

# **AGENDA**

## **CITY OF BLOOMINGTON ECONOMIC DEVELOPMENT COMMISSION**

Wednesday, December 9, 2020

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4:15 pm

Join Zoom Meeting

<https://bloomington.zoom.us/j/92905202610?pwd=N0RxbE5TelJ3S0pNUmJET3MxVzc0dz09>

Meeting ID: 929 0520 2610

Passcode: 100518

One tap mobile

+13017158592,,92905202610# US (Germantown)

+13126266799,,92905202610# US (Chicago)

- Call to Order
- Roll Call
- Minutes
  - August
  - September
- Old Business
  - Re-approving minimum updates to abatement guidelines
  - Re-approving letter to council
- New Business
  - Substantive amendments to abatement guidelines
- For the Good of the Order
- Next Meeting  
January 13, 2021  
4:15 p.m.
- Adjournment

Economic Development Commission  
Virtual Board Meeting Minutes  
Wednesday, August 19th, 2020 at 4:15 PM

Vanessa McClary called the meeting to order at 4:20 p.m.

ROLL CALL: Vanessa McClary, Geoff McKim, Kate Rosenbarger

ABSENT: Malcolm Webb, Kurt Zorn

STAFF: Larry Allen, Alex Crowley, Kaisa Goodman, Jane Kupersmith, Marnina Patrick

PUBLIC: Jennifer Pearl with the Bloomington Economic Development Corp. (BEDC)

APPROVAL OF MINUTES: Geoff McKim made the motion to table the minutes from July 15th and July 21st till the next meeting. Motion seconded by Kate Rosenbarger. Roll call vote unanimously passed.

OLD BUSINESS: Moving the monthly meeting to the second Wednesday of the month was reintroduced. It was decided the Commissioners will be polled on their availability and the decision will be formalized at the next meeting.

NEW BUSINESS:

- EDA Grant Proposal, CEDS Equivalent – Jennifer Pearl, President of the BEDC

Jennifer Pearl gave background information about the BEDC being a non-profit that serves all of Monroe County in the creation and attraction of quality jobs. BEDC is working with the City of Bloomington to apply for a U.S. Economic Development Administration (EDA) Coronavirus Aid, Recovery, and Economic Security (CARES) Act funding to establish a Trades District Technology Center. This joint effort is for two main reasons: to provide programming and services to help commercial technology as well as accelerate the growth of the over fifty local tech companies and also, to create a physical hub for tech companies and tech commercialization in the Bloomington Trades District.

The EDA along with the Federal Government generally expects to fund at least 80% of the eligible project costs.

The goal is to submit the application by September 30th. The application involves multiple components such as, architecture and engineering work, environmental consultation, a feasibility study, and a comprehensive economic development strategy (CEDS) equivalent.

The CEDS was created by the U.S. EDA to pull together a broad array of stakeholders in a community to focus on an economic development strategy for that community. This is called an 'equivalent' as CEDS is usually multiple counties and the scope of this project is below the county level. For the purpose of this application, the CEDS Equivalent talks about how the proposed Tech center will fit within the broader strategy for the community. Then the feasibility

study will establish the market demand for the proposed services and building. The U.S. EDA wants to ensure sure all of the community is in agreement with the endeavor and that the proposal has been verified.

Overview of the components of a CEDS Equivalent:

1. Summary background of the economic conditions of the region including the pandemic's impact as well as the anticipated help from the program.
2. Strength, Weakness, Opportunity, and Threat (SWOT) Analysis on the local community.
3. Strategic Direction and Action Plan about how the community intends to move forward to pursue achieving our economic development goals.
4. Evaluation Framework to demonstrate how we will evaluate this program over time.
5. Economic Resilience which is the ability of a community to withstand a natural or human-made disaster.

In the coming weeks, the CEDS Equivalent will be constructed by pulling from existing plans and consultations with partners in the community so as to solicit their support. Also, a broader CEDS plan will be embarked upon later in the year. This was intended to happen earlier in the year but was put on hold due to the pandemic. The goal of that broader CEDS plan is to coordinate across partners as well as across initiatives in the community. It is known internally what the priorities are related to economic development such as, employment growth, needs for housing, needs for quality of life. The goal is to better articulate those to the broader population. Jennifer Pearl then asked if there were any questions.

Geoff McKim asked if the board may see other examples of CEDS or CEDS Equivalents. Jennifer Pearl mentioned Indianapolis' CEDS and will reach out to obtain a copy. Geoff McKim asked for clarification about the scope of the CEDS Equivalent as the region is the context for the project. Jennifer Pearl stated they are confirming with the EDA to get clarification on whether or not they need to pull in any entities outside of the region.

Jennifer Pearl spoke to the additional ways in which this project would be a great opportunity to the community as a whole due to the ways it may intersect with Indiana University (IU). There are incredible assets coming out of IU due to their niche areas such as AI and machine learning, big data, bioinformatics, and cyber security. Additionally, there have been talks about the intersection between commercialization and technology with partners at Crane and contractors that work with Crane to explore how to grow jobs in our region. Also, there have been consultations with other technology companies as to what would be most useful to them. The feedback is as follows: connections with companies that would purchase their tech, connections to peer groups and opportunities, quality recruitment and hiring, providing advisory services, connecting them to funding and with federal opportunities. Geoff McKim asked if there would be a particular effort to engage with minority groups. Jennifer Pearl stated they are trying to grow employment opportunities across the board and welcomed input and suggestions for any gaps that they may be identified in the work.

Jane Kupersmith stated that this is a large project and how the conversation began around June. It may take several times discussing this for everyone to have time to process and weigh in.

Geoff McKim asked if EDC's endorsement is what is wanted. Alex Crowley stated that they want to ensure the right bodies are endorsing it before the application is submitted. Therefore, the EDC, the Bloomington Redevelopment Commission, the ROI, and the Office of the Mayor will hopefully be signatories to the documents as a part of the preparations for the application's submission.

Vanessa McClary asked if there was a timeline for the endorsements. Jennifer Pearl stated the goal is to submit the application by the end of September so the hope is to have the approval by the next EDC meeting.

Kate Rosenbarger asked for clarification on details of speaking with an architecture firm. Alex Crowley stated that they had to go to market by putting out an RFQ for the architecture and engineering services to project out a preliminary set of cost estimates. This cost estimate is a part of the determination of the grant award so accuracy is needed. The chosen firm will have until the 18th of September to get those preliminary cost estimates in so it can be packaged in to the application.

Geoff McKim asked about the outcome of the presentation to the RDC a few weeks ago. Alex Crowley explained that the RDC gave a project review form. That means they are not committing to the funding but accepting a first view of what that funding may look like. RDC is on board and will be heavily involved as local funding will come from TIFs and it is RDC property.

Geoff McKim asked about which lot it will be on. Alex Crowley stated that they proposed two but it has yet to be decided which one. The two are the one directly west of the Mill and the Kiln and the lot which is the southeastern most lot.

Jennifer Pearl spoke to the Feasibility Study that is running in parallel to the CEDS Equivalent and how it will make sure that the design of the building will meet the needs of the companies.

**FOR THE GOOD OF THE ORDER: None**

Next meeting will be September 16th, 2020 at 4:15 PM through the Zoom platform for virtual meetings. Geoff McKim motioned to adjourn. Kate Rosenbarger seconded the motion. Meeting adjourned at 4:50 p.m.

Economic Development Commission  
Virtual Board Meeting Minutes  
Wednesday, September 16th, 2020 at 4:15 PM

Malcolm Webb called the meeting to order at 4:20 p.m.

ROLL CALL: Geoff McKim, Kate Rosenbarger, Malcolm Webb

ABSENT: Vanessa McClary, Kurt Zorn

STAFF: Alex Crowley, Jane Kupersmith, Marnina Patrick

PUBLIC: Clark Greiner

APPROVAL OF MINUTES: There are no minutes.

OLD BUSINESS: Meeting date will adopt second Wednesday beginning October 14th, 2020 is the proposal. That change will be made next month. No objections. It was considered adopted unless there is a need for a motion.

NEW BUSINESS:

- Resolution 20-01, EDA Grant Proposal, CEDS Equivalent —Alex Crowley, Director, ESD, City of Bloomington

Alex Crowley spoke about the Comprehensive Economic Development Strategy (CEDS) document. The CEDS is a means to engage community leaders, leverage the involvement of the private sector, and establish a strategic blueprint for regional economic collaboration. Usually it is funded by and overseen by the Economic Development Administration (EDA) but they will also accept a CEDS Equivalent in certain circumstances. The plan has to address the regulation of the EDA, be current, prepared, and it should clearly define the area of the plan while demonstrating a process of input, participation, and engagement.

The City of Bloomington (COB) is in the process of finalizing an EDA grant application with plans to release it a week from this day. The Economic Development Commission (EDC) is being asked to approve the CEDS Equivalent because it is a requirement of the EDA grant to gain formal approval. This is an accelerated version for the short-term due to the timeframe of the grant. In the long-term there will be a CEDS proper.

This project is led by the Bloomington Economic Development Corporation with work and input from the City. Also involved have been the Economic Stabilization and Recovery (ES&R) as well as a coalition of economic groups in the region. Lastly, the Bloomington Redevelopment Commission is weighing in and on September 23rd the City Council will be given an overview on the grant.

Feedback is requested from the EDC for the next draft of the document. After the final draft is submitted there is a sixty day turn around to receive notification of the outcome. If successful the

award would allow for funding of the building construction which would begin at the beginning of 2021 to be opened by the end of 2022.

EDA Grant Overview: the proposal is for a Trades District Technology center which will be focused on the commercialization of technology companies in Bloomington and the surrounding region. A design firm has created an architectural design with cost models and it will be around a 10 million dollar building. The grant is an 80% match from the EDA with a 20% local match requirement.

Malcolm Webb asked about the technology industries that are anticipated to utilize the building. Alex Crowley stated a lot of the potential comes from what is being worked on at the Luddy School such as AI. The technology itself will also be applicable to involvement in other sectors in the area such as the defense sector.

Geoff McKim commented on the SWOT analysis threat section on COVID related threats to the hospitality and restaurant industries as not being represented explicitly enough. Alex Crowley then stated that Bloomington's dependency on those industries is one of the most compelling aspect of the grant application due to the need of diversifying the local economy.

Kate Rosenbarger commented in the demographic section clarification could be helpful about the source of the aging population. Alex Crowley clarified that there is a nationwide trend in aging populations and a distinction could be made in the final draft as to if there is an increase in the aging population for specific reasons in Bloomington.

Kate Rosenbarger then suggested the inclusion of walkability/bikeability in the strength section of the SWOT. Additionally, the transportation section mentions the bus system but the transportation plan that was just passed could be incorporated in that section.

Malcolm Webb asked if there was a motion of the resolution. Geoff McKim moved to approve of resolution 20-01 of the EDC of the COB endorsing the Comprehensive Economic Development Strategy of the EDA grant application to construct a tech center in the Trades District. Kate Rosenbarger seconded the motion. No discussion. Motion passed unanimously by roll call vote.

**FOR THE GOOD OF THE ORDER:** Geoff McKim wished everyone good luck for the City Council meeting this evening. Malcolm Webb shared an opportunity that Monroe County provides for the community. There are two world class fixed-base operators (FBO) at the Monroe County airport which is on par for major cities. This makes it possible to attract and support significant aviation activities and is an asset for economic development. Alex Crowley shared a saying, "wheels up in two minutes; two hours to anywhere in the country" and spoke to the important economic implications of that. Clark Greiner with the BEDC commented that the BEDC recognizes that asset and the BEDC plans to have a board meeting there to showcase it.

Next meeting will be October 14th, 2020 at 4:15 PM through the Zoom platform for virtual meetings. Geoff McKim motioned to adjourn. Kate Rosenbarger seconded the motion. Meeting adjourned at 4:48 p.m.

## **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
  - ~~1.~~ 1. Significantly increase full-time, permanent living-wage jobs<sup>2</sup>;
  - ~~2.~~ 2. Significantly increases existing wages; or
  - ~~3.~~ 3. Creation of affordable housing units.

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.~~

<sup>2</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, and the creation of affordable housing units, other evaluative criteria will be considered in the review of tax abatement applications, outlined below. This list is neither exhaustive nor definitive, and applicants are encouraged to submit proposals of projects that may not be found on this list but make a significant positive contribution to overall economic vitality and quality of life in the City of Bloomington.

Criteria	Definition
<p align="center"><b>Quality of Life and Environmental/Sustainability</b></p>	<p>A project which is consistent with or advances principles found in the <u>Redefining Prosperity report Sustainability Action Plan (2009/2018), Climate Vulnerability and Risk Assessment (2020), the Climate Action Plan (draft, 2020), and any other future sustainability planning documents</u>; 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.</p>
<p align="center"><b>Affordable Housing</b></p>	<p><u>A project which is consistent with or advances principles found in the Community Housing Needs Assessment (2016), the City of Bloomington Comprehensive Plan (2018), Bloomington Housing Study (2020) and any other future planning documents related to affordable housing.</u> 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.</p>
<p align="center"><b>Community Service</b></p>	<p>Volunteerism and civic engagement, such as serving on and working with boards, commissions and foundations, in the Bloomington community.</p>

<b>Community Character</b>	A project that preserves and/or enhances the unique character of the city of Bloomington.
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*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. 61.1-12.1-7.

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>3</sup>
- Green building according to “Leadership in Energy and Environmental Design” (LEED)<sup>4</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.

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<sup>3</sup> 1 By definition, a brownfield site is real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant (Public Law 107-118 (H.R. 2869) – “Small Business Liability Relief and Brownfields Revitalization act” – signed into law Jan. 11, 2002).

<sup>4</sup> www.usgbc.org

-- 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.

## 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.1932005, SEC.5; P.L.154-2006, SEC.30; P.L.3-2008, SEC.37; P.L.146-2008, SEC.128..*







**CITY OF BLOOMINGTON**  
economic & sustainable development

## MEMORANDUM

**To:** Stephen Volan, President, Common Council  
**Cc:** Common Council members  
Stephen Lucas, Counsel, Common Council  
Common Council staff  
Economic Development Commission members  
**From:** C. Kurt Zorn, President, Economic Development Commission  
Jane Kupersmith, Assistant Director Small Business Development, Economic and Sustainable Development  
**Date:** December 9, 2020  
**Re:** Recommendations for amending City Tax Abatement Guidelines

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Dear Mr. Volan,

At the behest of councilmembers during the 2018 tax abatement review process, ESD staff reviewed and recommended updates to the Tax Abatement Guidelines (attached) to unambiguously permit applications that offer capital investment and significant affordable housing, but do not expressly promise permanent, full-time employment.

In 2019 the Economic Development Commission reviewed and approved the changes, along with a letter to Council. However given staff turnover and the intervening global pandemic, these recommendations were never presented to Council for formal approval. ESD staff and the Economic Development Commission have updated both the guidelines and the formal recommendation to Council to include the new review criteria as well as current planning documents.

The EDC's intent is to provide additional flexibility in the eligibility criteria without diminishing any existing criteria. Contained below are those recommendations, in the form of specific, minimal proposed amendments (in red) to the existing guidelines (in black):

**Review Criteria:**

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

demonstrating the following:

- ~~Creation of full-time, permanent living wage jobs;~~
- Creation of capital investment as an enhancement to the tax base; and either
  - Creation of permanent, living-wage jobs<sup>1</sup>; or
  - Creation of a significant increase in existing wages; or
  - Creation of affordable housing units

Criteria	Definition
<p style="text-align: center;"><b>Quality of Life and Environmental/Sustainability</b></p>	<p>A project which that is consistent with or advances principles found in the <del>Redefining Prosperity report (2009)</del> Sustainability Action Plan (2018), Climate Vulnerability and Risk Assessment (2020), the Climate Action Plan (draft, 2020), and any other future sustainability planning documents; 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.</p>
<p style="text-align: center;"><b>Affordable Housing</b></p>	<p>A project that is consistent with or advances principles found in the Community Housing Needs Assessment (2016), the City of Bloomington Comprehensive Plan (2018), Bloomington Housing Study (2020), and any other future planning documents related to affordable housing. Residential developments with a recorded restriction that requires the housing for a certain number of years to be rented or owned by qualified very low and low income households are considered affordable housing. Projects of this nature may be directed toward specified individuals, for example, first-time homebuyers and persons with disabilities.</p>
<p style="text-align: center;"><b>Community Service</b></p>	<p>Volunteerism and civic engagement, such as serving on and working with boards, commissions and foundations, in the Bloomington community.</p>

<sup>1</sup> In accordance with Chapter 2.28 (Bloomington Living Wage Ordinance) of the Bloomington Municipal Code.

<b>Community Character</b>	A project that preserves and/or enhances the unique character of the city of Bloomington.
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EDC believes that capital investment as an enhancement to the tax base is a non-negotiable threshold criterion for tax abatement eligibility, both ideologically and practically. However, in light of the current demand and projected growth in demand for affordable housing in Bloomington, and the unique nature of affordable housing projects, the Commission suggests that the creation of affordable housing constitutes a sufficiently important public benefit to achieve threshold eligibility for consideration. In addition to job creation, EDC finds that significant wage growth may also be a good indicator of economic development.

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

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

Sincerely,

C. Kurt Zorn  
President  
On behalf of the Economic Development Commission  
City of Bloomington, IN