

Economic Development Commission
Board Meeting Minutes
October 17, 2018
City Hall – Hooker Conference Room

Kurt Zorn called the meeting to order at 4:30 pm.

ROLL CALL: Vanessa McClary, Kurt Zorn, Dorothy Granger, Malcolm Webb

STAFF: Brian Payne, Laurel Waters, Larry Allen, Alex Crowley, Dan Sherman

APPROVAL OF MINUTES – September 26, 2018

Dorothy moved to approve minutes. Motion seconded. The motion passed unanimously.

OLD BUSINESS – Review and approve letter to Common Council recommending amendments to City Tax Abatement Guidelines.

There was discussion on the content of the draft letter from the EDC to the City Council. Below is the final version of the letter after EDC input:

During Common Council’s consideration of the most recent tax abatement application, Councilmember Isabel Piedmont-Smith raised concerns that the language of the City Tax Abatement Guidelines does not unambiguously permit applications that offer capital investment and significant affordable housing, but do not expressly promise permanent, full-time employment. While attorneys for Common Council advised that such applications may be considered and approved, Councilmember Piedmont-Smith suggested, with other councilmembers’ support, that the guidelines be reexamined in light of this issue.

At the request of Common Council, that process has begun with recommendations by the Economic Development Commission (EDC), which were considered in meetings on September 26 and October 17 of this year. Contained below are those recommendations, in the form of specific, minimal proposed amendments (in red) to the existing guidelines (in black).

“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 jobs;~~
- *Creation of capital investment as an enhancement to the tax base; and either
 - *Creation of affordable housing units; or*
 - *Creation of permanent living-wage jobs with benefits, or a significant increase in wages”**

EDC believes that capital investment as an enhancement to the tax base is a non-negotiable

threshold criterion for tax abatement eligibility, both ideologically and practically. However, in light of the current demand and projected growth in demand for affordable housing in Bloomington, and the unique nature of affordable housing projects, the Commission suggests that the creation of affordable housing constitutes a sufficiently important public benefit to achieve threshold eligibility for consideration. In addition, EDC finds that significant wage growth may also be a good indicator of economic development.

In our view, these proposed amendments clarify and expand the threshold eligibility criteria in the City Tax Abatement Guidelines to recognize the increasing and important need for housing affordability, more flexibly allow wage-enhancing projects to be considered by City staff, EDC, and Common Council, and eliminate an important dissonance between the eligibility criteria and the more comprehensive review that takes place at EDC and Common Council hearings.

Thank you for the opportunity to review the guidelines, and we hope these recommendations are helpful.

NEW BUSINESS - None

FOR THE GOOD OF THE ORDER - None

ADJOURNMENT – Meeting adjourned at 5:15 p.m.