

# City of Bloomington Common Council

## Legislative Packet

14 January 2015

**Organizational Meeting**  
*to be immediately followed by a*  
**Committee of the Whole**

*All legislation and background material contained herein.*

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

**City of  
Bloomington  
Indiana**

City Hall  
401 N. Morton St.  
Post Office Box 100  
Bloomington, Indiana 47402



**Office of the Common  
Council**

(812) 349-3409  
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[council@bloomington.in.gov](mailto:council@bloomington.in.gov)

**To: Council Members  
From: Council Office  
Re: Weekly Packet Memo  
Date: January 9, 2015**

### **Packet Related Material**

**Memo  
Agenda  
Calendar**

#### **Notices and Agendas:**

- Notice of Nore' Winter Events Next Week (where a quorum of various governing bodies – including the Council - may attend)
  - Luncheon on Thursday at noon at the Convention Center
  - Talk on Thursday night in the Council Chambers

#### **Material Related to Action at the Organizational Meeting:**

- List of Council Positions - Officers, Appointments, and Assignments for 2015 (*blank*)
- List of Current Council Positions - Officers, Appointments, and Assignments (2014)
- List of Interview Committee Assignments in 2014
- Council Member Seating Chart for 2008 – 2014 & 2015 (*blank*)

#### **Legislation for Second Reading:**

*None*

#### **Legislation and Background Material for Consideration during the First Legislative Cycle of 2015**

##### **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 Site Plan Documents; 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 Improvements to Real Property - Re: Properties at 338 South Walnut Street (Big O Properties, LLC, Petitioner)
    - EDC Res 14-04
  - **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 14-03

**Minutes from Regular Session:**

*None*

**Memo**

**Organizational Meeting and Committee of the Whole  
on Wednesday, January 14<sup>th</sup>**

The Council will hold an Organizational Meeting and Committee of the Whole on Wednesday, January 14, 2015. The Organizational Meeting is the occasion when the Council conducts elections and appoints members to boards and commissions, and the new President assigns seating and members to serve on Council Committees. It also begins the first legislative cycle of 2015 which, this year, includes a tax abatement proposal for Big O Properties, LLC, at 338 South Walnut Street. That proposal includes an ordinance to be introduced at the Organizational Meeting and a declaratory resolution which will join the ordinance for discussion at the Committee of the Whole. Both pieces of legislation are in this packet and summarized herein.

**Group Photo on January 21, 2015?** The Council may want a new photo taken for the Council webpage. Please let Dan or Stacy Jane know whether you are interested in having a new photo taken and whether you will be available either before or after the Regular Session on January 21<sup>st</sup> for a brief photo session.

## **Organizational Meeting - Elections, Appointments and Assignments**

The Organizational Meeting is the time for the Council to hold elections and make appointments, and for the new President to make assignments. These actions typically occur in the following order:

- The Council elects officers – President, Vice President, and Parliamentarian (and the outgoing President is presented with the gavel);
- The new officers are seated and the new President assigns seating for rest of the Council members (*Please note that any two Council members who wish to switch seats may do so by written request to the Council President (BMC 2.04.110)*);
- The Council appoints Council members to various boards and commissions; and
- The President assigns to Council members to Council committees.

Please see the attached sheets for appointments, assignments, and seating – which include last year’s decisions (for some historical context) and, in some cases, blank forms for this year’s decisions.

### **Items One and Two – 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)**

This portion of the packet describes a proposed tax abatement for the construction of a three-story mixed use building at 338 South Walnut Street by Big O Properties. It is based upon legislation, a memo, and other supporting material provided by Danise Alano-Martin, Director, and Jason Carnes, Assistant Director for Small Business, Economic and Sustainable Development Department (ESD).

Big O Properties is the Petitioner for this project (with Mary and Daniel P. Friedman listed as the tax payers). Big O Properties is a “property management and development company” which was founded in 1985 and “own(s) and operate(s) residential properties around the Indiana University campus as well as residential/commercial developments in the downtown area.”

Last spring, as you may recall, the Council granted the Petitioner and the address just south of this project an Enterprise Zone Investment Deduction (EZID). In retrospect, this proposed abatement is consistent with two themes flowing from that deliberation: first, the development of this area of South Walnut is a more suitable target for property tax incentives than the areas along North Walnut and North College; and second, the granting of a tax abatement *prior* to construction and with accompanying commitments was more suitable than granting a deduction *after* the investment had been made but without any accompanying commitments.

Last year, Big O Properties bought and demolished the one-story building on this property and, on May 5<sup>th</sup>, received approval from the Planning and Transportation Department for this project.<sup>1</sup> With about a \$2 million investment and a six-fold increase in Assessed Valuation (from \$350,000 to about \$2.3 million), this project will entail the construction of a three-story building, with approximately 2,500 square feet of speculative, non-residential space on the first floor<sup>2</sup> and 14 market-rate residential units on the second and third floors, with four 2-bedroom units and ten 1-bedroom units, for a total of 18 bedrooms.

Largely based upon the projected positive economic and revitalization impact this project will have on this area of South Walnut, the Administration and Economic Development Commission recommend a 3-year phase-in on the capital improvements with termination of the underlying designations on December 31, 2020.

**Introduction to Tax Abatement Program and Procedures.** I.C. 6-1.1-12.1 et seq. allows cities, towns, and counties to abate the incremental increase in the assessed valuation of certain real and personal property resulting from applicable investments. For many decades, the City has taken advantage of these property tax incentives and, in 2011, revised its tax abatement program and policies (General Standards) with the adoption of Res 11-01.

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<sup>1</sup> The Staff Report and excerpts from the Plan Commission minutes are available in the Council Office. According to those documents, the front of the property will be landscaped and the front of the building will be clad with brick and have limestone trim around the windows, ground floor and building corners. There will be two apartments at the rear of the building, four parking spaces off of the alley, and both interior and interior bike storage. The documents also indicate that there were two waivers and three conditions on the approval. The waivers allowed 50% (rather than 100%) of the ground floor to be set aside for retail and allowed cement fiber panels on the side of the building that will eventually be largely hidden from public view. The conditions of approval require: 1) BPW to approve any work done in the City's right-of-way; the building to be consistent with the submitted elevations; and 3) the petitioner to work with staff regarding aspects of the primary entrance onto South Walnut prior to permitting.

<sup>2</sup> This proposal does not include any promise regarding the jobs that will be created or retained as a result of this project.

Under these procedures, applicants must complete an application and supplementary documents that address State and local criteria, pay a \$100 fee, and have the Economic Development Commission (Commission) make a final recommendation before the matter comes forward to the Council. After the necessary designations, findings, and actions by the Council (which are discussed later in this summary), the applicant signs a Memorandum of Agreement (MOA) with the City and the City Clerk certifies a copy of the legislation to the Monroe County Assessor and Auditor for implementation of the abatement.

Then, by May 10<sup>th</sup> of each year during which the abatement remains in effect, the tax payer must file the proper forms with the ESD staff indicating whether they have complied with the promised benefits of the project and the terms of the MOA. The ESD staff, in turn, present a Report to the Commission and Council in June. Upon review, the Council may rescind the abatement if it finds the tax payer has not made reasonable efforts to comply with the promised benefits and may also void the abatement if the project is not initiated in a timely manner or the use is different than as approved.

**Eligibility.** Both statute and local standards make certain projects ineligible for tax abatement. On a statutory level, IC 6-1.1-12.1-3(e) excludes certain uses, but allows some of those excluded uses (e.g. certain retail and any market-rate residential) in the event the Council designates the property as an Economic Development Target Area (EDTA). Various statutory provisions also exclude projects where the filings or approvals are not done in a timely manner, but provisions such as I.C. 6-1.1-12.1-11.3 allow the Council to adopt resolutions waiving some of those requirements.

At a local level, the General Standards indicate that certain “factors” regarding the petitioner and project “may render (them) ineligible” for a tax abatement.

Petitioners, in particular, should not:

- hold an outstanding obligation or debt to, be in default or arrears with, or be in litigation against, the City;

Projects, in particular, should not:

- be commenced<sup>3</sup> prior to final approval;
- involve the demolition or removal of certain historic structures;
- require major public infrastructure improvements at additional cost to the City; or

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<sup>3</sup> I use the term “commenced” to cover the following phrase in the General Standards: “A building permit has been obtained or construction has been initiated.”

- be inconsistent with the City’s long range plans for the area.

The remainder of this summary discusses the more substantive aspects of the City’s program and how these aspects apply to this project and the actions to be taken by the Council.

**Evaluative Criteria in New Local Guidelines.** The General Standards adopted by the City in 2011 set forth two basic and then some additional criteria for evaluating the eligibility of projects for tax abatement.

The basic criteria focus on “the creation of full-time, permanent living-wage jobs (and the) creation of capital investment as an enhancement to the tax base.”

- While not claiming to create any employment, this project does offer a ten-fold increase in the property taxes from \$4,000 to \$40,000 per year and is consistent with the Downtown TIF Plan which calls for “strengthen(ing) and intensify(ing) existing land uses within the area, with a particular focus on ensuring a diverse retail mix” and “increased upper-story residential uses.”

The section on additional evaluative criteria for tax abatement projects focus on whether the project makes a “significant contribution to overall economic vitality” of the City. It includes four illustrative criteria (see below), but also gives petitioners the opportunity to list other contributions to the City’s economic vitality that do not easily fit within those four. Those criteria and how this project meets them are summarized in the following bullet points (and are followed, later in this summary, by descriptions of other benefits tied to various statutory criteria):

- Quality of Life/Environmental Sustainability –
  - the project supports sustainable development and living by adding residential density in the urban core, where residents typically use less private transportation, less new public infrastructure, and less energy resources;
- Affordable Housing –
  - The proposed market-rate residential units, without any affordable housing or other distinguishing component, led the Commission and Administration to propose the short, three-year, phased-in abatement. The material suggests, however, that even as proposed, the mixed use nature of this project with retail on the first floor and residential on upper floors was worthy of consideration because it “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 (the area)”

- Community Service – *Not addressed*
- Community Character –
  - The project removed a one-story building and, along with the project next door, will provide structures “more fitting for Bloomington’s downtown urban environment” and “support the attraction of additional reinvestment in this downtown gateway area.”

### Initiative Requires Three Pieces of Legislation Over Two Legislative Cycles

The tax abatement for this mixed use project will require two resolutions and an ordinance. The first resolution, **Res 15-01**, designates an Economic Revitalization Area (ERA), approves a Statement of Benefits, and authorizes a 3-year period of phased abatement on improvements to real property. Please note that, in this case, it does *not* declare the intent to waive any statutory requirements regarding the timing of the development in relation to the decision to grant the abatement.

The second resolution needed for tax abatements, **Res 15-02**, confirms the first one. *Please note that the IC 6-1.1-12.1-2.5 requires that the Council hold a legally-advertised public hearing before adopting this “confirming” resolution, which is scheduled for February 4, 2015. In accordance with statute, the City Clerk must not only provide the relevant notice, but also file a copy of the notice and information contained in the Statement of Benefits with officials responsible for fixing budgets, tax rates, and tax levies for all of the taxing units within the City’s jurisdiction.*

The ordinance for these tax abatements (**Ord 15-01**) establishes an Economic Development Target Area (EDTA), which is necessary for the proposed retail and market-rent residential uses to be eligible for tax abatements.

### **Resolution Designating the ERA, Approving a Statement of Benefits, Authorizing a Period of Abatement of 3 Years for Improvements to Real Estate, and Taking Other Actions Regarding this Project**

As mentioned above, **Res 15-01** makes a number of statutory determinations for this mixed use project. The following paragraphs summarize those determinations.

**ERA.** The first determination designates the property as an Economic Revitalization Area (ERA), which entails a finding that the property is not susceptible to normal growth and development. In that regard, the:



- area has experienced a “cessation of growth ... and ... slow development ... (that are) impairing values and preventing normal development and use of the property”; and
- site is also included in the following incentive districts intended to encourage development - the Community Revitalization Enhancement District (CRED), Bloomington Urban Enterprise Zone, and the Downtown Tax Incremental Finance (TIF) District.

**ERA in TIF District.** Since this site lies within the Downtown Tax Incremental Finance (TIF) District, statute also requires that the Council approve the ERA designation in light of that fact. TIF Districts are a local financing device authorized by statute, which set aside increases in taxes on real estate<sup>4</sup> above a base year which are then used to invest in the area according to the plan for the district. Any abated property taxes would not be deposited in the TIF and, therefore, would not be available for that purpose. The material indicates that the abatement would not adversely affect the TIF because the current tax revenue is relatively small (about \$4,000 per year), the proposed abatement is limited to a phased, 3-year period, the increase in new tax liability is significant (about 10-fold), and the project is expected to encourage other investment in the area. The material also indicates that the project does not require any major public investment.

**Statement of Benefits.** The second set of determinations approves the Statement of Benefits for this project. In so doing, the resolution finds that the stated benefits are a reasonable and probable outcome of the development and, in their totality, justify the tax abatement.

Those stated benefits (which, in this case, are for improvements to real estate) include:

- investing \$1.95 million more on this site and increasing the Assessed Value (AV) of this parcel 10-fold, from a current AV of \$350,000 to an estimated AV of \$2.3 million;
- replacing a 2,400 s.f. temporary office structure with a three-story structure and on-street landscaping thereby “giving a more welcome feel to the area ... (and) continu(ing) to enhance the look and vibrancy” of an area where “the city would like to see infill and growth”

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<sup>4</sup> Although authorized by statute, steps have not been taken to capture personal property taxes for this TIF district fund.

Please note that this form does not offer the creation or retention of jobs as a benefit from this project. The material characterizes the retail component of this project as “speculative” and mentions the possibility that a tenant in another of Big O Properties’ buildings might expand at this location.

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

- the capital investment of at least \$1.95 million for real estate improvements to be completed within twelve months of the completion date as listed on the application (8/15/15 – per Statement of Benefits);
- the development and use of the improvements in a manner that complies with local code;
- Petitioner compliance with the reporting and other requirements set forth in statute, local code, and the MOA.

**Period of Abatement – Real Estate.** The next action relates to the period of tax abatement for this project. Please note that the State legislature provides for a 1-10 year period of abatement for real estate and personal property with, typically, a sliding scale of deductions, but also allows for an alternative schedule, with full deductions throughout the period of abatement.<sup>5</sup> Here, the resolution proposes a 3-year sliding deduction schedule for real estate (with a deduction of 100% in the first year, 66% in the second year, and 33% in the last year of the abatement).

**Tax Calculations – Real Property.** In the memo and as a separate sheet, Alano-Martin and Carnes have provided estimates of the tax consequences resulting from the granting of this abatement.<sup>6</sup> Those calculations indicate that the owner of property would pay a total of approximately \$40,875 and would save approximately \$80,536 over the 3-year abatement on real estate and then pay approximately \$40,470 per year thereafter.

**Additional Enforcement Provisions.** The resolution provides for two enforcement provisions that were introduced with the adoption of the new General

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<sup>5</sup> IC 6-1.1-12.1-4 (for real estate), IC 6-1.1-12.1-4.5 (for personal property), and IC 6-1.1-12.1-17 (for alternative deduction schedule).

<sup>6</sup> These estimates are only approximations which are based upon the current AV of land and improvements, the 2014 tax rate, and the assumption that the AV will equal the amount of the investment.

Standards in 2011. The first, as noted previously, requires the petitioner to enter into the MOA with the City that sets forth the petitioner's obligations and the consequences for failing to comply with them. The second provides for what is called a "clawback" of payments in the event the petitioner ceases to operate at this site and the Council finds the petitioner intentionally provided false information concerning its plans to continue operation there.<sup>7</sup>

**EDC Action.** On November 21, 2014, the Economic Development Commission met and recommended these actions with the adoption of Res 14-04 (*Attached*)

### **An Ordinance Designating an Economic Development Target Area to Allow Retail and Market-Rate Residential Uses**

**Ord 15-01** designates this redevelopment project as an Economic Development Target Area (EDTA). The EDTA is a statutory designation that may only be applied to 15 % of the City's jurisdiction and allows tax abatements for uses that would not otherwise be eligible for them (See I.C. 6-1.1-12.1-3[e][10-11] and IC 6-1.1-12.1-17). In this case, the designation would allow both the proposed retail and market-rent residential uses to receive a tax abatement.

In order to grant this designation, State law requires that the Common Council find the property eligible either because of its historic character or because it has "become undesirable or impossible for normal growth and development." In this case, the support for this designation rests on the barriers to normal growth and development.

The Economic Development Commission has, in accordance with State law, made a favorable recommendation on the designation. A copy of its resolution (Res 14-03) is included in the packet.

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<sup>7</sup> These payments go to the County Treasurer for distribution to taxing entities per formula. (I.C. 6-1.1-12.1-12[e]-[f]).

**NOTICE AND AGENDA  
BLOOMINGTON COMMON COUNCIL  
ORGANIZATIONAL MEETING AND COMMITTEE OF THE WHOLE  
7:30 P.M., WEDNESDAY, JANUARY 14, 2015  
COUNCIL CHAMBERS  
SHOWERS BUILDING, 401 N. MORTON ST.**

**ORGANIZATIONAL MEETING**

**I. ROLL CALL**

**II. AGENDA SUMMATION**

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

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

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

**V. ELECTION OF OFFICERS** (The newly-elected President will assign seats to Council members before the Council makes appointments to boards and commissions.)

**VI. APPOINTMENTS TO BOARDS AND COMMISSIONS**

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

*None*

**VIII. LEGISLATION FOR FIRST READING**

1. 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)

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

**X. COUNCIL SCHEDULE**

**XI. ADJOURNMENT**

*to be followed immediately by a*

*(over)*

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

## COMMITTEE OF THE WHOLE

**Chair: Timothy Mayer**

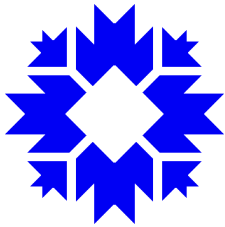
1. Resolution 15-01 To Designate an Economic Revitalization Area, Approve the Statements of Benefits, and Authorize Periods of Abatement for Improvements to Real Property - Re: Properties at 338 S. Walnut Street (Big O Properties, LLC, Petitioner)

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

2. 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: Denise Alano-Martin, Director of Economic Development  
Jason Carnes, Assistant Director, Small Business Relations  
Representative of Petitioner

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



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

To Council Members  
From Council Office  
Re Weekly Calendar – 12-16 January 2015

**Monday, 12 January**

12:00 pm Board of Public Works – Work Session, Kelly  
5:00 pm Utilities Service Board, Utilities – 600 E Miller Dr.  
5:30 pm Bicycle and Pedestrian Safety Commission, Hooker Room

**Tuesday, 13 January**

11:00 am Lemonade Day Advisory Committee, Kelly  
4:30 pm Commission on Aging, Hooker Room  
5:30 pm Bloomington Public Transportation Corp. Board of Directors, Transit  
5:30 pm Board of Public Works, McCloskey  
5:30 pm Community Development Block Grant – Social Services Public Hearing, Chambers  
6:00 pm Bloomington Commission on Sustainability, Monroe County Public Library, Room 1-B  
6:00 pm Sister Cities International – Posoltega, Dunlap  
7:30 pm Sister Cities International, Kelly

**Wednesday, 14 January**

5:00 pm Bloomington Arts Commission, McCloskey  
5:30 pm Dr. Martin Luther King, Jr. Birthday Commission, Hooker Room  
7:30 pm Common Council – Organizational Meeting *immediately followed by a* Committee of the Whole, Chambers

**Thursday, 15 January**

8:00 am Bloomington Housing Authority Board of Commissioners, 1007 N Summit, Community Rm  
3:30 pm Bloomington Municipal Facilities Corporation, Dunlap  
5:15 pm Monroe County Solid Waste Management District – Citizens’ Advisory Council, Monroe County Public Library, Room 1-C  
5:30 pm Commission on the Status of Women, Hooker Room  
5:30 pm Community Development Block Grant – Public Improvements Allocation, McCloskey  
7:00 pm Public Talk by Noré Winter, *The Downtown Plan: Ten Years Later*, Chambers

**Friday, 16 January**

12:00 pm Domestic Violence Task Force, McCloskey

*Posted and Distributed: Friday, 09 January 2015*



# NOTICE

**Members of the Bloomington Common Council, the Bloomington Plan Commission, the Board of Zoning Appeals and the Bloomington Historic Preservation Commission have been invited to attend the following events:**

**Lunch with Nore Winter  
Hosted by Downtown Bloomington, Inc.  
Thursday, 15 January 2015  
Noon  
Bloomington Convention Center  
302 S. College**

**Public Talk by Nore Winter  
*The Downtown Plan: Ten Years Later*  
Thursday, 15 January 2015  
7:00pm  
Council Chambers, Suite 115  
401 N. Morton**

Because a quorum of the aforementioned bodies may be present, these gatherings may constitute meetings of these bodies under the Indiana Open Door Law. For that reason, this statement provides notice that the above will occur and are open for the public to attend, observe and record what transpires.

Posted: Friday, 09 January 2015

**Material Related to Action at the Organizational Meeting:**

- List of Council Positions - Officers, Appointments, and Assignments for 2015 (*blank*)
- List of Current Council Positions - Officers, Appointments, and Assignments (2014)
- List of Interview Committee Assignments in 2014
- Council Member Seating Chart for 2008 – 2014 & 2015 (*blank*)



# ELECTION OF COUNCIL OFFICERS, APPOINTMENTS & ASSIGNMENTS FOR 2015

## ACTION BY MOTIONS OF THE COUNCIL

President \_\_\_\_\_  
Vice President \_\_\_\_\_  
Parliamentarian \_\_\_\_\_

**Citizens Advisory Committee - Community Development Block Grants (CDBG)**

**Social Services** \_\_\_\_\_  
**Physical Improvements** \_\_\_\_\_

**Commission for Bloomington Downtown** \_\_\_\_\_

**Economic Development Commission (City)** \_\_\_\_\_

**Economic Development Commission (County)** \_\_\_\_\_

**Environmental Resource Advisory Committee** \_\_\_\_\_

**Metropolitan Planning Organization** \_\_\_\_\_

**Plan Commission** \_\_\_\_\_

**Solid Waste Management District** \_\_\_\_\_

**Board of the Urban Enterprise Association** \_\_\_\_\_

**Utilities Service Board** \_\_\_\_\_

**Bloomington Economic Development Corporation** \_\_\_\_\_

**Bloomington Commission on Sustainability** \_\_\_\_\_

## ACTION BY PRESIDENT (By Assignment)

**Jack Hopkins Social Services Funding Committee (5 council members)**

**Council Sidewalk Committee (4 council members) (Regarding 2016 Funds)**

**Council Interview Committees for Citizen Appointments to Boards and Commissions (*see accompanying list*)**

# ELECTION OF COUNCIL OFFICERS, APPOINTMENTS & ASSIGNMENTS FOR 2014

## ACTION BY MOTIONS OF THE COUNCIL

|                 |                 |
|-----------------|-----------------|
| President       | Darryl Neher    |
| Vice President  | Dorothy Granger |
| Parliamentarian | Tim Mayer       |

### **Citizens Advisory Committee - Community Development Block Grants (CDBG)**

|                       |                |
|-----------------------|----------------|
| Social Services       | Susan Sandberg |
| Physical Improvements | Timothy Mayer  |

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| Commission for Bloomington Downtown | Steve Volan |
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| Economic Development Commission (City) | Darryl Neher |
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| Economic Development Commission (County) | Regina Moore |
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| Environmental Resource Advisory Committee | Dave Rollo |
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| Metropolitan Planning Organization | Andy Ruff |
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| Plan Commission | Chris Sturbaum |
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| Solid Waste Management District | Steve Volan |
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| Board of the Urban Enterprise Association | Chris Sturbaum |
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| Utilities Service Board | Timothy Mayer |
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| Bloomington Economic Development Corporation | Dorothy Granger |
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| Bloomington Commission on Sustainability | Dave Rollo |
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## ACTION BY PRESIDENT (By Assignment)

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|--|---|
| Jack Hopkins Social Services Funding Committee (5 council members) | Timothy Mayer, Darryl Neher, Andy Ruff, Susan Sandberg & Marty Spechler |
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| Council Sidewalk Committee (4 council members) (Regarding 2015 Funds) | Dorothy Granger, Dave Rollo, Marty Spechler & Chris Sturbaum |
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| Council Interview Committees for Citizen Appointments to Boards and Commissions ( <i>see accompanying list</i> ) |  |
|--|--|

# BOARD AND COMMISSION -- INTERVIEW ASSIGNMENT GRID 2014

PREPARED BY CITY CLERK'S OFFICE

| Committee →                               | A<br>(Marty, Tim, Chris) | B<br>(Dorothy, Steve, Andy) | C<br>(Darryl, Dave, Susan) |
|---|--------------------------|-----------------------------|----------------------------|
| <b>↓ Boards and Commissions</b>           |                          |                             |                            |
| Animal Control                            | X                        |                             |                            |
| Bloomington Community Arts Commission     |                          |                             | X                          |
| Bike and Ped Commission                   |                          | X                           |                            |
| Bloomington Digital Underground           |                          | X                           |                            |
| Board of Zoning Appeals                   | X                        |                             |                            |
| Commission on Aging                       | X                        |                             |                            |
| Commission on Hispanic and Latino Affairs |                          |                             | X                          |
| Commission on the Status of Black Males   |                          | X                           |                            |
| Commission on the Status of Women         |                          | X                           |                            |
| Commission on Sustainability              |                          |                             | X                          |
| Community and Family Resources Commission |                          |                             | X                          |
| Economic Development Commission           | <b>COUNCIL</b>           |                             |                            |
| Environmental Commission                  |                          | X                           |                            |
| Historic Preservation                     | X                        |                             |                            |
| Housing Quality Appeals Board             | X                        |                             |                            |
| Housing Trust Fund                        |                          |                             | X                          |
| Human Rights Commission                   |                          |                             | X                          |
| MLK Commission                            |                          | X                           |                            |
| Public Transportation Corporation         | X                        |                             |                            |
| Redevelopment Commission                  | X                        |                             |                            |
| Telecommunications Council                |                          | X                           |                            |
| Traffic Commission                        |                          | X                           |                            |
| Tree Commission                           |                          |                             | X                          |
| Urban Enterprise Association              | X                        |                             |                            |
| Utilities Service Board                   |                          |                             | X                          |

# Council Member Seating 2008 – 2015 (Assigned by President)<sup>1</sup>

## Seating For the Year 2008

|       |        |          |                |           |                 |          |             |       |
|-------|--------|----------|----------------|-----------|-----------------|----------|-------------|-------|
| Rollo | Wisler | Piedmont | Ruff           | Sandberg  | Volan           | Sturbaum | Satterfield | Mayer |
|       |        |          | Vice President | President | Parliamentarian |          |             |       |

## Seating For the Year 2009

|       |        |          |                |           |                 |          |             |       |
|-------|--------|----------|----------------|-----------|-----------------|----------|-------------|-------|
| Rollo | Wisler | Sandberg | Piedmont-Smith | Ruff      | Volan           | Sturbaum | Satterfield | Mayer |
|       |        |          | Vice President | President | Parliamentarian |          |             |       |

## Seating For the Year 2010

|       |        |          |                |                |                 |       |          |       |
|-------|--------|----------|----------------|----------------|-----------------|-------|----------|-------|
| Rollo | Wisler | Sandberg | Ruff           | Piedmont-Smith | Satterfield     | Volan | Sturbaum | Mayer |
|       |        |          | Vice President | President      | Parliamentarian |       |          |       |

## Seating For the Year 2011

|        |       |          |                |           |                 |             |       |                |
|--------|-------|----------|----------------|-----------|-----------------|-------------|-------|----------------|
| Wisler | Rollo | Sturbaum | Ruff           | Sandberg  | Mayer           | Satterfield | Volan | Piedmont-Smith |
|        |       |          | Vice President | President | Parliamentarian |             |       |                |

## Seating For the Year 2012

|       |         |          |                |           |                 |       |       |          |
|-------|---------|----------|----------------|-----------|-----------------|-------|-------|----------|
| Neher | Granger | Sturbaum | Sandberg       | Mayer     | Ruff            | Rollo | Volan | Spechler |
|       |         |          | Vice President | President | Parliamentarian |       |       |          |

## Seating For the Year 2013

|      |          |          |                |           |                 |       |       |          |
|------|----------|----------|----------------|-----------|-----------------|-------|-------|----------|
| Ruff | Sturbaum | Sandberg | Granger        | Neher     | Mayer           | Rollo | Volan | Spechler |
|      |          |          | Vice President | President | Parliamentarian |       |       |          |

## Seating For the Year 2014

|      |          |          |                |           |                 |       |       |          |
|------|----------|----------|----------------|-----------|-----------------|-------|-------|----------|
| Ruff | Sturbaum | Sandberg | Granger        | Neher     | Mayer           | Rollo | Volan | Spechler |
|      |          |          | Vice President | President | Parliamentarian |       |       |          |

## Seating For the Year 2015

|  |  |  |                |           |                 |  |  |  |
|--|--|--|----------------|-----------|-----------------|--|--|--|
|  |  |  |                |           |                 |  |  |  |
|  |  |  | Vice President | President | Parliamentarian |  |  |  |

<sup>1</sup> Written requests by two Council members to exchange seats will be granted by the President. (per BMC2.04.110)

**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 Site Plan Documents; 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 Improvements to Real Property - Re: Properties at 338 South Walnut Street (Big O Properties, LLC, Petitioner)
    - EDC Res 14-04
  
  - **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 14-03



**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:** December 16, 2014  
**RE:** Resolutions 15-01 and 15-02, and Ordinance 15-01  
Real Property Tax Abatement Application  
Big O Properties, 338 S. Walnut Street.

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On November 21, 2014, the Economic Development Commission adopted its resolutions 14-03 and 14-04 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 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 2,500 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 received Planning/Zoning approval.

Based upon the projected benefits of the project as outlined in the application 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 the 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**

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#### **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.
- **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 Initial projects that Big O has taken on here will support the attraction of additional reinvestment in this downtown gateway area.
- **Affordable Housing:** 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.

### **Criteria: Indiana Code**

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#### **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.

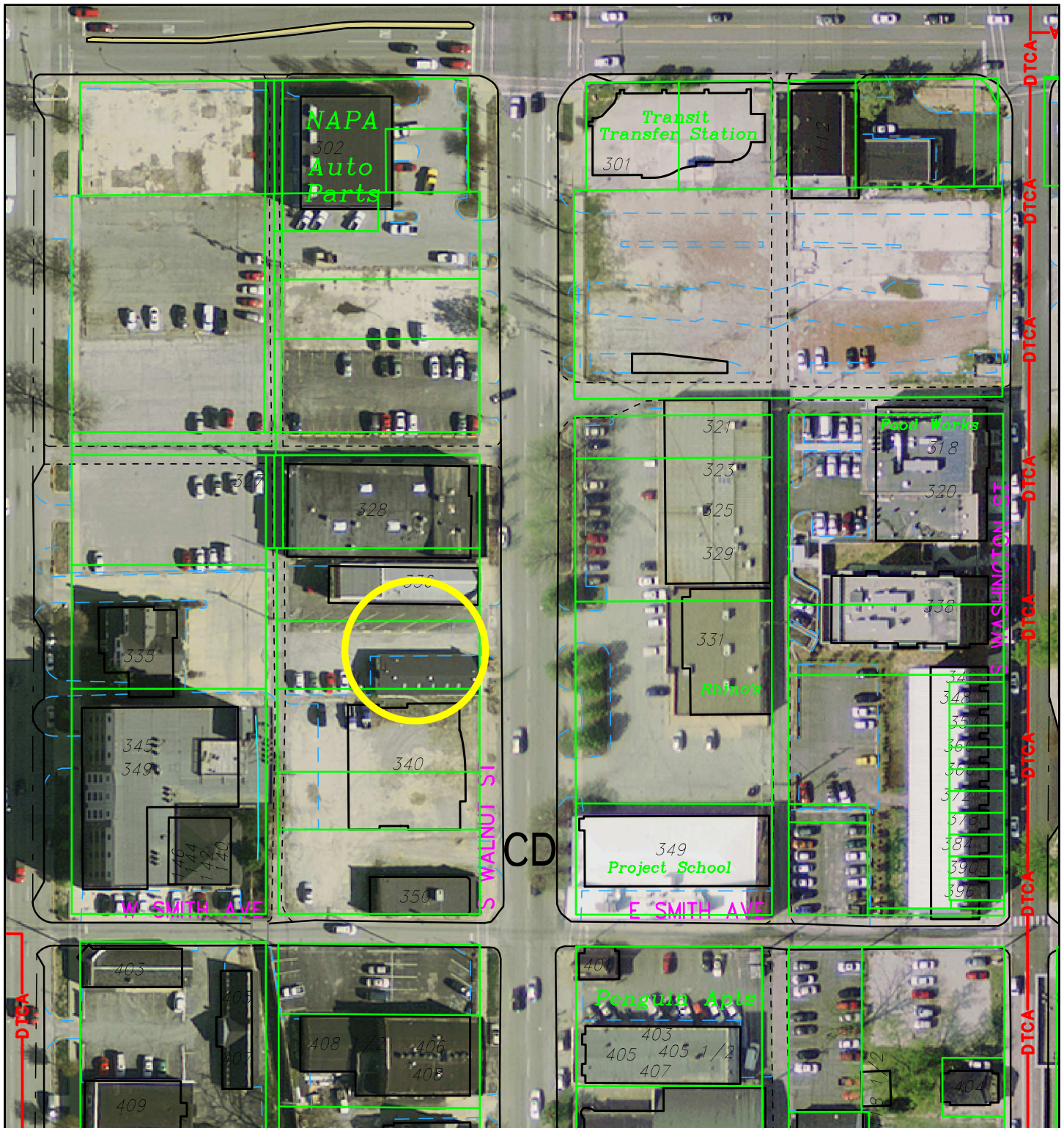
Staff also believes that continued investment (private and public) in this area will enhance attractiveness to future private sector investment (such as, for example, potential hotel investment nearby the Convention Center). Staff’s recommendation not to exceed a 3-year term is based upon the project 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:**

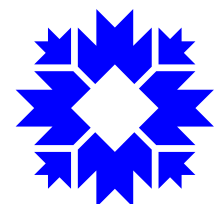
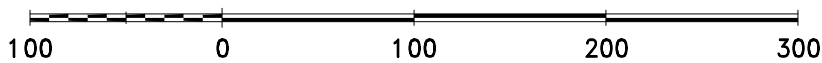
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- Economic Development Commission Resolutions 14-03 and 14-04
- Estimated Property Tax Abatement Calculations
- Petitioner’s City of Bloomington Tax Abatement Application
- Petitioner’s Statement of Benefits Form, Real Estate Improvements (SB-1)



Res 15-01, Res 15-02 & Ord 15-01 – Re: Tax Abatement for 338 South Walnut Street City of Bloomington  
 (Note: The one-story building appearing on this aerial photo was demolished in 2014.) Clerk & Council

By: shermand  
 6 Jan 15



Scale: 1" = 100'

For reference only; map information NOT warranted.



**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](mailto:economicvitality@bloomington.in.gov)).

| <b>Section 1 – Applicant Information</b>   |                                 |
|--|---------------------------------|
| Name of Company for which ERA Designation is being requested   |                                 |
| Primary Contact Information (for questions concerning this application and the Project)  |                                 |
| Name <i>MARY FRIEDMAN</i>  | Job Title <i>owner</i>          |
| Phone <i>(812) 219-3348 ext.</i>   | Email <i>mfried00@gmail.com</i> |
| Address <i>629 Woodcrest Dr</i><br>(street and/or PO, city, ZIP)<br><i>Bloomington IN 47401</i>  |                                 |
| Compliance Contact Information (person responsible for completion and timely submittal of mandatory annual compliance forms if designation is granted) |                                 |
| Name <i>Isabel Santer CPA</i>  | Job Title <i>CPA</i>            |
| Phone <i>(812) 355-4740 ext.</i>   | Email <i>isanther@bkd.com</i>   |
| Address <i>1600 W. Bloomfield Rd. suite B</i><br>(street and/or PO, city, ZIP) <i>PO Box 3040</i><br><i>Bloomington IN 47402-3040</i>                  |                                 |

| <b>Section 2 – Real Property Location and Description</b>  |   |                                   |
|--|---|-----------------------------------|
| Monroe County Tax Parcel ID Number(s) <i>53-08-04-200-013000-009</i>   | Township <i>Perry City</i>  |                                   |
| Street Address <i>338 S. Walnut</i>  | ZIP   |                                   |
| Current Zoning <i>CD commercial Downtown</i>   | Current Use(s) of Property<br><i>Vacant lot</i>   |                                   |
| Estimated Market Value of Property <i>350,000.00</i>   |   |                                   |
| Property or Building(s) Listed as Historic on the City of Bloomington Historical Survey?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, check one: | <input type="checkbox"/> Outstanding<br><input type="checkbox"/> Notable<br><input type="checkbox"/> Contributing | Age of Building(s), if applicable |
| Describe any other national or local historical significance or designation, if applicable   |   |                                   |
| Please list all owners of the property. <i>Daniel P. + Mary G. Friedman</i>  |   |                                   |
| <b>Attach</b> 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.

*See attached*

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<br>(permanent jobs)                            | _____ | Median full-time hourly wage               | _____ |
|  |       | Average full-time hourly wage              | _____ |
| What is the lowest hourly wage in<br>the company? (inc. PT, FT, other) | _____ |  |       |
| What is the median hourly wage in<br>the company (inc. PT, FT, other)  | _____ | TOTAL Annual Payroll<br>(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<br>(new permanent jobs) | _____ | TOTAL NEW Annual Payroll<br>(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)

Estimated Construction Start Date  
(month-year)

Estimated Completion Date  
(month-year)

Has Bloomington  
Planning approval  
been obtained for  
the Project?

Yes  
 No

If yes, Case Number:

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

Yes  
 No

If yes, please describe

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 *and detrimental* 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]

NF

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

NF

■ 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.

NF

■ 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.

NF

■ 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.

NF

■ 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.

NF

■ 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.

NF

■ 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

10/14/2014

Printed Name  
Mary Friedman

x Daniel P. Friedman

Owner

10/14/2014

Printed Name  
Daniel P. Friedman

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).**

Grantor has executed this CORPORATE WARRANTY DEED, this 28 day of February, 2014.

BLOOMINGTON REAL ESTATE COMPANY, INC., by:

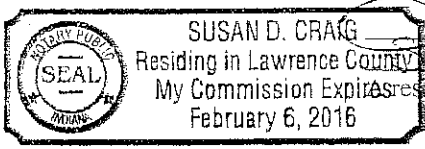
Audrey Marker, Pres  
AUDREY MARKER, President

Lois Tilford  
LOIS TILFORD, Secretary/Treasurer

STATE OF INDIANA )  
                                  ) SS:  
COUNTY OF MONROE )

Before me, Susan D. Craig, a Notary Public in and for said County and State, this February 28, 2014, personally appeared Audrey Marker, President, and Lois Tilford, Secretary/Treasurer, of BLOOMINGTON REAL ESTATE COMPANY INC., an Indiana corporation, who acknowledged the execution of the annexed instrument.

My Commission Expires: 2-6-16



Susan D. Craig  
Susan D. Craig Notary Public  
resident of Lawrence County, Indiana

Mailing addresses:

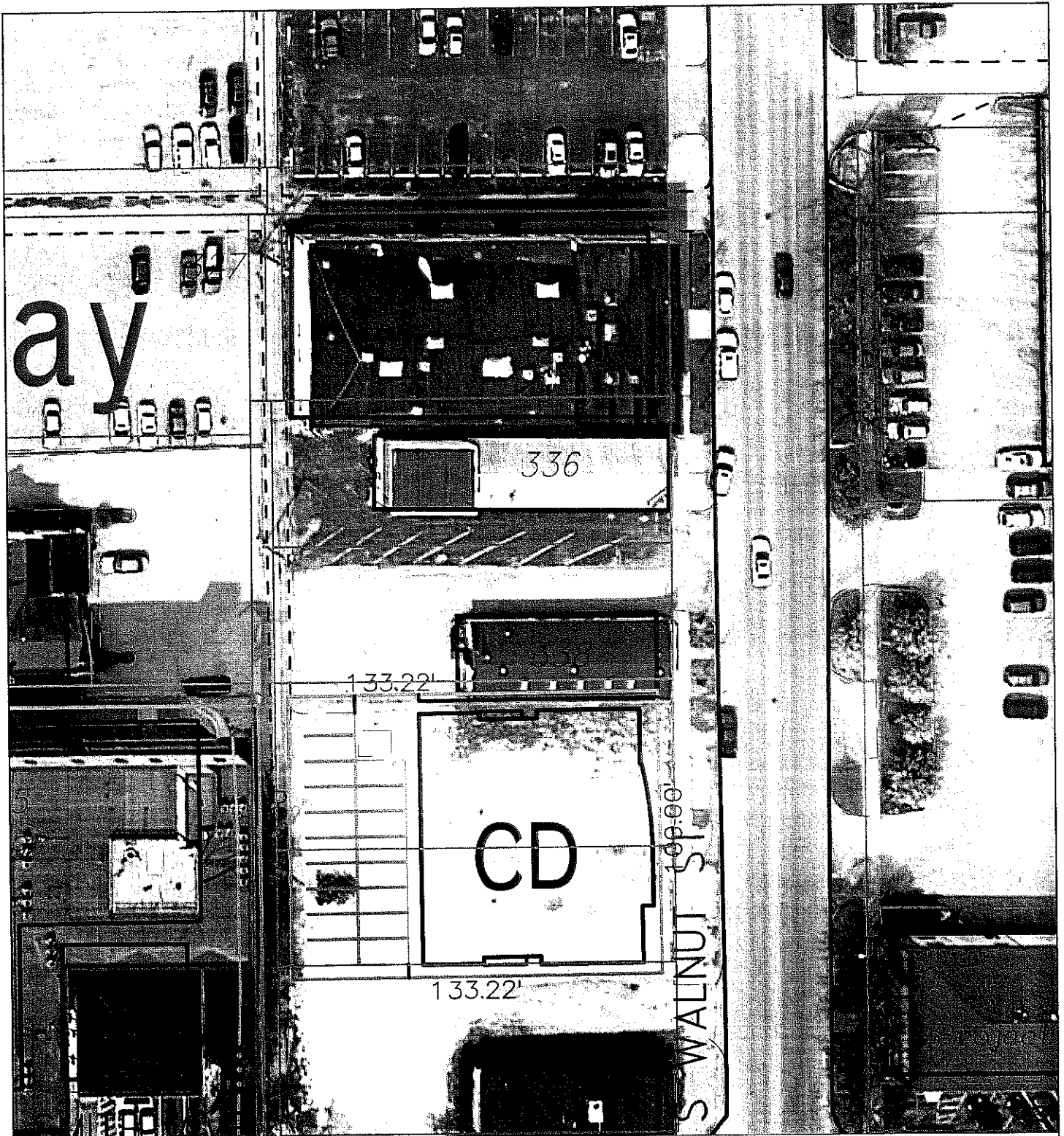
Per IC 32-21-2-3(b): Mailing address to which statements should be mailed under IC 6-1.1-22-8.1:  
115 E. 16<sup>th</sup> St. Bloomington, IN 47408

Per IC 32-21-2-3(b): Street address or rural route address of Grantee if above mailing address is NOT a street address or rural route address:

This Instrument Prepared By  
MORRIS H. ERICKSON, Attorney at Law  
Bloomington, Indiana

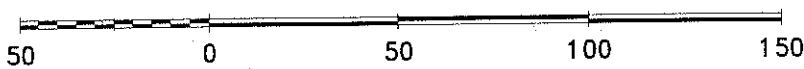
"I affirm, under the penalties of perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law."

Morris H. Erickson

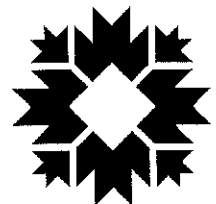


*C. 130 acre  
7.8 units*

By: greulice  
2 Jul 13



City of Bloomington  
Planning



Scale: 1" = 50'

For reference only; map information NOT warranted.

## 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 2,500 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 2,500 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.



**STATEMENT OF BENEFITS  
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R5 / 12-13)  
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<br><i>Mary &amp; Daniel P. Friedman</i>  |   |  |
| Address of taxpayer (number and street, city, state, and ZIP code)<br><i>629 Woodscreech DR. Bloomington, IN, 47401</i> |   |  |
| Name of contact person<br><i>Mary Friedman</i>  | Telephone number<br><i>812.219-3348</i> | E-mail address<br><i>mfriedm@gmail.com</i> |

**SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT**

|   |   |
|---|---|
| Name of designating body<br><i>Bloomington City Council</i>   | Resolution number   |
| Location of property<br><i>338 North Walnut</i>   | County<br><i>Monroe</i>   |
| Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary)<br><i>see additional sheet</i> | Estimated start date (month, day, year)<br><i>Feb 15, 2015</i>      |
|   | Estimated completion date (month, day, year)<br><i>Aug 15, 2015</i> |

**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                                  | <i>\$350,000 (Lot)</i>   |                |
| Plus estimated values of proposed project       | <i>\$1,950,000</i>       |                |
| Less values of any property being replaced      |                          |                |
| Net estimated values upon completion of project | <i>\$2,300,000</i>       |                |

**SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER**

|  |  |
|--|--|
| Estimated solid waste converted (pounds) <i>None</i> | Estimated hazardous waste converted (pounds) <i>None</i> |
|--|--|

Other benefits: *see additional sheet*

**SECTION 6 TAXPAYER CERTIFICATION**

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

|   |   |
|---|---|
| Signature of authorized representative<br><i>Mary Friedman</i>    | Date signed (month, day, year)<br><i>10/22/2014</i> |
| Printed name of authorized representative<br><i>Mary Friedman</i> | Title<br><i>Owner</i>                               |

## 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.

**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<br>( )  | 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.



**Tax Abatement Calculations for Real Property Improvement**

Big O - 338 S Walnut Street

Using 2013 Payable 2014 Tax Rate and Project Estimates

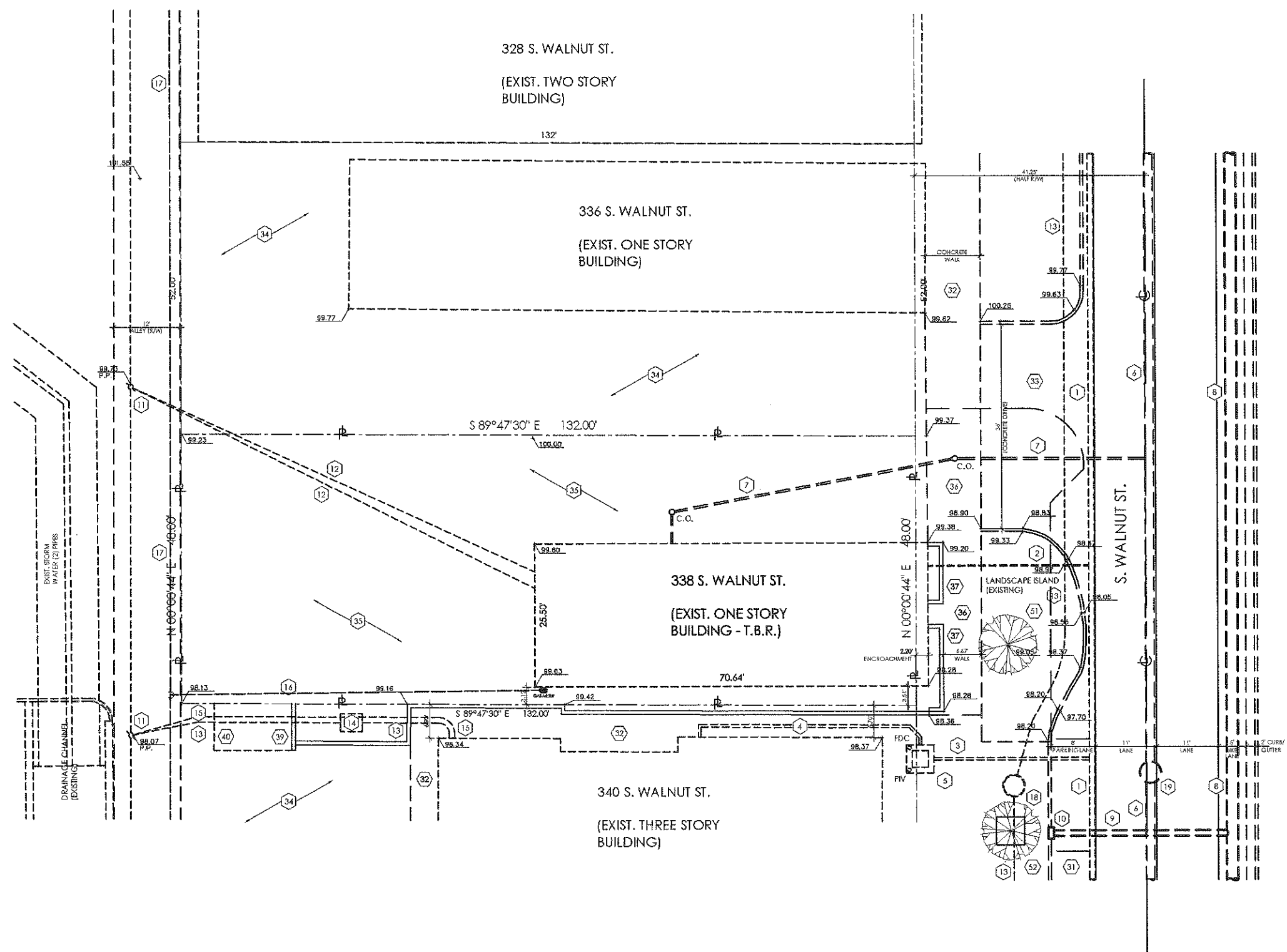
Improvements \$ 1,950,000  
 Net Rate 0.020754 Perry - City  
 Annual Taxes without Abatement \$ 40,470

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









CONSULTING ENGINEER:  
**KEVIN B. POTTER, P.E. and L.S.**  
 369 E. CUNNINGHAM STREET  
 MARTINSVILLE, INDIANA 46151  
 Ph. 812-325-8083

EXISTING SITE SURVEY LEGEND

- 1 EXISTING 12" Dia. WATER MAIN (to REMAIN)
- 2 EXISTING DOMESTIC WATER LINE (T.B.R.)
- 3 EXISTING WATER LINE (to REMAIN)
- 4 EXISTING 6" Dia. FIRE PROTECTION LINE (to REMAIN)
- 5 EXISTING WATER METER and FIRE PROTECTION PIT (FV & FOC - to REMAIN)
- 6 EXISTING 18" Dia. SANITARY SEWER MAIN (to REMAIN)
- 7 EXISTING PRIVATE SANITARY SEWER LATERAL (T.B.R.)
- 8 EXISTING 24" Dia. HDPE STORM SEWER MAIN (to REMAIN)
- 9 EXISTING 12" Dia. STORM SEWER LATERAL (to REMAIN)
- 10 EXISTING CURB INLET (to REMAIN)
- 11 EXISTING UTILITY POLE (to REMAIN)
- 12 EXISTING OVERHEAD ELECTRIC & PHONE SERVICE (T.B.R.)
- 13 EXISTING UNDERGROUND ELECTRIC SERVICE (to REMAIN)
- 14 EXISTING ELECTRIC TRANSFORMER (to REMAIN)
- 15 EXISTING UNDERGROUND PHONE SERVICE (to REMAIN)
- 16 EXISTING GAS SERVICE/WATER (T.B.R.)
- 17 EXISTING GAS MAIN (to REMAIN)
- 18 EXISTING ELECTRIC MANHOLE (to REMAIN)
- 19 EXISTING SANITARY SEWER MANHOLE (to REMAIN)
- 20 EXISTING ON-STREET PARKING
- 21 EXISTING CONCRETE SIDEWALK (to REMAIN)
- 22 EXISTING CURB CUR
- 23 EXISTING ASPHALT PAVING (to REMAIN)
- 24 EXISTING ASPHALT PAVING (1 B.R. - REF. SITE PLAN)
- 25 EXISTING CONCRETE SIDEWALK (T.B.R. - REF. SEE PLAN)
- 26 EXISTING 8" CONC. CURB & FLANERS (T.B.R.)
- 27 EXISTING 6" CONC. CURB (T.B.R. - REF. SITE PLAN)
- 28 EXISTING 6" CONC. CURB (to REMAIN)
- 29 EXISTING CONC. PAD (to REMAIN)
- 30 EXISTING STREET TREE (to REMAIN)
- 31 EXISTING STREET TREE IN TREE GRATE (to REMAIN)
- 32 EXISTING LANDSCAPE AREA (to REMAIN - REF. SEE PLAN)

NOTE: per INDIANA STATE LAW IC8-1-26.  
 IT IS AGAINST THE LAW to EXCAVATE  
 WITHOUT NOTIFYING THE UNDERGROUND  
 LOCATION SERVICE TWO (2) WORKING  
 DAYS BEFORE COMMENCING WORK.

CALL TWO (2) WORKING DAYS BEFORE  
 YOU DIG:  
 1-800-382-5544  
 (CALL TOLL FREE)

**mca** MARC CORNETT ARCHITECTS  
 101 EAST BIRKWOOD AVE.  
 BLOOMINGTON, INDIANA 47408  
 P: 812.325.2764 FAX: 812.325.2764

CERTIFIED

REVISIONS

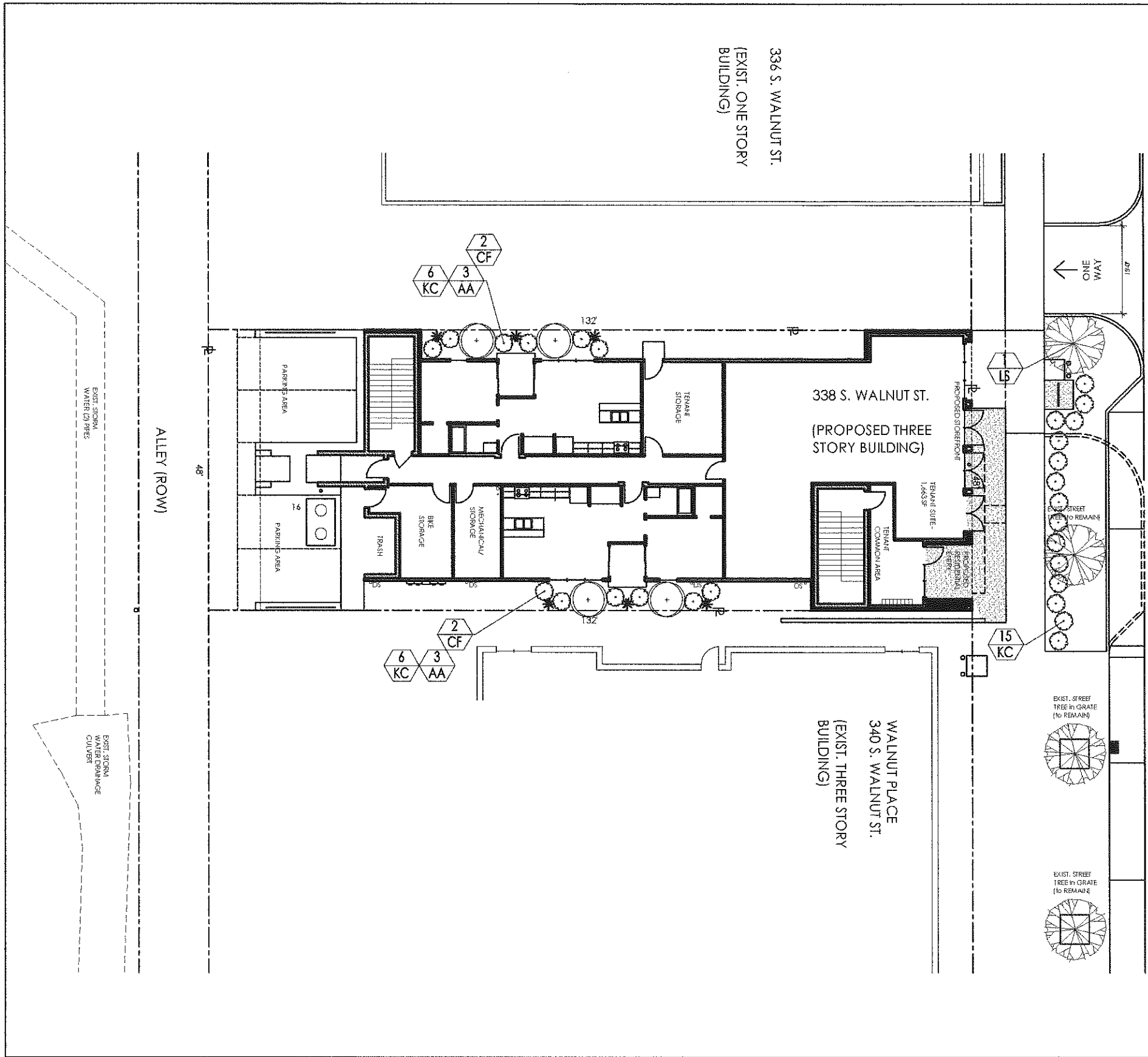
PROPOSED:  
**OMEGA PROPERTIES**  
 338 S. WALNUT STREET  
 BLOOMINGTON, INDIANA

PROJECT NO.: 2014-02  
 DATE: 05.30.14  
 DRAWN BY:  
 CHECKED BY: MHC

EXISTING SITE SURVEY  
**C.101**

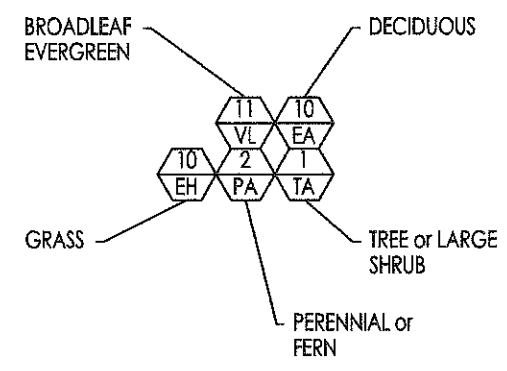
EXISTING  
**A SITE SURVEY**  
 SCALE: 1" = 10'-0"

C:\Users\kpotter\OneDrive\Documents\2014\Projects\2014-02 Omega Properties - 338 S. Walnut St.\Site Survey\2014-02 Site Survey.dwg  
 05/30/14 10:55:29 AM



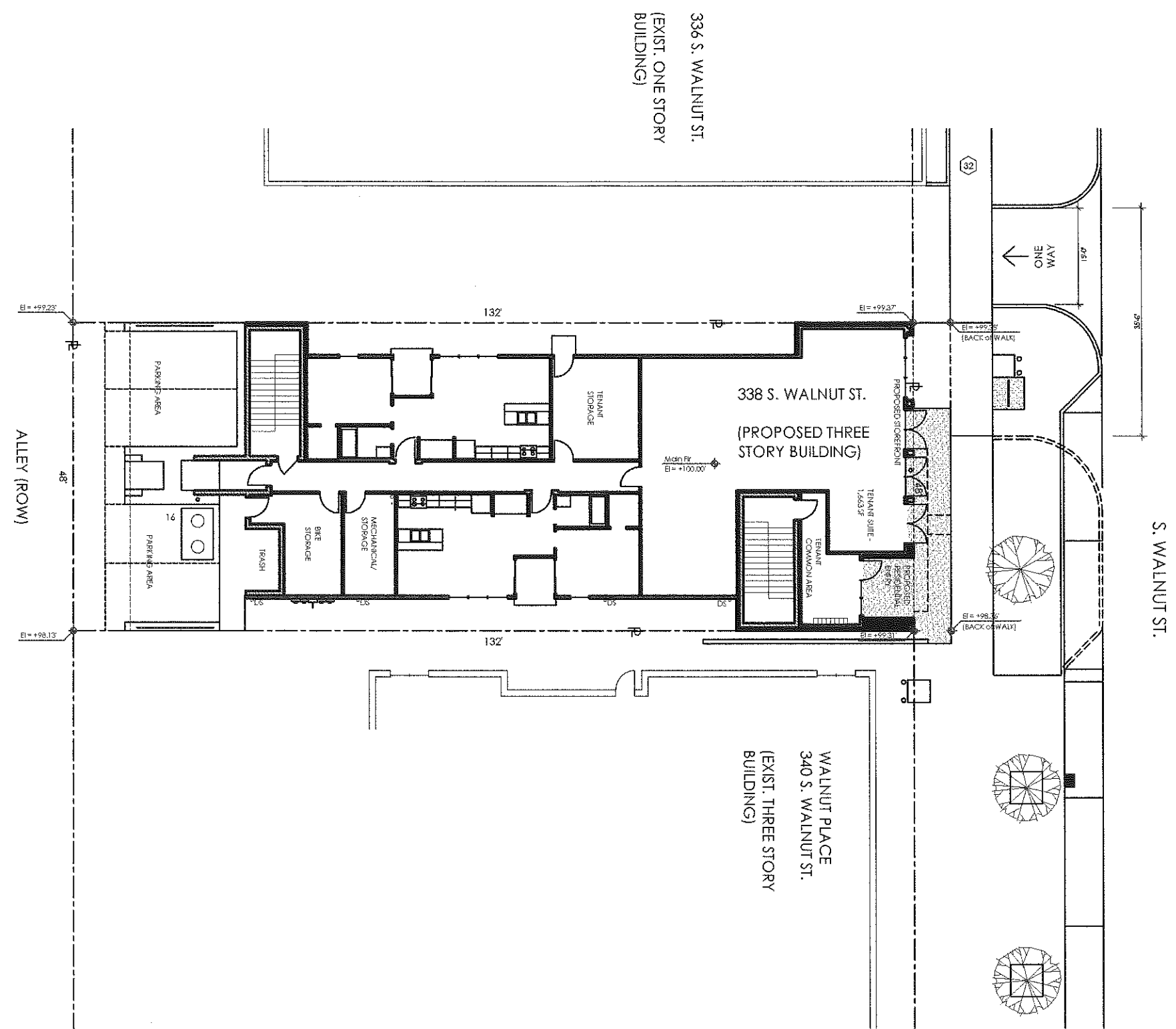
| LANDSCAPE PLANT LIST  |      |                         |                   |  |                  |
|---|------|-------------------------|-------------------|--|------------------|
| SYMBOL  | MARK | BOTANICAL NAME          | COMMON NAME       | QUANTITY   | SIZE & CONDITION |
| <b>LARGE DECIDUOUS TREES</b>  |      |                         |                   |  |                  |
|   | LS   | LIQUIDAMBAR STYRACIFLUA | SWEETGUM          | 1  | 1.5" CAL., B & B |
| <b>DECIDUOUS ORNAMENTAL and SMALL STREETSCAPE TREES</b>   |      |                         |                   |  |                  |
|   | CF   | CORNUS FLORIDA          | FLOWERING DOGWOOD | 4  | 1.5" CAL., B & B |
| <b>PERENNIALS, GRASSES and FERNS</b>  |      |                         |                   |  |                  |
|   | AA   | ASTER AZUREUS           | SKY BLUE ASTER    | 6  | 1 GALLON         |
|   | KC   | KOELERIA CRISTATA       | JUNE GRASS        | 27   | 1 GALLON         |
| NOTE: MINIMUM SIZE for PERENNIALS, GRASSES, FERNS and ENDANGERED PLANTS to BE 1 GALLON. IF 1 GALLON SIZES ARE UNAVAILABLE, 2 PLUGS (MINIMUM 2"x3") CAN BE SUBSTITUTED for ONE, 1 GALLON PLANT |      |                         |                   | *CONTAINER OR BALL AND BURLAP CONDITION ACCEPTABLE<br>NOTE: PLANT SUBSTITUTIONS NOT PERMITTED WITHOUT PRIOR APPROVAL FROM C.O.B. PLANNING (812) 349-3423 |                  |

**PLANT LABELING LEGEND:**



Scale: 1" = 20'-0"

|  |  |  |
|--|--|--|
| Project:<br><b>OMEGA PROPERTIES -<br/>         338 S. WALNUT ST.</b> | Sheet Title:<br><b>SITE LANDSCAPE PLAN</b> | Date:<br>04-01-2014<br><br>Page No.:<br>3 of 9 |
|--|--|--|



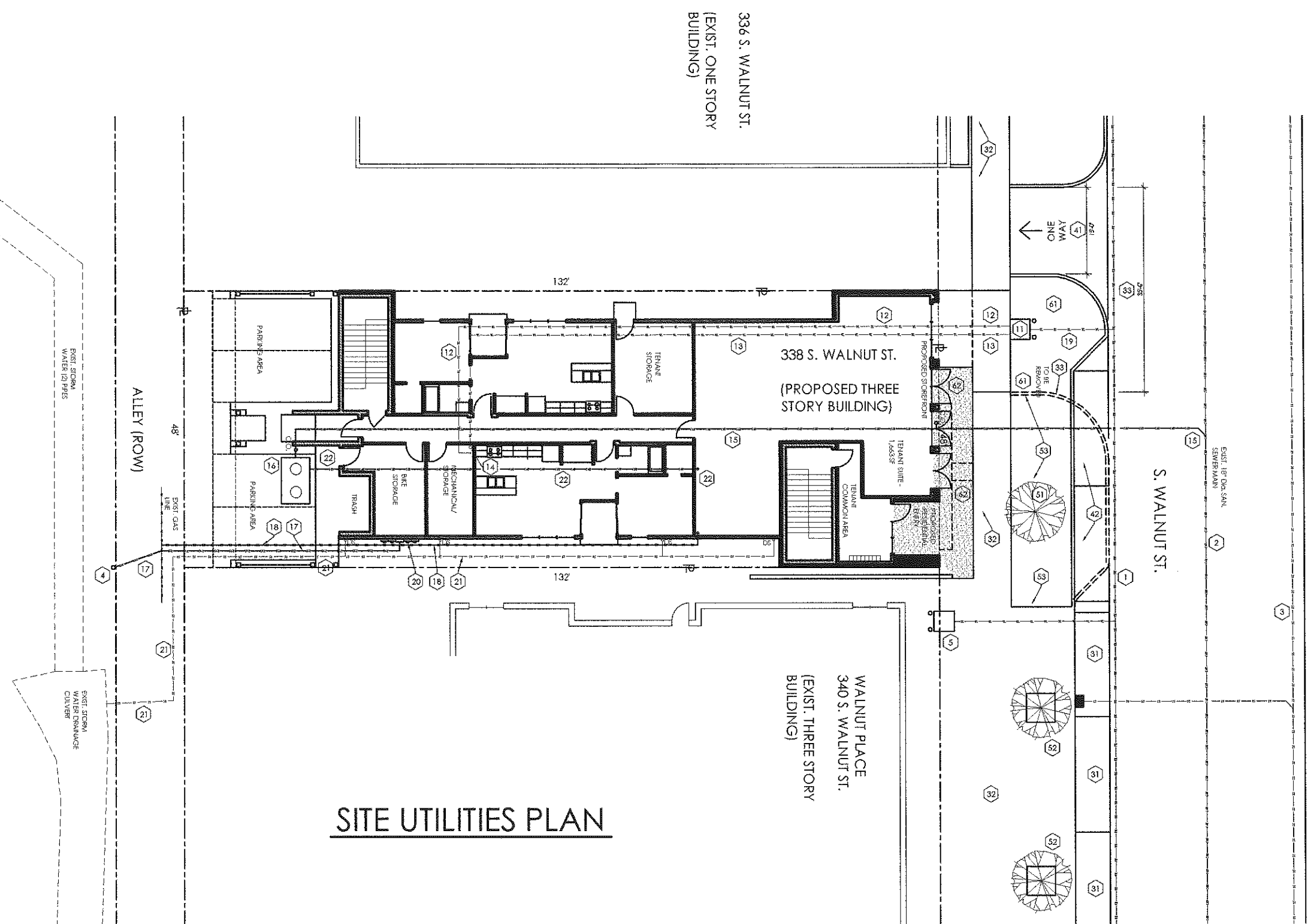
Scale: 1" = 20'-0"

Project:  
**OMEGA PROPERTIES -  
 338 S. WALNUT ST.**

Sheet Title:  
**SITE GRADING PLAN**

Date:  
 04-01-2014

Page No.:  
 2 of 9



**SITE UTILITIES PLAN**

**SITE PLAN/UTILITIES PLAN LEGEND**

- 1 EXISTING 12" WATER
- 2 EXISTING 18" SANITARY SEWER
- 3 EXISTING 24" HDPE STORM
- 4 EXISTING UTILITY POLE
- 5 EXISTING WATER METER and FIRE PROTECTION PIP (PW & FDC)
  
- 11 PROPOSED WATER METER and FIRE PROTECTION PIP (PW & FDC)
- 12 PROPOSED DOMESTIC WATER LINE
- 13 PROPOSED FIRE PROTECTION LINE
- 14 PROPOSED FIRE PROTECTION RISER
- 15 PROPOSED 6" Dia. SANITARY SEWER LATERAL
- 16 PROPOSED GREASE INTERCEPTOR SYSTEM
- 17 PROPOSED UNDERGROUND ELECTRIC SERVICE (2) 2" EPVC CONDUIT
- 18 PROPOSED UNDERGROUND GAS SERVICE
- 19 PROPOSED WATER SERVICE LINE
- 20 PROPOSED ELECTRIC METER CENTER
- 21 PROPOSED 8" STORMWATER LINE
- 22 PROPOSED 4" GREASE WASTE LATERAL
  
- 31 EXISTING ON-STREET PARKING
- 32 EXISTING SIDEWALK
- 33 EXISTING CURB CUT
- 41 PROPOSED CURB CUT (15' WIDE)
- 42 PROPOSED ON-STREET PARKING - (2) ADDITIONAL SPACES
  
- 51 EXISTING STREET TREE
- 52 EXISTING STREET TREE in TREE GRADE
- 53 EXISTING LANDSCAPE AREA
- 61 PROPOSED LANDSCAPE AREA
- 62 PROPOSED CONCRETE SIDEWALK AREA

Scale: 1" = 20'-0"



## **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 jobs<sup>1</sup>
- 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.

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<sup>1</sup> 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.

| <b>Criteria</b>   | <b>Definition</b>  |
|---|--|
| <b>Quality of Life and Environmental/Sustainability</b> | 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. |
| <b>Affordable Housing</b>                               | 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.  |
| <b>Community Service</b>                                | Volunteerism and civic engagement, such as serving on and working with boards, commissions and foundations, in the Bloomington community.  |
| <b>Community Character</b>                              | 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 remediation<sup>1</sup>
- Green building according to “Leadership in Energy and Environmental Design” (LEED)<sup>2</sup> 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.

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<sup>1</sup> 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).

<sup>2</sup> [www.usgbc.org](http://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 IMPROVEMENTS TO REAL PROPERTY**

**- 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 2,500 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 and 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 14-04 recommending that the Common Council designate the area as an ERA, approve the Statement of Benefits form, 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 forms, 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 5. 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 February 4, 2015.

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

\_\_\_\_\_  
, 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 February 4, 2015 to hear public comment on the ERA designation.

**RESOLUTION 14-04  
OF THE  
ECONOMIC DEVELOPMENT COMMISSION  
OF THE  
CITY OF BLOOMINGTON, INDIANA**

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

**WHEREAS**, Indiana Code § 6-1.1-12.1-17 *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 21 day of November, 2014.

  
\_\_\_\_\_  
Kurt Zorn, President

Bloomington Economic Development Commission

  
\_\_\_\_\_  
Malcolm Webb, Secretary

Bloomington Economic Development Commission

**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     | \$ -         |
| <b>Total Taxes to be Paid (thru Year 3):</b> |                   |              |               | \$ 40,875    |
| <b>Total Value of Abatement:</b>             |                   |              |               | \$ 80,536    |

**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 14-03  
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)

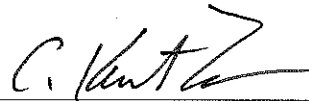
**WHEREAS**, the Economic Development Commission of the City of Bloomington, Indiana held a meeting on this day to consider Big O Properties, LLC's application; and

**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 approval of 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 21 day of November, 2014.



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Kurt Zorn, President  
Bloomington Economic Development Commission



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Malcolm Webb, Secretary  
Bloomington Economic Development Commission