

City of Bloomington Common Council

Legislative Packet

Wednesday, 11 February 2015

Committee of the Whole

*For legislation and background material regarding
Ordinance 15-02 and Ordinance 15-03 please consult the
[04 February 2015 Legislative Packet](#).*

*For legislation and background material regarding
Resolution 15-01 and Ordinance 15-01 please consult the
[14 January 2015 Legislative Packet](#)
as well as this packet.*

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



Packet Related Material

Memo

Agenda

Calendar

Notices and Agendas:

None

Legislation for Discussion at Committee of the Whole:

- **Ord 15-02** A Supplemental Bond Ordinance of the City of Bloomington, Indiana, Supplementing and Amending Ordinance 05-35, Adopted on December 21, 2005, as Previously Amended by Ordinance 06-05, Adopted on March 2, 2006, All for the Purpose of Authorizing the Modification of Certain Contractual Rights of the City of Bloomington, Indiana, the Execution and Delivery of Its Amended Sewage Works Revenue Bonds of 2006, Series A-1, and Approving Certain Related Matters in Connection Therewith
 - Exhibit A Form of Amended Purchase Agreement
- **Ord 15-03** A Supplemental Bond Ordinance of the City of Bloomington, Indiana, Supplementing and Amending Ordinance 05-12, Adopted on April 20, 2005, as Previously Amended by Ordinance 06-04, Adopted on March 2, 2006, All for the Purpose of Authorizing the Modification of Certain Contractual Rights of the City of Bloomington, Indiana, the Execution and Delivery of Its Amended Waterworks Revenue Bonds of 2006, Series A, and Approving Certain Related Matters in Connection Therewith
 - Exhibit A Form of Amended Purchase Agreement

Contacts and Resources:

*Greg Small, Assistant City Attorney at 349-3426 or
smallg@bloomington.in.gov*

*Bradley Bingham, Barnes & Thornburg, LLP, Bond Counsel at 317-236-1313
Representative from Crowe Horwath, LLP, Financial Advisor*

Please see the Council Legislative Packet prepared for the [February 4th Regular Session](#) for the legislation, attached material and summary.

Material Regarding Tax Abatement for Mixed Use Project at 338 South Walnut Street (Big O Properties, LLC, Petitioner)

- Memo to Council from Danise Alano-Martin, Director, and Jason Carnes, Assistant Director for Small Business, Economic and Sustainable Development Department
 - Aerial Photo of Site;
 - Application for Tax Abatement;
 - Statement of Benefits for Abatement on Real Estate;
 - Estimate of Property Tax Calculations;
- Building Elevations and Footprint of First Floor (with expanded bike storage); and
 - Tax Abatement Program: General Standards.

- **Res 15-01** To Designate an Economic Revitalization Area, Approve the Statements of Benefits, and Authorize Periods of Abatement for Real Property Improvements - Re: Properties at 338 South Walnut Street (Big O Properties, LLC, Petitioner)
 - EDC Res 15-02
- **Ord 15-01** To Designate an Economic Development Target Area (EDTA) - Re: Property Located at 338 S. Walnut Street and Identified by the Monroe County Parcel ID Number 015-47810-00 (Big O Properties, LLC, Petitioner)
 - EDC Res 15-01

Please see the [Council Legislative Packet](#) prepared for the January 14th Regular Session for the materials regarding this tax abatement before it was tabled and changed as it appears in this packet.

Memo

Two Bond Amendment Ordinances and a Tax Abatement Legislative Package (Resolution and Ordinance) Ready for Discussion at the Committee of the Whole on Wednesday, February 11th

There are four items ready for discussion at the Committee of the Whole next Wednesday. The first two are ordinances that amend previous utility bond ordinances; the information regarding those items can be found online as indicated above. The second two items relate to a tax abatement proposal that appeared on the

first agenda of the year and, after some changes and a successful motion to take one item off the table this week, are now ready for consideration by the Council. The remainder of this memo briefly summarizes the changes to the tax abatement proposal and also refers the reader to the previous packet where it was more fully explained.

New Items for Discussion at the Committee of the Whole

Items Three and Four - Res 15-01 and Ord 15-01 - Proposing a Tax Abatement for the Construction of a New Mixed Use, Commercial and Residential Project at 338 South Walnut Street (Big O Properties, LLC, Petitioner)

History of Council Action

On January 14th, the Council was scheduled to consider a tax abatement proposal for 338 South Walnut at the request of Big O Properties, LLC. The proposal provided for a 3-year, graduated tax abatement with a savings of about \$80,000 for the Petitioner who would construct a 3-story building with 2,500 s.f. of non-residential use on a portion of the first floor and 14 apartments throughout the rest of the building.

Had it gone forward that evening, the Council would have considered an ordinance establishing what is known as an Economic Development Target Area (EDTA) and a declaratory resolution, which was the first of two resolutions necessary to authorize this tax abatement.

However, at some point after the staff of the Economic and Sustainable Development department described the proposal to the Council at its Internal Work Session on January 9th and the scheduled introduction and discussion of the legislation on January 14th, the Petitioner chose to make some changes to the project, as well as to the description of its benefits. This necessitated further action by the Economic Development Commission, tabling of the ordinance, and cancelling of the Committee of the Whole by the Council on January 14th.

The proposal now returns to the Council. Rather than over-burden the reader with largely the same summary as was presented in January, I refer the reader to the [legislative packet](#) prepared for the January 14th Regular Session and then suggest they read the rest of this summary for a brief highlight of the changes.

In brief, the changes include:

- more interior bicycle storage and less non-residential space on the first floor;
- green building features;
- café seating as a pedestrian-friendly amenity; and
- two market-rate ADA accessible housing units.

Changes in Material Since this Tax Abatement Project was Tabled in January

This packet contains new documents related to this proposal that now include changes in the project and its benefits and the new actions by the Commission. The following outline lists each document in the packet and indicates in *italics* how it differs from the material distributed in January:

- **Memo to Council from Danise Alano-Martin, Director, and Jason Carnes, Assistant Director for Small Business, Economic and Sustainable Development Department**
 - *now reflects:*
 - *The additional hearing of the Economic Development Commission and the two new resolutions it adopted;*
 - *The addition of 8 interior bike storage spaces (and the reduction in size of the non-residential space from 2,500 s.f. to 1.663 s.f.); and*
 - Under the following Evaluative Criteria
 - Quality of Life/Environmental Sustainability -
 - *the proximity of the project to retail, grocery stores, and Transit Hub;*
 - *the 1:1 ratio between bike parking (counting both interior and exterior storage) and bedrooms; and*
 - *the “green” project features which include a heat-reflective roof and energy star rated HVAC and appliances, local sourcing of materials, and small footprint of the units.*
 - Community Character –
 - *space for a cafe' sidewalk seating to add to the vibrancy of the street-related activity.*

- Affordable Housing –
 - *Two ADA-accessible units that, while market-rate, will “assist with goals of downtown housing diversification.”*
 - **Aerial Photo of Site** *(no change)*;
 - **Application for Tax Abatement**
 - *Now:*
 - *Reflects the reduction in non-commercial space in Section 5A from 2,500 s.f. to 1,663 s.f.*
 - **Statement of Benefits for Abatement on Real Estate**
 - *Now reflects the new dates for starting of construction and signing of form.*
 - **Estimate of Property Tax Calculations** *(with no change)*;
 - **Building Elevations and Site Plan Documents**
 - *Now replaces Site Plan documents with a footprint of the first floor with the additional bike storage and reduction in commercial space); and*
 - **Tax Abatement Program: General Standards** *(with no change)*.
- **Res 15-01** To Designate an Economic Revitalization Area, Approve the Statements of Benefits, and Authorize Periods of Abatement for Real Property Improvements - Re: Properties at 338 South Walnut Street (Big O Properties, LLC, Petitioner)
 - *Note: The resolution has been revised to reflect changes since early January;*
 - **EDC Res 15-02** *with:*
 - *New number and date.*
- **Ord 15-01** To Designate an Economic Development Target Area (EDTA) - Re: Property Located at 338 S. Walnut Street and Identified by the Monroe County Parcel ID Number 015-47810-00 (Big O Properties, LLC, Petitioner)
 - **EDC Res 15-01** *with:*
 - *New number and date;*
 - *Note: Am 01 is in this packet and reflects actions since introduction in early January and minor corrections.*

Happy Birthday Sue Wanzer – February 11th

NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL COMMITTEE OF THE WHOLE
7:30 P.M., WEDNESDAY, FEBRUARY 11, 2015
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON ST.

Chair: Timothy Mayer

1. Ordinance 15-02 - A Supplemental Bond Ordinance of the City of Bloomington, Indiana, Supplementing and Amending Ordinance 05-35, Adopted on December 21, 2005, as Previously Amended by Ordinance 06-05, Adopted on March 2, 2006, All for the Purpose of Authorizing the Modification of Certain Contractual Rights of the City of Bloomington, Indiana, the Execution and Delivery of its Amended Sewage Works Revenue Bonds of 2006, Series A-1, and Approving Certain Related Matters in Connection Therewith

Asked to Attend: Greg Small, Assistant City Attorney
 Bradley Bingham, Barnes & Thornburg LLP, Bond Counsel
 Representative of Crowe Horwath, LLP, Financial Advisor

2. Ordinance 15-03 - A Supplemental Bond Ordinance of the City of Bloomington, Indiana, Supplementing and Amending Ordinance 05-12, Adopted on April 20, 2005, as Previously Amended by Ordinance 06-04, Adopted on March 2, 2006, All for the Purpose of Authorizing the Modification of Certain Contractual Rights of the City of Bloomington, Indiana, the Execution and Delivery of its Amended Waterworks Revenue Bonds of 2006, Series A, and Approving Certain Related Matters in Connection Therewith

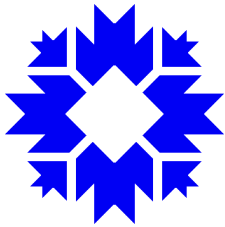
Asked to Attend: Greg Small, Assistant City Attorney
 Bradley Bingham, Barnes & Thornburg LLP, Bond Counsel
 Representative of Crowe Horwath, LLP, Financial Advisor

3. Resolution 15-01 To Designate an Economic Revitalization Area, Approve the Statements of Benefits, and Authorize Periods of Abatement for Real Estate Improvements - Re: Properties at 338 S. Walnut Street (Big O Properties, LLC, Petitioner)

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

4. Ordinance 15-01 To Designate an Economic Development Target Area (EDTA) – Re: Property Located at 338 S. Walnut Street and Identified by the Monroe County Parcel ID Number 015-47812-00 (Big O Properties, LLC, Petitioner)

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



City of Bloomington
Office of the Common Council

To Council Members
From Council Office
Re Weekly Calendar – 09-13 February 2015

Monday, 09 February

12:00 pm Board of Public Works – Work Session, Kelly
4:30 pm Plat Committee, Kelly
5:00 pm Utilities Service Board, 600 E Miller Drive
5:30 pm Bicycle and Pedestrian Safety Commission, Hooker Room
5:30 pm Plan Commission, Chambers

Tuesday, 10 February

11:00 am Lemonade Day Advisory Committee, McCloskey
12:00 pm Bloomington Industrial Development Advisory Commission, McCloskey
4:30 pm Commission on Aging, Hooker Room
5:30 pm Bloomington Public Transportation Corporation Board of Directors, 130 W Grimes Lane
5:30 pm Board of Public Works, Chambers
6:00 pm Bloomington Commission on Sustainability, McCloskey
6:00 pm Sister Cities International – Posoltega, Dunlap
7:30 pm Sister Cities International, Kelly

Wednesday, 11 February

4:30 pm Environmental Resources Advisory Council, Parks
5:00 pm Bloomington Arts Commission, McCloskey
5:30 pm Commission on the Status of Black Males, Hooker Room
7:30 pm Common Council – Committee of the Whole, Chambers

Happy Birthday Deputy Clerk Sue Wanzer!

Thursday, 12 February

12:00 pm Housing Network, McCloskey
4:00 pm Monroe County Solid Waste Management District, Courthouse
5:00 pm Bloomington Historic Preservation Committee, McCloskey

Friday, 13 February

There are no meetings scheduled for today.

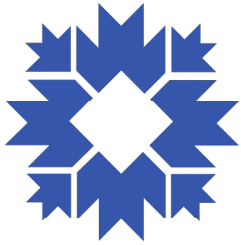
Posted and Distributed: Friday, 06 February 2015

Material Regarding Tax Abatement for Mixed Use Project at 338 South Walnut Street (Big O Properties, LLC, Petitioner) – with Notes on Changes between January and February Submissions

- Memo to Council from Danise Alano-Martin, Director, and Jason Carnes, Assistant Director for Small Business, Economic and Sustainable Development Department (*Revised*)
 - Aerial Photo of Site;
 - Application for Tax Abatement (*Resubmitted with Revisions*);
 - Statement of Benefits for Abatement on Real Estate (*Resubmitted with Revisions*);
 - Estimate of Property Tax Calculations;
 - Building Elevations and Site Plan Documents (*Revised*); and
 - Tax Abatement Program: General Standards.
- **Res 15-01** To Designate an Economic Revitalization Area, Approve the Statements of Benefits, and Authorize Periods of Abatement for Real Property Improvements - Re: Properties at 338 South Walnut Street (Big O Properties, LLC, Petitioner) (*Revised*)
 - EDC Res 15-02 (*formerly EDC Res 14-02*)
 - **Ord 15-01** To Designate an Economic Development Target Area (EDTA) - Re: Property Located at 338 S. Walnut Street and Identified by the Monroe County Parcel ID Number 015-47810-00 (Big O Properties, LLC, Petitioner) (*To be Amended – See Am 01*)
 - EDC Res 15-01 (*formerly EDC Res 14-03*)
 - Am 01 – *primarily reflects actions taken since introduction in January*

Upon Adoption of Res 15-01 - For Action on March 4th

- **Res 15-02** To Confirm Resolution 15-01 Which Designated an Economic Revitalization Area, Approved a Statements of Benefits, and Authorized a Period of Tax Abatement for Real Property Improvements - Re: Properties at 338 S. Walnut Street (Big O Properties, LLC, Petitioner) (*Draft Title*)
 - Statement of Benefits



CITY OF BLOOMINGTON
economic & sustainable development

MEMORANDUM

To: City of Bloomington Common Council
CC: Dan Sherman, Regina Moore
From: Jason Carnes, Danise Alano-Martin
Date: **January 26, 2015**
RE: **Resolutions 15-01 and 15-02, and Ordinance 15-01**
Real Property Tax Abatement Application
Big O Properties, 338 S. Walnut Street.

On January 23, 2015, the Economic Development Commission adopted its resolutions 15-01 and 15-02 to recommend to the Common Council the authorization of property tax abatement for Big O Properties, LLC.

Big O is a Bloomington property management and development company founded in 1985. The principal is Mary Friedman. They own and operate residential developments around the Indiana University campus as well as residential/commercial developments in the downtown area. Big O recently completed a mixed use project at 340 S. Walnut Street, for which the Council granted approval for an Enterprise Zone Investment Deduction. Big O seeks to redevelop adjacent property they own at 338 S. Walnut Street into a 3-story, mixed use building and has submitted a tax abatement application and Statement of Benefits pursuant to the City's Tax Abatement General Standards.

Big O Properties has demolished a one-story structure on the property and seeks to construct approximately 1,663 square feet of non-residential space on the first floor and 14 residential units (four 2-BR units, ten 1-BR = 18-BRs total) on the upper two floors. The project has a 1:1 ratio of bike parking to bedrooms. The project has received Planning/Zoning approval.

Statement of Benefits

The specific proposed benefits (from Form SB-1) include **capital investment of \$1.95 million and the construction of a 14,400 sq ft mixed-use building, to be completed by August 16, 2015.** There are no specific jobs or wages proposed as project benefits.

Based upon the projected benefits of the project as outlined in the application and Statement of Benefits, and including the positive economic and revitalization impact to the S. Walnut Street area, the Administration and the Economic Development Commission recommend a **3-year phase-in of taxes on the capital improvements to real property.** Statute allows for terms between one and 10 years.

Below is a summary of eligibility related to the City of Bloomington Tax Abatement General Standards as adopted in 2010, and to statutory requirements for tax abatement.

Criteria: City of Bloomington Tax Abatement General Standards

Capital Investment as an enhancement to the tax base

Total project costs will be approximately \$2 million. Current tax liability for the subject properties is just under \$4,000 annually. Based on project estimates, the new tax liability (without an abatement) would be \$40,470 annually, over a 10-fold increase.

The subject property is located within the City's Downtown Tax Increment Financing (TIF) District which is an area targeted by the City for redevelopment. The project is aligned with development objectives of Economic Development Area Plan (or "Downtown TIF Plan") adopted in 1985 and amended in 2010, including:

- "strengthen and intensify existing land uses within the area, with a particular focus on ensuring a diverse retail mix,"
- "increased upper-story residential uses"

Evaluative Criteria

The City's Tax Abatement General Standards describe additional criteria to evaluate whether a project will make "a significant positive contribution to overall economic vitality" of the city. Four categories are outlined, and the petitioner may provide supportive evidence for how the project addresses any or all of the criteria, and may also offer a description of the project's contributions outside of these four categories as the petitioner deems appropriate. The General Standards specifically state that the four criteria are "neither exhaustive nor definitive," which allows for discretion on the part of the EDC and Council in their determinations.

Staff's assessment of applicable criteria is below. Please also refer to the petitioner's application for the petitioner's perspective related to evaluative criteria.

- **Quality of Life/Environmental Sustainability:** The mixed use project supports sustainable development and sustainable living in the most primary of ways by adding residential density in the core rather than periphery, allowing residents a daily lifestyle that adds less demand upon transportation, infrastructure and energy resources. The project is within one to two blocks of grocery stores, retail and the core downtown, and one block away from the Bloomington Transit hub, providing close access to public transportation. While only four (4) car parking spaces are included, bike parking is provided in a 1:1 ratio to bedrooms, including secure, interior bike storage for eight (8) bikes and outdoor bikeracks for 10 more.

The building process will employ green methods. The roof is a (white) heat-reflective membrane (TPO) that will reduce building cooling loads, translating to lower air conditioning usage by tenants. (The roof is not an active space for tenants.) The HVAC system and appliances will be Energy Star rated. Smaller sized units (less than 700 sq ft for a 1-BR unit, and less than 950 sq ft for a 2-BR unit) are small footprint units requiring less energy than typically larger units. Also, lumber building materials will be sourced through local lumber establishments, and the limestone will be quarried and milled in the local area.

- **Community Character:** Big O has a history of reinvesting in S. Walnut Street and is currently a forerunner working toward the revitalization that the City hoped to see in this area following the S. Walnut Street streetscape investments. They have removed a one-story, single-use building. The new 3-story building would provide for mixed use, more fitting for Bloomington’s downtown urban environment. The site also has available space for café sidewalk seating to add additional vibrancy to this corridor and engaging the public with the retail space. This project and the other nearby project that Big O has undertaken on S. Walnut Street will support the attraction of additional reinvestment in this downtown gateway area.

- **Affordable Housing:** While the project’s housing is market-rate, two (2) of the one-bedroom units are being constructed as ADA-accessible units. Further, the Economic Development Commission and the Administration took into account the market-rate residential component of the project when recommending the three-year term of abatement rather than a longer term abatement. While the project does not have an affordable housing component, the upper-story residential and mixed use development fits with the Economic Development Area Plan of the Downtown TIF and with the City’s Unified Development Ordinance, and will serve to catalyze continued revitalization of S. Walnut Street. The accessible units assist with goals of downtown housing diversification as well.

Criteria: Indiana Code

Establishing an Economic Revitalization Area and a Term of Abatement

In order for a property to be eligible for tax abatement, it must be designated an Economic Revitalization Area, or must be within an already designated ERA by the Common Council. An ERA is an area which has obstacles to “normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors.” (I.C. 6-1.1-12.1-1)

Staff find that the aging and substandard (single-use) structures on S. Walnut Street have contributed to its slow redevelopment and occupancy. The City’s and City of Bloomington Utilities’ investments in water infrastructure and the streetscape have staved the deterioration of infrastructure and improved the environment, but redevelopment continues to be slowed by the other factors.

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

- The estimate of the value of the redevelopment or rehabilitation is reasonable for the projects of that nature.
- The estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- The estimate of the annual salaries of these individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- Any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

- The totality of the benefits is sufficient to justify the deduction.

The EDC and City staff believes that the estimates and benefits described in the Application and on the Statement of Benefits form are reasonable and that the benefits, as outlined in the application packet and this memo, are sufficient to justify the recommended tax abatement. Note that as the project has speculative commercial space, there are no specified jobs or wages proposed as benefits of this project. However, the retail space will create opportunities for additional employment in the area once leased.

ERA in an Allocation Area (TIF district)

Indiana Code requires Council approval by resolution of any ERA in an allocation area such as a Tax Increment Financing (TIF) district. The Project is located within Downtown TIF. The current tax revenue of the property of just over \$4,000 is as improved with the previous single-story structure. The demolition will reduce the assessed value and reduce the aggregate property tax revenue increment calculated for the Downtown TIF. The improvements proposed by the project will increase the annual property tax revenue (to the TIF) to an estimated \$40,470 once the three-year abatement term concludes. The potential impact to the TIF district was a consideration in the proposed abatement term. More details are described below in the rationale section.

Economic Development Target Area

In general, in order for residential projects to be eligible for abatement, Indiana Code requires Economic Development Target Area designation (I.C. 6-1.1-12.1-3), and requires a favorable recommendation from the EDC before the Council can designate an EDTA (IC 6-1.1-12.1-7). This project's market-rate housing component necessitates an EDTA designation before abatement can be authorized.

An EDTA is property that "has become undesirable or impossible for normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors that have impaired values or prevent a normal development of property or use of property." Staff views the cessation of growth of this property and the slow redevelopment of S. Walnut Street as factors impairing values and preventing normal development and use of the property.

Recommendation & Rationale

With the consideration of all factors outlined above and additional rationale below, the EDC has recommended the following term of abatement, with the support of the Administration:

- **Three-year Real Estate (RE) Property Tax Abatement, phased-in at 100% in Year 1, 66% in Year 2, and 33% in Year 3.**
 - Estimated value based on 2014 tax rates and capital investment estimates: \$80,536.
 - Tax revenue attributable to the property during the tax abatement term: \$40,875.

Staff also recommends an expiration date for both the ERA and EDTA of December 31, 2020, based upon the completion date listed on the Statement of Benefits Form and the Council's typical condition that projects be completed before or within 12 months of that date. This expiration date also allows for any timing issues related to the first property assessment of the completed project.

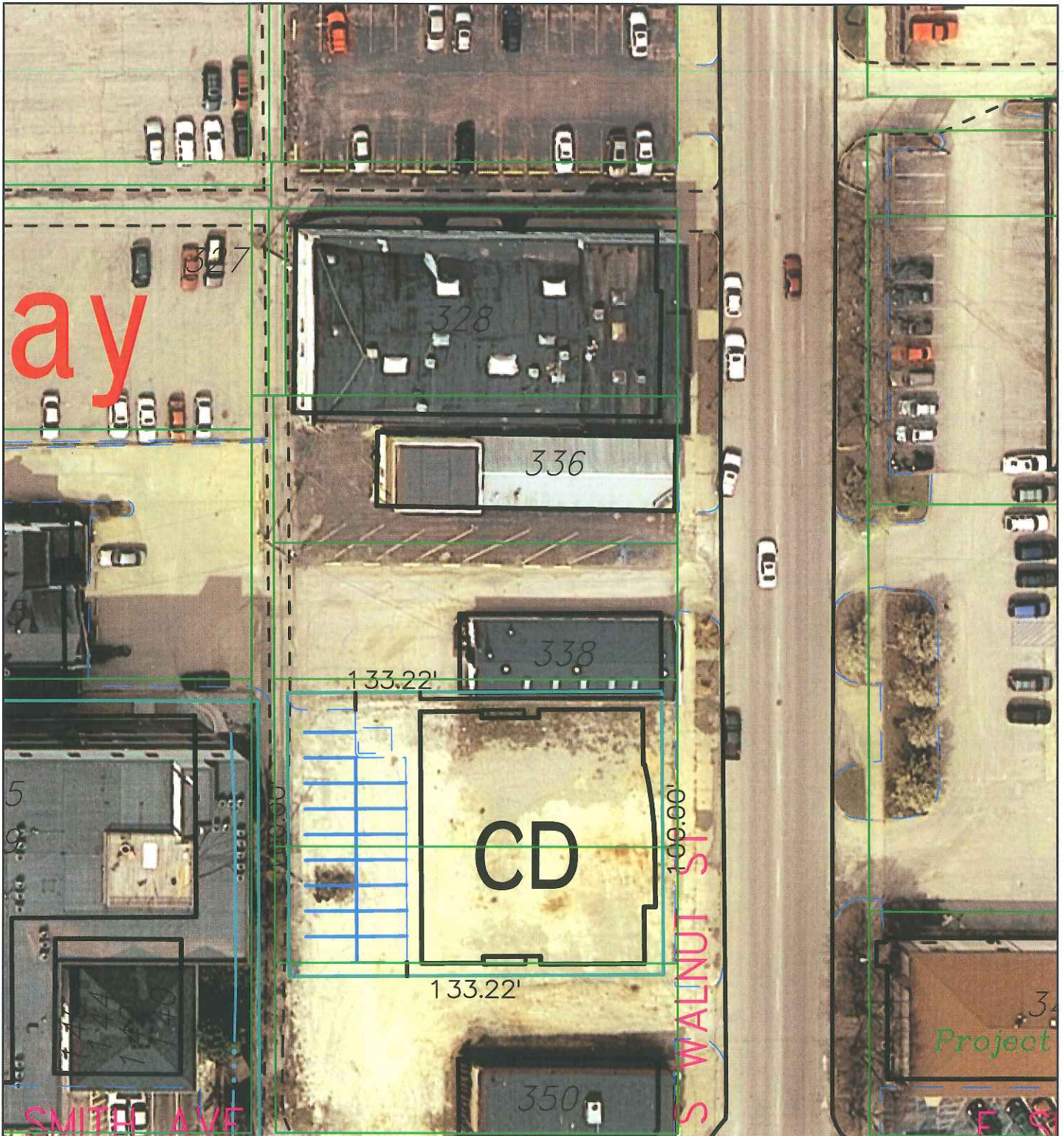
Arguably, S. Walnut Street has been slower to redevelop than other areas of downtown. In staff's view, that is due to older, obsolete buildings, and aging infrastructure. Big O's previous project just south of this site is an early frontrunner along with this project in activating the area. And, although the commercial space is speculative and job creation benefits are undefined, the retail space when occupied will also activate S. Walnut. The petitioner has indicated to Staff that a current tenant of Big O Properties is likely to expand their business into some of the retail space upon construction.

Staff also believes that continued investment (private and public) in this area will enhance attractiveness to future private sector investment (such as, for example, potential hotel investment nearby the Convention Center). Staff's recommendation not to exceed a 3-year term is based upon the project being market-rate housing and speculative retail, rather than (for example) affordable housing or a commercial component with specific job creation projections. Additionally, the fiscal impact to the TIF was factored into this recommended term and deduction schedule.

If the Council concurs with the EDC's recommendations and authorizes the abatement, the City will negotiate and execute the required Memorandum of Agreement with Big O Properties, LLC. This agreement will include clawback provisions (remedies and consequences for noncompliance) related to the benefits stated in the Application and Statement of Benefits (SB-1) forms, and will define other substantial compliance terms though the duration of the tax abatement periods.

Attachments:

- Economic Development Commission Resolutions 15-01 and 15-02
- Estimated Property Tax Abatement Calculations
- Petitioner's Statement of Benefits Form, Real Estate Improvements (SB-1)
- Petitioner's City of Bloomington Tax Abatement Application
- Project Renderings



0.130 acre
7.8 units

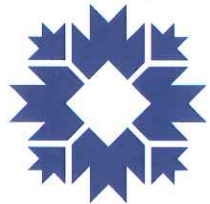
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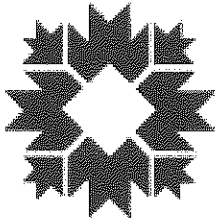
For reference only; map information NOT warranted.



City of Bloomington
Planning



Scale: 1" = 50'



CITY OF BLOOMINGTON
economic & sustainable development

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

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

INSTRUCTIONS

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

Section 1 – Applicant Information

Name of Company for which ERA Designation is being requested	
Primary Contact Information (for questions concerning this application and the Project)	
Name	Mary Friedman
Job Title	owner
Phone	(812) 219-3348 ext.
Email	mfried00@gmail.com
Address 629 Woodcrest Dr. (street and/or PO, city, ZIP)	
Bloomington IN 47401	
Compliance Contact Information (person responsible for completion and timely submittal of mandatory annual compliance forms if designation is granted)	
Name	Isabel Sarter CPA
Job Title	CPA
Phone	(812) 355-4740 ext.
Email	isarter@bkd.com
Address 1600 W. Bloomfield Rd. (street and/or PO, city, ZIP) P.O. Box 3040	
Bloomington IN 47402-3040	

Section 2 – Real Property Location and Description

Monroe County Tax Parcel ID Number(s) 53-08-04-200-013000 ⁰⁰⁰		Township	Perry City
Street Address		338 S. Walnut	ZIP
Current Zoning	CD Commercial Downtown	Current Use(s) of Property	vacant lot
Estimated Market Value of Property		350,000	
Property or Building(s) Listed as Historic on the City of Bloomington Historical Survey?	<input type="checkbox"/> Outstanding <input type="checkbox"/> Notable <input type="checkbox"/> Contributing	Age of Building(s), if applicable	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, check one:			
Describe any other national or local historical significance or designation, if applicable			
Please list all owners of the property. Daniel P. & Mary Friedman			
Attach additional sheets as necessary to include all relevant property records. The City of Bloomington may require a copy of the property deed.			

Section 3 – Criteria for Economic Revitalization Area ("ERA") or Economic Development Target Area ("EDTA") Designation

Describe how the project property and surrounding area have become undesirable for normal development and occupancy.

See attached

Section 4 – Company Profile

Does your company currently operate at this location? Yes No

If yes, how long has your company been at this location?

Will this property be your company's headquarters location? Yes No

If no, where is/will be your company's HQ? *115 E 6th St. Bloomington IN 47408*

Company is a: LLC LLP LP Corporation S. Corporation Nonprofit Corporation
 Mutual Benefit Corporation Other-Please describe:

Provide a brief description of your company history, products and services.

Please list all persons and/or entities with ownership interests in the company. *Mary & Daniel Friedman*

Current/Retained Jobs and Wages (include only current permanent jobs, and exclude benefits and overtime from wage values)

Number of part-time employees	_____	Median part-time hourly wage	_____
Number of full-time employees	_____	Average part-time hourly wage	_____
TOTAL current employees (permanent jobs)	_____	Median full-time hourly wage	_____
		Average full-time hourly wage	_____

What is the lowest hourly wage in the company? (inc. PT, FT, other)	_____		
What is the median hourly wage in the company (inc. PT, FT, other)	_____	TOTAL Annual Payroll (current/retained)	_____

New Jobs and Wages As Result of the Proposed Project (include only new permanent jobs, and exclude benefits and overtime from wage values)

Number of part-time employees	_____	Lowest starting part-time wage	_____
Number of full-time employees	_____	Lowest starting full-time wage	_____
TOTAL NEW employees (new permanent jobs)	_____	TOTAL NEW Annual Payroll (new jobs only)	_____

Describe your company's benefit programs and include the approximate value of benefits for existing and new employees on a per hour basis (e.g., benefits are valued at an additional \$3.00 per hour, etc.)

Market for Goods and Services; Local Sourcing

To the extent possible, please estimate the relative percentages of your company's reach (via your products or services) into following markets:

- Inside Monroe County, Indiana
- Outside Monroe County, but inside Indiana
- Outside of Indiana
- Outside of the United States

100%

If applicable, list the name and location (City, State) of your five largest vendors or suppliers.

- 1.
 - 2.
 - 3.
 - 4.
 - 5.
- see attached*

Section 5A – Proposed Improvements (the "Project")

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

See attached

Estimated Total Project Cost
(Capital Improvements only)

Has Bloomington
Planning approval
been obtained for
the Project?

Yes
 No

Estimated Construction Start Date
(month-year)

If yes, Case Number:

Estimated Completion Date
(month-year)

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

Yes
 No

Proposed Use(s) of the property after Project completion. Describe uses for entire Project space, including any uses not of the applicant company (e.g., if portions of space are intended to be leased to other entities, provide details).

See attached

Describe the impact on your business if the proposed Project is **not** undertaken (e.g. loss of jobs, contract cancellations, loss of production, change in location, etc.).

See attached

Attach renderings, site plans, drawings, etc., of the Project.

See attached

Section 5B – Personal Property Description

Personal Property Abatement is a property tax deduction from the assessed valuation granted by a designating body for the installation of qualifying abatable equipment in an ERA.

Are you also applying for Personal Property Tax Abatement?

Yes No

If No, proceed to Section 6.

What type of new equipment will be installed?

- Manufacturing
- Research and Development
- Logistical Distribution
- Information Technology

Describe the new equipment to be installed

Estimated capital investment for new equipment only

Size of the facility in which equipment will be installed (square feet)

Size of the site in which equipment will be installed (acres)

Estimated installation start date (month-year)

Estimated installation completion date (month-year)

Please list all potential owners of the equipment to be installed.

Attach additional sheets as necessary.

Section 6 – City of Bloomington Evaluative Criteria

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

<input type="checkbox"/> Quality of Life, Environmental Stewardship, and/or Sustainability	See attached
<input type="checkbox"/> Affordable Housing	
<input type="checkbox"/> Community Service	
<input type="checkbox"/> Community Character	
If applicable, describe any further (not yet described above) beneficial <i>and detrimental</i> impact to the community's economic, social or environmental wellbeing, resulting from the Project.	
Attach any additional information or documentation you feel to be pertinent to the City's decision to authorize this tax abatement.	

[The remainder of this page left intentionally blank. Application continues next page.]

Section 7 – Certification:

The undersigned hereby certify the following:

[Initials]

MFDP

■ The statements in the foregoing application for tax abatement are true and complete.

MFDP

■ The person(s) executing this application for tax abatement have been duly authorized by the business entity for which this application is being filed to execute and file this application, and all required approvals by the appropriate board or governing body of the business entity have been received.

MFDP

■ The individual(s) or business entity that is applying for Economic Revitalization Area (ERA) or Economic Development Target Area (EDTA) designation or approval of a Statement of Benefits is not in arrears on any payments, fees, charges, fines or penalties owed to the City of Bloomington, Indiana, including but not limited to, City of Bloomington Utilities, Bloomington Transit, and any other City departments, boards, commissions or agencies.

MFDP

■ I/we understand that if the above improvements are not commenced (defined as obtaining a building permit and actual start of construction) within 12 months of the date of the designation of the above area as an ERA, EDTA or of approval of a Statement of Benefits for the above area, whichever occurs later, the Bloomington Common Council shall have the right to void such designation.

MFDP

■ I/we understand that all companies requesting ERA and/or EDTA designation will be required to execute a Memorandum of Agreement (MOA) with the City. The MOA shall contain the capital investment levels, job creation and/or retention levels and hourly wage rates and other benefits that the applicant has committed to the City in order to receive consideration for the designation. The MOA shall also contain information relative to what the City and applicant have agreed upon as "substantial compliance" levels for capital investment, job creation and/or retention and wage rates and/or salaries associated with the project.

Additionally, the MOA shall indicate that the City, by and through the Economic Development Commission and the City of Bloomington Common Council, reserves the right to terminate a designation and the associated tax abatement deductions if it determines that the applicant has not made reasonable efforts to substantially comply with all of the commitments, and the applicant's failure to substantially comply with the commitments was not due to factors beyond its control.

If the City terminates the designation and associated tax abatement deductions, it may require the applicant to repay the City all or a portion of the tax abatement savings received through the date of such termination. Additional details relative to the repayment of tax abatement savings shall be contained in the Memorandum of Agreement.

MFDP

■ I/we understand that if this request for property tax abatement is granted that I/we will be required to submit mandatory annual compliance forms as prescribed by State law and local policy. I/we also acknowledge that failure to do so or failure to achieve investment, job creation, retention and salary levels contained in the final resolution and MOA may result in a loss of tax abatement deductions and the repayment of tax abatement savings received.

MFDP

■ I/we understand that beneficiaries of a city tax abatement are subject to the City of Bloomington's Living Wage Ordinance ([BMC 2.28](#)), and therefore I/we must certify the entity's Living Wage compliance annually during the tax abatement term, if this abatement request is approved.

OWNER(S) OR AUTHORIZED REPRESENTATIVE(S)

SIGNATURE (Print Name Below)

TITLE

DATE

x Mary Friedman

President/owner

1/16/2015

Printed Name

Mary Friedman

x Daniel P. Friedman

Owner

1/16/2015

Printed Name

Daniel P. Friedman

Tax Abatement Application

338 South Walnut St.

Bloomington IN 47401

Section 3:

Describe how the project property and surrounding area have become undesirable for normal development and occupancy.

It is not that it is undesirable, it is more challenging. The first property built on South Walnut, at 340 South Walnut, as well as this property, at 338 South Walnut, are a test market for us. The reaction we have had from residents about locating to this area is that they are a little hesitant. We are hopeful that our projects will create interest in the South Walnut area. As I stated before, it is somewhat of a challenge due to several factors. It is a property that will need to be monitored vigilantly which can drive up costs.

Section 4:

Company History

Omega Properties is a property management and development company. It was founded in 1985 in Bloomington, Indiana. We have residences around the Indiana University campus as well as new residential and commercial developments in the downtown area. We have also had experience working with Nancy Hiestand to preserve and re-store historic properties. Our goal has always been to work closely with the city and to bring development to the underdeveloped and underutilized areas.

Section 4:

Largest Suppliers

Bender Lumber – Bloomington, Indiana

Carpets Plus and Tile – Bloomington, Indiana

B-Tech Fire and Security – Bloomington, Indiana

Blacks Lumber – Bloomington, Indiana

Enviroclean – Bloomington, Indiana

Bloomington Paint and Wallpaper- Bloomington, Indiana

Section 5A:

Describe all real estate improvements for the properties which tax abatement is being sought

New construction of a three story 14,400 square foot building of brick, glass, limestone, and cement board consisting of 14 units with four 2 bedroom units and ten 1 bedroom units plus a 1,663 square foot commercial space.

Section 5A:

Purposed uses of property after project completion

This will be a three story mixed use property. There will be 14 units with four 2 bedroom units and ten 1 bedroom units. The building will also include 1,663 square feet of commercial space.

Section 5A:

Describe the impact on your business if proposed project is not taken

If this project was not to be built, the predominant impact would be to our contractors, builders, and vendors. Not only would it be taking away business from local vendors we use but also the contribution of character and vibrancy would be lost.

Section 6:

Omega Properties, so far, is the only company developing mixed use properties in the South Walnut Street area of downtown. We have torn down a small, non-descript building that sat at that location for years. We intend to construct a very attractive mixed use building with the hopes of contributing to the community character. We are working diligently with the city and our architects to keep all costs down so that we can be very competitive on our pricing for all of our residential units as well as our commercial units. We feel that there is still work to be done in the downtown South Walnut Street area. We hope that other projects of this kind will follow to help create vitality to South Walnut.

DULY ENTERED
FOR TAXATION

MAR 04 2014


Auditor Monroe County, Indiana

2014002342 CORP WAR \$20.00
03/04/2014 12:05:15P 3 PGS
Jim Fielder
Monroe County Recorder IN
Recorded as Presented

CORPORATE WARRANTY DEED

File Number: 37571

BLOOMINGTON REAL ESTATE COMPANY INC., an Indiana corporation ("Grantor"), whose principal office is at Bloomington, Indiana, CONVEYS AND WARRANTS to BIGO PROPERTIES, LLC, an Indiana limited liability company ("Grantee") whose principal office is at Bloomington, Indiana, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt which is acknowledged, the following described real estate in MONROE County, State of Indiana:

Part of Seminary Lot Number Twenty-three (23) in the City of Bloomington, Indiana, bounded as follows, to-wit: Commencing at the Southeast corner of said Seminary Lot Twenty-three (23), running thence North with Walnut Street Forty-eight (48) feet; thence West One Hundred Thirty-eight (138) feet, thence South Forty-eight (48) feet, thence East One Hundred Thirty-eight (138) feet to the place of beginning.

Tax Parcel No. 53-08-04-200-013.000-009

Auditor's Parcel No. 015-47810-00

SUBJECT TO THE FOLLOWING:

1. Real estate taxes and assessments for the year 2013, due and payable in 2014, and all subsequent taxes and assessments.
2. Any and all conditions, agreements, limitations, restrictions, covenants, encumbrances, easements, and mineral and oil and gas interests, if any, which are either observable or of record.
3. All covenants, conditions, restrictions, easements, and encumbrances as shown by the recorded plat of Seminary Lots, recorded in Plat Cabinet C, Envelope 220, in the office of the Recorder of Monroe County, Indiana. NOTE: This exception omits any covenant, condition, or restriction based on race, color, religion sex, handicap, familial status or national origin as provided in 42 U.S.C. §3604, unless and only to the extent that the covenant (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. §3607, or (c) relates to a handicap, but does not discriminate against handicapped people.
4. Resolution 89-25 Board of Public Works regarding encroachment recorded in Miscellaneous Book 192, page 145, in the office of the Recorder of Monroe County, Indiana.

The undersigned, Audrey Marker, executing this deed on behalf of the Grantor represents that she is the duly elected President, and the undersigned, Lois Tilford, executing this deed on behalf of the Grantor represents that she is the duly elected Secretary/Treasurer of the Grantor; both have been fully empowered by proper resolution

of the Board of Directors of the Grantor to execute and deliver this deed; Grantor has full capacity to convey the real estate described in this deed; and all necessary action for making this conveyance has been taken and done.

NOTE: Balance of page left blank intentionally. Signatures and acknowledgements appear on following page(s).



**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R6 / 10-14)

Prescribed by the Department of Local Government Finance

20__ PAY 20__

FORM SB-1 / Real Property

PRIVACY NOTICE

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

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

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

INSTRUCTIONS:

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

SECTION 1		TAXPAYER INFORMATION			
Name of taxpayer Mary & Daniel P. Friedman					
Address of taxpayer (number and street, city, state, and ZIP code) 629 Woodcrest Dr. Bloomington IN 47401					
Name of contact person Mary Friedman		Telephone number (812) 219.3348		E-mail address mfried00@gmail.com	
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT			
Name of designating body				Resolution number	
Location of property 338 South Walnut		County Monroe		DLGF taxing district number	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) See additional Sheet				Estimated start date (month, day, year) March 1, 2015	
				Estimated completion date (month, day, year) August 16, 2015	
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT			
Current number	Salaries	Number retained	Salaries	Number additional	Salaries
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT			
		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
Current values		\$350,000 (LOT)			
Plus estimated values of proposed project		\$1,950,000			
Less values of any property being replaced					
Net estimated values upon completion of project		\$2,300,000			
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER			
Estimated solid waste converted (pounds) None		Estimated hazardous waste converted (pounds) None			
Other benefits See additional Sheet					
SECTION 6		TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.					
Signature of authorized representative Mary Friedman				Date signed (month, day, year) 1/16/2015	
Printed name of authorized representative Mary Friedman			Title Owner		

FOR USE OF THE DESIGNATING BODY

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

- A. The designated area has been limited to a period of time not to exceed 5 calendar years* (*see below*). The date this designation expires is December 31, 2020.
- B. The type of deduction that is allowed in the designated area is limited to:
 1. Redevelopment or rehabilitation of real estate improvements Yes No
 2. Residentially distressed areas Yes No
- C. The amount of the deduction applicable is limited to \$ _____.
- D. Other limitations or conditions (*specify*) (See Resolution 15-01 and 15-02)
- E. Number of years allowed: Year 1 Year 2 Year 3 Year 4 Year 5 (* see below)
 Year 6 Year 7 Year 8 Year 9 Year 10
- F. For a statement of benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?
 Yes No
 If yes, attach a copy of the abatement schedule to this form.
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

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

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

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

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4-1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. The deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

IC 6-1.1-12.1-17

Abatement schedules

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

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

Section 2:

The development at 338 South Walnut will be a mixed use building, residential and commercial, with a total of 14,400 square feet. It replaces a small temporary office structure of approximately 2,400 square feet. The development will include some on street landscaping, giving a more welcome feel to the area. Currently there is a vacant lot. The building that will replace it will continue to enhance the look and vibrancy of the downtown South Walnut Street area.

Other Benefits:

The largest benefit of this project to the area is this new mixed use building itself. It is located in the BEAD district and it's in an area that we feel the city would like to see infill and growth. This is our second building in this part of the South Walnut Street area and we hope that there will be other developments to follow.

Tax Abatement Calculations for Real Property Improvement

Big O - 338 S Walnut Street

Using 2013 Payable 2014 Tax Rate and Project Estimates

Improvements \$ 1,950,000
 Net Rate 0.020754 Perry - City
 Annual Taxes without Abatement \$ 40,470

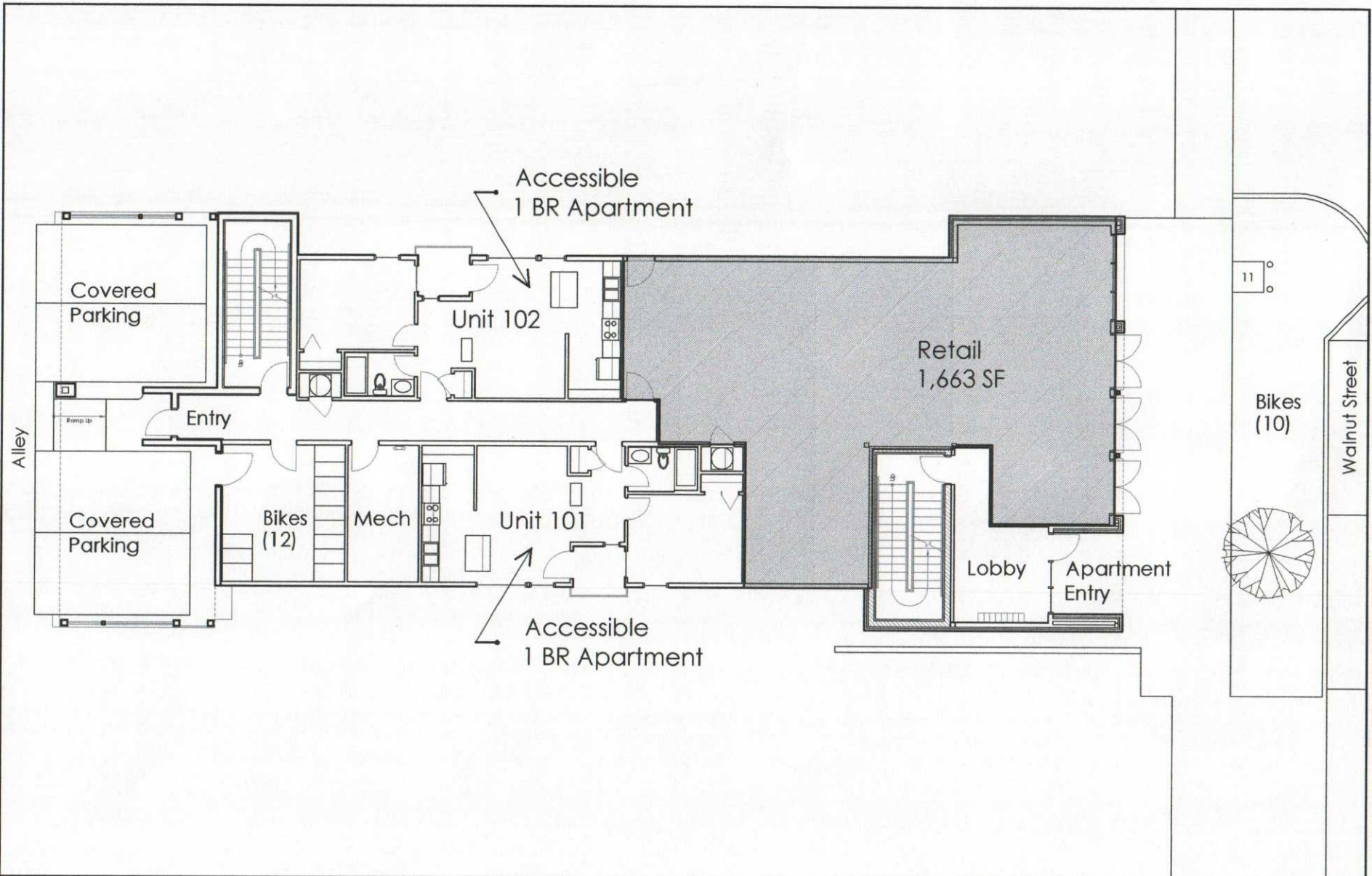
Year	Abatement Percent	Value Abated	Taxes Payable	Taxes Abated
1	100%	\$ 1,950,000	\$ -	\$ 40,470
2	66%	\$ 1,287,000	\$ 13,760	\$ 26,710
3	33%	\$ 643,500	\$ 27,115	\$ 13,355
4	0%	\$ -	\$ 40,470	\$ -
Total Taxes to be Paid (thru Year 3):				\$ 40,875
Total Value of Abatement:				\$ 80,536





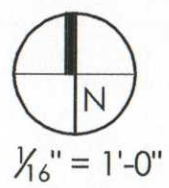






OMEGA Properties - Walnut Place II
 338 South Walnut Street

First Floor Plan



City of Bloomington Tax Abatement Program: General Standards

This document sets forth the General Standards under which the City of Bloomington may authorize deductions on the rehabilitation of real and personal property (also known as tax abatement), as allowed under Indiana law.

Program Description:

The City of Bloomington recognizes tax abatement as a useful economic development tool which can be implemented to improve the overall economic lives of citizens and to aid in achieving the Administration's vision of a strong and diverse economy, with an eye toward sustainability and balance. City of Bloomington tax abatements allow taxes on real estate improvements or eligible equipment installation to be phased in over a period of time, thus promoting new business and agencies and initiatives that improve the overall quality of life in our community. New construction, rehabilitation of existing buildings or installation of eligible equipment within designated ERAs receives tax abatement through a reduced assessed valuation on those improvements over a specified period of time.

Indiana Law (I.C. 6-1.1-12.1) allows up to ten year abatement on the increased assessed valuation due to construction or rehabilitation improvements in the areas of the city where development needs to be encouraged. I.C. 6-1.1-12.1 also allows a one- to ten-year abatement on "new manufacturing equipment." The equipment must be used in "the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining or finishing or other tangible personal property; and never before used by its owner for any purpose in Indiana." Further, "enterprise information technology equipment" purchased after June 30, 2009 may also be eligible for abatement if the project is approved prior to January 1, 2013. See IC 6-1.1-10-44 for the statutory definitions of "enterprise information technology equipment" and eligibility requirements.

The rate at which the new assessed valuation will be phased in for approved abatements is set forth by Indiana law (I.C. 6-1.1-12.1-3 for real property; I.C. 6-1.1-12.1-4.5 for eligible equipment or personal property). The City of Bloomington Economic Development Commission shall recommend a term of abatement for each project, which shall be authorized by the City Council in the process outlined below and allowed for by Indiana law. With respect to new construction and personal property, the City Council may choose to limit the dollar amount of the deduction that will be allowed.

Project Eligibility:

In order for a project to be eligible for tax abatement, the area in which it is located must be designated as an Economic Revitalization Area (ERA) by the City of Bloomington. Decisions to designate areas as ERAs are determined on a project-by-project basis for any project located within the corporate limits of the City of Bloomington.

An Economic Revitalization Area (ERA) must have "...become undesirable for or impossible of, normal development and occupancy," because of such factors as "a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property," and "includes any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues." (IC 6-1.1-12.1-1)

Review Criteria:

Each project is reviewed on its own merits, and the effect of each project on the revitalization of the surrounding areas and employment is considered. Basic eligibility is achieved through demonstrating the following:

- Creation of full-time, permanent living-wage jobs¹
- Creation of capital investment as an enhancement to the tax base

In addition, other qualifying and evaluative criteria will be considered. The following page provides a general list of such criteria and their definitions. It is intended to be neither exhaustive nor definitive, and applicants are encouraged to submit proposals of projects that may not be found on this list but make a significant positive contribution to overall economic vitality and quality of life in the City of Bloomington.

Projects must be in accordance with the current City of Bloomington Unified Development Ordinance (UDO) and should be located within current areas of economic development focus.

¹ In accordance with Chapter 2.28 (Bloomington Living Wage Ordinance) of the City of Bloomington Municipal Code.

Additional Evaluative Criteria:

In addition to the creation of full-time, living wage employment and capital investment enhancements to the tax base, other evaluative criteria will be considered in the review of tax abatement applications, outlined below. This list is neither exhaustive nor definitive, and applicants are encouraged to submit proposals of projects that may not be found on this list but make a significant positive contribution to overall economic vitality and quality of life in the City of Bloomington.

Criteria	Definition
Quality of Life and Environmental/Sustainability	A project which is consistent with or advances principles found in the Redefining Prosperity report (2009); and/or a project which results in responsible sustainable development; and/or a project that results in environmental remediation or protection which makes a positive contribution to the overall quality of life within the City of Bloomington.
Affordable Housing	Residential developments with a recorded restriction that requires the housing for a certain number of years to be rented or owned by qualified very low and low-income households are considered affordable housing. Projects of this nature may be directed toward specified individuals, for example, first-time homebuyers and persons with disabilities.
Community Service	Volunteerism and civic engagement, such as serving on and working with boards, commissions and foundations, in the Bloomington community.
Community Character	A project that preserves and/or enhances the unique character of the city of Bloomington.

A list of examples for all criteria is provided in Appendix 1.

Ineligible Projects:

Facilities as listed in Indiana Code 6-1.1-12.1-3 are ineligible. Some facilities which are generally prohibited under this law (such as retail or residential) may be eligible to apply under these General Standards for abatement if the area of the project is designated by the City Council as an Economic Development Target Area (EDTA), as allowed by I.C. 6-1.1-12.1-7.

Other factors which may render a project ineligible for designation by the City of Bloomington include the following:

- A building permit has been obtained or construction has been initiated prior to final approval.
- The petitioner holds outstanding obligation or debt to the City which is in default or arrears, or is currently in litigation with the City.
- The project involves the demolition or removal of structures that are listed on the local Historic Register, that are eligible for individual listing on the National Historic Register or that are contributing structures within a nationally or locally designated historic district.
- The project requires major public infrastructure improvements at additional cost to the City of Bloomington.
- The project is not consistent with the City's long-range plans for the area in question.

The City Council may void the tax abatement designation awarded to a project if the project has not been initiated within twelve (12) months of the date of the confirmatory resolution (final approval) of the tax abatement, or if the actual use is different than that approved.

Application Procedure and Review:

IC 6-1.1-12.1 (et seq.) requires an applicant to file a Statement of Benefits. The Economic Development Commission shall develop and implement, with the City of Bloomington Economic & Sustainable Development Department, application and Commission review procedures to ensure consistency with Indiana statutory requirements as set forth in IC 6-1.1-12.1-1 and to fulfill the purpose of these General Standards.

Each application shall be reviewed by the Economic Development Commission and any other City commission as may be required by law. The Economic Development Commission shall make the final recommendation regarding designation to the City Council, based upon criteria in these General Standards and according to Indiana Code.

A non-refundable \$100.00 application fee shall be required for each application.

The Economic Development Commission's recommendation shall be submitted to the City Council, along with all application and supplementary documents as necessary for the designating body's review.

The City Council's determination of whether the area shall be designated as an Economic Revitalization Area shall be based on procedures and the following findings as set forth in Indiana Code (IC 6-1.1-12.1 *et seq.*):

- Whether the estimate of the value of the redevelopment or rehabilitation is reasonable for the projects of that nature.
- Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- Whether the estimate of the annual salaries of these individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- Whether the totality of the benefits is sufficient to justify the deduction.

If the City Council makes the above findings in the affirmative, it shall pass a declaratory resolution to designate an area an Economic Revitalization Area, approve a Statement of Benefits and authorize the term of abatement.

If the Council recommends designation of an ERA and approval thereof, the City Clerk shall:

- A. Certify a copy of the resolution and the application to the Monroe County Assessor and Auditor's Office;
- B. Publish a legal notice to inform interested parties that the tax abatement application is available for inspection at the Assessor's Office;
- C. Set a meeting date, at which time the Common Council shall hear all remonstrance and objections to the area being designated an "Economic Revitalization Area".

The Common Council shall subsequently hold a regular meeting and vote on a resolution confirming, modifying, or rescinding the earlier resolution recommending designation and approval.

Memorandum of Agreement:

Upon approval by the Common Council of a confirmatory resolution:

- A. The applicant will sign a Memorandum of Agreement with the City of Bloomington, thereby agreeing to all terms set forth by the Common Council approval and as required by the City of Bloomington.
- B. The City Clerk shall certify a copy of the confirming resolution and the application to the Applicant, the Monroe County Assessor and Auditor's Office.

Compliance Procedures and Annual Review:

The Department of Economic & Sustainable Development will compile a yearly compliance report related to all active tax abatement projects to present to the Economic Development Commission. The Commission will forward the report to the City Council. The report will be based upon Compliance with Statement of Benefits Forms (CF-1s) as submitted by property owners receiving tax abatement. The annual compliance process for the property owner is set forth in IC 6-1.1-12.1-5.1 and additional terms may be set forth in the Memorandum of Agreement.

If the CF-1 is not filed, the benefits promised are not materialized, or other terms of the Memorandum of Agreement are not fulfilled, the Council may find the property owner not in Substantial Compliance as described below, and may act to rescind the remaining term of abatement, or enforce similar penalties as set forth in the Memorandum of Agreement.

Substantial Compliance Requirements:

In addition to terms set forth in IC 6-1.1-12.1-5.9, the Memorandum of Agreement may set forth additional terms related to what may constitute substantial compliance or noncompliance.

Noncompliance occurs when the designating bodies (Economic Development Commission and City Council) determine that the property owner has not made reasonable efforts to comply with the Statement of Benefits. Noncompliance may not result from factors beyond the control of the property owner, such as declining demand for the owner's products or services. If factors beyond the property owner's control do not cause noncompliance, the termination of deduction procedure will be implemented as prescribed by IC 6-1.1-42-30.

Factors within the control of the property owner that may contribute to noncompliance may include, but are not limited to, the following:

- Failure to comply with any terms set forth in the Memorandum of Agreement;
- An incomplete, inaccurate, or missing CF-1;
- Petitioner vacates the city of Bloomington during the term of abatement;
- Fraud on the part of petitioner;
- Initiation of litigation with the City of Bloomington.

The City Council may void the tax abatement designation awarded to a project if the project has not been initiated within twelve (12) months of the date of the confirmatory resolution (final approval) of the tax abatement, or if the actual use is different than that approved.

Appendix 1: **Project Eligibility Criteria Examples**

The following is a list of general examples. It is not intended to be exhaustive nor definitive. The Department of Economic and Sustainable Development will assist potential applicants with understanding project eligibility on a case-by-case basis.

-- Job creation

- Full-time, living-wage jobs are created for Bloomington residents – from new business or expansion of existing employee base
- Compensation may include wages and benefits such as childcare.

-- Creation of capital investment as enhancement to the tax base

- Projects that provide a major private infrastructure improvement paid by the developer
- Includes real property investment – new and existing buildings
- Includes eligible manufacturing and other eligible equipment

-- Quality of Life and Environmental/Sustainability

- Urban infill redevelopment and/or brownfield remediation¹
- Green building according to “Leadership in Energy and Environmental Design” (LEED)² or other commonly accepted green building standards
- A business engaged in research and development of alternative energy production or other methods to build community resilience in a volatile energy market
- A social enterprise or business helping formerly incarcerated persons re-enter the workforce
- A business specializing in fine arts/crafts (bolstering the arts sector and assisting with diversifying the local economy).

-- Affordable Housing

- A housing development sets aside 50% of the units to be affordable (at, e.g., HUD Fair Market rent) for low income to moderate income individuals
- Housing units for workforce housing
- Housing stipulated for sale to first-time homebuyers
- Affordable housing with handicap-accessible units, and/or the units are designed for occupancy by senior citizens.

-- Community Service

- Volunteering labor, materials, money, or a combination of the three to charitable organizations and non-profit agencies that make a significant impact in Bloomington.
- Serving on boards, commissions, and/or foundations whose mission involves community service and the betterment of Bloomington.

-- Community Character

- Art space and art studio expansion and development
- Petitioner is a local home-grown business, headquartered in and/or unique to Bloomington
- Rehabilitation, preservation, and renovation of historic properties according to Secretary of the Interior Standards in consultation with the City Historic Preservation Officer.

¹ By definition, a brownfield site is real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant (Public Law 107-118 (H.R. 2869) – “Small Business Liability Relief and Brownfields Revitalization act” – signed into law Jan. 11, 2002).

² www.usgbc.org

Appendix 2:

Excerpt from IC 6-1.1-12.1-5.9: Determination of substantial compliance with statement of benefits; notice of noncompliance; hearing; resolution; appeal

- (a) This section does not apply to:
- (1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or
 - (2) any other deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 1991.
- (b) Not later than forty-five (45) days after receipt of the information described in section 5.1, 5.3(j), or 5.6 of this chapter, the designating body may determine whether the property owner has substantially complied with the statement of benefits approved under section 3, 4.5, or 4.8 of this chapter. If the designating body determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:
- (1) An explanation of the reasons for the designating body's determination.
 - (2) The date, time, and place of a hearing to be conducted by the designating body for the purpose of further considering the property owner's compliance with the statement of benefits. The date of the hearing may not be more than thirty (30) days after the date on which the notice is mailed.
- (c) On the date specified in the notice described in subsection (b)(2), the designating body shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the hearing by the property owner and other interested parties, the designating body shall again determine whether the property owner has made reasonable efforts to substantially comply with the statement of benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the designating body determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the designating body shall adopt a resolution terminating the property owner's deduction under section 3, 4.5, or 4.8 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.
- (d) If the designating body adopts a resolution terminating a deduction under subsection (c), the designating body shall immediately mail a certified copy of the resolution to:
- (1) the property owner;
 - (2) the county auditor; and
 - (3) the county assessor.
- The county auditor shall remove the deduction from the tax duplicate and shall notify the county treasurer of the termination of the deduction. If the designating body's resolution is adopted after the county treasurer has mailed the statement required by IC 6-1.1-22-8.1, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.
- (e) A property owner whose deduction is terminated by the designating body under this section may appeal the designating body's decision by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court is final and conclusive unless an appeal is taken as in other civil actions.
- (f) If an appeal under subsection (e) is pending, the taxes resulting from the termination of the deduction are not due until after the appeal is finally adjudicated and the termination of the deduction is finally determined.

As added by P.L.14-1991, SEC.6. Amended by P.L.90-2002, SEC.124; P.L.256-2003, SEC.7; P.L.193-2005, SEC.5; P.L.154-2006, SEC.30; P.L.3-2008, SEC.37; P.L.146-2008, SEC.128..

RESOLUTION 15-01

**TO DESIGNATE AN ECONOMIC REVITALIZATION AREA, APPROVE THE STATEMENTS OF BENEFITS, AND AUTHORIZE PERIODS OF ABATEMENT FOR REAL PROPERTY IMPROVEMENTS
- Re: Properties at 338 S. Walnut Street
(Big O Properties, LLC, Petitioner)**

WHEREAS, Big O Properties, LLC, (“Petitioner”) has filed an application for designation of properties at 338 S. Walnut Street, Bloomington, Indiana, comprised of a parcel identified by Parcel Numbers listed herein, as an “Economic Revitalization Area” (“ERA”) for removal of an aging structure and construction of a new building pursuant to IC 6-1.1-12.1 et. seq.; and

WHEREAS, the subject site is identified by the following Monroe County Parcel Number:

53-08-04-200-013.000-009; Alt Parcel Num (015-47810-00); and

WHEREAS, the Petitioner has also submitted a statement of benefits form to the Common Council for its real estate improvements;

WHEREAS, according to this material, the Petitioner wishes to invest \$1.95 million to construct a three-story mixed use building including 1,663 square feet of ground-floor retail and commercial space and 18 units of market-rate residences, (the “Project”); and

WHEREAS, as required by Indiana Code, Bloomington Municipal Code, and a Memorandum of Understanding to be executed pursuant to the City of Bloomington Tax Abatement General Standards, the Petitioner shall agree to provide information in a timely fashion each year to the County Auditor and the Common Council showing the extent to which the Petitioner has complied with the Statement of Benefits, complied with the City of Bloomington’s Living Wage Ordinance (B.M.C. 2.28), and complied with commitments specified in the Memorandum of Understanding; and

WHEREAS, the Project is located in the Downtown Tax Increment Finance (TIF) district and I.C. 6-1.1-12.1-2(k) provides that when a property is located in an ERA for tax abatement purposes is also located in a TIF allocation area, the Common Council must approve the statement of benefits by resolution; and

WHEREAS, the Economic Development Commission has reviewed the Petitioner’s application and Statement of Benefits and passed Resolution 15-02 recommending that the Common Council designate the area as an ERA, approve the Statement of Benefits, and authorize a three-year period of abatement for the real estate improvements; and

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

WHEREAS, the EDC has recommended that the real property abatement be a sliding scale with Year 1 abated at 100 percent, Year 2 at 66 percent and Year 3 at 33 percent; and

WHEREAS, pursuant to IC 6-1.1-12.1-3(b), the Common Council has investigated the area and reviewed the Application and Statement of Benefits, which are attached and made a part hereof, and found the following:

- A. the estimate of the value of the Project is reasonable;
- B. the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the Project as proposed;
- C. the estimate of the annual salaries of these individuals who will be employed or whose employment will be retained can be reasonably expected to result from the Project as proposed;
- D. any other benefits about which information was requested are benefits that can be reasonably expected to result from the Project; and
- E. the totality of benefits is sufficient to justify the deduction; and

WHEREAS, the property described above has experienced a cessation of growth; and

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

SECTION 1. The Common Council finds and determines that the properties located at 338 S. Walnut Street, comprised of one parcel identified above, which is within the Downtown Tax Increment Financing Area, should be designated as an "Economic Revitalization Area" as set forth in I.C. 6-1.1-12.1-1 et. seq., and Petitioner's Statements of Benefits is hereby approved; and

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

- a. For real estate improvements for the Project, a period of three (3) years with the following deduction schedule, pursuant to IC 6-1.1-12.1-17:

Year 1	100%
Year 2	66%
Year 3	33%

SECTION 3. In granting this designation and deductions the Common Council also expressly exercises the power set forth in I.C. 6-1.1-12.1-2(i)(6) to impose additional, reasonable conditions on the rehabilitation or redevelopment beyond those listed in the Statement of Benefits, and authorizes the City of Bloomington to negotiate a Memorandum of Understanding with the Petitioner specifying substantial compliance terms and consequences and remedies for noncompliance. In particular, failure of the property owner to make reasonable efforts to comply with the following conditions is an additional reason for the Council to rescind this designation and deduction:

- a. the capital investment of at least \$1.95 million for real estate improvements; and
- b. the land and improvements shall be developed and used in a manner that complies with local code; and
- c. the Project shall be completed before or within twelve months of the completion date as listed on the application; and
- d. Petitioner will comply with all compliance reporting requirements in the manner described by Indiana Code, Bloomington Municipal Code, and by the Memorandum of Understanding.

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

SECTION 5. This designation shall expire no later than December 31, 2020, unless extended by action of the Common Council and upon recommendation of the Bloomington Economic Development Commission.

SECTION 6. The Common Council directs the Clerk of the City to publish a notice announcing the passage of this resolution and requesting that persons having objections or remonstrances to the ERA designation appear before the Common Council at a public hearing on March 4, 2015.

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 designates a parcel owned by Big O Properties LLC and known as 338 S. Walnut Street as an Economic Revitalization Area (ERA). This designation was recommended by the Economic Development Commission and will enable the proposed mixed use redevelopment project, which includes newly constructed retail/commercial and upper-story market-rate residential units, to be eligible for tax abatement. The resolution also authorizes a three-year period of abatement for real property improvements and sets its deduction schedule. The resolution also declares the intent of the Council to hold a public hearing on March 4, 2015 to hear public comment on the ERA designation.

Note: This resolution was distributed in the Legislative Packet prepared for the January 14, 2015 Committee of the Whole. That Committee of the Whole, however, was cancelled and the resolution was revised and distributed in the Legislative Packet prepared for the February 11, 2015 Committee of the Whole. The revisions, in brief, primarily reflect the new date for public hearing in March, but also make other minor additions or corrections.

**RESOLUTION 15-02
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA**

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

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

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

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

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

WHEREAS, Big O Properties, LLC, (“Petitioner”) proposes a project on one parcel addressed as 338 S. Walnut St., located within the Downtown Tax Increment Financing District (“Project”); and

WHEREAS, Petitioner has applied for a tax abatement on the real estate improvements associated with the Project; and

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

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

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

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

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

53-08-04-200-013.000-009 (Alt Parcel Num: 015-47810-00)

2. Petitioner’s Statement of Benefits regarding the Project at 338 S. Walnut St. be approved, including a three-year tax abatement with the following deduction schedule:

Year 1	100%
Year 2	66%
Year 3	33%.

APPROVED this 23rd day of January, 2015.



President

Bloomington Economic Development Commission



Secretary

Bloomington Economic Development Commission

ORDINANCE 15-01

**TO DESIGNATE AN ECONOMIC DEVELOPMENT TARGET AREA (EDTA) -
Re: Property Located at 338 S. Walnut Street and Identified by the Monroe County Parcel
ID Number 015-47810-00
(Big O Properties, LLC, Petitioner)**

WHEREAS, Indiana Code 6-1.1-12-7(a) authorizes the Common Council to designate an area as an Economic Development Target Area; and

WHEREAS, statutory criteria require that an area so designated must be an area that:

(1) has become undesirable or impossible for normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors that have impaired values or prevented a normal development of property or use of property;

(2) has been designated as a registered historic district under:

- (A) the National Historic Preservation Act of 1966; or
- (B) the jurisdiction of a preservation commission organized under:
 - (i) IC 36-7-11;
 - (ii) IC 36-7-11.1;
 - (iii) IC 36-7-11.2;
 - (iv) IC 36-7-11.3; or
 - (v) IC 14-3-3.2 (before its repeal); or

(3) encompasses buildings, structures, sites or other facilities that are:

- (A) listed in the national register or historic places under the National Historic Preservation Act of 1966; or
- (B) listed on the register of the Indiana historic sites and historic structures; or
- (C) determined to be eligible for listing on the Indiana register by the state historic preservation officer; and

WHEREAS, on November 21, 2014 the City of Bloomington Economic Development Commission held a hearing to consider the request to designate as an Economic Development Target Area one parcel in Bloomington, Indiana, which has an address of 338 S. Walnut Street and is identified by Monroe County as the following parcel (and alternate parcel) numbers:

53-08-04-200-013.000-009; (015-47810-00); and

WHEREAS, at the conclusion of the hearing, the Economic Development Commission adopted Resolution 14-03, which recommended that the Common Council designate the above-described area as an Economic Development Target Area in compliance with Indiana Code 6-1.1-12.1-7(a);

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

SECTION 1. The parcel located at 338 S. Walnut Street and identified by the following Parcel Number in Bloomington, Monroe County, Indiana, is hereby designated as an Economic Development Target Area under the authority of Indiana Code 6-1.1-12.1-7(a)(1).

53-08-04-200-013.000-009; (015-47810-00).

SECTION 2. This designation shall expire December 31, 2020, unless extended by action of the Common Council to amend this Ordinance and upon recommendation of the Bloomington Economic Development Commission.

SECTION 3. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2014.

, 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 ordinance designates a parcel owned by Big O Properties LLC and known as 338 S. Walnut Street as an Economic Development Target Area (EDTA). This designation was recommended by the Economic Development Commission and will enable the proposed mixed use redevelopment project, which includes retail/commercial space and upper-story market-rate residential units, to be eligible for tax abatement. Final approval of the real estate property tax abatement for the project will also require the adoption of an initial and confirming resolution, which must designate the lot as an Economic Revitalization Area (ERA), approve the statement of benefits, and authorize periods of abatement and a schedule of deduction.

**RESOLUTION 15-01
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA**

TO DESIGNATE AN ECONOMIC DEVELOPMENT TARGET AREA

WHEREAS, Indiana Code § 6-1.1-12.1-7 specifies that the Common Council may designate an economic development target area after a favorable recommendation by the Economic Development Commission; and

WHEREAS, Big O Properties, LLC, has submitted an application in which it seeks to have an area located at 338 S. Walnut Street, and including the following Monroe County Parcel Numbers, designated as an economic development target area
53-08-04-200-013.000-009 (Alt Parcel Num: 015-47810-00)

WHEREAS, the Economic Development Commission of the City of Bloomington, Indiana held a meeting on January 23, 2015 to consider Big O Properties, LLC's application; and

WHEREAS, the Economic Development Commission of the City of Bloomington, Indiana has determined that the application falls within the statutory qualifications in Indiana Code §6.1.1-12.1-7 and has voted to approve the designation;

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

The Economic Development Commission of the City of Bloomington, Indiana recommends to the Common Council of the City of Bloomington that the above-referenced location be designated as an economic development target area.

APPROVED this 23rd day of January, 2015.



President
Bloomington Economic Development Commission



Secretary
Bloomington Economic Development Commission

***** Amendment Form *****

Ordinance #: 15-01
Amendment #: 01
Submitted By: Council Office
Date: February 5, 2015

Proposed Amendment: Ordinance 15-01 shall be amended in the following manner:

1. The first Whereas clause shall be amended by correcting the reference to the chapter in the statutory cite from “12” to “12.1” so that the clause will read as follows:

WHEREAS, Indiana Code 6-1.1-12.1-7(a) authorizes the Common Council to designate an area as an Economic Development Target Area; and

2. The third Whereas clause shall be amended by adding “Commission” after the words “Economic Development Commission” so that the clause will read as follows:

WHEREAS, on November 21, 2014 the City of Bloomington Economic Development Commission (Commission) held a hearing to consider the request to designate as an Economic Development Target Area one parcel in Bloomington, Indiana, which has an address of 338 S. Walnut Street and is identified by Monroe County as the following parcel (and alternate parcel) numbers:

53-08-04-200-013.000-009; (015-47810-00); and

3. The fourth Whereas clause shall be amended by deleting the word “the” as it appears in the first line between the words “of” and “hearing” and replacing it with the word “that” and deleting the words “Economic Development Commission” and replacing them with the word “Commission” and inserting an “and” at the end, so that the clause will read as follows:

WHEREAS, at the conclusion of that hearing, the Commission adopted Resolution 14-03, which recommended that the Common Council designate the above-described area as an Economic Development Target Area in compliance with Indiana Code 6-1.1-12.1-7(a); and

4. An additional, fifth Whereas clause shall be inserted into the ordinance which shall read as follows:

WHEREAS, on January 23, 2015, the Commission held a second hearing to consider this request in light of an amended application, and adopted Resolution 15-01, which made the same recommendation to the Common Council regarding this designation;

5. The provision regarding the passage and adoption of the ordinance shall be amended by deleting the year “2014” and replacing it with the year “2015.”

6. The signature line for the Council President shall be amended to include the name of this year’s President, Dave Rollo.

Synopsis

This amendment makes changes to this ordinance largely as a result of action taken by the Economic Development Commission after the ordinance was tabled on January 14, 2015. Those changes:

- o reflect the hearing and resolution adopted by the Commission on January 23, 2015;
- o correct a statutory cite in the first Whereas clause; and
- o add the name of the Council President to the signature line (which was not formally decided when the legislation was release to the public in the packet the week before).

2/11/15 Committee Action: Pending
2/18/15 Regular Session Action: Pending

(February 4, 2015)

Changes in Text –

With New Text Indicated in Bold Font and Deleted Text Indicated with a Strikeout Through the Font

WHEREAS, Indiana Code 6-1.1-12.1-7(a) authorizes the Common Council to designate an area as an Economic Development Target Area; and

2nd Whereas clause unchanged

WHEREAS, on November 21, 2014 the City of Bloomington Economic Development Commission **(Commission)** held a hearing to consider the request to designate as an Economic Development Target Area one parcel in Bloomington, Indiana, which has an address of 338 S. Walnut Street and is identified by Monroe County as the following parcel (and alternate parcel) numbers:

53-08-04-200-013.000-009; (015-47810-00); and

WHEREAS, at the conclusion of ~~the~~ **that** hearing, the Commission adopted Resolution 14-03, which recommended that the Common Council designate the above-described area as an Economic Development Target Area in compliance with Indiana Code 6-1.1-12.1-7(a); **and**

WHEREAS, on January 23, 2015, the Commission held a second hearing to consider this request in light of an amended application, and adopted Resolution 15-01, which made the same recommendation to the Common Council regarding this designation;

...

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2014 **2015**.

Changes in signature lines – are self-explanatory