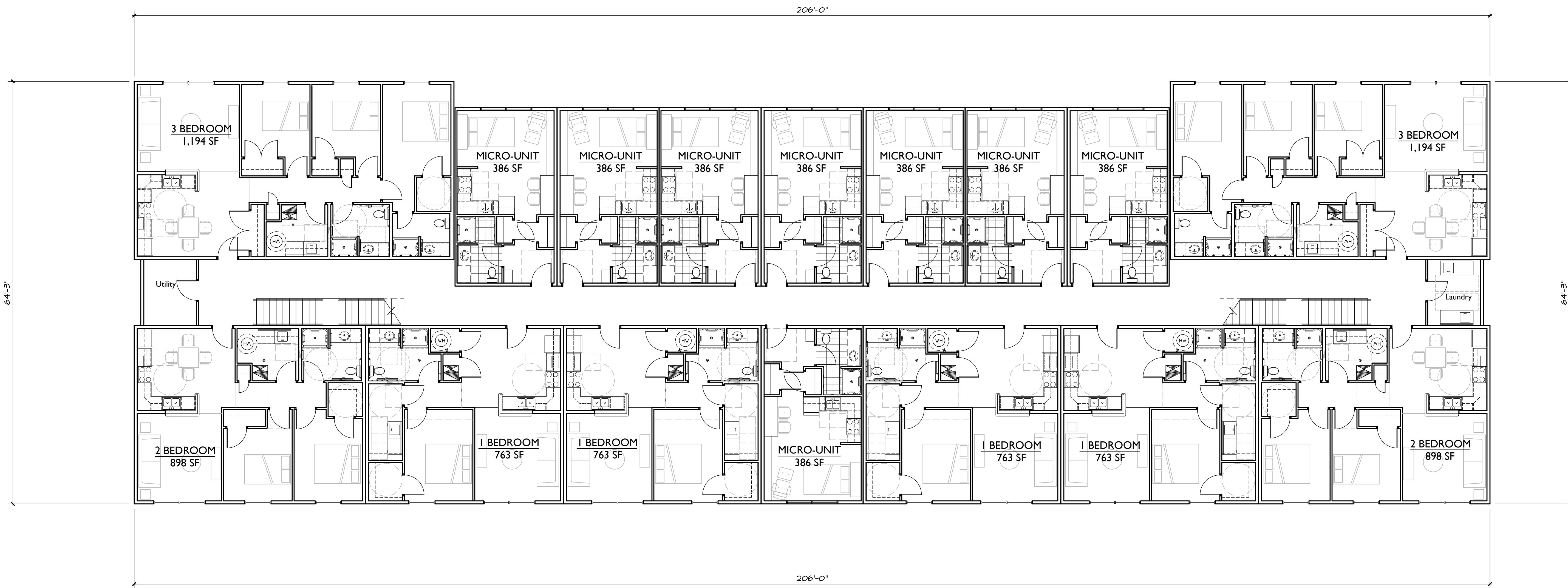


New Apartments First Floor Plan

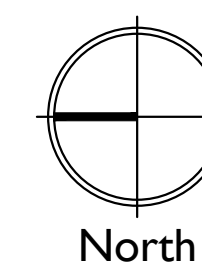
full size plot scale: 1/8" = 1'-0"



Total Gross Building Footprint 12,917 s.f.

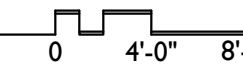


Total Gross Building Footprint 12,780 s.f.



**New Apartments
Second Floor Plan**

full size plot scale: 1/8" = 1'-0"

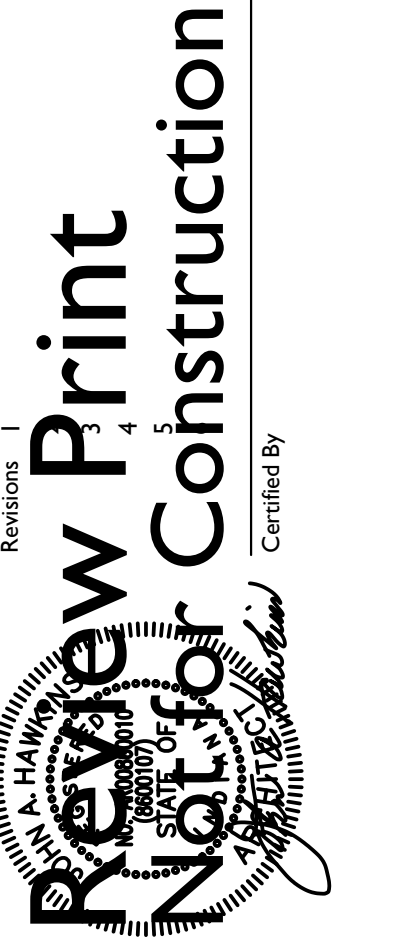


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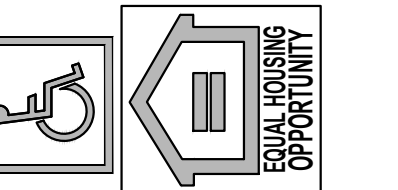
1200 Valley Green
Jeffersonville, IN 47130
812.326.9254
www.koverthawkins.com



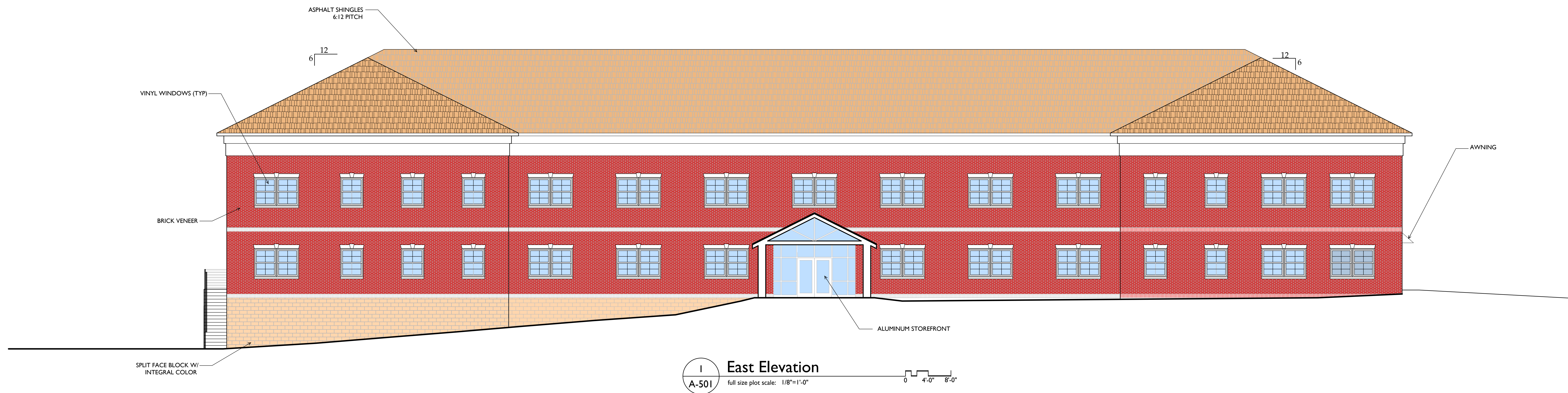
Drawn	ne
Checked By	jh
Project No.	1715.03
Date	05-02-2017



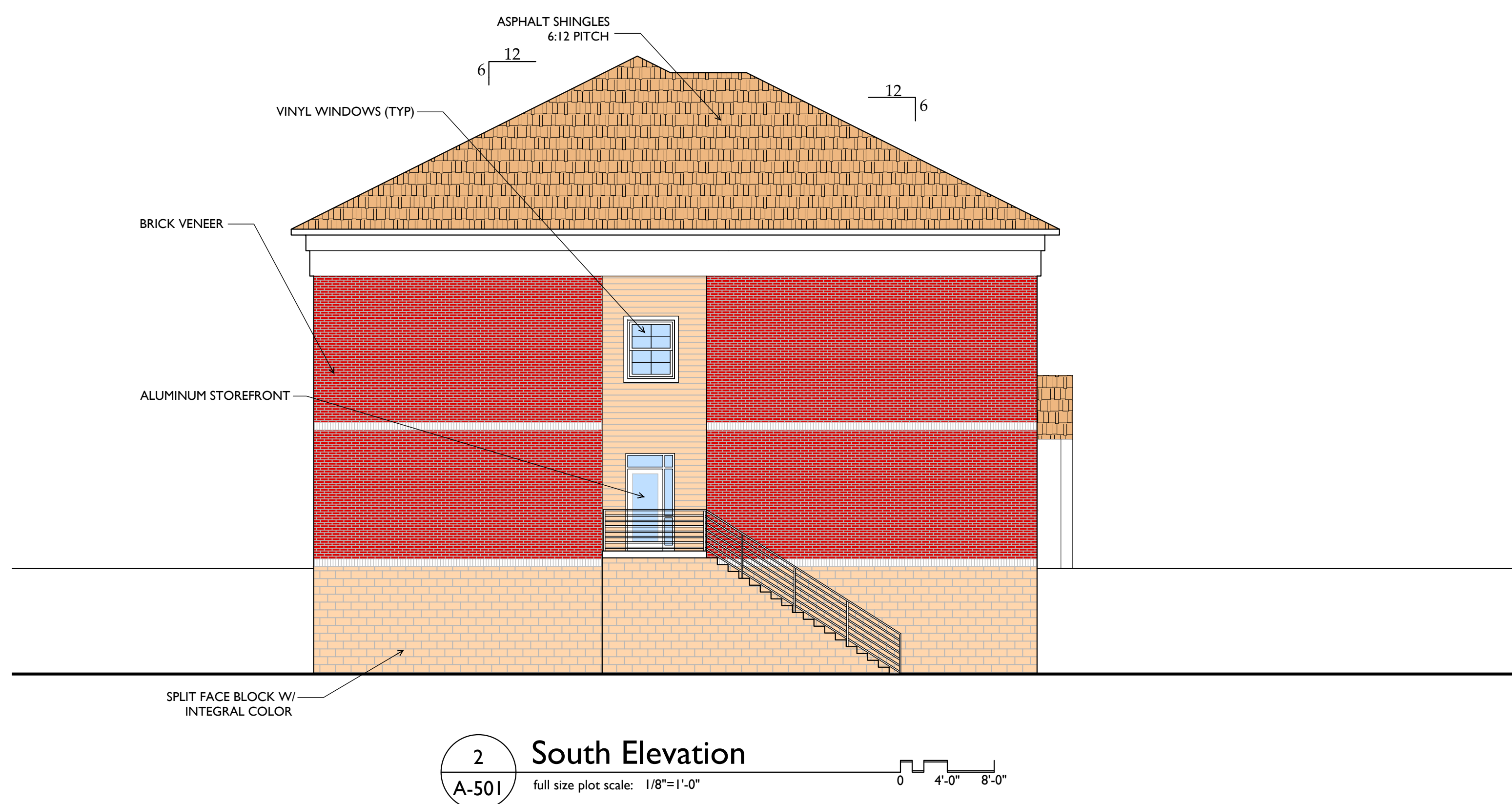
MILESTONE VENTURES
8152 Castalia Drive
Indianapolis, IN 46236



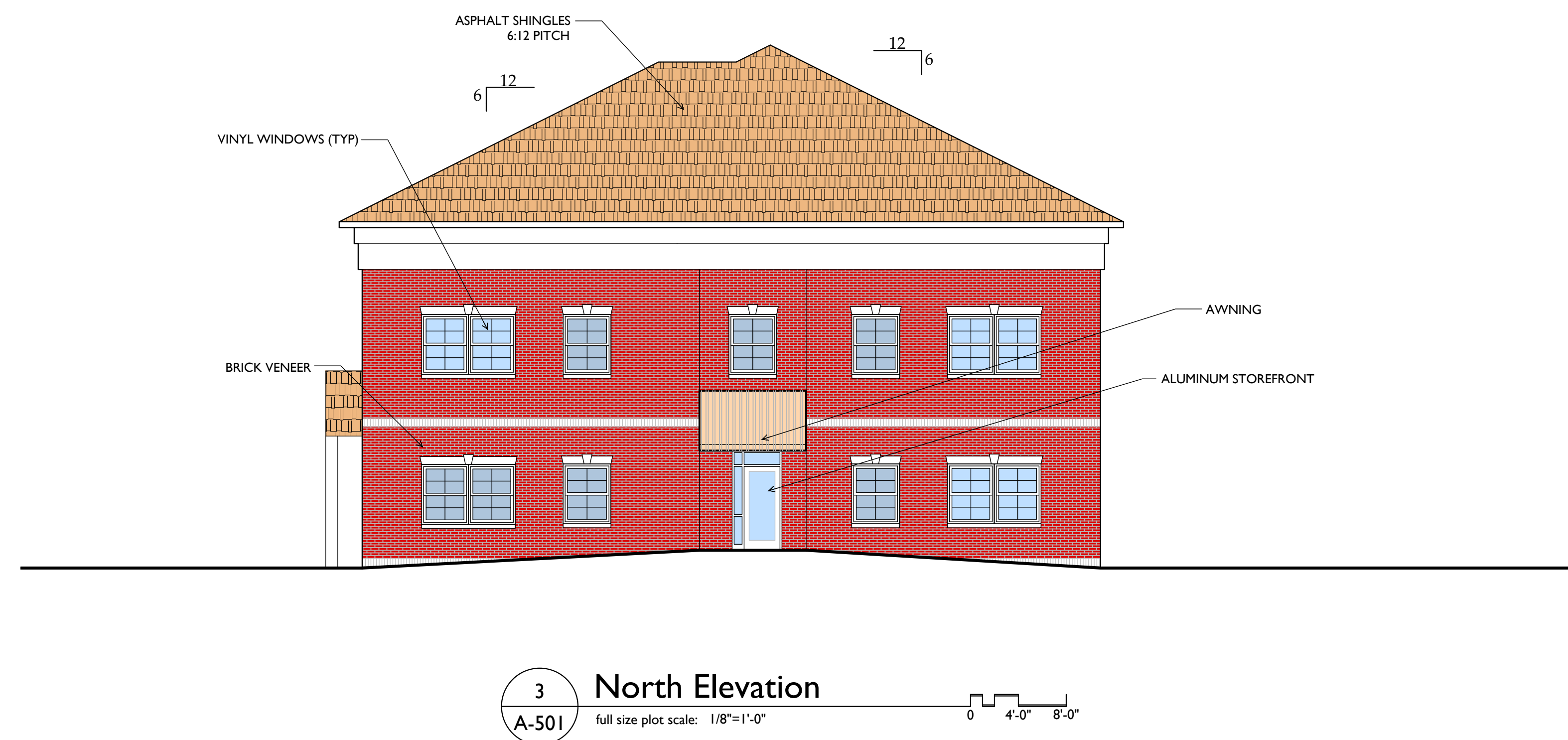
Southern Knoll Apartments
1107 W. 3rd Street
Bloomington, Indiana 47404



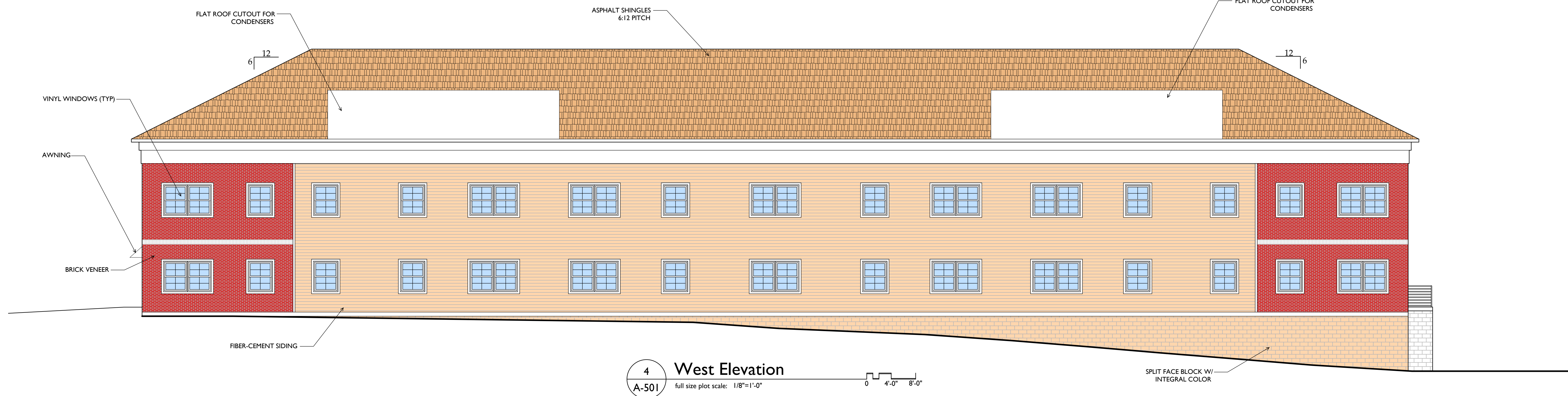
1 East Elevation
full size plot scale: 1/8"=1'-0"



2 South Elevation
full size plot scale: 1/8"=1'-0"



3 North Elevation
full size plot scale: 1/8"=1'-0"



4 West Elevation
full size plot scale: 1/8"=1'-0"

MILESTONE VENTURES

From conception to completion, providing expertise in all phases of rental housing development.

Community and Neighborhood Plans
Project Feasibility Analysis
Budget Preparation
Identification of Funding Sources
Site Selection & Acquisition

Coordination with Architect and Engineer
Construction Management
Funding Application Preparation
Loan Financing Negotiation
Tax Credit Syndication Negotiation

STELLAR COMMUNITIES EXPERIENCE

Bedford (2013) – Prepared Stellar Community Letter of Interest & Application
Bedford (2013) – Consultant, Stellar Community LIHTC Affordable Apartments
Princeton (2012) – Developer/Owner, Stellar Community LIHTC Affordable Apartments

2000-2018 PRODUCTION

	<u>DEVELOPMENTS</u>	<u>UNITS</u>	<u>TOTAL DEVELOPMENT COST</u>
Client Projects	66	1,776	\$188,334,808
Milestone Projects	<u>17</u>	<u>342</u>	<u>\$54,002,317</u>
Total	83	2,118	\$242,337,125

REFERENCES

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Senior Vice-President
Cinnaire
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(317) 522-5469

Mr. David Miller
CEO
Hoosier Uplands Economic
Development Corporation
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Mitchell, IN 47446
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Mr. Eric Frey, II
Executive Director
Southern Indiana Housing and
Community Development Corporation
748 Franklin St.
Columbus, IN 47201
(812) 376-9949

STAFF

Charles Heintzelman
Carla Naum
Sheryl Sharpe
Robin Davis
Cindy Cole
Don Heintzelman

AFFILIATES

MV Construction, LLC
MV Partners, LLC
MV Properties, LLC



**The Mercantile
Alexandria
2017**

Role: Developer/Owner
Adaptive Reuse
& New Construction
26 Apartments
\$6.9 Million



**Crawford Apartments II
Bloomington
2017**

Role: Consultant
New Construction
36 Apartments
\$7.7 Million

**Campaign Flats
Rushville
2016**

Role: Consultant
Adaptive Reuse
7 Apartments
\$1.2 Million





**Benet Hall Apartments
Ferdinand
2016**

Role: Consultant
Adaptive Reuse
15 Apartments
\$4.6 Million

**Main Street Cottages
Princeton (Downtown)
2015**

Role: Developer/Owner
Infill New Construction
(Modular)
20 Apartments
\$4.0 Million



**Miller Asbury Apts.
Greencastle
2015**

Role: Developer/Owner
Adaptive Reuse
& New Construction
30 Apartments
\$7.2 Million



**Stonecutters Place
Bedford
2015**

Role: Consultant
Adaptive Reuse
& New Construction
30 Apartments
\$7.9 Million



**Prince Street Cottages
Princeton (Downtown)
2014**

Role: Developer/Owner
Infill New Construction
36 Apartments
\$6.3 Million

**Warren Village
Terre Haute
2014**

Role: Consultant
Adaptive Reuse
& New Construction
111 Apartments
\$14.8 Million





**Crawford Apartments
Bloomington
2013**

Role: Consultant
Infill New Construction
25 Apartments
\$6.2 Million

**Stalker Apartments
Bedford
2013**

Role: Consultant
Adaptive Reuse
18 Apartments
\$5.1 Million



**Phoenix on the Square
Paoli (Downtown -
Courthouse Square)
2012**

Role: Consultant
Infill New Construction
12 Apartments / 4 Retail
\$6 Million



Current Projects with Non-Profit Clients

Development/Location/ Project Type	Units	Non-Profit Client	Funding Sources	Current Status
<i>Blue - Mozingo</i> Indianapolis, Indiana Rental - Rehabilitation - Homeless	72	Partners in Housing Development Corporation	LIHTC HOME Development Fund AHP (pending)	Pre- Construction
<i>Warren Village II</i> Terre Haute, Indiana Rental - New Construction - Family	40	Low Income Housing Development Corporation of Terre Haute	LIHTC Development Fund AHP (pending)	Pre- Construction
<i>Aurora View</i> Valparaiso, Indiana Rental - New Construction & Rehabilitation - Persons with Disabilities / Homeless	23	Porter-Starke Services, Inc.	LIHTC NHTF AHP Foundation Funds	Under Construction
<i>Campaign Quarters</i> Rushville, Indiana Rental - Adaptive Reuse & New Construction - Elderly / Family	26	Southern Indiana Housing and Community Development Corporation	LIHTC HOME Development Fund AHP	Under Construction
<i>Eagle Place</i> Loogootee, Indiana Rental - Adaptive Reuse - Elderly	20	Hoosier Uplands Economic Development Corporation	HOME AHP	Under Construction
<i>IndyEast Homes</i> Indianapolis, Indiana Rental - Rehabilitation, Adaptive Reuse, & New Construction - Family	36	The John H. Boner Community Center, Inc.	LIHTC Development Fund AHP	Under Construction

Completed Projects with Non-Profit Clients

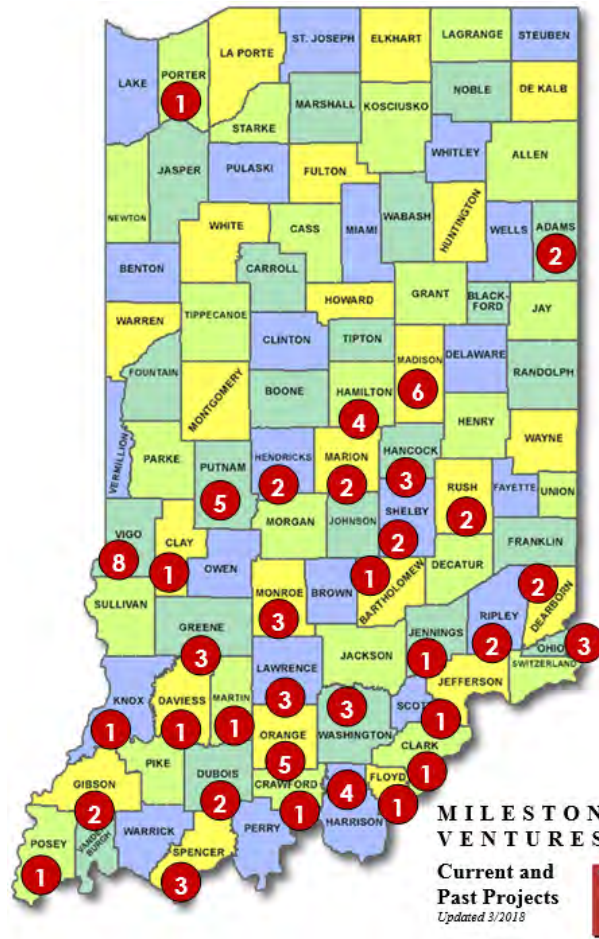
Location	Development	Non-Profit Client	Project Type
Adams County, Geneva	Red Gold Farm Worker Housing II	Town of Geneva / Red Gold, Inc.	Rental - New Construction
Adams County, Geneva	Red Gold Farm Worker Housing III	Town of Geneva / Red Gold, Inc.	Rental - New Construction
Bartholomew County, Columbus	LIFEDesigns at McKinley	LifeDesigns, Inc.	Rental - New Construction
Clark County, Charlestown	Hawthorn Glen Supported Living I	Rauch, Inc.	Rental - New Construction
Clay County, Clay City	Clay City Senior Apartments	Clay City Senior Citizens Housing, Inc.	Rental - Rehabilitation
Crawford County, Marengo	Spring Town Apartments	Hoosier Uplands Economic Development Corporation	Rental - New Construction & Rehabilitation
Daviess County, Washington	Covered Bridge Apartments	Four Rivers Resource Services, Inc.	Rental - New Construction
Dearborn County, Aurora	Harborview Apartments	Aurora Community Housing, Inc.	Rental - Rehabilitation
Dearborn County, Dillsboro	Dillsboro Village Apartments	Alpha Properties, Inc.	Rental - Rehabilitation
Dubois County, Ferdinand	Benet Hall Apartments	Sisters of St. Benedict of Ferdinand, Ind., Inc.	Rental - Adaptive Reuse
Dubois County, Huntingburg	Stork Place & Single-Family Rentals	TRI-CAP	Rental - Adaptive Reuse & New Construction
Floyd County, Georgetown	Guerin Woods	Guerin, Inc.	Rental - New Construction
Greene County, Linton	Independence Place	Four Rivers Resource Services, Inc.	Rental - New Construction
Greene County, Linton	Liberty Place & Single-Family Rentals	Four Rivers Resource Services, Inc.	Rental - New Construction & Rehabilitation
Greene County, Lyons	Lyons Senior Apartments	Lyco, Inc.	Rental - Rehabilitation
Hamilton County, Noblesville	Marie Court Single-Family	Hamilton County Area Neighborhood Development, Inc.	Homebuyer - New Construction
Hamilton County, Noblesville	Plum Tree Gardens	Hamilton County Area Neighborhood Development, Inc.	Rental - New Construction
Hamilton County, Sheridan	Spicewood Garden Apts.	Hamilton County Area Neighborhood Development, Inc.	Rental - New Construction
Hamilton County, Sheridan	Spicewood Garden Apts. II	Hamilton County Area Neighborhood Development, Inc.	Rental - New Construction
Harrison County, Corydon	Autumn Ridge	Blue River Services, Inc.	Rental - New Construction
Harrison County, Corydon	Autumn Ridge II	Blue River Services, Inc.	Rental - New Construction
Harrison County, Corydon	Oakview Apartments	Blue River Services, Inc.	Rental - Rehabilitation
Harrison County, Palmyra	Country Trace Apartments	Blue River Services, Inc.	Rental - New Construction
Jennings County, North Vernon	Valley Court of North Vernon	Ohio Valley Opportunities, Inc.	Rental - Rehabilitation
Knox County, Vincennes	Ivy Lane Apartments	Pace Community Action Agency, Inc.	Rental - New Construction

Completed Projects with Non-Profit Clients

Location	Development	Non-Profit Client	Project Type
Lawrence County, Bedford	Stalker Apartments	Hoosier Uplands Economic Development Corporation	Rental - Adaptive Reuse
Lawrence County, Bedford	Stonecutters Place	Hoosier Uplands Economic Development Corporation	Rental - Adaptive Reuse & New Construction
Lawrence County, Mitchell	Persimmon Park Apartments	Hoosier Uplands Economic Development Corporation	Rental - Rehabilitation
Madison County, Elwood	Forest Glen Apartments II	New Hope Services, Inc.	Rental - New Construction
Monroe County, Bloomington	Crawford Apartments	LifeDesigns, Inc.	Rental - New Construction
Monroe County, Bloomington	Crawford Apartments II	LifeDesigns, Inc.	Rental - New Construction
Monroe County, Bloomington	Housing Options II	LifeDesigns, Inc.	Rental - New Construction
Ohio County, Rising Sun	Fulton Place	Rising Sun and Ohio County Senior Citizens Housing, Inc.	Rental - New Construction
Ohio County, Rising Sun	Hoosier Boy/Hoosier Girl	Rising Sun and Ohio County Senior Citizens Housing, Inc.	Rental - Rehabilitation
Ohio County, Rising Sun	Willow Trace	Southeastern Indiana Community Preservation and Development Corp.	Rental - New Construction
Orange County, Orleans	Lost River Place	Hoosier Uplands Economic Development Corporation	Rental - New Construction
Orange County, Orleans	Lost River Place II	Hoosier Uplands Economic Development Corporation	Rental - New Construction
Orange County, Paoli	College Hill Apartments	Hoosier Uplands Economic Development Corporation	Rental - Adaptive Reuse
Orange County, Paoli	Paoli Single-Family	Hoosier Uplands Economic Development Corporation	Homebuyer - Rehabilitation
Orange County, Paoli	Phoenix on the Square	Hoosier Uplands Economic Development Corporation	Rental - New Construction
Posey County, Wadesville	Wadesville Homes	Wadesville Homes, Inc.	Rental - Rehabilitation
Putnam County, Greencastle	Preservation I	Opportunity Housing, Inc.	Rental - Portfolio Refinancing
Putnam County, Greencastle	Preservation II	Opportunity Housing, Inc.	Rental - Portfolio Refinancing
Ripley County, Batesville	Golden Villa & Heritage Haus	Golden Villa, Inc.	Rental - Rehabilitation
Ripley County, Versailles	Tyson Manor Apartments	Tyson Manor, Inc.	Rental - Rehabilitation
Rush County, Rushville	Campaign Flats	Southern Indiana Housing and Community Development Corp.	Rental - Adaptive Reuse
Scott County, Scottsburg	Craig Park	Scottsburg Senior Housing Corp.	Rental - Rehabilitation
Spencer County, Dale	Dale Community Apartments	Dale Community Apartments, Inc.	Rental - Rehabilitation
Spencer County, Dale	Meadows Apartments	Dale Community Apartments, Inc.	Rental - Rehabilitation
Spencer County, Santa Claus	Santa Claus Senior Apts.	Santa's Community Apartments	Rental - Rehabilitation

Completed Projects with Non-Profit Clients

Location	Development	Non-Profit Client	Project Type
Vigo County, Terre Haute	Wabash Senior Citizens Housing	Wabash Senior Citizens Housing, Inc.	Rental - Rehabilitation
Vigo County, Terre Haute	Warren Village	Low Income Housing Development Corporation of Terre Haute	Rental - Adaptive Reuse & New Construction
Vigo County, West Terre Haute	Providence Place	Providence Housing Corporation	Rental - New Construction
Vigo County, West Terre Haute	Providence Place II	Providence Housing Corporation	Rental - New Construction
Vigo County, West Terre Haute	Providence Place V	Providence Housing Corporation	Rental - New Construction
Vigo County, West Terre Haute	Providence Place VI	Providence Housing Corporation	Rental - New Construction
Vigo County, West Terre Haute	Providence Single-Family	Providence Housing Corporation	Homebuyer - New Construction
Washington County, Salem	Aspen Meadows	Hoosier Uplands Economic Development Corporation	Rental - New Construction
Washington County, Salem	Aspen Meadows II	Hoosier Uplands Economic Development Corporation	Rental - New Construction
Washington County, Salem	New Horizon Apartments	Hoosier Uplands Economic Development Corporation	Rental - Rehabilitation



Completed Projects by Milestone Ventures and Affiliates

Location	Development	Project Type
Gibson County, Princeton	Main Street Cottages	Rental - New Construction
Gibson County, Princeton	Prince Street Cottages	Rental - New Construction
Hancock County, Greenfield	Stonehurst Pointe	Rental - New Construction
Hancock County, Greenfield	Stonehurst Pointe II	Rental - New Construction
Hancock County, Greenfield	Stonehurst Pointe III	Rental - New Construction
Hendricks County, Danville	Danbury Pointe	Rental - New Construction
Hendricks County, Danville	Danbury Pointe II	Rental - New Construction
Madison County, Alexandria	The Mercantile	Rental - Adaptive Reuse & New Construction
Madison County, Pendleton	Ashbury Pointe	Rental - New Construction
Madison County, Pendleton	Ashbury Pointe II	Rental - New Construction
Madison County, Pendleton	Ashbury Pointe III	Rental - New Construction
Madison County, Pendleton	Ashbury Pointe IV	Rental - New Construction
Putnam County, Greencastle	Miller Asbury Apartments	Rental - Adaptive Reuse & New Construction
Putnam County, Greencastle	Millstone Pointe	Rental - New Construction
Putnam County, Greencastle	Millstone Pointe II	Rental - New Construction
Shelby County, Edinburgh	Newbury Pointe	Rental - New Construction
Shelby County, Edinburgh	Newbury Pointe II	Rental - New Construction

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 (I.C. 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 IC 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." (IC 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 full-time, permanent living-wage jobs¹
- Creation of capital investment as an enhancement to the tax base

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.

¹ 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 and capital investment enhancements to the tax base, 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.

Criteria	Definition
Quality of Life and Environmental/Sustainability	A project which is consistent with or advances principles found in the Redefining Prosperity report (2009); 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.
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.
Community Service	Volunteerism and civic engagement, such as serving on and working with boards, commissions and foundations, in the Bloomington community.
Community Character	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:

IC 6-1.1-12.1 (et seq.) 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 IC 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 (IC 6-1.1-12.1 *et seq.*):

- 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 IC 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 IC 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 IC 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 remediation¹
- Green building according to “Leadership in Energy and Environmental Design” (LEED)² 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.

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 (Public Law 107-118 (H.R. 2869) – “Small Business Liability Relief and Brownfields Revitalization act” – signed into law Jan. 11, 2002).

² 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:
- (1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or
 - (2) any other deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 1991.
- (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.193-2005, SEC.5; P.L.154-2006, SEC.30; P.L.3-2008, SEC.37; P.L.146-2008, SEC.128..