



CITY OF BLOOMINGTON
economic & sustainable development

AGENDA

CITY OF BLOOMINGTON ECONOMIC DEVELOPMENT COMMISSION

Wednesday, May 16, 2018
4:15 pm – Hooker Conference Room
City Hall, 401 N. Morton Street
Bloomington, Indiana

1. Call to Order
2. Roll Call
3. Minutes
 - Minutes for October 18, 2017 and April 18, 2018
4. Old Business
 - None
5. New Business
 - Res. 18-03 and 18-04: Real Property Tax Abatement Application – Milestone Ventures, LLC – 1107 W. 3rd St.
 - Annual Tax Abatement presentation – 2018 (City Staff)
6. For the Good of the Order
7. Adjournment

Economic Development Commission
Board Meeting Minutes
August 16, 2017
City Hall – Hooker Conference Room
4:15pm

ROLL CALL: Kurt Zorn, Geoff McKim, Dorothy Granger, Malcolm Webb

STAFF: Brian Payne, Alex Crowley, Laurel Waters, Stacy Jane Rhodes

GUESTS: Kevin Robling, Jana Hageman and Joy Skidmore representing Mecca

APPROVAL OF MINUTES

Malcom moved to approve the minutes from May 25, 2017. Dorothy seconded the motion. The motion passed unanimously.

Alex updated the Board on the Naples, LLC N. Kinser Pike Tax Abatement Application. It was denied by Common Council. The challenges the Council had were if there was a “double dip” going on when it came to the first floor conversion from commercial to residential, and then a tax abatement as well. There was concern over the loss of green space and the area being built out. There was also a question of whether it merited being called at Economic Development Target Area. The vote was 4-4, with a councilmember being absent. The developer is now re-evaluating what to do with that land.

OLD BUSINESS - None

NEW BUSINESS

Resolution 17-03 Real Property Tax Abatement application – Mecca Companies, Inc.: N. Crescent Road

Alex summarized the Tax Abatement request from Mecca Companies. This is a 146 unit five story multi-family mixed affordable/market rate housing development. Mecca is committing to 70% of the units at 60% or less of the AMI. Twenty percent of the units will be market rate. This is a piece of land that is extremely challenging from an environmental perspective. Alex further stated because of strict guidelines this project will not happen if there are no tax abatements because of the economics of the project, as reflected in the proforma. In order to fill the funding gap they are asking for \$800,000 from the City in Home Dollars and Affordable Housing Fund. The Tax Abatement (10 years) was calculated at one million dollars of cumulative tax abatement, with a net present value of \$800,000. Cumulatively, the local incentive is about 1.6 million. The developer is also seeking 4 million in low income housing tax credits and financing the balance of eleven million, for a total project cost of seventeen million.

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

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

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

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

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

APPROVAL OF MINUTES –August, 18, 2017

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

NEW BUSINESS

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

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

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

Malcolm – Yes
Vanessa – Yes
Kurt – No
Geoff – No

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

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

Meeting adjourned at 5:23 p.m.



CITY OF BLOOMINGTON
economic & sustainable development

MEMORANDUM

To: Economic Development Commission 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 14, 2018
Re: EDC Resolution 18-03 and 18-04
Real Property Tax Abatement Application
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 (for a total of 23 single-bedroom units); 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. Current assessed value of the property is \$364,700. 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. After year 15, 100% of units must meet affordability for those with incomes less than 80% of AMI. Beginning in year 31, no fewer than 50% of the units (15 units) will be affordable in years 31-99.

Crucially, Milestone is applying for \$4.66 million in Federal Low-Income Housing Tax Credits (LIHTC) as a make-or-break portion of its financing package. To fill a \$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 (bringing their Federal request total to \$5.31 million).

Last LIHTC cycle, a similar project approved for this site fell two points short of the minimum score that received funding through the competitive 9% LIHTC program. With a successful HOME funds application and 100% 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 marginal score increase to secure the \$5.31 million in Federal funding.

Current Status/Outcomes of Commission Reviews

In 2017, Plan Commission approved a similar 40-unit affordable housing PUD for this same 1107 W 3rd St site, and this revised 31-unit project falls within that PUD. That project was also a partnership between Milestone Ventures and LifeDesigns, and was approved unanimously by Plan Commission.

To meet the LIHTC application deadline, Milestone must secure a tax abatement by July 30. Bloomington Common Council recesses in July, so this compressed project schedule precludes waiting for final Plan Commission review.

Pending Reviews Following EDC

Common Council review of Tax Abatement
Plan Commission review of final site design

June 6; June 13; June 27
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 annual tax liability eligible for abatement around \$16,500.

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

Upon the EDC's favorable recommendation, the City Council will take the necessary legislative steps to review the abatement. 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.

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.

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:

Peer City	<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 Person</u>	<u>2 People</u>	<u>3 People</u>	<u>4 People</u>	
Bloomington Metro AMI (HUD):		\$43,688	\$49,938	\$56,188	\$62,375	
<u>AMI</u>	<u>Bed/Unit</u>	<u>Units</u>	<u>Rent/Unit</u>	<u>Low HH Size</u>	<u>Income/Yr.</u>	<u>Cost Burden</u>
60%	1	16	\$545	1	\$26,213	24.9%
60%	2	5	\$595	2	\$29,963	23.8%
60%	3	3	\$725	3	\$33,713	25.8%
80%	1	7	\$545	1	\$34,950	18.8%
80%	3	1	\$725	3	\$44,950	19.4%

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. Pedcor cost 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 \$158,207.

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

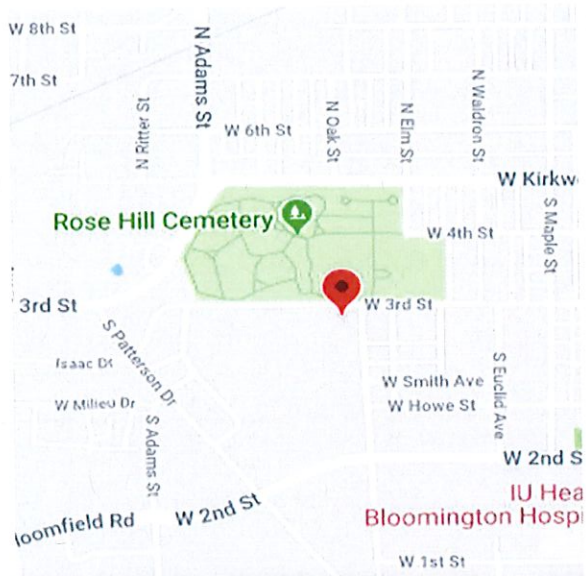
% Affordable Units:	100%
Project Cost:	\$6,300,000
Capital Improvements:	\$4,000,000

<u>Year</u>	<u>Abatement Percent</u>	<u>Developer's Proj. Tax Liability*</u>	<u>Value Abated</u>	<u>Taxes Payable</u>
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
		\$282,426	\$158,207	\$124,218
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







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 Historical Survey?	<input type="checkbox"/> Outstanding	Age of Building(s), if applicable 71 years
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, check one:	<input type="checkbox"/> Notable	
	<input checked="" type="checkbox"/> Contributing	
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
Estimated Construction Start Date (month-year)	July 2019	
Estimated Completion Date (month-year)	July 2020	

Will the Project require any City expenditures (for public infrastructure, etc.)?
If yes, please describe

Yes
 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 *and detrimental* 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.

**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 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 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.

Kurt Zorn, President
Bloomington Economic Development Commission

Malcolm Webb, Secretary
Bloomington Economic Development Commission

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

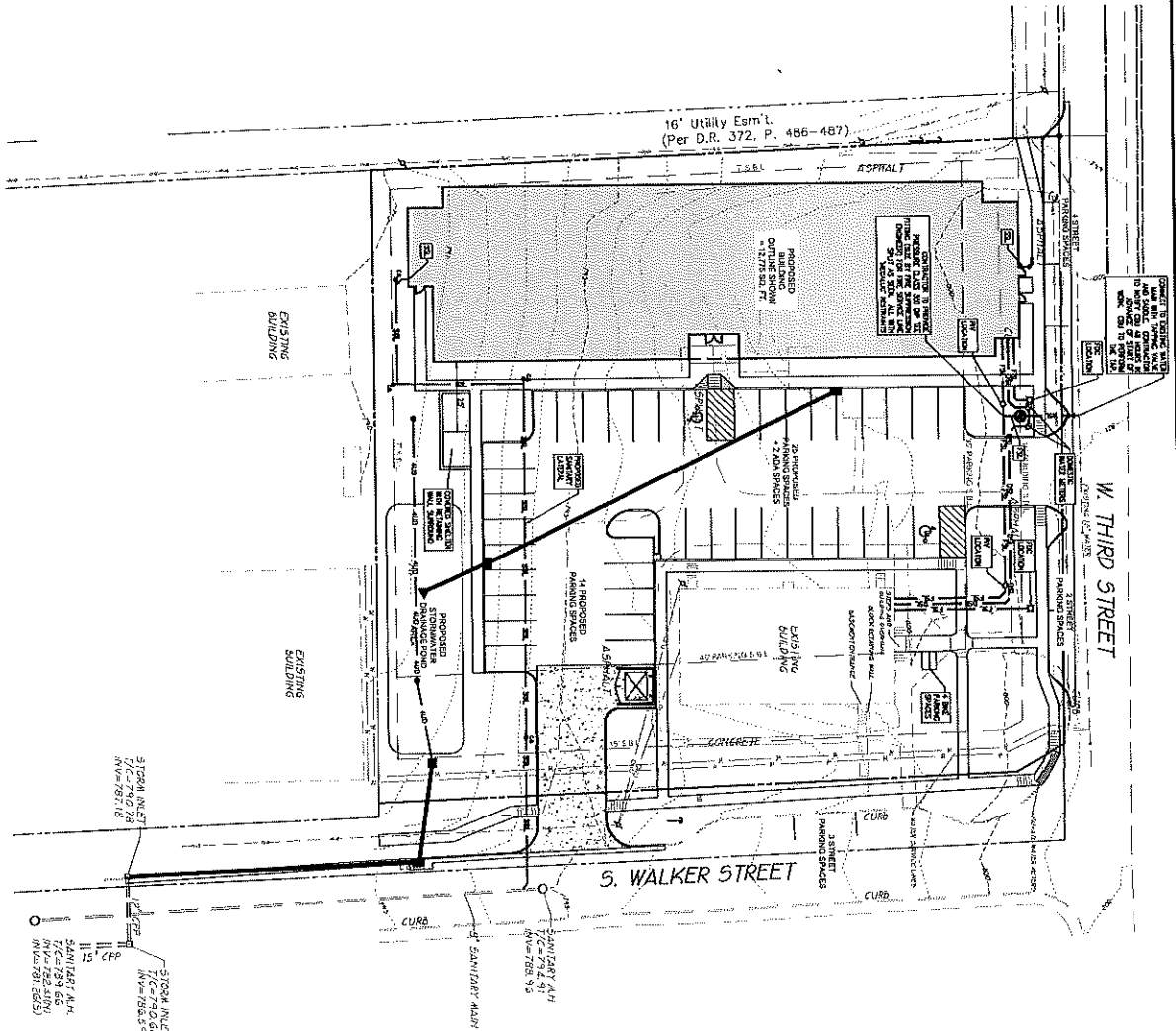
2. Petitioner's Statement of Benefits regarding the Project at 1107 W. 3rd St. be approved, including a ten-year tax abatement with the following deduction schedule:

Year 1 100%
Year 2 100%
Year 3 100%
Year 4 100%
Year 5 100%
Year 6 100%
Year 7 100%
Year 8 100%
Year 9 100%
Year 10 100%

APPROVED this 16th day of May, 2018.

Kurt Zorn, President
Bloomington Economic Development Commission

Malcolm Webb, Secretary
Bloomington Economic Development Commission



W. 3RD ST. & WALKER ST. PROPERTY - .25 ACRES	PARCELS COUNT 1 PARCEL	AMPHIBIOUS SURFACE AREA 0.175 ACRES = 8025A	STORM LINES FT. 4 UNIT x 2.50	180 UNIT LINES 1500' x 25' FT. # UNIT x 2.5	240 UNIT LINES 1500' x 25' FT. # UNIT x 2.5	360 UNIT LINES 1500' x 25' FT. # UNIT x 2.5	UNIT COUNT 1420 UNITS AFTER VERTICAL WALLS
CITY OF BLOOMINGTON 3552 KENNEDY BLVD. BLOOMINGTON, IN 47403 410 SHELBY ST. N. BLOOMINGTON, IN 47404	APPROVED 1/15/20	APPROVED 1/15/20	8	24	7	1	

NOTE TO CONTRACTOR
 CONTRACTOR SHALL VERIFY ALL UTILITY LOCATIONS & DEPT'S AND VERIFY
 LOCATIONS FROM TO & WITH AN EXCAVATOR OR UTILITIES DIVISION ON ANY
 PROJECTS PRIOR TO ANY CONSTRUCTION. DIMENSIONS SHOWN ON THESE
 DRAWINGS ARE TO BE CONSIDERED AS APPROXIMATE. DIMENSIONS
 REQUIRED DUE TO CONFLICTING ELEVATIONS.

DESIGNED BY: DBS
 DRAWN BY: DBS
 CHECKED BY: DBS
 PROJECT NO.: 081141

SCALE: 1"=20'
 CITY OF BLOOMINGTON
 PLANNING DEPARTMENT
 1107 W. 3RD STREET
 BLOOMINGTON, INDIANA 47404

**PROPOSED
 KINSER FLATS**
 1107 W. 3RD STREET
 BLOOMINGTON, INDIANA 47404

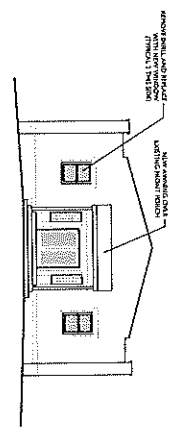
DESIGNED BY:
 DRAWN BY:
 CHECKED BY:
 PROJECT NO.:

BEE
 BYNUM PANYO & ASSOCIATES, INC.
 550 North Walnut Street
 Bloomington, Indiana
 (612) 332-9539

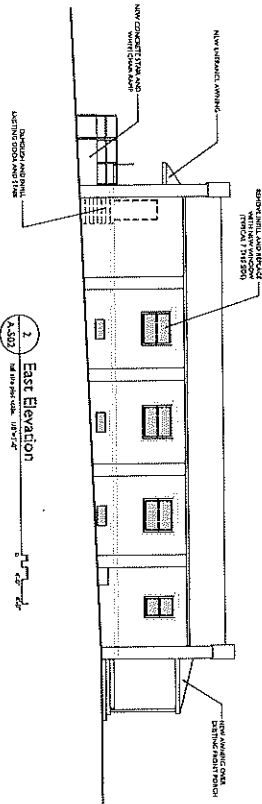
ARCHITECTURE
 CIVIL ENGINEERING
 PLANNING
 1107 W. 3RD STREET
 BLOOMINGTON, INDIANA 47404
 (612) 332-2490 (Fax)

PROFESSIONAL
 ENGINEER
 STATE OF INDIANA
 No. 12345

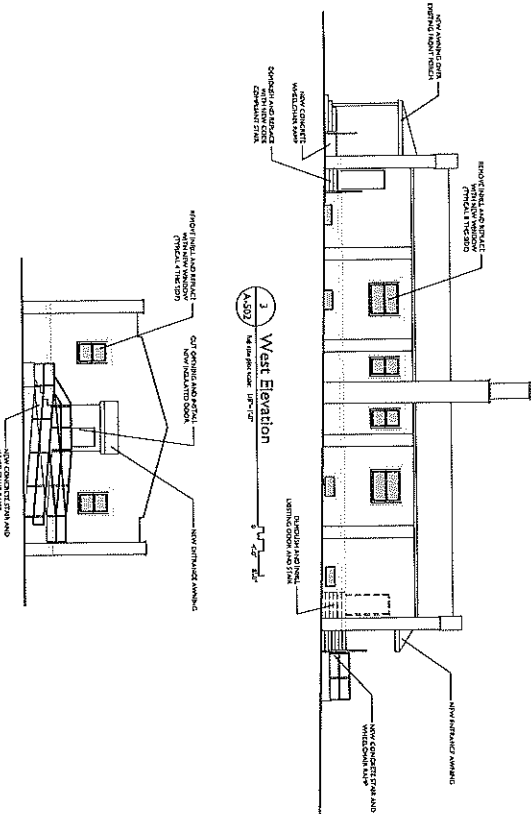
NOTICE:
 The information contained on these drawings is for the project and site identified above. It is not to be used for any other project or site without the express written consent of the architect. The architect does not accept any responsibility for the accuracy or completeness of the information provided by the client. The architect is not a contractor and does not assume any liability for the construction of the project. The architect is not responsible for the design or construction of any foundation, structural steel, or other structural elements. The architect is not responsible for the design or construction of any mechanical, electrical, or plumbing systems. The architect is not responsible for the design or construction of any landscape or site work. The architect is not responsible for the design or construction of any interior finishes or fixtures. The architect is not responsible for the design or construction of any furniture or equipment. The architect is not responsible for the design or construction of any signage or graphics. The architect is not responsible for the design or construction of any other items that are not specifically mentioned in the contract documents.



1 North Elevation
 A-500
 Scale: 1/4" = 1'-0"



2 East Elevation
 A-500
 Scale: 1/4" = 1'-0"



3 West Elevation
 A-500
 Scale: 1/4" = 1'-0"

4 South Elevation
 A-500
 Scale: 1/4" = 1'-0"

PROJECT: Kinser Flats Apartments
 DATE: 11/15/11
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 SCALE: AS SHOWN

Review Print Construction
 200 East Winslow Road
 Bloomington, IN 47401
 Phone: 317.344.1111
 Fax: 317.344.1112
 Email: info@reviewprint.com
 Website: www.reviewprint.com

LifeDesigns, Inc.
 200 East Winslow Road
 Bloomington, IN 47401
 Phone: 317.344.1111
 Fax: 317.344.1112
 Email: info@lifedesigns.com
 Website: www.lifedesigns.com

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 Phone: 317.344.1111
 Fax: 317.344.1112
 Email: info@lifedesigns.com
 Website: www.lifedesigns.com

Kinser Flats Apartments
 1107 W. 3rd Street
 Bloomington, Indiana 47404

A-502

Tax Abatement Annual Report

2017 Activity Summary



Presentations to:

**Economic
Development
Commission**

May 16, 2018

Common Council

June 6, 2018



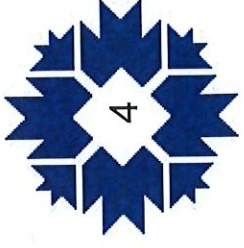
Activity Report

- I. Introduction
- II. Economic Impact
- III. Residential Projects
- IV. Mixed-Use Projects
- V. Commercial Projects
- VI. Projects in Progress
- VII. Expired Abatements



Tax Abatements

- What is tax abatement?
 - Real and personal property
 - IC 6-1.1-12.1
 - Enterprise IT equipment
 - IC 6-1.1-10-44



Tax Abatements

- Phase-in of new property taxes
 - All or part of new assessed value exempted from paying property tax
 - Reduction of tax liability on added assessed value (AV) only
- Terms from 1 to 10 years
 - Sliding scale from 100% to no exemption on the new AV;
 - Designating body may provide an “alternative deduction schedule” (IC 6-1.1-12.1-17)



I. - Introduction

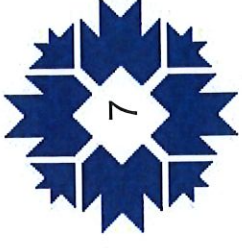
Tax Abatements

- Local economic development tool
 - City authorizes, County administers
- City of Bloomington General Standards
 - Evaluative criteria adopted 2010
 - Creation of full-time, permanent living-wage jobs
 - Creation of capital investment to enhance tax base (↑ AV)
 - Quality of Life and Environmental/Sustainability
 - Affordable Housing
 - Community Service
 - Community Character
- Bloomington Common Council requires an Economic Development Commission (EDC) recommendation



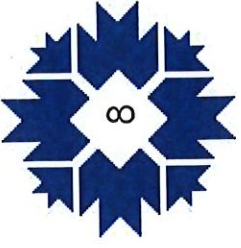
Authorization Process

- **ESD Department**
 - Receives Application and Statement of Benefits (IN Form SB-1)
- **EDC recommendation**
 - Economic Revitalization Area
 - Economic Development Target Area, if appropriate
 - Abatement term and schedule
- **Common Council**
 - Designating resolution
 - Public hearing and confirmatory resolution
 - Or modifying/confirming or rescinding resolution



Annual Reporting

- Compare estimated “benefits” to actual results
- Taxpayer submits annual Compliance form with Statement of Benefits form (IN Form CF-1)
 - Filed with County Auditor for deduction administration
 - Copied to City Clerk for reporting to Common Council
- Council has given ESD Department the responsibility to compile and report to EDC
 - EDC forwards final report to Council for any action



II. - Economic Impacts

Economic Impacts

Progress toward new real and personal property investment estimates

Category	Proposed New Investment (SB-1)	Actual New Investment (CF-1)
Commercial RE	\$ 20,000,000	\$ 20,800,000
Commercial PP	\$ 17,200,000	\$ 37,996,461
Mixed Use	\$ 13,800,000	\$ 14,900,000
Residential	\$ 100,000	\$ 100,000
Total	\$ 52,100,000	\$ 73,796,461



Economic Impacts

Progress toward new jobs and salary estimates

Proposed New Jobs	Proposed New Salaries	Actual New Jobs	Actual New Salaries	Total Jobs New and Retained	Total Salaries New and Retained
205	\$ 9,570,920	728	\$51,214,349	854	\$53,165,338
Average Proposed New Salary = \$46,687.41		Average Actual New Salary = \$70,349.38		Average Salary = \$62,254.49	

Figures exclude temporary jobs and corresponding salaries from construction.

Excludes unknown salary information from some businesses leasing space in mixed-use developments, non-reported information and commissions/benefits.

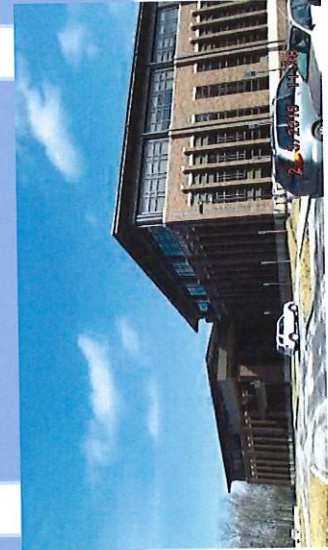


II. - Economic Impacts

Economic Impacts

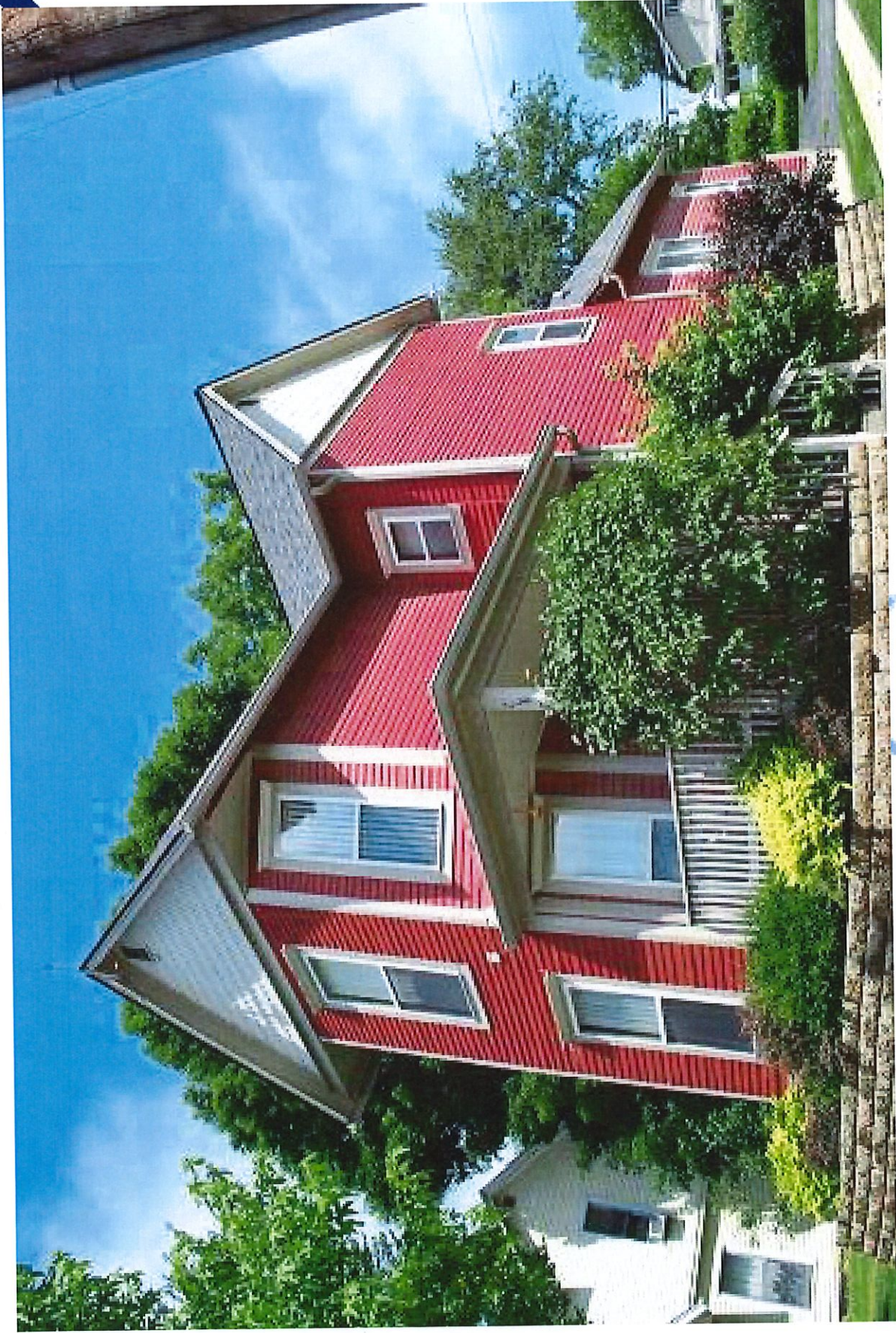
Original assessed values and current assessed values

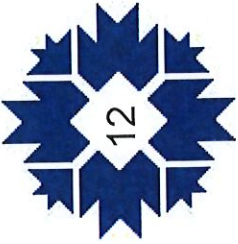
Category	SB-1 Assessed Values (Before Project)	Current Assessed Values
Commercial RE + PP	\$ 82,100	\$ 24,671,482
Mixed Use	\$ 3,350,000	\$ 13,435,400
Residential	\$ 100,000	\$ 307,700
Total	\$ 3,532,100	\$ 38,414,582





III. – Residential Development Projects





III. – Residential Development Projects

B & L Rentals, LLC
718, 720 & 722 W. Kirkwood
Resolution: 03-22

Statement of Benefits

Type: Real Estate Improvements
Length of Abatement: 10 years

Estimated New Investment: \$100,000
Estimated New Employment: N/A
Estimated New Salaries: N/A

Benefits: Renovation of Queen Anne 2 story housing with 3 apartments in the West Kirkwood ERA.

Compliance

Summary: The project is complete.

Actual New Investment: \$100,000
Actual New Employment: N/A
Actual New Salaries: N/A

Current Assessed Value: \$315,950

Remarks: Staff recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 9 of 10.

IV. – Mixed-Use Projects

**Big O Properties, LLC
338 South Walnut Street**

Resolution: 15-01



**Big O Properties, LLC
338 South Walnut Street**

Resolution: 15-01

Statement of Benefits

Type: Real Estate Improvements
Length of Abatement: 3 years

Estimated New Investment: \$2,300,000
Estimated New Employment: N/A
Estimated New Salaries: N/A

Benefits: Construction of a 3 story, mixed use building, 14,400 sq ft (1,663 sq ft commercial) and 14 residential units (four 2-BR, ten 1-BR).

Compliance

Summary: The project is complete.

Actual New Investment: \$2,300,000
Actual New Employment: N/A
Actual New Salaries: N/A
Current Assessed Value: \$1,655,600

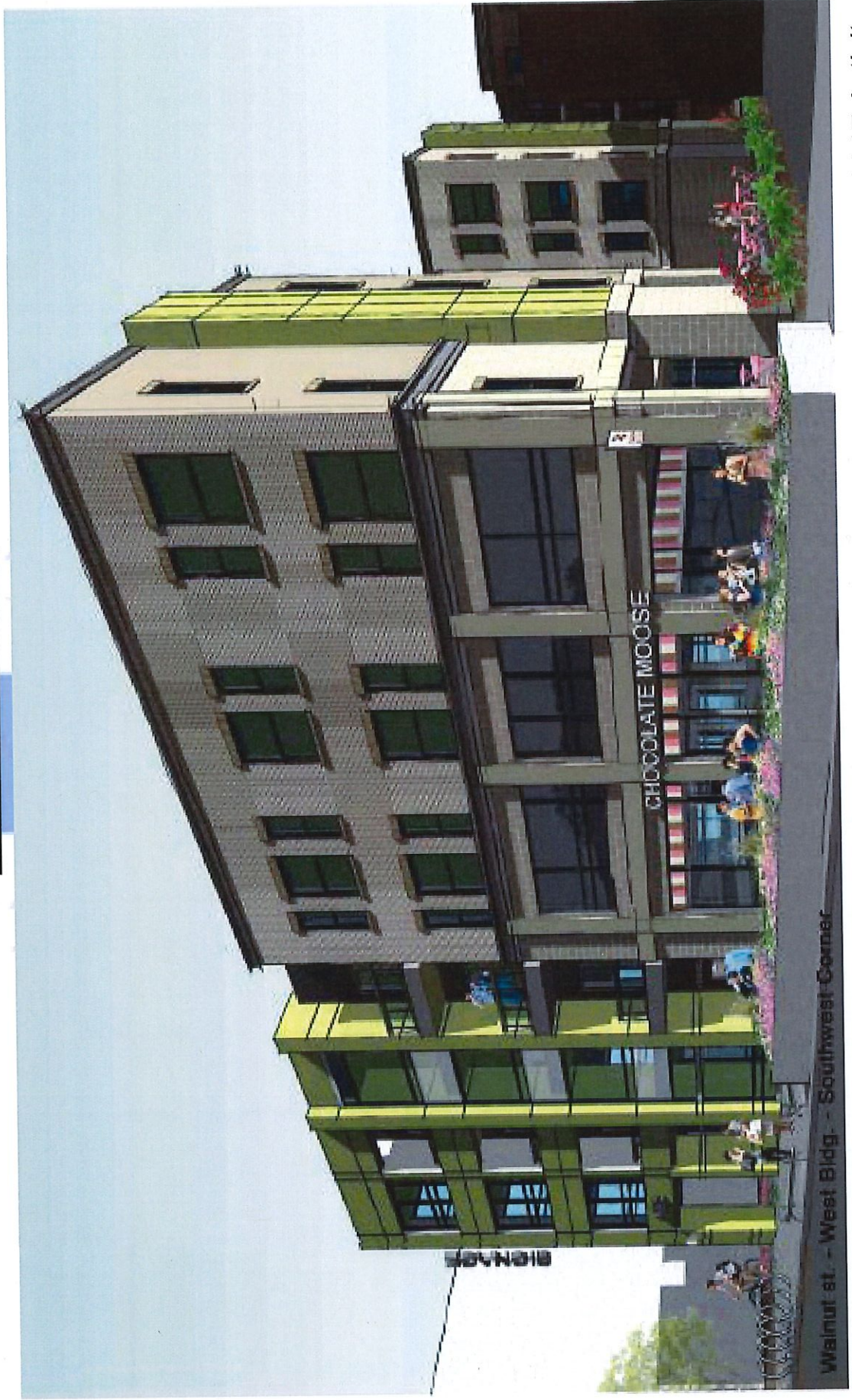
Remarks: Staff recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 3 of 3.



IV. – Mixed-Use Projects

Urban Station
403 South Walnut St.
Resolution: 16-12



Urban Station
403 South Walnut St.
Resolution: 16-12

Statement of Benefits

Type: Real Estate Property Improvements

Length of Abatement: 10 years RE

Estimated New Investment: \$11,500,000

Estimated Retained Employment: 10

Estimated New Job Created: 5

Estimated Retained Salaries: \$400,000

Estimated New Salaries: \$115,000

Benefits: Construction of one new 4 story, mixed-use building with 7,000 sq ft of commercial space on 1st and one new 4 story residential building.

Summary: First City tax abatement project that includes Workforce Housing, including five 1BR and five 2BR units, with a duration of 99 years.

Compliance

Summary: Real estate improvements are complete.

Actual New Investment: \$12,600,000

Actual retained Employment: 10

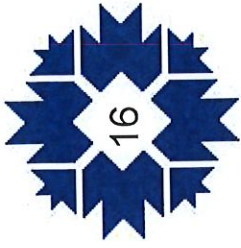
Actual New Employed: 5

Actual Retained Salary: \$400,000

Actual New Salaries: \$115,000

Current Assessed Value: \$11,834,300

Remarks: Staff recommends a finding of substantial compliance with the Statement of Benefits. This Real Property abatement is in Year 1 of 10.



V. – Commercial Projects

Cook Pharmica (2004)



Cook Pharmica
1300 S. Patterson Dr.
Resolution: 04-08



Statement of Benefits

Type: Personal Property Improvements
Length of Abatement:
PP: 10 years

Estimated New Investment:
PP: \$17,200,000
Estimated New Employment: 200
Estimated New Salaries: \$9,455,920

Benefits: Renovation of “Building 2” at the Indiana Enterprise Center. This 430,000 sq ft building was built in 1965. Renovation of exterior and 100,000 sq. ft. of interior for use by a new company to develop and research in contract pharmaceuticals.

Compliance

Summary: Real estate and equipment improvements are complete.

Actual New Investment:
PP: \$37,996,461
Actual New Employment: 716
Actual New Salaries: \$50,163,462
Current Assessed Value:
PP: \$15,198,582

Remarks: Staff recommends a finding of substantial compliance with the Statement of Benefits. The Real Property abatement has concluded. The Personal Property abatement is in Year 9 of 10 (expires FY18 pay FY19).

V. – Commercial Projects

Hoosier Energy
2501 South Cooperative Way
Resolution: 13-03





Hoosier Energy
2501 South Cooperative Way
Resolution: 13-03

Statement of Benefits

Type: Real Estate Improvements
Length of Abatement: 10 years

Estimated New Investment:
\$20,000,000
Estimated Retained Employees: 116
Estimated Retained Salaries:
\$11,118,764
Estimated New Employees: 0
Estimated New Salaries: 0

Benefits: Construction of a new multi-story, LEED-certified 80,000+ square foot headquarters building

Compliance

Summary: Real estate improvements are complete.

Actual New Investment:
\$20,800,000
Actual Retained Employees: 116
Actual Retained Salaries: \$11,118,764
Actual New Employees: 9
Actual New Salaries: \$862,683
Current Assessed Value: \$9,672,400

Remarks: Staff recommends a finding of substantial compliance with the Statement of Benefits.
The abatement is in year 3 of 10.

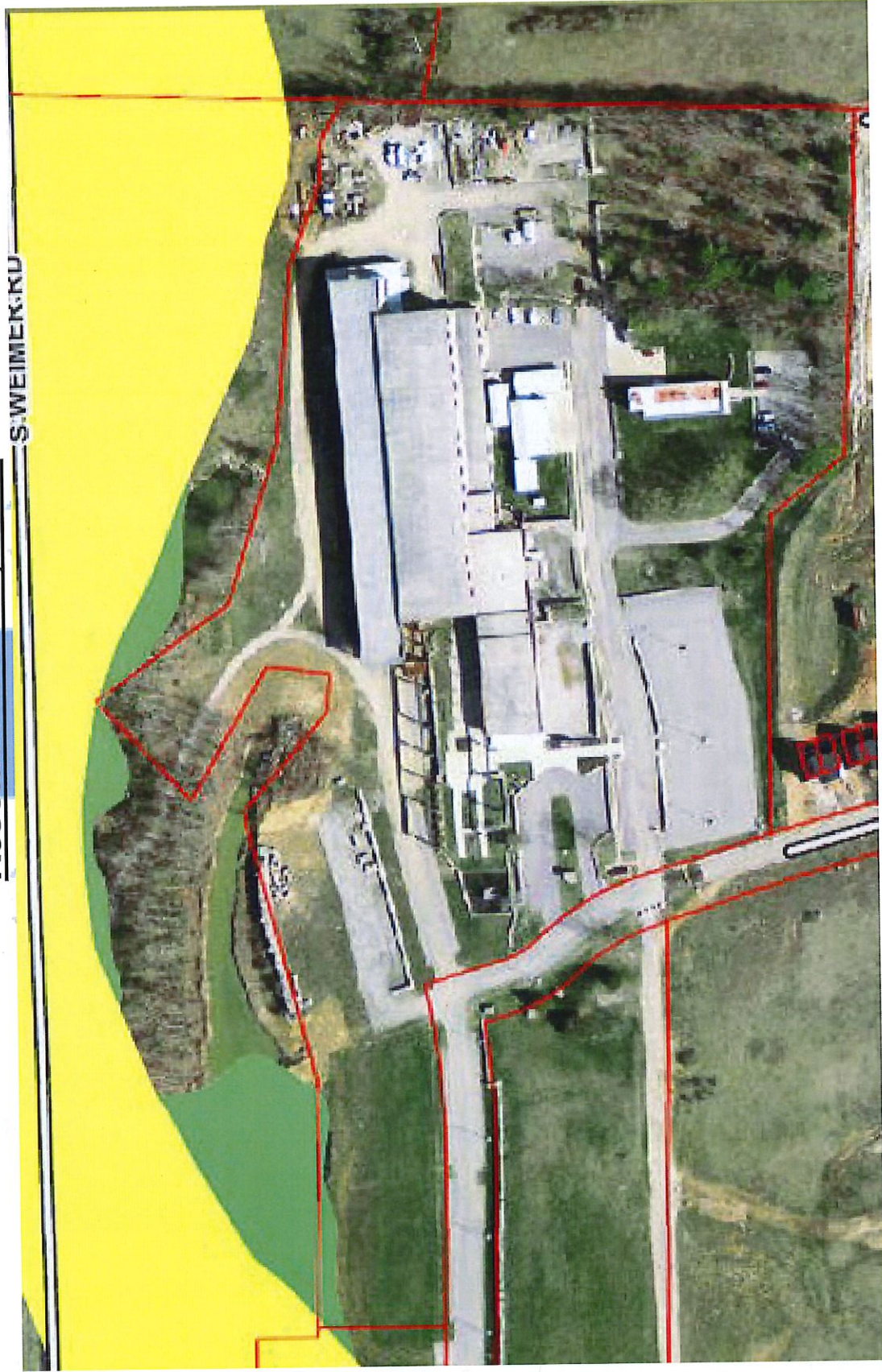


VI. – Projects in Progress

Woolery Mill Ventures, LLC

Property at 2600 S. Kegg Rd

Resolution: 04-01; 13-14



Res. 04-01; 13-14 - Woolery Ventures LLC

Statement of Benefits

Type: Real Estate Improvements
Length of Abatement: 10 years
Estimated New Investment: \$6,000,000
Estimated New Employment: 45
Estimated New Salaries: \$1,183,104
(FTE count x living wage)
Benefits: Renovation of an abandoned limestone mill into a mixed use facility (42 apts/condos, 55-room hotel, recreational amenities, event space) rehabilitated to the historic standards of the Secretary of Interior. Original estimated completion date was 6/30/2005.
Phase I includes site improvements and completion of event space.

Compliance

Summary: Between 2004-2016, \$1M in infrastructure and aesthetic site improvements occurred; Phase I investment since then appears to be well in excess of \$6 million, but hasn't been assessed. Memorandum of Agreement has been executed - defines substantial compliance, requires Mill renovation project to begin by 12/31/18 (building permit). The MOA acknowledges complexity of project may require phased development, and this tax abatement would then apply to a first phase if so. MOA contains clawback provisions with regard to compliance reporting and substantial compliance requirements.

Woolery Ventures has obtained a building permit for Phase I (event space) and is scheduled to complete construction in Summer 2018.



VI. – Projects in Progress

The Foundry
304 West Kirkwood Ave.
Resolution: 14-15



The Foundry
304 West Kirkwood Ave
Resolution: 14-15



Statement of Benefits

Type: Real Estate and Personal Property Improvements

Length of Abatement: 5 years RE, 10 years PP

Estimated New Investment RE: \$11,500,000

Estimated New Investment PP: \$400,000

Estimated Retained Employment: 55

Estimated New Job Created: 12

Estimated Retained Salaries: \$3,637,099

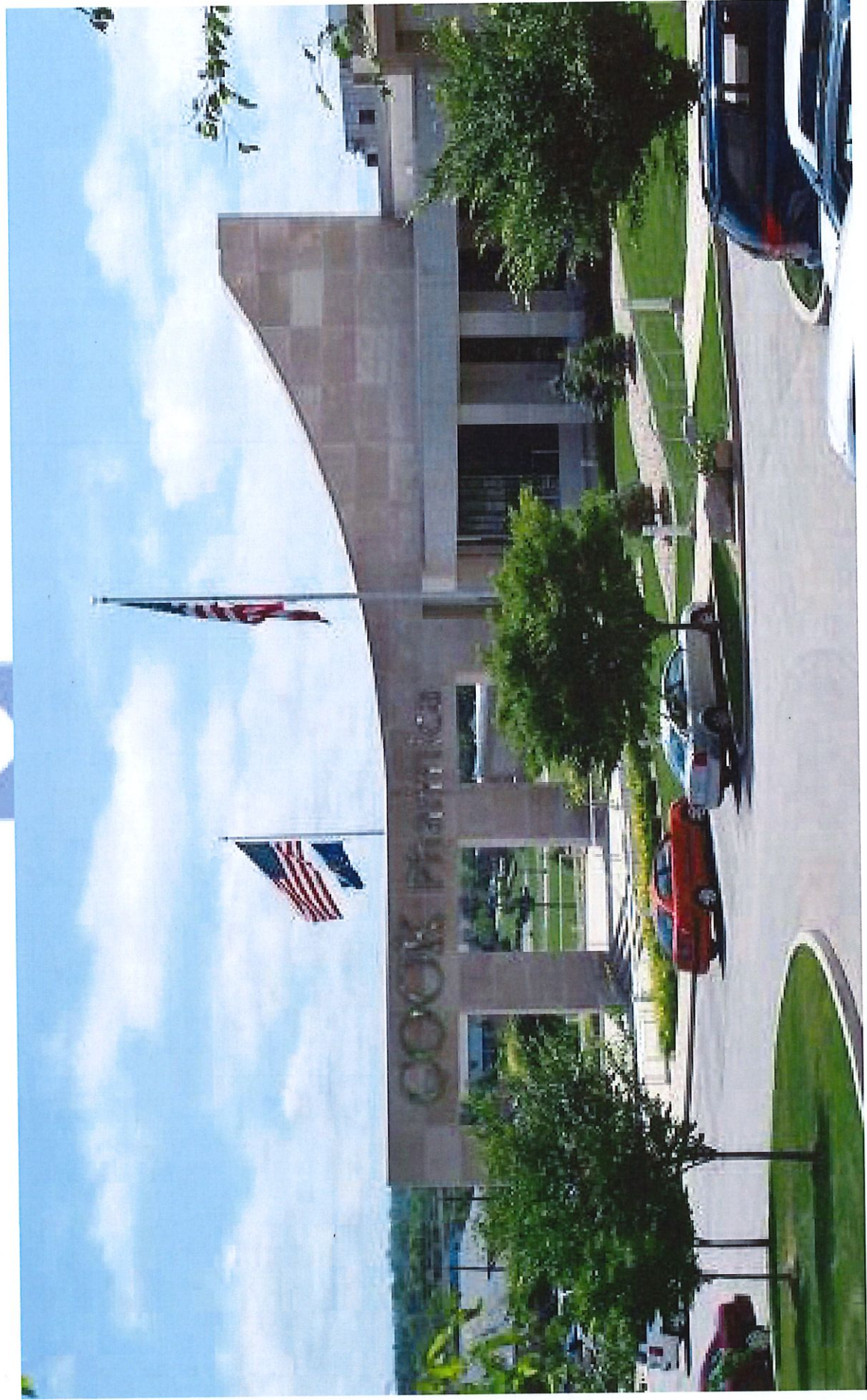
Estimated New Salaries: \$825,000

Benefits: Construction of a new 4 story, mixed-use building with 12,640 sq ft of commercial space on 1st and 2nd floor.

Summary: Tax Abatement does not include top floor residential units

VI. – Projects in Progress

Cook Pharmica (2015)





Cook Pharmica
1300 S. Patterson Dr.
Resolution: 15-06

Statement of Benefits

Type: Real Estate and Personal Property Improvements

Length of Abatement: 10 years PP

Estimated New Investment RE: \$27,500,000

Estimated New Investment PP: n/a

Estimated Retained Employment: 0

Estimated New Job Created: 70

Estimated Retained Salaries: n/a

Estimated New Salaries: \$3,200,000

Benefits: Investment in building improvements, machinery and equipment in order to expand its capacity to formulate, fill and finish (package) vials and syringes.

Summary: 70% personal property tax abatement for capital expenditure of approximately \$25.0 million before or within 1 year of Project completion date of April 30, 2017; employees to be paid at least Living Wage.



VI. – Projects in Progress

Union at Crescent
8 acres on N. Crescent Rd
Resolution: 17-30



**Union at Crescent
8 acres on N. Crescent Rd**

Resolution: 17-30

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years RE

Estimated New Investment RE: \$17,600,000

Estimated New Job Created: 5

Estimated New Salaries: \$135,200

Benefits: Construction of a new 146-unit, 5-story multi-family mixed affordable and market rate housing development. Current designs provide 245 bedrooms (67 one-bedroom units, 59 two-bedroom units, and 20 three-bedroom units) within four attached buildings.

Summary: No less than 70% of the units (102 units) will be allocated to households with incomes at or below 60% of the Area Median Income, and no less than 20% of the units will be Market Rate. The affordable housing commitment will be not less than 99 years: at least 70% of the units will be affordable for the first 30 years and at least 50% of the units (73 units) will be affordable in years 31-99.





VII. – Expired Abatements

Abatements Expiring in 2016/2017/2018

2016

Cook Pharmica, LLC
Real Property Tax Abatement
1300 S. Patterson Dr
Resolution: 04-08

2017

None

2018

Big O Properties, LLC
Real Property Tax Abatement
338 S. Walnut St
Resolution: 15-01



**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

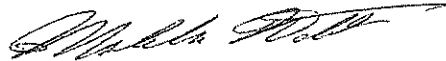
WHEREAS, the Economic Development Commission of the City of Bloomington, Indiana held a meeting on May 16, 2018 to consider Milestone Ventures, LLC's application; and

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.

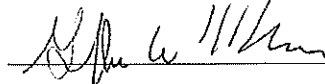
APPROVED this day of May 16, 2018.



Acting Chair Malcolm Webb

(Print Name and Title)

Bloomington Economic Development Commission



Geoffrey W. McKim

(Print Name and Title)

Bloomington Economic Development Commission