

# City of Bloomington Common Council

## Legislative Packet

Wednesday, 22 April 2015

### **Regular Session** *to be immediately followed by a* **Committee of the Whole**

*For Ordinance 15-07 please consult the  
[08 April 2015 Legislative Packet.](#)*

*All other materials contained herein.*

Office of the Common Council  
P.O. Box 100  
401 North Morton Street  
Bloomington, Indiana 47402  
812.349.3409  
[council@bloomington.in.gov](mailto:council@bloomington.in.gov)  
<http://www.bloomington.in.gov/council>



## **Packet Related Material**

**Memo**

**Agenda**

**Calendar**

**Notices and Agendas:**

*None*

### **Legislation for Second Reading and Resolutions at the Regular Session Wednesday, April 22<sup>nd</sup>:**

- **Ord 15-07** To Amend the Planned Unit Development District Ordinance and Preliminary Plan to Revise the Approved List of Uses within the Shortstop Food Mart Planned Unit Development (PUD) - Re: 901 N. Smith Road (Eastside Investments, LLC, Petitioner)  
*Contact: Pat Shay at 812-349-3524, shayp@bloomington.in.gov*

*Please see the Council Weekly Legislative Packet issued for the [April 8<sup>th</sup> Regular Session](#) for the legislation, summary and associated materials.*

### **Legislation and Background Material for First Reading:**

*None*

### **Minutes from Regular Session:**

*None*

### **Legislation for Discussion at the Committee of the Whole immediately following the Regular Session on Wednesday, April 22<sup>nd</sup>:**

- **Res 15-13** To Approve an Enterprise Zone Investment Deduction (EZID) within a Tax Allocation Area (Otherwise Known as a Tax Increment Financing [TIF] District) - Re: ERL-15, LLC, 531 North College Avenue
  - Maps for this Site in Context of Economic Development Districts

- Memo from Jason Carnes, Assistant Director for Small Business, Economic and Sustainable Development Department on EZIDs in General and this Resolution, in Particular
- Estimated Value of EZID for this Application
- Zoning and Land Use and Development Objectives for the Consolidated Economic Development Area (Consolidated TIF District)
- Local Application
- EZ-2 (filed 2/19/15)
- Environmental Remediation – Re: Change Orders
- Environmental Remediation – Re: Professional Services
- Indiana Department of Environmental Management (IDEM) Letters to Farmer House Museum – Re: Remediation of Petroleum and/or Hazardous Substances

*Contact: Jason Carnes at 349-3419 or [carnesj@bloomington.in.gov](mailto:carnesj@bloomington.in.gov)*

### **Memo**

## **One Ordinance Ready for Formal Action at the Regular Session and One Resolution Ready for Discussion at the Committee of the Whole Next Wednesday, April 22<sup>nd</sup>**

There are two meetings next Wednesday. The first meeting is a Regular Session where there is one ordinance ready for second reading. That ordinance and related material and information can be found online as indicated above. The second meeting is a Committee of the Whole where one resolution is ready for discussion. That resolution and related information and material is included in this packet.

### **Application for the Council to Approve One Enterprise Zone Investment Deduction (EZID)**

It's the time of year when companies with projects within the Urban Enterprise Zone (Enterprise Zone) and the City's Consolidated TIF district seek Enterprise Zone Investment Deductions (EZIDs) from the City Council. This year, one application is coming forward under the procedures established by ordinance in late 2013.<sup>1</sup> The

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<sup>1</sup> Ord 13-23 To Establish Procedure and Criteria for Consideration of Enterprise Zone Investment Deductions (EZIDs) for Property Located Within a Tax Allocation Area Pursuant to IC 6-1.1-45-9 (*Described further in this summary*)

ordinance gave the duties of shepherding these applications to the staff of the Bloomington Urban Enterprise Association (BUEA) and those duties shifted in 2014 from the HAND to Economic and Sustainable Development departments.

### EZIDs Available in the Enterprise Zone and Must be Filed for by May 15th

EZIDs were created by the State Legislature in 2005 and are available to properties within an Enterprise Zone. The BUEA is a private non-profit organization which has contracted with the City to administer the Enterprise Zone. Jason Carnes, Assistant Director for Small Business in the Economic Sustainable Development Department, has provided a memo (*Memo*) and other information called for in the ordinance to help the Council with its decision. Please note that the legislation is coming forward now because the tax payer needs to file a Form EZ-2 with the County Auditor between March 1<sup>st</sup> and May 15<sup>th</sup> in order to take advantage of the deduction next year.

### EZID – 10 Year, 100% Deduction for Qualified Investments

The EZID is, in some ways, similar and, in other ways, dissimilar to a tax abatement. They are similar, in that both provide a deduction from property taxes for investments in real estate and/or certain personal property that are located in specially-designated areas of blight. They are also similar, in that the deduction is tied to the assessed value of investments which are made after a base year and may last for as long as 10 years. They are dissimilar in that the eligible investment for the EZID (known as a “qualified investment”<sup>2</sup>) is broader than for abatements and the deduction, itself, automatically stays at 100% for the full period of deduction, rather being subject to a range of statutory schedules approved by the Council. Also, the investment is made *before* the EZID application as opposed to *after* the tax abatement application. The approvals differ as well: the County Auditor (and not the Council) approves the EZID *except* when the property also lies within a TIF District, as is the case with these requests. In this sense, the Council acts as a fiscal check on the reduction of revenues to the TIF District.

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<sup>2</sup> "Qualified investment" means any of the following expenditures relating to an enterprise zone location on which a taxpayer's zone business is located: (1) The purchase of a building; (2) The purchase of new manufacturing or production equipment; (3) Costs associated with the repair, rehabilitation, or modernization of an existing building and related improvements; (4) Onsite infrastructure improvements; (5) The construction of a new building; and (6) Costs associated with retooling existing machinery. IC 6-1.1-45-7

### 30% of the EZID is Returned in the Form of Fees

One other difference between this deduction and an abatement is that 30% of the “savings” are returned in the form of fees. One percent (1%) of the savings over \$1,000 goes to the State of Indiana as a registration fee<sup>3</sup> and the rest is returned in the form of participation fees, with 9% surrendered by the property owner to the Redevelopment Commission for use in the underlying affected TIF district,<sup>4</sup> and with 20% returned to the Enterprise Zone to implement its programs. There is no statutory maximum on the percentage set aside as a participation fee.

According to Carnes’ *Memo*, the Enterprise Zone has received revenue of about \$931,231 from this fee and approximately \$251,663 from a Loan Interest Credit<sup>5</sup> and Employment Cost Credit over the years 2009 to 2014. His *Memo* briefly describes the history and activities of the Enterprise Zone. It was created in 1991 and, after three renewals, is set to expire in 2017. As mentioned earlier in this summary, the City is under contract to staff the BUEA, which is the non-profit organization empowered to administer the Enterprise Zone and its programs and activities. There are six regular programs along with special projects and activities that are designed to aid in the economic development of the Enterprise Zone by providing education and training, encouraging entrepreneurship, rehabilitating business facilities and improving the aesthetic character of historic buildings within it.

### Ord 13-23 Established Procedure and Criteria for Consideration of EZIDs for Property Located within a TIF District

Out of concern that the mere half dozen or so EZID applications that required Council approval from 2009 to 2013 would grow in future years without guidance on the judicious disposition of these requests, the Council established procedure and criteria for their review at the end of last year, with the passage of Ord 13-23. In brief, the ordinance:

- Gave the BUEA staff the responsibility for processing these applications, preparing the written materials, establishing a schedule for review in consultation with the offices of the Mayor and Council, and, in the case of

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<sup>3</sup> To the Indiana Development Corporation per IC 5-28-15(a) (4) (A).

<sup>4</sup> As a result of adoption of Ord 13-04 - Revising Participation Fees for Certain Businesses Located Within the Bloomington Urban Enterprise Zone and a Tax Increment Finance Area that Receive an Enterprise Zone Investment Deduction

<sup>5</sup> The Loan Interest Credit is available for certain bank loans made within the Enterprise Zone and this revenue is based upon a fee for that credit.

eligible applications, submitting a resolution and supporting material to Council.

- Assigning BUEA staff these duties followed, in large part, from their role in tracking EZIDs, from both inside and outside of TIF districts, as well as the payment of the participation fees.
- Gave the ESD the advisory role of reviewing and preparing a statement to the council which was to address “the public benefits and other impacts of the project.”<sup>6</sup> These impacts and benefits included, but were not limited to:
  - “employment impact, wage structure, contributions to the area of development, and the nature of ownership and occupation of the property;”
  - impacts on the TIF, CRED, Certified Technology Park districts, and Enterprise Zone; and,
  - costs borne by public as a result of the project.
    - *Please note that ESD was selected for this role, in part, because of their expertise in these matters, but also because their programs would not benefit directly from the participation fees. Now that ESD staff administers the BUEA, that separation from the fees is no longer true. Even so, the statement itself, only compiles impacts and does not make any recommendations in their regard.*
- Specified that certain old investments were ineligible for consideration. At this point, those investments are ones where the Auditor’s Office has increased the Assessed Valuation two or more years prior to March 1<sup>st</sup> of the year the application was made. The date of March 1<sup>st</sup> was chosen because the Assessed Valuation on that date is used to determine the tax liability for the following year.
- Allowed the Council to decide whether or not to consider the applications and, if it chose to do so,<sup>7</sup> set a standard for review. That standard reads as follows: “whether the project significantly promotes the health of the various affected TIF and economic development districts within or adjacent to the Enterprise Zone, the Enterprise Zone itself, and the vitality of the area in general;” and
- Provides for the City Clerk to notify the County Auditor of the final outcome of applications by May 15<sup>th</sup> of the year the application was filed.

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<sup>6</sup> For purposes of that ordinance, the term “project” includes the qualified investment, EZID, and development as a whole.

<sup>7</sup> This decision is currently delegated to the President of the Council in his/her role of approving the agenda (per BMC 2.04.270 – Ordinances and resolutions – Filing and copies).

## Relevant TIF District Information

The *Memo* from Carnes indicates that the application is located within the former Downtown TIF and the new Consolidated TIF district. Focusing on the Downtown TIF, the *Memo* indicates that the fund had a balance of \$2.7 million at the end of 2013, received \$3.8 million in 2014, was authorized to disburse \$2.94 million, and had ending balance of \$3.56 million at the end of the year. The authorized disbursements are tied to particular projects but, unlike appropriation ordinances, may span more than one calendar year. Those projects and the remaining balances for those authorized disbursements are as follows: Dispatch Center Construction (\$123,027); Waldron Plaza & Sidewalk Improvements (\$40,000), Buskirk-Chumley Theatre (\$74,000), and the CTP Property Expansion (\$50,000).

The *Memo* also notes that the Downtown TIF was created to encourage redevelopment/ development of the downtown.” Its history spans 30 years, with its establishment in 1985, expansions in 1990 and 2010, and then consolidation this year “with several other TIF districts into the Bloomington Consolidated Economic Development Area.” The life of this part of the Consolidated TIF district will be no shorter than the term of its debt service which, assuming the Council goes forward with bonding within the new Consolidated TIF District, should be 2035.

In addition, the *Memo* highlights some of the development objectives for this area.<sup>8</sup> According to these objectives, development should:

- Strengthen and intensify existing land uses within the area so that density is supported in the urban core, with particular focus on ensuring greater employment opportunities, diverse mixes of retail and upper story residential, greater usage of vacant and underutilized buildings, and new infill development; and
- Construct new and renovated housing units within the area that support a diverse mix of housing types, and are within easy walking distance of the employment, retail, entertainment, financial, cultural, educational and governmental centers of the city.

## Summary of the EZID Application for ERL-15, LLC at 531 North College Avenue

**Res 15-13** approves a deduction for ERL-15, LLC, at 531 North College Avenue for approximately \$3.8 million of real estate improvements,<sup>9</sup> which amounts to savings

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<sup>8</sup> The Development Objectives for the Consolidated TIF are included in the attached materials.

<sup>9</sup> The Memo indicated that the total capital investment cost of the project was about \$3.8 million.

of \$554,823 over the lifetime of the EZID. The project is located in the Downtown TIF and the Downtown CRED; it is not located in the Certified Technology Park (CTP).

The Project

The project is a three-story mixed-use building located on a 0.2-acre site at the south west corner of 10<sup>th</sup> and College. It was completed in 2014 and contains commercial space, with a state-of-the-art fitness center, and 31 residential units, with 2 one-bedroom units and 29 studio apartments.

Development of the site entailed:

- o Demolition of two existing buildings;
- o “Extensive remediation,” which involved removal of six full fuel tanks and ~ 780-800 tons of contaminated soil and below-grade material at a cost of ~\$89,000;
- o Installing new sidewalks (\$22,186), a new City street lamp (\$3,500), tree and grate (\$2,336), moving a storm/utility line (\$45,500) and installing a grease interceptor (\$12,000); and
- o Assistance to its neighbor, Farmer House Museum, with some tree work (\$5,000) and an agreement to match contributions of up to \$25,000.

Influence of the Project on the TIF and the Vitality of the Downtown

**Participation Fees**

According to the information provided, if approved, the Enterprise Zone Deduction would result in approximately \$79,260 in taxes abated per year for a total of \$792,604 over the deduction’s 10-year window. If approved for this EZID, the taxpayer would be required to pay \$237,781 in participation fees to the BUEA, Redevelopment Commission and IEDC as follows:

Taxes Abated		\$792,604
<i>Participation Fees</i>		
<i>BUEA (20%)</i>		\$158,520
<i>Redevelopment Commission (9%)</i>		\$71,334.6
<i>Indiana EDC (1%)</i>		\$7,926.6
<b>Total Fees</b>		<b>\$237,781</b>
Total Savings to Taxpayer		\$554,822



## **Jobs**

Along with the temporary employment for construction of the building (which generated a payroll of about \$1.4 million), the application indicates that the project created 2 new, full-time (lowest wage - \$12/hour; average wage - \$20/hour with benefits<sup>10</sup>) and 1 new, part-time position (lowest and average wage - \$10/hour). The *Memo* also indicates that, unlike other demolitions, this one did not result in the loss of employment in the downtown. In this case, the affected employee found another location in the downtown.

## **Cost Incurred by City**

Mr. Carnes indicates that the City did not incur any costs as a result of this project.

## **Revenue to TIF and CRED**

At the conclusion of this EZID (estimated for ~2024), the increase in AV resulting from this project will create revenue for the Consolidated TIF until it expires which, with expected bonding, should be in 2035. In addition, a portion of the payroll and sales tax revenues generated by this project will go toward CRED increment received by the City.

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<sup>10</sup> Including \$260/month of health insurance and a 3% owner match to 401K retirement savings.

**NOTICE AND AGENDA  
BLOOMINGTON COMMON COUNCIL  
REGULAR SESSION AND COMMITTEE OF THE WHOLE  
7:30 P.M., WEDNESDAY, APRIL 22, 2015  
COUNCIL CHAMBERS  
SHOWERS BUILDING, 401 N. MORTON ST.**

**REGULAR SESSION**

**I. ROLL CALL**

**II. AGENDA SUMMATION**

**III. APPROVAL OF MINUTES FOR:** *None*

**IV. REPORTS** (A maximum of twenty minutes is set aside for each part of this section.)

- 1. Councilmembers**
- 2. The Mayor and City Offices**
- 3. Council Committees**
- 4. Public\***

**V. APPOINTMENTS TO BOARDS AND COMMISSIONS**

**VI. LEGISLATION FOR SECOND READING AND RESOLUTIONS**

1. Ordinance 15-07 - To Amend the Planned Unit Development District Ordinance and Preliminary Plan to Revise the Approved List of Uses Within the Shortstop Food Mart Planned Unit Development (PUD) - Re: 901 N. Smith Road (Eastside Investments, LLC, Petitioner)

Committee Recommendation:      Do Pass      4 – 0 – 5

**VII. ADDITIONAL PUBLIC COMMENT\*** (A maximum of twenty-five minutes is set aside for this section.)

**VIII. COUNCIL SCHEDULE**

**IX. ADJOURNMENT**

*To be immediately followed by a*

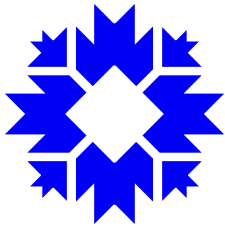
**COMMITTEE OF THE WHOLE**

**Chair: Chris Sturbaum**

1. Resolution 15-13 - To Approve an Enterprise Zone Investment Deduction (EZID) Within a Tax Allocation Area (Otherwise Known as a Tax Increment Financing [TIF] District) - Re: ERL-15, LLC, 531 North College Avenue

Asked to Attend:      Danise Alano-Martin, Director of Economic Development  
Jason Carnes, Assistant Director, Small Business Relations  
Representative of the Petitioner

\* Members of the public may speak on matters of community concern not listed on the agenda at one of the two *Reports from the Public* opportunities. Citizens may speak at one of these periods, but not both. Speakers are allowed five minutes; this time allotment may be reduced by the presiding officer if numerous people wish to speak.



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

To Council Members  
From Council Office  
Re Weekly Calendar – 20-25 April 2015

**Monday, 20 April**

12:00 pm Board of Public Works – Work Session, Kelly  
12:00 pm Bloomington Entertainment and Arts District, McCloskey  
5:00 pm Utilities Service Board, 600 E Miller Dr., Board Room  
7:00 pm Arts Alliance of Greater Bloomington, Hooker Room

**Tuesday, 21 April**

11:30 am Plan Commission – Work Session, Kelly  
4:00 pm Board of Public Safety, McCloskey  
5:00 pm Redevelopment Commission, McCloskey  
5:30 pm Animal Control Commission, Kelly  
5:30 pm Bloomington Public Transportation Corporation Board of Directors, 130 W Grimes Lane  
5:30 pm Board of Public Works, Chambers  
5:30 pm Commission on the Status of Children and Youth, Hooker Room

**Wednesday, 22 April**

9:30 am Emergency Management Advisory Council, Chambers  
5:30 pm Dr. Martin Luther King, Jr. Birthday Commission, McCloskey  
5:30 pm Traffic Commission, Chambers  
7:30 pm Common Council – Regular Session *followed by a* Committee of the Whole, Chambers

**Thursday, 23 April**

5:00 pm Bloomington Historic Preservation Commission, McCloskey  
5:30 pm Board of Zoning Appeals, Chambers

**Friday, 24 April**

12:00 pm Common Council – Internal Work Session, Council Library

**Saturday, 25 April**

8:00 am Bloomington Community Farmers' Market, Showers Common, 401 N Morton St.

*Posted and Distributed: Friday, 17 April 2015*

**RESOLUTION 15-13**

**TO APPROVE AN ENTERPRISE ZONE INVESTMENT DEDUCTION (EZID)  
WITHIN A TAX ALLOCATION AREA (OTHERWISE KNOWN AS A TAX  
INCREMENT FINANCING [TIF] DISTRICT) -  
Re: ERL-15, LLC, 531 North College Avenue**

WHEREAS, Indiana Code § 6-1.1-45-9(d) requires that Enterprise Zone Investment Deductions (EZID) for property located within an allocation area, as defined by Indiana Code § 6-1.1-21.2-3, must be approved by the legislative body of the governmental unit that established the allocation area; and

WHEREAS, Indiana Code § 6-1.1-21.2-3 includes an allocation area established under Indiana Code 36-7-14 within its definition of allocation area; and

WHEREAS, The City of Bloomington's Consolidated Allocation Area was created under Indiana Code 36-7-14, so an EZID in that allocation area must be approved by the Bloomington Common Council; and

WHEREAS, ERL-15, LLC is applying for approval of the EZID deduction for construction of a building (Qualified Investment) on the property located at 531 North College Avenue, which is located in the Consolidated Allocation Area and the Bloomington Urban Enterprise Zone; and

WHEREAS, Pursuant to Ordinance 13-04, approved by the Common Council on March 27, 2013, ERL-15, LLC will be required to pay:

1. A participation fee of 29% of the amount of the EZID to the Bloomington Urban Enterprise Association (with 9% of the amount of the EZID deposited in the City's Redevelopment Fund), and
2. A fee of 1% of the EZID to the Indiana Economic Development Corporation; and

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

The Common Council hereby approves the request of ERL-15, LLC to receive the Enterprise Zone Investment Deduction for the property located at 531 North College Avenue, Bloomington, Indiana.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
DAVE ROLLO, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

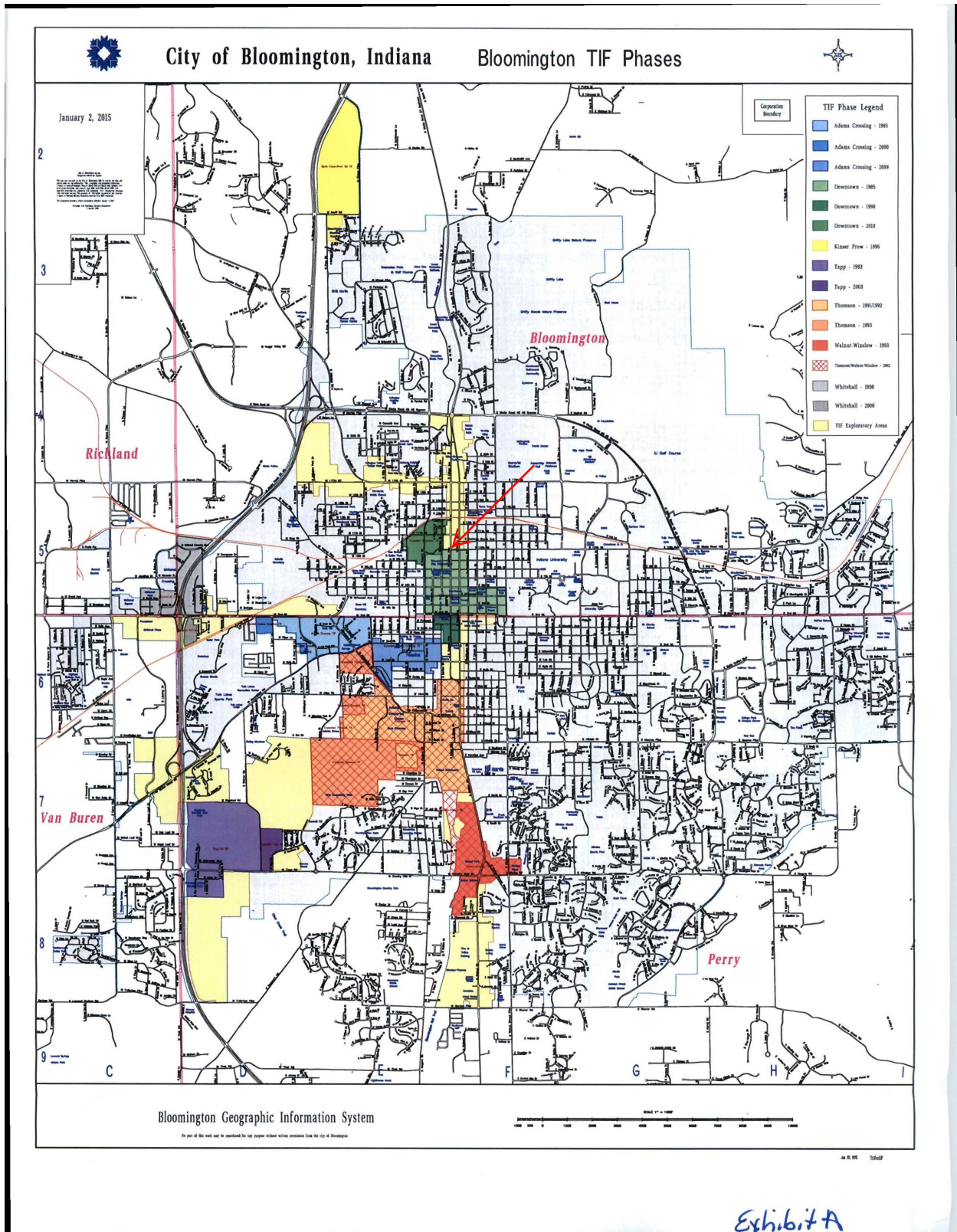
### SYNOPSIS

This resolution approves an Enterprise Zone Investment Deduction (EZID) for ERL-15, LLC located at 531 North College Avenue. The EZID allows a property tax deduction for a qualified investment within an Urban Enterprise Zone (Indiana Code 6-1.1-45). In most cases, this deduction (which is similar to a tax abatement) is automatic with the proper and timely application to the County Auditor. However, when the investment is in an allocation area, as defined by Indiana Code § 6-1.1-21.2-3, the deduction must be approved by the legislative body of the governmental unit that established the allocation area. Therefore, an EZID in one of the City's allocation areas must be approved by the Common Council.

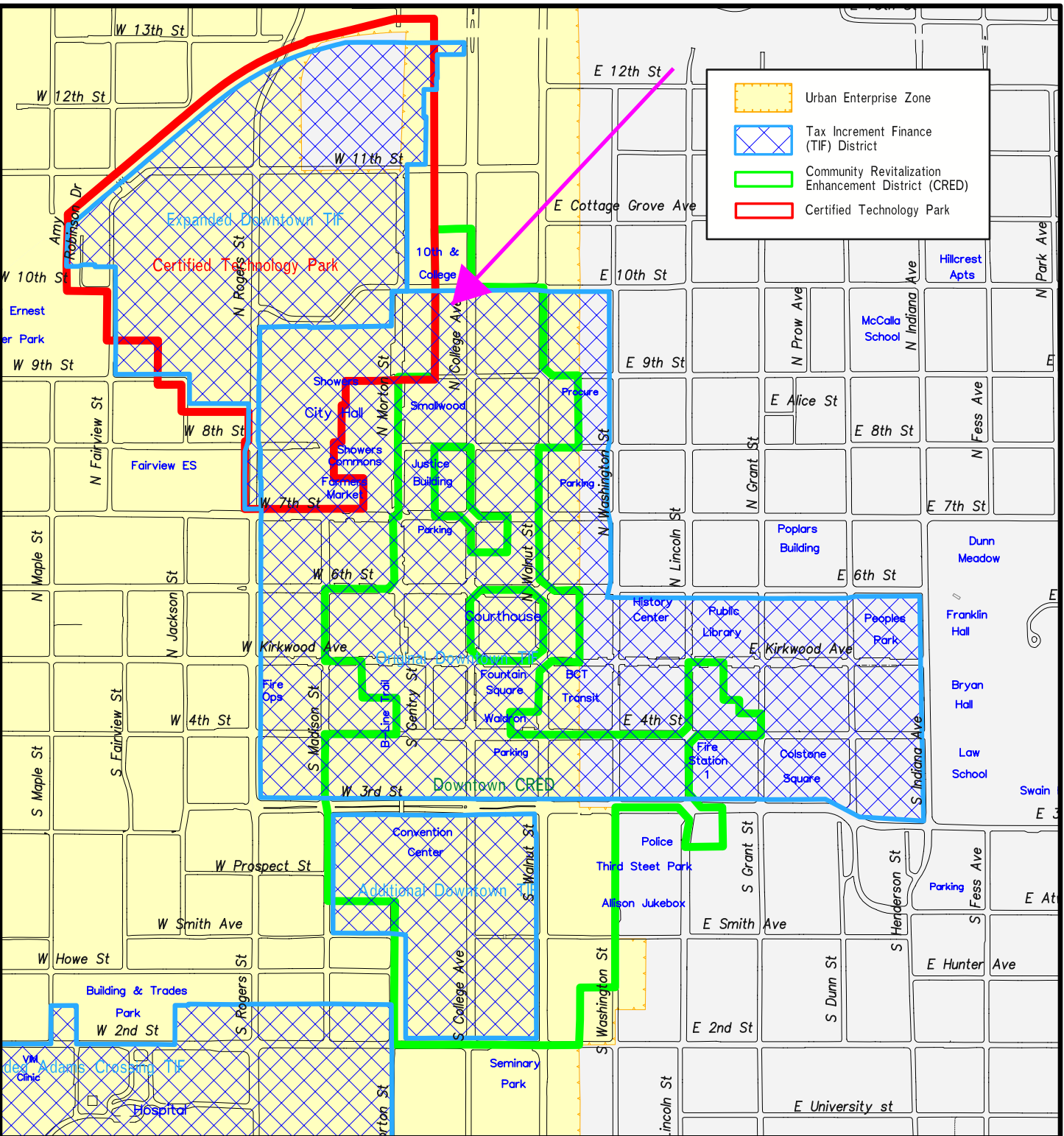
Basic information about the EZID is listed below:

- EZID is defined as the property tax deduction available from the increased value of an Enterprise Zone business property due to real and personal property investment by the business.
- The deduction equals the difference between the assessed property value following the qualified investment and the assessed property value of a base year (the year preceding the qualified investment).
- The amount of the deduction (100%) will be the same for each year (is non-graduated).
- The added valuation may be deducted for ten years and can extend past the expiration of the Enterprise Zone (Bloomington's Enterprise Zone will expire in March 2017).
- Thirty percent of the tax savings is paid to various governmental entities. Twenty nine percent is paid to the Bloomington Urban Enterprise Association (which pays 9% of the tax savings to the Bloomington Redevelopment Fund). One percent is paid to the Indiana Economic Development Corporation.

The City also proposes to expand its TIF areas to include both street corridors as well as properties that are designated for employment-oriented development. When these areas are mapped, the resultant proposal is as follows:

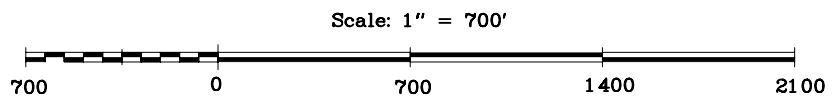






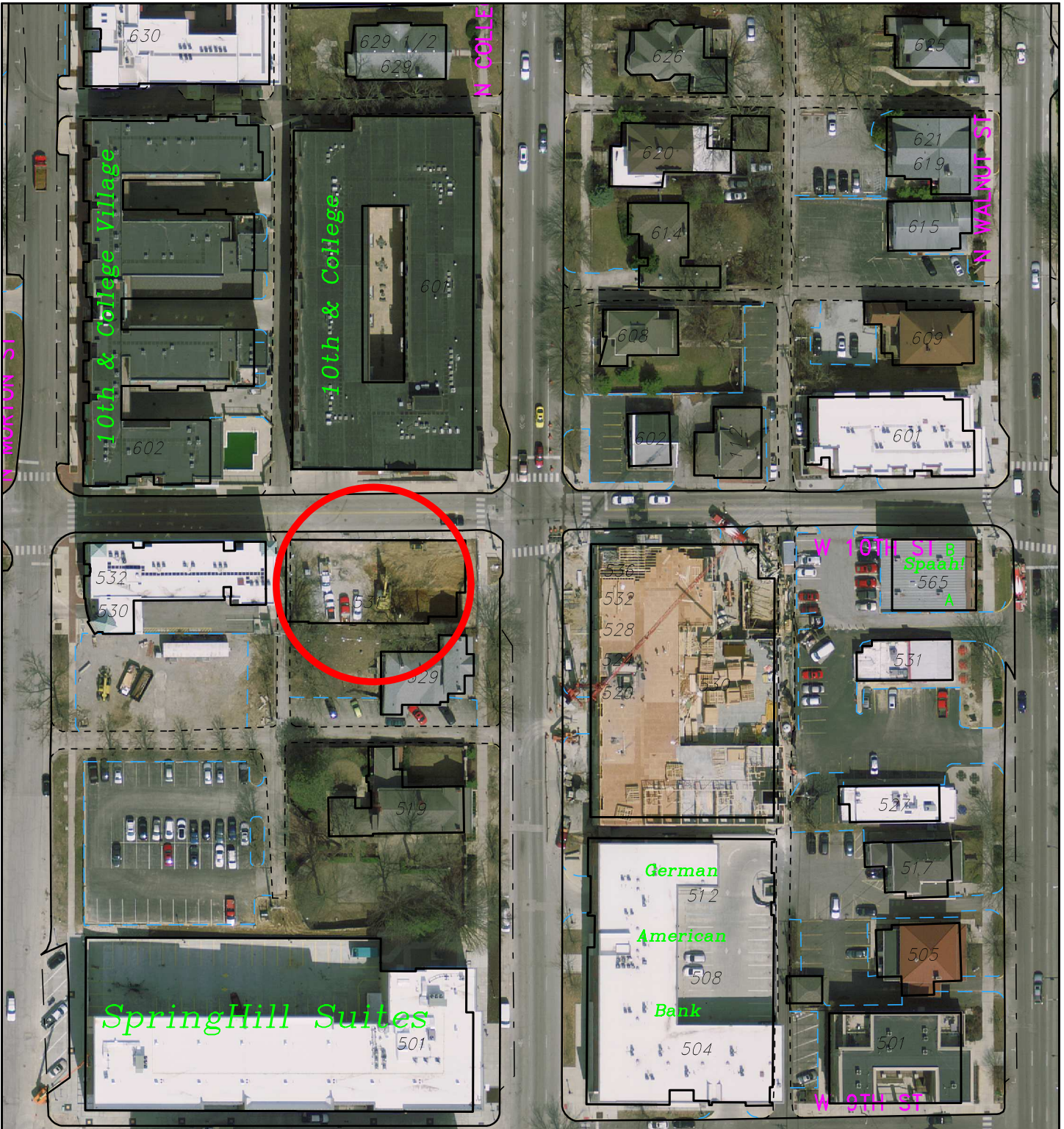
# City of Bloomington Economic Development Districts

City of Bloomington  
Mayor Mark Krizan



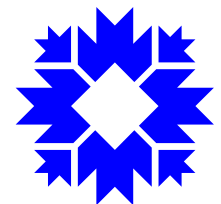
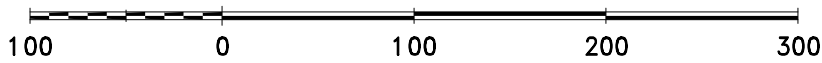
Apr 26, 2013

For use as map information only, information is NOT warranted.



Res15-13 - Enterprise Zone Investment Deductino for ERL-15, LLC. - 531 N College Ave City of Bloomington  
 Clerk & Council

By: finnh  
 17 Apr 15



Scale: 1" = 100'

For reference only; map information NOT warranted.



# Memo

**To:** Bloomington City Council  
**From:** Jason Carnes, Assistant Director  
**CC:** Danise Alano-Martin, Adam Wason  
**Date:** April 17, 2015  
**Re:** Enterprise Zone Investment Deductions (EZID) Council Resolution

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## **Enterprise Zone Investment Deduction (EZID) Applicants**

This year, one development project is seeking to apply for an EZID within a TIF district:

Property Owner	Address:
ERL-15, LLC	531 N. College Ave.

## **Enterprise Zone Investment Deduction**

The Enterprise Zone Investment Deduction (EZID) allows a property tax deduction for a qualified investment within an Urban Enterprise Zone (I.C. 6-1.1-45). In most cases, this deduction (similar to a tax abatement) is automatic with the proper and timely application to the County Auditor. However, effective July 2008, when the investment is in an allocation area as defined by IC 6-1.1-21.2-3, the deduction must be approved by the area's legislative body. Therefore, any EZID in one of the City's Tax Increment Financing Districts (TIFs) must be approved by the Common Council.

In addition, taxpayers receiving the EZID (whether in a TIF or not) must pay certain participation fees. The fees are paid to the local enterprise zone board, the Bloomington Urban Enterprise Association (BUEA), and to the Indiana Economic Development Corporation (IEDC) when the savings received from the EZID are at least \$1,000 annually. Participation fees are as follows: 20% of the savings received from the EZID to the BUEA, 9% of the savings to the Redevelopment Commission when a project is also in a TIF (passed through by the BUEA), 1% to the IEDC.

Basic information about the EZID:

- EZID is defined as the property tax deduction available from the increased value of an Enterprise Zone business property due to real and personal property investment by the business.

- The deduction equals the difference between the assessed property value following the qualified investment and the assessed property value of a base year (the year preceding the qualified investment).
- The amount of the deduction (100%) will be the same for each year (it is non-graduated).
- The added valuation may be deducted for up to ten years and can extend past the expiration of the Enterprise Zone (Bloomington's zone designation will expire in March 2017).
- Qualified investment within an Enterprise Zone location includes:
  1. purchase of a building or new manufacturing or production equipment;
  2. costs associated with the repair, rehabilitation, or modernization of an existing building and related improvements;
  3. onsite infrastructure improvements;
  4. construction of a new building; and
  5. costs associated with retooling existing machinery.
- To claim the deduction, a taxpayer must fill out Form EZ-2 and file it annually with the County Auditor between March 1 and May 15. The Auditor determines the eligibility of each investment and is required to notify each applicant of his/her determination by August 15. If the Auditor approves the deduction, taxpayers can take it the following year.
- Claimants also must file a Form EZB-R annually with the Indiana Economic Development Corporation and BUEA by June 1.
- As described above, a project located within a Tax Increment Financing (TIF) District also must gain approval from the Common Council, and requires a 9% participation fee paid to the Redevelopment Commission's Redevelopment Fund (passed through by the BUEA).

### **Bloomington Urban Enterprise Association**

Urban Enterprise Zones are established under State Law. Zones are created for a period of ten (10) years, with the ability to apply for two (2) five-year renewals, and a final five-year extension. The Bloomington Urban Enterprise Zone (BUEA) was originally designated in 1991 and received its third five-year renewal in June 2010 and is set to expire in 2017. The BUEA is a private, nonprofit organization responsible for the Zone's day-to-day activities. It contracts with the City of Bloomington to provide administrative support in overseeing the programs and activities of the Zone. Since 2002, the BUEA utilized the City's Housing and Neighborhood Development (HAND) Department and other City staff to operate six regular programs, as well as a number of special projects, all of which are respectively designed to aid in the economic development of the Zone by providing education and training, encouragement of entrepreneurship, rehabilitation of business facilities, and improvements to the aesthetic character of historic buildings. In 2014, the City's Economic and Sustainable Development (ESD) Department entered into the administration contract with the BUEA, assuming those responsibilities from the HAND staff.

## BUEA Financial Information

The EZID provides a significant portion of the funds used to support BUEA programs.

BUEA Income for Years 2009-2013		
Year	EZID	Loan Interest + Employment Cost Credit
2014	233,312	35,093
2013	277,848	2,576*
2012	269,108	68,459
2011	96,262	64,971
2010	39,354	59,926
2009	15,347	20,638
<b>Total</b>	<b>931,231</b>	<b>251,663</b>

\* indicates that complete data is not available

## Council Ordinance 13-23

In 2013, the Common Council adopted Ordinance 13-23, which set forth policy guidelines for Council EZID review. The ordinance:

- made the BUEA staff responsible for creating application forms, processing applications for Council review for EZIDs within a TIF district, and coordinating schedules with the Office of the Mayor and Office of the Common Council to set the date(s) for review of the applications in a Council meeting in time for the May 15 EZID filing deadlines.
- specified that investments made prior to March 1, 2011 would be ineligible for EZID approval from the Common Council. Also, qualified investments made two (2) years or more prior to March 1 of the year the application is made would also be ineligible for Council approval.
- directed BUEA and ESD staff to forward eligible applicants to Council for review. Staff is to prepare a statement of various benefits (including employment, wage, area development contributions, and ownership and occupation of the property) and impacts (to TIF, CRED, CTP districts, and Enterprise Zone), and to list any public costs related to the projects.
- stated that the City Clerk shall notify the Monroe County Auditor by May 15 of the year in which the application was approved of any Council EZID approvals.

Staff has prepared this information in the following pages for the project seeking approval.

## Downtown TIF Financial Information

This EZID applicant's project is located in the Downtown area of the Consolidated Economic Development Area.

The Downtown Allocation Area has a fund balance of \$3,560,090.81 as of February 13, 2015. Annual tax increment revenues for 2014 were approximately \$3.8 million.

The Downtown TIF was created to encourage redevelopment/development of the downtown. It was originally established in 1985 and expanded in 1990 and 2010. In 2015, it was consolidated with several other TIF districts into the Bloomington Consolidated Economic Development Area.

Among the development objectives for the Consolidated Economic Development Area are the following:

- Strengthen and intensify existing land uses within the area so that density is supported in the urban core, with particular focus on ensuring greater employment opportunities, diverse mixes of retail and upper story residential, greater usage of vacant and underutilized buildings, and new infill development.
- Construct new and renovated housing units within the area that support a diverse mix of housing types, and are within easy walking distance of the employment, retail, entertainment, financial, cultural, educational and governmental centers of the city.

The 1985 and 1990 portions of the Downtown TIF are scheduled to expire on June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2015, whichever is later. The 2010 expansion of the Downtown TIF is scheduled to expire twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals payable from tax increment revenues.

Prior to its consolidation into the Consolidated Economic Development Area, the Downtown TIF provided funding assistance for the leases of 7<sup>th</sup> Street and Morton parking garages.<sup>1</sup> It also provided the funding for the bonds issued for the Redevelopment Commission's purchase of the Certified Tech Park.<sup>2</sup>

The table below summarizes the status of the Downtown Allocation Provision:

12/31/2013 Beginning Balance	\$2,701,918.50
2014 receipts	\$3,802,417.19
Approved disbursements*	\$1,224,905.44
Debt Service	\$1,053,259.64
Lease payment	\$666,079.80
Ending Balance	\$3,560,090.81

\* May include expenditures approved in prior years

<sup>1</sup> The Morton Garage lease runs through January 2034. The Walnut Street Garage lease runs through February 2031.

<sup>2</sup> The bond for the purchase of the Certified Tech Park runs through 2032.

**Approved Projects (Open Projects) in Downtown TIF:**

<b>Project</b>	<b>Amount Approved</b>	<b>Remaining Balance</b>	<b>Status</b>
Res 12-37 Dispatch Construction	\$2,100,000	\$123,027	Open
Res 14-22 Waldron Plaza & Sidewalk Improvements	\$40,000	\$40,000	Open
Res 14-42 Buskirk-Chumley	\$74,000	\$74,000	For 2015
Res 14-43 CTP Property Expansion	\$50,000	\$50,000	For 2015

**Resolution 15-13: ERL-15, LLC – 531 N. College Avenue**

**Improvements and Project Description**

The project is a three-story mixed-use property built in 2014 on 0.2 acres. The project houses 31 residential units, (2 one-bedroom units and 29 studio units), and one commercial space. The commercial space includes a state-of-the-art fitness center for Cedarview residents at the Tenth & College Campus. This freed up additional office space in the Tenth & College building for the two additional employees that were hired as a result of the development (one full-time leasing consultant and one part-time fitness center monitor). An existing part-time maintenance technician was converted to a full-time employee. This project also created ongoing jobs for several outside vendors, which include cleaners, elevator maintenance, and security. The residents that will occupy the building will likely purchase goods and services from local businesses downtown.

The construction of the building employed approximately 30-60 laborers per day, which generated approximately \$1,420,555 of payroll costs and 28,679 laborer hours.

As part of the preparation for the construction of the building, the ERL-15, LLC incurred significant site clean-up costs and extensive environmental remediation. Six full fuel tanks were removed, along with 4,770 gallons of contaminated liquid and 780 – 800 tons of contaminated soil (approx. \$78,000). Supporting documentation is attached. In addition, another \$11,000 was spent to remove material that had been disposed of below grade. The previous owners used this as a dump site for construction materials. This brought the total remediation costs for the 0.2 acre site to approximately \$89,000.

The improvements included removing two older physical structures in poor repair. One structure did not meet recent codes and was not usable for any purpose. The tenant that occupied the other building was able to relocate into a vacant commercial space downtown, which will attract additional consumers to the downtown area. As part of the land purchase, ERL-15, LLC agreed to pay for the cost of tree maintenance on the

adjoining property occupied by Farmer House Museum (\$5,000) and further agreed to match contributions to the Museum of up to \$25,000.

The development also improved public infrastructure by adding new sidewalks (\$22,186), new City street lamp (\$3,500), tree and grate (\$2,336), re-routing storm/sanitation line (\$5,500) and installing a grease interceptor (\$12,000). The improvements to public infrastructure and adjoining property totaled \$50,522.

Total capital investment cost was \$3,800,000.

### **EZID Projection**

See attached projected schedule of annual savings and participation fees if this EZID is approved. If approved, it is estimated that the property owner will receive approximately \$554,823 in savings over the lifetime of the EZID, the BUEA would receive approximately \$158,521 in participation fees, the RDC would be paid \$71,334, and the IEDC would receive \$7,926.

### **Impact**

This project is located in the Downtown TIF and the Downtown CRED. It is not in the Certified Technology Park. The new payroll and sales tax revenues generated at the site will support the CRED increment received by the City. There was no cost incurred by the City as a result of this project.

<b>Enterprise Zone Investment Deduction Calculations for Real Property Improvement</b>							
ERL-15, LLC - 531 N. College Ave - Real Estate							
Using 2014 Payable 2015 Tax Rate and Project Estimates							
	Improvements		\$ 3,800,000				
	Net Rate		0.020858	Bloomington Township			
	Annual Taxes without Abatement		\$ 79,260				
Year	Abatement		Taxes	BUEA	State	Downtown TIF	Total
	2014 Base Year		Abated	20% Fee	1% Fee	9%	Savings
1	\$ 3,800,000		\$ 79,260	\$ 15,852.08	\$ 792.60	\$ 7,133.44	\$ 55,482.28
2	\$ 3,800,000		\$ 79,260	\$ 15,852.08	\$ 792.60	\$ 7,133.44	\$ 55,482.28
3	\$ 3,800,000		\$ 79,260	\$ 15,852.08	\$ 792.60	\$ 7,133.44	\$ 55,482.28
4	\$ 3,800,000		\$ 79,260	\$ 15,852.08	\$ 792.60	\$ 7,133.44	\$ 55,482.28
5	\$ 3,800,000		\$ 79,260	\$ 15,852.08	\$ 792.60	\$ 7,133.44	\$ 55,482.28
6	\$ 3,800,000		\$ 79,260	\$ 15,852.08	\$ 792.60	\$ 7,133.44	\$ 55,482.28
7	\$ 3,800,000		\$ 79,260	\$ 15,852.08	\$ 792.60	\$ 7,133.44	\$ 55,482.28
8	\$ 3,800,000		\$ 79,260	\$ 15,852.08	\$ 792.60	\$ 7,133.44	\$ 55,482.28
9	\$ 3,800,000		\$ 79,260	\$ 15,852.08	\$ 792.60	\$ 7,133.44	\$ 55,482.28
10	\$ 3,800,000		\$ 79,260	\$ 15,852.08	\$ 792.60	\$ 7,133.44	\$ 55,482.28
	-						
	<b>Totals (thru Year 10)</b>		<b>\$ 792,604</b>	<b>\$ 158,520.80</b>	<b>\$ 7,926.04</b>	<b>\$ 71,334.36</b>	<b>\$ 554,822.80</b>

## **CONSOLIDATED TAX ALLOCATION AREA - ZONING AND LAND USE**

The City of Bloomington's planning, zoning and land use approach is to favor compact urban form, nurture environmental integrity, mitigate traffic, conserve community character, sustain economic and cultural vibrancy, advance communication and coordination, and to leverage public capital to improve the community. The EDA includes areas zoned as follows:

1. **Commercial Arterial:** Designed to facilitate high intensity mixed use development and redevelopment opportunities along major street corridors.
2. **Business Park:** Provide for large-scale employment opportunities for the community and surrounding region.
3. **Commercial Downtown:** The Downtown Business/Commercial component of the EDA is comprised mainly of mixed uses that focus on retail sales, professional offices, restaurants, financial services, and entertainment/art/cultural centers that serve the Bloomington community and visitors alike. Downtown Business/Commercial uses are supported throughout the EDA.
4. **Commercial General:** Provide areas for medium scaled mixed use development and redevelopment.
5. **Commercial Limited:** Provide small scale retail and employment services necessary for the convenience of surrounding business and residential uses.
6. **Industrial General:** Accommodate the needs for industrial and office uses that provide basic employment needs for Bloomington and the surrounding region.
7. **Institutional:** The Institutional zoning component of the EDA is comprised of government facilities and park and recreation services.
8. **Medical:** The Medical zoning component includes IU Health Bloomington Hospital and nearby medical offices which serve regional healthcare needs and attract regional skilled workers. The sector is faced with significant and ongoing healthcare industry changes which may impact the intensity of medical land uses in the EDA.
9. **Planned Unit Development (PUD):** There are multiple Planned Unit Developments located within the EDA. Many of these PUDs provide opportunities for significant economic development within the EDA, and many also have specific requirements pertaining to conservation of environmentally sensitive areas and greenspace, mixed use development, housing and infrastructure.
10. **Residential (multiple zoning categories):** Residential infill development is encouraged throughout the EDA and generally is expected to occur as part of mixed use redevelopment activities. It is generally comprised of multifamily units which



should promote a diversity of housing types for all income groups and ages with a focus towards workforce, live-work, and retiree housing.

## **STATEMENT OF DEVELOPMENT OBJECTIVES**

It is the intention of the Redevelopment Commission to use allocated tax increment collected within the Area as it is received to finance all eligible costs related to the Development Objectives, or any portion thereof, and to reimburse the City for all eligible expenses under Indiana law.

It is also the intention of the Redevelopment Commission to issue bonds payable from incremental ad valorem property taxes allocated under IC 36-7-14-39 in order to raise money for any property acquisition and for completion of the Development Objectives. The amount of issued bonds may not exceed the total, as estimated by the Redevelopment Commission, of all expenses reasonably incurred in connection with the Development Objectives, including:

1. The total cost of all land, rights of way, and other property to be acquired; and
2. All reasonable and necessary architectural/engineering, construction, legal, financing, accounting, advertising, bond discount and supervisory expenses related to the acquisition and development of the Projects or the issuance of bonds therefore; and
3. Interest and a debt service reserve for the bonds to the extent the Redevelopment Commission determines that a reserve is reasonably required.

In the issuance of bonds the Redevelopment Commission will comply with Indiana Code § 36-7-14-25.1 and other provisions of applicable Indiana Law. In the alternative, the Redevelopment Commission may enter into a lease of any property that could be financed with the proceeds of bonds under Indiana Code 36-7-14. The lease is subject to the provisions of Indiana Code § 36-7-14-25.2 and Indiana Code § 36-7-14-25.3.

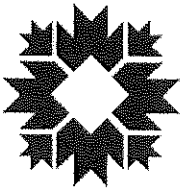
The Development Objectives within this Plan will be accomplished through a mix of public and private investment in the EDA.

1. Attract businesses to the EDA, provide opportunities for gainful employment and training for employees, and promote the retention and expansion of existing businesses.
2. Provide funding for infrastructure improvements including the installation of new and upgraded water, sewer, stormwater, communications and transportation services.

3. Invest in designing and implementing improved streetscapes and other public amenities to ensure a high quality of place attractive to a quality workforce. Construct public spaces, including plazas and greenspaces for individual use as well as for special events and programs.
4. Improve streets so they can be operated to enable safe and efficient access for all users of all ages and abilities, including pedestrians, bicyclists, motorists and transit riders.
5. Strengthen and intensify existing land uses within the area so that density is supported in the urban core, with particular focus on ensuring greater employment opportunities, diverse mixes of retail and upper story residential, greater usage of vacant and underutilized buildings, and new infill development.
6. Enhance community sustainability through the provision of green infrastructure, conservation of environmentally sensitive areas, and energy efficient building practices.
7. Construct new and renovated housing units within the area that support a diverse mix of housing types, and are within easy walking distance of the employment, retail, entertainment, financial, cultural, educational and governmental centers of the city.
8. Renovate historic structures in the EDA, especially within the downtown area.
9. Strengthen the ties between the city and the community's higher education institutions and improve the physical linkages between downtown and the Indiana University campus.
10. Provide structured parking facilities in conjunction with area employment uses, particularly within the City's Certified Technology Park/Showers Technology Overlay district and other areas of employment growth potential.
11. Support the retention, expansion and attraction of cultural, tourism and creative sector enterprises to enhance sector employment opportunities, and to enhance the EDA as a destination for visitors. Construct additional hotel and meeting space within the EDA and support an expanded Convention Center complex.
12. Continue the environmental restoration and transformation of the former CSX rail switchyard into premier public park and recreation space. Support adjacent catalyst economic and community development projects such as infill commercial, mixed-use, and residential redevelopment of underutilized properties, and strengthening of surrounding neighborhoods.

13. Develop the City's Certified Technology Park area as a research and industrial park with additional high tech office and research space, while also allowing for a mix of complementary uses, including retail, service and workforce and other housing.
14. Provide adequate growth space for office, research, life science, medical and technology business; in order to maximize opportunities to attract, grow and retain knowledge- and creative-sector employers in the area.
15. Provide primary and essential healthcare facilities in areas accessible to residential populations and employment centers.
16. Improve gateway corridors to increase physical and socioeconomic linkages between the EDA and other areas of the city, region and state.

Rec'd 2/20/15  
DM



CITY OF BLOOMINGTON

# APPLICATION FOR ENTERPRISE ZONE INVESTMENT DEDUCTION WITHIN A TAX INCREMENT FINANCE DISTRICT

City of Bloomington  
Department of Economic and Sustainable Development  
401 N. Morton St.  
Bloomington, Indiana 47404  
812-349-3418

## 1. Application Instructions

Businesses located within both the Bloomington Urban Enterprise Zone and any City of Bloomington Tax Increment Financing District and who wish to apply for a property tax deduction through the Enterprise Zone Investment Deduction (EZID) program, must complete this application and submit it to the City of Bloomington timely. Applications will be scheduled to be considered for approval by the Bloomington Common Council per Indiana Code 6-1.1-45-9(d)(3).

All EZID applications will be scheduled for the same Common Council meeting, in advance of the May 15 deadline for filing the Form EZ-2 with the Monroe County Auditor. Applicant is responsible for understanding and meeting prior City of Bloomington deadlines in order to be placed on this agenda.

Return completed application, including an **attached copy of a completed EZ-2 Form**, to Jason Carnes, Assistant Director- Small Business Relations, Economic & Sustainable Development Department with any questions: (812) 349-3419 or [carnesj@bloomington.in.gov](mailto:carnesj@bloomington.in.gov)

## 2. Taxpayer Information

Name:	ERL-15, LLC		
Federal ID Number:	317,529,270		
Address:	601 N College Avenue, Suite 1A		
City, State, Zip:	Bloomington, IN 47404		
E-Mail Address:	jana@tenthandcollege.com		
Phone Number:	(812) 339-8777	Mobile Phone:	

## 3. Property Information

Street Address:	531 N College Avenue
City, State, Zip:	Bloomington, IN 47404
Monroe County Parcel ID number:	530,533,308,010

**4. Qualified Investment Type (EZ-2 Schedule A)**

Please provide the amount and type of deduction for which you are applying.

Name	Amount of Deduction
Purchase of existing building	
Construction of a new building	<del>\$3,000,000.00</del> ?
Repair/Rehabilitation/Modernization of existing building	
Onsite infrastructure improvement	
Purchase of new manufacturing or production equipment	
Retooling of existing machinery	

**4. Date of Investment/Assessment**

Investments made more than two years prior to March 1 of the year this application is being submitted are ineligible.

<b>Date investment was completed</b>	08/13/2014
<b>Assessment Date</b>	March 1, 2015

**5. Investment Description I**

Please complete the following economic impact information:

Cost of the project	\$3,800,000
Current assessed value of property	Year: Land:                      Improvements:
New permanent jobs created	Full Time: 2              Part Time: 1
Type of jobs created (construction, professional, administrative, etc)	Construction, Professional, Administrative
Annual payroll for jobs (excluding benefits)	
Lowest hourly wage	Full Time: \$12.00      Part Time: \$10.00
Average hourly wage	Full Time: \$20.00      Part Time: \$10.00 0
Types of benefits offered, including hourly value of benefits compensation	FTE are provided mo. health ins. benefits of \$260 plus 3% owner 401K match

## 5. Investment Description I

Provide a description of the investment. In particular, include any additional information related to the public benefits of the project.

A mixed-use (commercial & residential) building was constructed on the land in 2014. The building includes 31 residential units (2 one bedroom units & 29 Studio units). The commercial space created a new state of the art fitness center for Cedarview residents at the Tenth & College Campus which freed up additional office space in the Tenth & College building for the two additional employees that were hired as a result of the development; one full-time leasing consultant and one part-time fitness center monitor. An existing part-time maintenance technician was converted to a FTE. This project also created on-going jobs for several outside vendors which includes cleaners, elevator maintenance and security. The residents that will occupy the building will likely purchase goods and services from local business's downtown.

As part of the preparation for the construction of the building, the taxpayer incurred significant site clean-up costs. This involved extensive environmental remediation. Six full fuel tanks were removed along with 4,770 gallons of contaminated liquid and 780-800 tons of contaminated soil (approx. \$78,000). Supporting documentation attached. In addition to the \$78,000, another \$11,000 was spent to remove material that had been disposed of below grade. The previous owners used this as a dump site for construction materials. This brought the total remediation costs to approximately \$89,000 that was spent on only .2 of an acre.


The construction of the building employed approximately 30-60 laborers per day which generated approximately \$1,420,555 of payroll costs and 28,679 laborer hours.

The development improved the area by removing two older physical structures in poor repair. One structure did not meet recent codes and was not usable for any purpose. The removal of this outdated structure also added balance to the surrounding area. The tenant that occupied the other building moved into a vacant commercial space downtown, which will attract additional consumers to the downtown area. As part of the land purchase taxpayer agreed to pay for the costs of tree maintenance on adjoining property occupied by Farmer House Museum (\$5,000) and further agreed to match contributions to the Museum of up to \$25,000.

The development also improved public infrastructure by adding new sidewalks (\$22,186), new City street lamp (\$3,500), tree and grate (\$2,336), re-routing storm/sanitation line (\$5,500) and installing grease a interceptor (\$12,000). The improvements to public infrastructure and adjoining property - \$50,522.

## 7. Certification Statement

I hereby certify that the above named taxpayer is liable for property taxes at the above listed location on the indicated assessment date. I also certify that (1) on the indicated assessment date, the property was in an enterprise zone designated by the Enterprise Zone Board, and (2) the property is entitled to an investment deduction pursuant to IC 6-1.1-45

Authorizes signature of owner or representative:	
Date:	02/19/2015
Printed name of owner or representative:	Elliot R. Lewis
Title:	Property Owner
Telephone number:	(812) 339-8777
Mailing address of owner or representative:	601 N College Avenue, Suite 1A Bloomington, IN 47404

## For City Of Bloomington Use Only

Date Received:	Received By:	Date Approved:	Approved By:
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# ENTERPRISE ZONE INVESTMENT DEDUCTION APPLICATION

State Form 52501 (R4 / 12-10)

Prescribed by the Department of Local Government Finance

**FORM  
EZ-2**

PRIVACY NOTICE: The records in this series are confidential according to I. C. 6-1.1-35-9.

### INSTRUCTIONS:

1. This form is to be filed with the auditor of the county in which property is located on the assessment date [IC 6-1.1-45-10(a)].
2. This form is to be filed between March 1, and May 15, of the assessment year to obtain the deduction.
3. The county auditor may grant not more than a thirty (30) day extension if a written application is given before May 15th [IC 6-1.1-45-10(c)].
4. This form may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing [IC 6-1.1-45-10(a)].
5. If this form includes a deduction claim for personal property, a copy of the current assessment year Business Tangible Personal Property Assessment return (Form 102 or 103) must be attached.
6. County auditor must notify the applicant of the above determination before August 15, of the assessment year.
7. If the applicant is in disagreement with county auditor's determination, the applicant may appeal for a review of the determination by filing a complaint in the office of the clerk of the circuit or superior court not later than forty-five (45) days after the county auditor gives the applicant notice of the determination.

### PROPERTY DESCRIPTION

Name of taxpayer <b>ERL-15, LLC</b>		Federal identification number <b>317-52-9270</b>	
Address of taxpayer (number and street, city, state, and ZIP code) <b>601 N College Avenue, Suite 1A, Bloomington, IN 47404</b>			
Address of property (number and street, city, state, and ZIP code) <b>531 N College Avenue, Bloomington, IN 47404</b>			
DLGF Taxing District number <b>53005</b>	Township <b>Bloomington</b>	County <b>Monroe</b>	Date of assessment <b>March 1, 20 <u>15</u></b>

### SCHEDULE A - To be completed for the current assessment year if a qualified investment occurred.

1	2	3	4	5	6
PROPERTY CLASS	TYPE OF QUALIFIED INVESTMENT	BASE YEAR	BASE YEAR ASSESSED VALUE	FIRST YEAR ASSESSED VALUE	AMOUNT OF DEDUCTION <sup>2</sup> (Column 5 - Column 4)
Real property	Purchase of an existing building <sup>1</sup>				
Real property	Construction of a new building <sup>1</sup>				
Real property	Repair/rehabilitation/modernization of existing building <sup>1</sup>				
Real property	Onsite infrastructure improvement <sup>1</sup>				
Personal property	Purchase of new manufacturing or production equipment				
Personal property	Retooling of existing machinery				

CURRENT YEAR DEDUCTION <sup>2</sup> =

<sup>1</sup> To be determined by the assessor.

<sup>2</sup> This deduction amount will stay the same for a ten (10) year period [IC 6-1.1-45-9(a)].

### SCHEDULE B - To be completed each year a deduction is claimed.

ASSESSMENT YEAR	AMOUNT OF DEDUCTION (from Schedule A)	SOURCE
Year 1		Schedule A from this form
Year 2		Schedule A from one (1) year ago
Year 3		Schedule A from two (2) years ago
Year 4		Schedule A from three (3) years ago
Year 5		Schedule A from four (4) years ago
Year 6		Schedule A from five (5) years ago
Year 7		Schedule A from six (6) years ago
Year 8		Schedule A from seven (7) years ago
Year 9		Schedule A from eight (8) years ago
Year 10		Schedule A from nine (9) years ago
<b>TOTAL DEDUCTION CLAIMED =</b>		

### CERTIFICATION STATEMENT

I hereby certify that the above named taxpayer is liable for property taxes at the above listed location on the indicated assessment date. I also certify that: (1) on the indicated assessment date, the property was in an enterprise zone designated by the Enterprise Zone Board and (2) the property is entitled to an investment deduction pursuant to IC 6-1.1-45.

Authorized signature of owner or representative <i>Elliot R. Lewis</i>	Date signed (month, day, year) <b>02/19/2015</b>
Printed name of signatory <b>Elliot R. Lewis</b>	Title <b>Owner</b>
Telephone number <b>( 812 ) 339-8777</b>	
Full mailing address of owner or representative (number and street, city, state, and ZIP code) <b>601 N College Avenue, Suite 1A, Bloomington, IN 47404</b>	

**DO NOT WRITE HERE – FOR USE BY COUNTY AUDITOR ONLY**

I, Auditor of the county named below, hereby certify that this claim for deduction was filed with this office on the date noted below, and having been referred this application, do hereby make the following determination:

Signature of County Auditor	County	Date filed (month, day, year)
Approved amount of assessed value deduction for March 1, 20_____, payable in 20_____:		Amount

**IF DEDUCTION WAS DENIED PARTIALLY OR IN TOTAL, AUDITOR MUST COMPLETE THIS SECTION**

1. If approved amount is different than amount claimed on Schedule B on the front of this form, explain.

2. This claim is being denied in total due to one of the following reasons:

- Application was not timely filed in accordance with instruction 2 above.
- Business is not located within established enterprise zone boundary.
- Other (explain) \_\_\_\_\_

The following are sections of the statutes that are frequently referred to. To view the complete section of the statutes concerning the Enterprise Zone Investment Deduction, go to Indiana Code 6-1.1-45.

**IC 6-1.1-45-2 "Base year assessed value"**

"Base year assessed value" equals the total assessed value of the real and personal property assessed at an enterprise zone location on the assessment date in the calendar year immediately preceding the calendar year in which a taxpayer makes a qualified investment with respect to the enterprise zone location.

**IC 6-1.1-45-9 (a) Eligibility for deduction; amount;**

A taxpayer that makes a qualified investment is entitled to a deduction from the assessed value of the taxpayer's enterprise zone property located at the enterprise zone location for which the taxpayer made the qualified investment. The amount of the deduction is equal to the remainder of:

1. the total amount of the assessed value of the taxpayer's enterprise zone property assessed at the enterprise zone location on a particular assessment date; minus
2. the total amount of the base year assessed value for the enterprise zone location.

**IC 6-1.1-45-10 (c) Extension**

The county auditor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer's application if:

1. the taxpayer submits a written application for an extension before May 15 of the assessment year; and
2. the taxpayer is prevented from filing a timely application because of sickness, absence from the county, or any other good and sufficient reason.

**IC 6-1.1-45-10 (d) Waiver**

An urban enterprise association created under IC 5-28-15-13 may by resolution waive failure to file a: (1) timely; or (2) complete; deduction application under this section. Before adopting a waiver under this section, the urban enterprise association shall conduct a public hearing on the waiver.

**IC 6-1.1-45-11 (b) Appeals**

A person may appeal the determination of the county auditor by filing a complaint in the office of the clerk of the circuit or superior court not later than forty-five (45) days after the county auditor gives the person notice of the determination.



February 10, 2015

Kristie Charles  
Cedarview Management  
601 N. College Ave., #1A  
Bloomington, IN 47404

**RE: Environmental Studio 531**

Dear Kristie:

As requested please find attached all back up and costs associated with the environmental clean-up at 531 N. College Avenue, Bloomington, Indiana known as Studio 531 Apartments.

Included:

- 1) Change Order #4 with final invoicing from P.S.I. (environmental Engineer) including cost of closure report submitted to IDEM. \$17,119.00
- 2) Change Order #2, Item #1: \$60,582.00
  - PSI consulting invoice
  - Disposal paperwork for contaminated soils including landfill costs, manifest documents and trucking documents
  - Hanna Excavating invoices including: excavation, lean concrete fill, and #53 stone backfill tickets at over excavated areas.
  - Hoosier Equipment invoices for removal of (6) tanks and disposal of 4770 gallons of contaminated liquids.

Total environmental cost associated with this project: \$77,701.00

Please let me know if there is anything else you need.

Sincerely,

  
GILLIATTE GENERAL CONTRACTORS, INC.

Thomas J. Ritman  
President

TJR/dmw  
Attachment

May 19, 2014

Elliot Lewis  
ERL 15, LLC  
601 N. College Ave., #1A  
Bloomington, IN 47404

**RE: Studio 531 Apartments  
Bloomington, Indiana**

Dear Elliot:

Please find below and attached back-up documentation for environmental and soil remediation issues at the Studio 531 project.

**Environmental** associated with the removal of (6) petroleum related tanks) and contaminated soils surrounding the removal areas.

1)	PSI Consulting (this is not a final invoice) attached	\$20,166.50
2)	Southside Landfill (landfill fees associated with disposal of contaminated dirt) tickets and manifest documents attached	\$20,652.30
3)	Hanna Excavating: excavation of excess contaminated material below design sub grades and hauling of all contaminated soils to Southside Landfill (Indianapolis)	\$13,901.00
	*Deduct for local hauling of normal excavation if soils were not contaminated	<\$3,724.50>

2515 Bloyd Avenue  
 Indianapolis, IN 46218  
 317.638.3355  
 gilliatte.com

4)	Hanna Excavating: fill areas with lean concrete and/or #53 stone that were excavated below sub grade due to contaminated soils:	\$6,702.00
	Area 1 main tanks	\$1,809.00
	Area 2 cistern	\$2,925.00
	Area 3 other tanks	\$1,968.00
	Cost for environmental through 4/15/14	\$57,697.30
	Fee	<u>\$2,885.00</u>
	Total (this will be included on change order #2. Note P.S.I. will still have cost coming for lab work and closing out the site with IDEM)	<u>\$60,582.30</u>

**Under cut** associated with buried debris field at the west end of the site and at the north east corner. The undercut consisted of an area 50' x 60' x 1'-6" to 3'-0" deep and an area 20' x 30' x 1'-0" deep.

1)	Hanna Excavating (west end)	\$8,753.01
2)	F.O. #9720 (back up attached)	\$1,800.00
	Under Cut	\$10,553.01
	Fee	<u>\$527.65</u>
	Total (this will be included on change order #2)	<u>\$11,080.66</u>

Sincerely,

GILLIATTE GENERAL CONTRACTORS, INC.

  
 Thomas J. Ritman, President

TJR/dmw  
 Attachment

27-14-14

# AIA® Document G701™ - 2001

## Change Order

<b>PROJECT</b> (Name and address): Studio 531 Apartments 531 N. College Ave. Bloomington, IN	<b>CHANGE ORDER NUMBER:</b> 004 <b>DATE:</b> July 14, 2014	<b>OWNER:</b> <input type="checkbox"/> <b>ARCHITECT:</b> <input type="checkbox"/> <b>CONTRACTOR:</b> <input type="checkbox"/> <b>FIELD:</b> <input type="checkbox"/> <b>OTHER:</b> <input type="checkbox"/>
<b>TO CONTRACTOR</b> (Name and address): Gilliatte General Contractors, Inc. 2515 Bloyd Ave. Indianapolis, IN 46218	<b>ARCHITECT'S PROJECT NUMBER:</b> GGCI #14111 <b>CONTRACT DATE:</b> 3/28/2014 <b>CONTRACT FOR:</b> General Construction	

### THE CONTRACT IS CHANGED AS FOLLOWS:

(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)

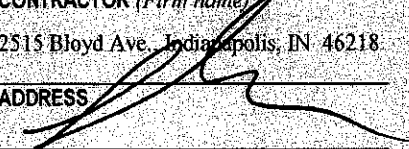
- 1) Final P.S.I. bill for testing and closure report per IDEM (invoice attached): ADD \$17,119.00

The original Contract Sum was	\$ 3,098,906.00
The net change by previously authorized Change Orders	\$ 168,627.00
The Contract Sum prior to this Change Order was	\$ 3,267,533.00
The Contract Sum will be increased by this Change Order in the amount of	\$ 17,119.00
The new Contract Sum including this Change Order will be	\$ 3,284,652.00

The Contract Time will be increased by Zero (0) days.  
The date of Substantial Completion as of the date of this Change Order therefore is

**NOTE:** This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

### NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

<b>ARCHITECT</b> (Firm name)	Gilliatte General Contractors, Inc. <b>CONTRACTOR</b> (Firm name)	ERL 15, LLC <b>OWNER</b> (Firm name)
<b>ADDRESS</b>	2515 Bloyd Ave. Indianapolis, IN 46218 <b>ADDRESS</b>	601 N. College Ave., #1A, Bloomington 47404 <b>ADDRESS</b>
<b>BY</b> (Signature)	 <b>BY</b> (Signature)	<b>BY</b> (Signature)
(Typed name)	Thomas J. Ritman, President (Typed name)	(Typed name)
<b>DATE</b>	7/14/2014 <b>DATE</b>	<b>DATE</b>

MW  
7/14



INDIANAPOLIS ENV DEPT  
INDIANAPOLIS, IN 46268  
(317) 876-7723

Federal ID 37-0962090

Professional Service Industries, Inc.  
www.psiusa.com

ATTN: Tom Ritman  
GILLIATTE GENERAL CONTRACTORS  
2515 BLOYD AVE.  
INDIANAPOLIS IN 46218

GILLIATTE GENERAL CONTRACTORS  
2515 BLOYD AVE.  
INDIANAPOLIS IN 46218

Customer #	Purchase Order	PSI Project Number	Date	Invoice #	Page
344154		00171399	06/30/14	00298360	0001

Project: 531 COLLEGE - UST

Date	Work Order Nbr	Description	Quantity	Unit Cost	Amount
03/31/14	00171399-1	PROJECT MANAGER (HR)	0.50	127.50	63.75
04/01/14	00171399-1	PROJECT MANAGER (HR)	0.50	127.50	63.75
04/01/14	00171399-1	SCIENTIST, STAFF (HR)	2.00	95.00	190.00
04/10/14	00171399-1	SCIENTIST, STAFF (HR)	1.50	95.00	142.50
05/28/14	00171399-1	PROJECT MANAGER (HR)	0.50	127.50	63.75
05/29/14	00171399-1	PROJECT MANAGER (HR)	1.00	127.50	127.50
05/29/14	00171399-1	SCIENTIST, STAFF (HR)	2.00	95.00	190.00
06/02/14	00171399-1	SCIENTIST, STAFF (HR)	4.50	95.00	427.50
06/03/14	00171399-1	SCIENTIST, STAFF (HR)	6.50	95.00	617.50
06/04/14	00171399-1	PROJECT MANAGER (HR)	0.50	127.50	63.75
06/04/14	00171399-1	SCIENTIST, STAFF (HR)	7.00	95.00	665.00
Invoice Total:					*Continued*

**TERMS: NET 30 DAYS. A SERVICE CHARGE OF 1.5% PER MONTH, WHICH IS AN ANNUAL PERCENTAGE RATE OF 18% WILL BE ADDED TO ALL PAST DUE ACCOUNTS.**

To assure proper credit to your account, please return with your check made payable to PSI.

Please mail remittance to:

Customer #	Invoice #	Project Number	Amount Enclosed
344154	00298360	00171399	

Professional Service Industries, Inc.  
7192 Solutions Center  
Chicago, IL 60677-7001



INDIANAPOLIS ENV DEPT  
INDIANAPOLIS, IN 46268  
(317) 876-7723

Federal ID 37-0962090

Professional Service Industries, Inc.  
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ATTN: Tom Ritman  
GILLIATTE GENERAL CONTRACTORS  
2515 BLOYD AVE.  
INDIANAPOLIS IN 46218

GILLIATTE GENERAL CONTRACTORS  
2515 BLOYD AVE.  
INDIANAPOLIS IN 46218

Customer #	Purchase Order	PSI Project Number	Date	Invoice #	Page
344154		00171399	06/30/14	00298360	0002

Project: 531 COLLEGE - UST

Date	Work Order Nbr	Description	Quantity	Unit Cost	Amount
06/05/14	00171399-1	SCIENTIST, STAFF (HR)	8.50	95.00	807.50
06/10/14	00171399-1	PROJECT MANAGER (HR)	0.50	127.50	63.75
06/10/14	00171399-1	SCIENTIST, STAFF (HR)	3.00	95.00	285.00
06/11/14	00171399-1	SCIENTIST, STAFF (HR)	4.00	95.00	380.00
06/12/14	00171399-1	SCIENTIST, STAFF (HR)	4.00	95.00	380.00
06/16/14	00171399-1	PRINCIPAL CONSULTANT (HR)	2.00	145.00	290.00
06/18/14	00171399-1	PROJECT MANAGER (HR)	3.00	127.50	382.50
06/19/14	00171399-1	PROJECT MANAGER (HR)	0.50	127.50	63.75
06/20/14	00171399-1	PROJECT MANAGER (HR)	0.50	127.50	63.75
06/23/14	00171399-1	PROJECT MANAGER (HR)	1.50	127.50	191.25
06/26/14	00171399-1	PROJECT MANAGER (HR)	0.50	127.50	63.75
Invoice Total:					*Continued*

TERMS: NET 30 DAYS. A SERVICE CHARGE OF 1.5% PER MONTH, WHICH IS AN ANNUAL PERCENTAGE RATE OF 18% WILL BE ADDED TO ALL PAST DUE ACCOUNTS.

To assure proper credit to your account, please return with your check made payable to PSI.

Please mail remittance to:

Customer #	Invoice #	Project Number	Amount Enclosed
344154	00298360	00171399	

Professional Service Industries, Inc.  
7192 Solutions Center  
Chicago, IL 60677-7001



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INDIANAPOLIS, IN 46268  
(317) 876-7723

Federal ID 37-0962090

Professional Service Industries, Inc.  
www.psiusa.com

ATTN: Tom Ritman  
GILLIATTE GENERAL CONTRACTORS  
2515 BLOYD AVE.  
INDIANAPOLIS IN 46218

GILLIATTE GENERAL CONTRACTORS  
2515 BLOYD AVE.  
INDIANAPOLIS IN 46218

Customer #	Purchase Order	PSI Project Number	Date	Invoice #	Page
344154		00171399	06/30/14	00298360	0003

Project: 531 COLLEGE - UST

Date	Work Order Nbr	Description	Quantity	Unit Cost	Amount
06/26/14	00171399-1	PROJECT MANAGER (HR)	2.00	127.50	255.00
06/27/14	00171399-1	ADMIN/CLERICAL (HR)	4.50	55.00	247.50
06/27/14	00171399-1	PROJECT MANAGER (HR)	5.00	127.50	637.50
06/30/14	00171399-1	PROJECT MANAGER (HR)	4.00	127.50	510.00
06/30/14	00171399-1	TRANSPORTATION CHARGE (MILE)	600.00	0.75	450.00
06/30/14	00171399-1	VEHICLE-STANDARD (DAY)	4.00	120.00	480.00
06/30/14	00171399-1	ENVIRONMENTAL SERVICES - 3 VOCS 8260 ANALYSIS	26.00	113.00	2,938.00
06/30/14	00171399-1	ENVIRONMENTAL SERVICES - 4 PAHS 8270 ANALYSIS	25.00	113.00	2,825.00
06/30/14	00171399-1	ENVIRONMENTAL SERVICES - 5 RCRA-8 ANALYSIS	25.00	95.00	2,375.00

Invoice Total:	\$16,304.25
Balance Due:	\$16,304.25

*FEE* 815.21  
17,119.00

TERMS: NET 30 DAYS. A SERVICE CHARGE OF 1.5% PER MONTH, WHICH IS AN ANNUAL PERCENTAGE RATE OF 18% WILL BE ADDED TO ALL PAST DUE ACCOUNTS.

To assure proper credit to your account, please return with your check made payable to PSI.

Please mail remittance to:

Customer #	Invoice #	Project Number	Amount Enclosed
344154	00298360	00171399	

Professional Service Industries, Inc.  
7192 Solutions Center  
Chicago, IL 60677-7001



# INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

*We Protect Hoosiers and Our Environment.*

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Michael R. Pence  
Governor

Thomas W. Easterly  
Commissioner

February 28, 2014

The Farmer House Museum, Inc.  
ATTN: Mr. Chris Sturbaum  
529 North College Avenue  
Bloomington, IN 47404

Mary E. & James Farmer Trust  
ATTN: Mr. Chris Sturbaum  
529 North College Avenue  
Bloomington, IN 47404

**Re: Independent Closure Process Information and  
Remediation Request**

The Farmer House Museum Property  
531 North College Avenue  
Bloomington, Monroe County  
State Cleanup Site # 2014-43816

Dear Mr. Sturbaum:

A release of petroleum and/or hazardous substances at The Farmer House Museum Property located at 531 North College Avenue in Bloomington, Indiana (Site) was reported to the Indiana Department of Environmental Management (IDEM) by Mr. Ron Hosek of Professional Service Industries, Inc. (PSI) on February 26, 2014. In accordance with Indiana Code (IC) 13-24-1-6, and/or IC 13-25-4, as the current or previous owner and/or operator of the Site, The Farmer House Museum, Inc. and the Mary E. & James Farmer Trust are both potentially responsible parties and must provide IDEM with information about the nature and extent of the release. In addition, a responsible party may be ordered by the State to conduct removal or remediation actions (IC 13-24-1-1 and/or 13-25-4-9).

Pursuant to these statutes, a site investigation must be conducted to determine the nature and extent of contamination at the above-referenced Site. In addition, appropriate remedial measures must be conducted to mitigate any identified adverse impacts to human health and the environment. Guidance on how to characterize the nature and extent of the contamination can be found in IDEM's *Remediation Closure Guide, (RCG)* March 2012. The RCG Documents are available online at: [www.in.gov/idem/6683.htm](http://www.in.gov/idem/6683.htm).

The information provided to IDEM to date indicates that your Site may be considered a low priority. In accordance with the Priority Ranking System (PRS) (329 Indiana Administrative Code [IAC] 7.1), a low priority site may not have ground water contamination at any concentration, or a direct soil contact exposure pathway. Detailed guidelines established by the PRS can be found online at [www.in.gov/legislative/iac/T03290/A00071.PDF](http://www.in.gov/legislative/iac/T03290/A00071.PDF).





Since your Site appears to be a low priority, you are eligible to participate in IDEM's Independent Closure Process (ICP). The ICP is available to petroleum or hazardous substance sites that are low priority. Participation in the ICP allows responsible parties to conduct self-directed environmental site investigations and remedial action, and allows IDEM to concentrate its efforts on sites that present a greater risk to human health and the environment. IDEM does not provide direct oversight for sites participating in the ICP. However, you are still required to conduct an investigation and complete any necessary remediation pursuant to IC 13-25-4 and/or IC 13-24-1-6.

The site investigation, remedial action, and closure activities conducted in the ICP must follow the requirements set forth in the *RCG* and the State Cleanup Program ICP Guidance Document found online at [www.in.gov/idem/4179.htm](http://www.in.gov/idem/4179.htm). The ICP Guidance Document includes a discussion of document submittal requirements and closure objectives, and a web link to the ICP Closure Form, State Form 54166. A completed copy of the ICP Closure Form must be signed by you and your environmental consultant, and included with your closure documentation in order to certify to IDEM that the investigation and remediation is adequate to protect human health and the environment. The ICP Closure Form must be signed by an environmental consultant who is an actively licensed professional engineer, geologist or certified hazardous materials manager and a business manager, partner or principle owner of the environmental consulting company. IDEM's closure determination is based solely upon certification by you and your consultant that the information contained in the closure documentation and ICP Closure Form is complete and valid.

Quality assurance monitoring will be conducted on sites participating in the ICP to verify that sites are progressing toward closure and adhering to the implementation schedule outlined below. IDEM reserves the right to withhold closure approval if closure goals are not met, if the investigation and remedial action does not follow IDEM *RCG* guidance, if implementation timelines are not followed, if information and data submitted for closure is incomplete or false, or if the Site is still determined to present a threat to human health and the environment.

To successfully complete the ICP, low priority sites must complete the site investigation, remediation and submit closure documentation within one (1) year of reporting the release to IDEM for sites with only soil contamination, or within three (3) years of reporting the release to IDEM for sites with both soil and ground water contamination. Remediation of delineated contamination must be completed to the applicable *RCG* screening levels based upon current and future site use ("default closure approach"). IDEM will not accept non-default or risk based closure approach in the ICP. However, if you require the implementation of a non-default closure approach you will be allowed to pursue non-default closure within the IDEM Voluntary Remediation Program (VRP).

If the requested closure documentation is submitted to IDEM within the one year submittal timeframe, a Completion of ICP letter will be issued by IDEM. The Completion of ICP letter will state that additional remedial action at the Site is not required by IDEM at the time of issuance and that IDEM's closure determination will be based upon the RP and environmental consultant's certification that information submitted is accurate and the site does not pose a continued threat to human health and the environment. IDEM will not issue the Completion of ICP letter if the requested documents are not submitted in the designated timeframes.

IDEM must be notified immediately, if at any time during the investigation, additional information becomes available indicating that the priority status of the Site should be elevated per the criteria outlined in the PRS rule. Conditions that would elevate the priority status of the Site include discovery of hazardous substances, as defined by IC 13-11-2-96, or petroleum in ground water at any concentration, a potentially complete direct soil contact exposure pathway, elevated vapor

concentrations in a dwelling or business, free product, a threat to a drinking water source, or a detrimental effect to an ecologically or geologically sensitive area.

ICP Closure documentation should be submitted to IDEM electronically to the State Cleanup email address, [scp@idem.in.gov](mailto:scp@idem.in.gov). If your closure documentation exceeds a total of 15 megabytes (mb) in size documents should be submitted as follows to the address provided below. The following guidelines only apply to the ICP:

- 1 paper copy of all closure documentation (comprehensive paper copy including full quality assurance/quality control (QA/QC) documentation for lab data);
- 1 CD of complete report (including QA/QC, if applicable). CD should be labeled with program name, site name, site number, document title and date;
- Document electronic file names must not include any symbols, e.g. “#” or “&”;
- Do not use color paper to separate sections;
- No electronic document files should be larger than 25 mb.

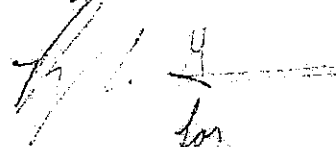
MC 66-30(1370)  
Indiana Department of Environmental Management  
Office of Land Quality  
State Cleanup Section, Attn: Independent Closure Process Reports  
100 N. Senate Ave., IGCN, Room 1101  
Indianapolis, IN 46204-2251

Failure to conduct the Site Investigation or take appropriate remedial action may subject you to civil penalties, pursuant to IC 13-30-4-1.

As an alternative to completing investigation and remediation under the Independent Closure Process in the State Cleanup Program, you may apply to the IDEM Voluntary Remediation Program (VRP). If you are not accepted into the program, or are removed from the program due to lack of progress, you are still legally responsible for conducting the necessary investigation and completing the necessary remedial action.

If you have any questions or comments concerning this matter, please contact me at (317) 234-0347.

Sincerely,



Harry E. Atkinson, Chief  
State Cleanup Section  
Office of Land Quality

HEA:RG:sb  
cc: State Cleanup File # 2014-43530  
Dan Pratter, Pratter Environmental

April 1, 2014

**Gilliatte General Contractors, Inc.**  
2515 Bloyd Avenue  
Indianapolis, IN 46218

Re: **Status Letter**  
531 North College Avenue  
Bloomington, Indiana  
PSI Project No. PO-00171399

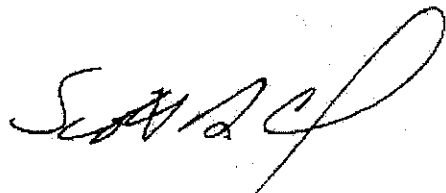
Dear Mr. Ritman:

Professional Service Industries, Inc. (PSI) is pleased to provide this status update regarding the environmental services including the oversight of underground storage tank (UST) removals and required soil sampling at the above subject property that occurred on March 18<sup>th</sup>-21<sup>st</sup> and March 25<sup>th</sup>. During this time six (6) USTs, one (1) 10-foot deep x 8-foot diameter cistern and approximately 4,770 gallons of fluid were removed from the USTs and cistern, and disposed with the proper waste manifests. Following the removal of the USTs and piping, approximately 780-800 tons of petroleum impacted soil was transported with the proper waste manifests to Southside Landfill in Indianapolis. Confirmatory soil samples were collected in accordance with Indiana Department of Environmental Management (IDEM) guidance. Groundwater was not encountered during the excavation activities at this site. Following the excavation of the impacted soil from the areas near the USTs, PSI collected confirmatory samples to document the site conditions following remediation and to demonstrate that the remaining soil did not require special handling or disposal. The excavation of the site continued as necessary for construction purposes. Once the construction related excavation was completed, as an added measure, PSI collected soil samples from the north, east and south side walls and the base of the excavation to document the site conditions and as further evidence that no further remediation of site soil appears to be necessary. PSI has not received the results of the soil sampling as of the date of this letter. Based on the multiple sampling dates, the laboratory report should be completed on or before April 11, 2014.

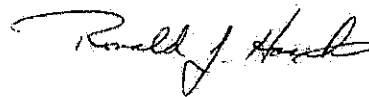
Following the receipt of the analytical results, PSI will prepare and submit a report to the IDEM, as required and in accordance with 329 IAC 9-6-2.5, documenting the removal actions and disposal of USTs, liquids and soil.

Please call with any questions you may have, or if PSI can be of additional service. We look forward to working with you on this and future projects.

Respectfully submitted,  
**PROFESSIONAL SERVICE INDUSTRIES, INC.**



Scott D. Connors, LPG, RPG  
Senior Geologist



Ronald J. Hosek, CPG  
Environmental Department Manager



## INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

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Michael R. Pence  
GovernorThomas W. Easterly  
Commissioner

February 5, 2015

Mr. Chris Sturbaum  
The Farmer House Museum, Inc.  
531 North College Avenue  
Bloomington IN, 47403

Re: **Completion of Independent Closure Process**  
Farmer House Museum Property  
531 North College Avenue  
Bloomington, Monroe County  
State Cleanup Site # 2014-43816

Dear Mr. Sturbaum:

The Indiana Department of Environmental Management (IDEM) has received the documentation submitted on your behalf concerning the environmental investigation at the property located at 531 North College Avenue in Bloomington, Indiana (Site), which is the subject of State Cleanup Site #2014-43816. Investigation and closure documentation have been submitted by Professional Service Industries, Inc. (PSI) on behalf of The Farmer House Museum, Inc. (Farmer House). By submitting the investigation and closure documentation and a copy of the Independent Closure Process (ICP) Closure Form (State Form 54166) to IDEM, Farmer House and PSI have certified to IDEM that site investigation and remediation at the Site were completed in accordance with the IDEM's Remediation Closure Guide (RCG) and Remediation Program Guide (RPG) Non-Rule Policy Documents; and, have further certified that additional remedial activities are not required at this time. If all relevant information about the site has been provided to IDEM and if the documentation submitted is true, accurate and complete, then IDEM accepts the certification that additional remedial activities are not required at this time.

Because this Site was categorized by IDEM as a low priority site, as defined by 329 Indiana Administrative Code (IAC) 7.1, direct oversight of the investigation and remediation activities, including review of the documentation submitted, was not conducted by IDEM. Since no specific data or document review was conducted by IDEM this closure determination is based solely upon the certification by Farmer House and PSI that the information provided in the ICP Closure Form is true, accurate and complete. In any event, Farmer House was still required to properly conduct an investigation and complete remediation pursuant to Indiana Code (IC) 13-25-4 and/or IC 13-24-1-6 and has certified that the investigation and remediation were conducted in accordance with the IDEM RCG and RPG Non-Rule Policies.



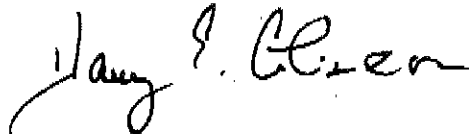
Mr. Chris Sturbaum  
The Farmer House Museum, Inc.  
February 5, 2015  
Page 2 of 2

Monitoring well and/or piezometers are no longer necessary to monitor the ground water quality or ground water levels and must be permanently abandoned by a licensed Indiana water well driller in accordance with 312 Indiana Administrative Code (IAC) 13-10-2.

IDEM reserves the right to modify this determination if additional data or information becomes available indicating that this Site may become a risk to human health or the environment.

IDEM appreciates your cooperation concerning this remedial action. A copy of the public file for your Site will be maintained on IDEM's Virtual File Cabinet, which can be accessed online at <http://12.186.81.89/Pages/Public/Search.aspx>. If you have questions or need to notify IDEM of a change in Site conditions that indicate an increased risk to human health and/or the environment, please contact me at (317) 234-0347.

Sincerely,



Harry E. Atkinson, Chief  
State Cleanup Section  
Office of Land Quality

HEA:SM:sb

cc: Project file

Scott Connors, Professional Service Industries, Inc.