

# **AGENDA**

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

Wednesday, December 9, 2020

4:15 pm

Join Zoom Meeting

<https://bloomington.zoom.us/j/94436398824?pwd=djgwNDdJbnhqQlZnNkhjM3h0QU9iUT09>

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Meeting ID: 944 3639 8824 Passcode: 713553

- Call to Order
- Roll Call
- Minutes
  - December 9, 2020
- Old Business
- New Business
  - Conflict of Interest Form
  - Election of Officers
  - RAD Phase II inducement resolution for Crestmont
  - EDC Annual Report
- For the Good of the Order
- Next Meeting  
February 10, 2021  
4:15 p.m.
- Adjournment

Economic Development Commission  
Virtual Board Meeting Minutes  
Wednesday, December 9th, 2020 at 4:15 PM

Kurt Zorn called the meeting to order at 4:16 p.m.

ROLL CALL: Vanessa McClary, Geoff McKim, Kate Rosenbarger, Malcolm Webb, Kurt Zorn

ABSENT: NONE

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

PUBLIC: Mary Morgan with the Bloomington Chamber of Commerce

APPROVAL OF MINUTES: Geoff McKim motioned for approval of the August and September meeting minutes. Kate Rosenbarger seconded. Kurt Zorn abstained. Roll call vote passed.

OLD BUSINESS:

- Re-approving minimum updates to abatement guidelines – This was brought to the Commission in the fall of 2018 but was never fully finalized. Additionally, Council had commented that affordable housing needed to be more explicitly addressed. This edit allows for affordable housing units to be a stand-alone under capital investment. Also, added the requirement of documents for aspects of the evaluation criteria and added affordable housing. Alex Crowley clarified that this is in addition and is not to deemphasize the importance of tax abatement for job growth. Geoff McKim motioned to approve the minimum updates. Vanessa McClary seconded the motion. Roll call vote passed unanimously.

NEW BUSINESS:

- Substantive amendments to abatement guidelines – The merits of creating more specificity for the guidelines were debated. Jane Kupersmith presented on the findings from other municipalities' tax abatement guidelines. An idea was introduced about reorganizing the evaluation criteria to make it more like a rubric or to just use it as a tool to provide guidance. More research will be done on what other municipalities are doing.

FOR THE GOOD OF THE ORDER:

Next meeting will be January 13th, 2021 at 4:15 PM through the Zoom platform for virtual meetings. Meeting adjourned at 5:03 p.m.

**CITY OF BLOOMINGTON CONFLICT OF INTEREST QUESTIONNAIRE  
FOR BOARD AND COMMISSION MEMBERS**

Under Indiana Code 35-44.1-1-4, a public servant who knowingly or intentionally has a pecuniary interest in or derives a profit from a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Level 6 Felony. A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of the public servant or a dependent of the public servant who is under the direct or indirect administrative control of the public servant; or receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant. “Dependent” means any of the following: a spouse; a child, stepchild, or adoptee who is unemancipated and less than eighteen (18) years of age; and any individual more than one-half (1/2) of whose support is provided during a year by the public servant.

The City’s personnel policy states that “The City strives to avoid situations that have the potential for impropriety or the appearance of impropriety even where not expressly prohibited by state law.”

The City of Bloomington requests commissioners, board members and committee members to disclose certain interests as follows to ensure compliance with applicable state law and relevant local policy.

**Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**City board(s) and commission(s) on which you serve:** \_\_\_\_\_

\_\_\_\_\_

**1. Business Affiliations**

Please list, and briefly explain all affiliations which you, any member of your immediate family or any dependent (as defined above) has as a director, officer, partner, member, employee, consultant, agent or advisor of any entity or organization which transacts business with the City of Bloomington.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**2. Outside Interests**

Please identify all material financial interests or investments which you, any member of your immediate family or any dependent has in any entity which transacts business with the City of Bloomington. Exclude any equity or stock ownership by way of mutual fund,

index fund, retirement account, pension account or similar brokerage-based financial account.

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**3. Outside or Community Activities**

Please list all affiliations you, any member of your immediate family or any dependent has as a volunteer in any capacity with any entity or organization which transacts business with the City of Bloomington. Please describe the individual's role by title or duties.

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**4. Other**

Please list any other activities in which you, any member of your immediate family or any dependent (as defined above) are engaged that might be regarded as constituting a potential conflict of interest or an appearance of impropriety.

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I agree to promptly report any material situation or transaction that may arise during the forthcoming calendar year that to my belief or knowledge constitutes a potential conflict of interest consistent with the above questions.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

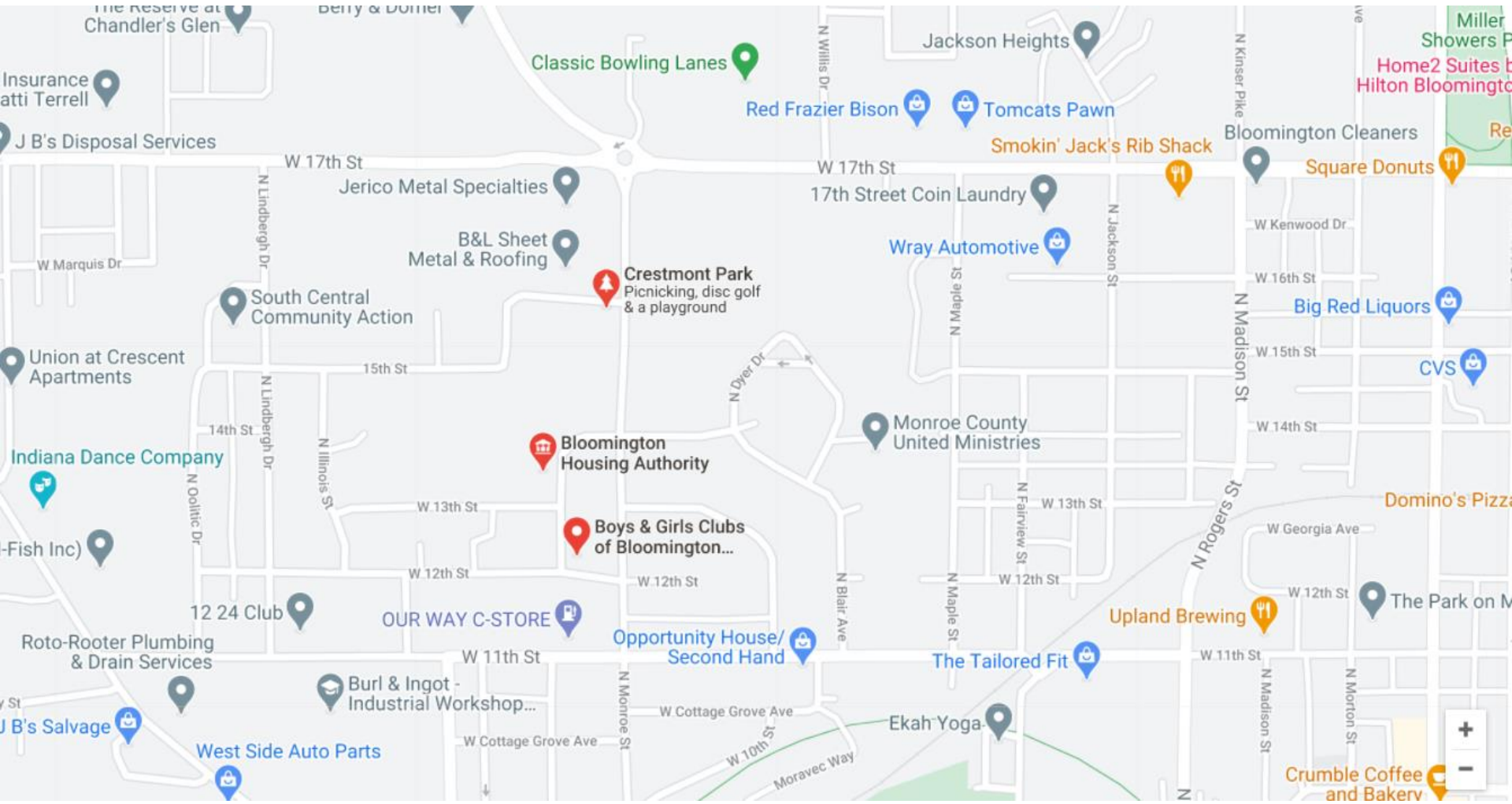
\_\_\_\_\_  
E-mail address

**Please complete and return to Barbara E. McKinney, Assistant City Attorney, within two weeks. Email [mckinneb@bloomington.in.gov](mailto:mckinneb@bloomington.in.gov), fax 812-349-3441, or mail to P.O. Box 100, Bloomington, IN 47402-0100. Thank you.**

# **Presentation to City of Bloomington EDC and Common Council**

Crestmont Community  
2021 Economic Development  
Revenue Bonds

# Crestmont



# Crestmont Highlights

- ➔ Originally built in 1965.
- ➔ 196 apartments serving Individuals and Families.
- ➔ Located at 1007 Summit Street.
- ➔ Nearby Ferguson Crestmont Boys & Girls Club.
- ➔ Currently managed and owned by Bloomington Housing Authority.
- ➔ 100% of the units will receive rental subsidy through a HAP contract.
- ➔ Management by BHA staff will continue.



# Crestmont Community





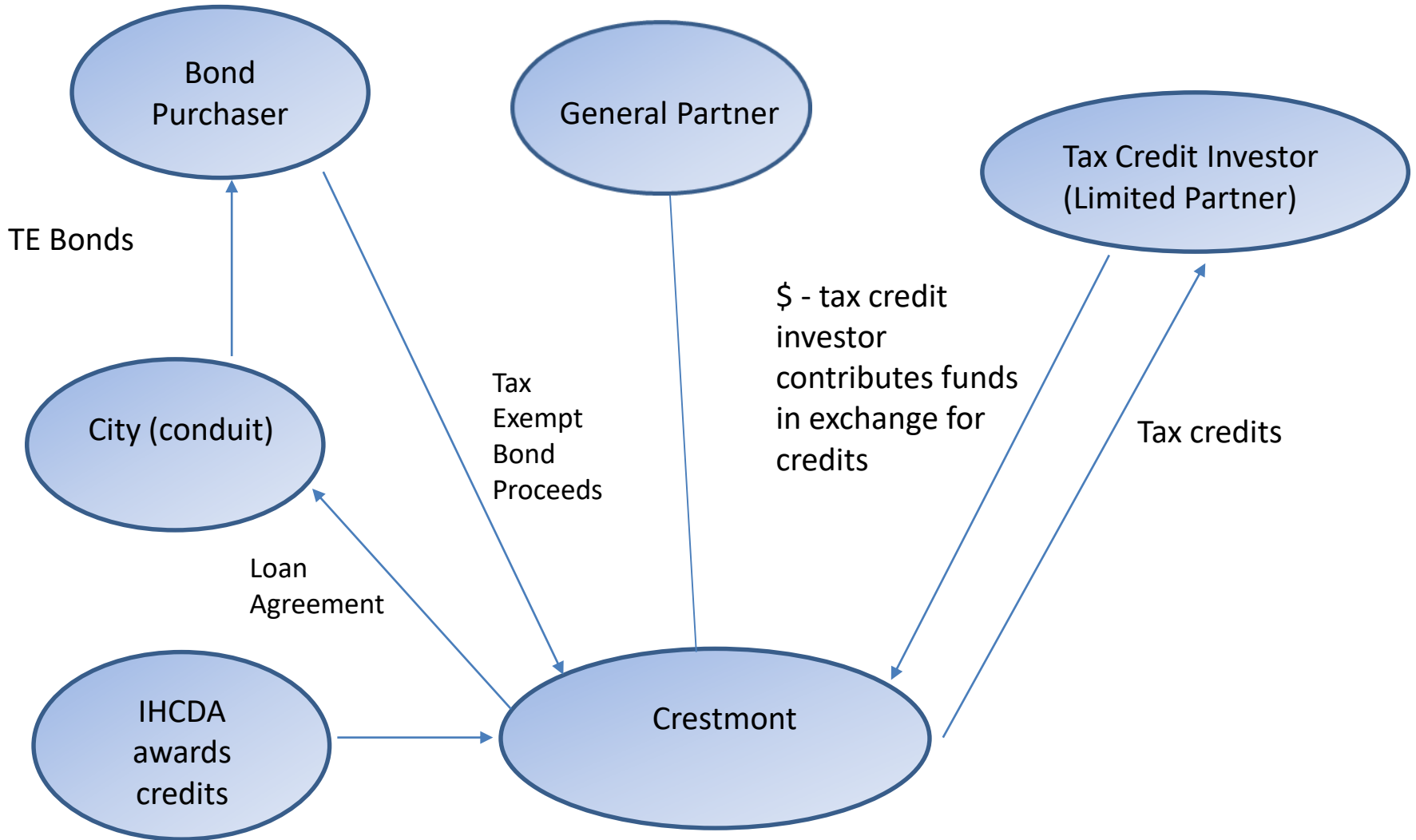
# Proposed Project

- ➔ Renovations focused on addressing code requirements, handicap accessibility, structural repair, unit modernization and energy efficiency.
- ➔ Includes reconfiguring units to accommodate wheelchairs and safety features as well as new roofs and site lighting.
- ➔ Interior improvements include: new flooring throughout all units, new kitchen cabinets, countertops, addition of dishwashers and washers and dryers, high efficiency furnaces and air conditioner condensers, new windows, new roofs, and site lighting
- ➔ Adding much-needed 8 1-bedroom units by converting 3-bedroom townhomes
- ➔ Resident relocation for no more than 60 to 90 days. Moving and relocation services will be paid for by BHA.
- ➔ No new jobs will be created and 10 jobs will be retained.

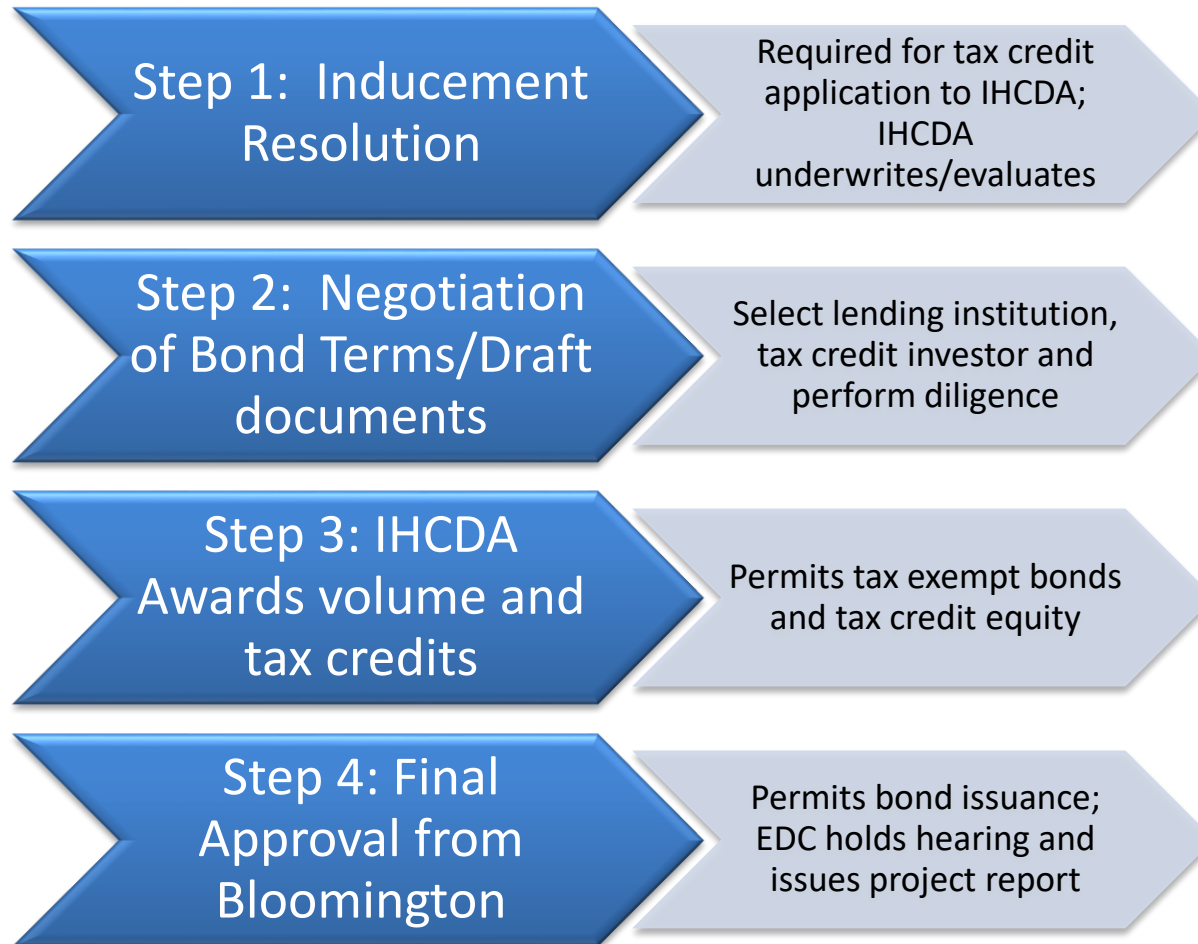
# RENTAL ASST DEMONSTRATION (RAD)

- ➔ Enacted by Congress in 2012 because of underfunding of public housing.
- ➔ RAD allows public housing agencies to leverage public and private debt and equity in order to reinvest in the public housing stock. This is critical given the 25.6 billion dollar backlog of public housing capital improvements.
- ➔ In RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain permanently affordable to low-income households.
- ➔ Residents continue to pay 30% of their income towards the rent and they maintain the same basic rights as they possess in the public housing program.
- ➔ RAD maintains the public stewardship of the converted property through clear rules on ongoing ownership and use.
- ➔ The RAD program is cost-neutral and does not increase HUD's budget. This program simply shifts units from the Public Housing program to the Section 8 program so that providers may leverage the private capital markets to make capital improvements.

# Bond and Credit Structure



# Bond and Tax Credit Process



# Bond Characteristics

- ➔ Issued pursuant to IC 36-7-12
  - Requires EDC to render project report, hold public hearing, approve ordinance authorizing bonds
- ➔ Bonds will not be payable from taxes or be a general obligation of the city; payable solely from revenues of the project; no effect on the city's constitutional debt limit or bank qualified limit
- ➔ City acts only as a “conduit” – allowing the borrower to access capital at a tax-exempt rate and receive equity for the project in the form of tax credits
  - No ongoing obligations or administration by the city – borrower is responsible for all tax covenants, payments and indemnifies city in all respects

# Conclusion

Any Questions?

Thank you!



**RESOLUTION 21-01  
OF THE  
CITY OF BLOOMINGTON  
ECONOMIC DEVELOPMENT COMMISSION**

WHEREAS, the City of Bloomington, Indiana (the "Issuer"), is authorized by Indiana Code 36-7-11.9 and 12 (collectively, the "Act") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, renovation, improvement and equipping of said facilities, and said facilities to be either sold or leased to a company or directly owned by a company; and

WHEREAS, the Common Council of the City of Bloomington, Indiana ("Common Council") has requested that the Bloomington Economic Development Commission ("Commission") review and make recommendations for all economic development revenue bond projects; and

WHEREAS, Bloomington RAD II, LP, an Indiana limited partnership, on behalf of itself or an affiliated to-be-formed Indiana limited partnership or limited liability company (the "Applicant"), has advised the Bloomington Economic Development Commission (the "Commission") and the Issuer that it proposes that the Issuer lend proceeds of an economic development financing to the Applicant for the acquisition, renovation, improvement and equipping of multifamily housing facilities consisting of an apartment complex known as Crestmont Community, containing approximately 196 apartment units located at 1007 N. Summit Street, Bloomington, Indiana, together with functionally related and subordinate facilities such as carports, garages and parking areas, Bloomington, Indiana (the "Project"); and

WHEREAS, the diversification of industry and increase in or retention of job opportunities (approximately 10 existing jobs to be retained) to be achieved by the acquisition, renovation, improvement and equipping of the Project will be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and

WHEREAS, the Commission has considered whether the Project will have an adverse competitive effect on any similar facility already constructed or operating in Bloomington, Indiana;

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

1. The Commission finds, determines, and confirms that the promotion of diversification of economic development and job opportunities in and near Bloomington, Indiana, is desirable to preserve the health, safety and general welfare of the citizens of the Issuer; and that it is in the public interest that the Commission and the Issuer take such action as they

lawfully may to encourage economic development, diversification of industry and promotion of job opportunities in and near the Issuer.

2. The Commission hereby recommends that the Common Council of the City of Bloomington, Indiana, approve the issuance and sale of economic development revenue bonds in an amount not to exceed \$30,000,000 under the Act for the lending of the proceeds of the revenue bonds to the Applicant, for the acquisition, renovation, improvement and equipping of the Project will serve the public purposes referred to above, in accordance with the Act.
3. In order to induce the Applicant to proceed with the acquisition, renovation, improvement and equipping of the Project, and subject to the further final approval of the Common Council of the City of Bloomington, Indiana, the Commission hereby approves, determines, ratifies and confirms that (i) it will take or cause to be taken such actions pursuant to the Act as may be required to implement the aforesaid financing, or as it may deem appropriate in pursuance thereof; and (ii) it will adopt such resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary and advisable for the authorization, issuance and sale of said economic development revenue bonds; and that the aforementioned purposes comply with the provisions of the Act; and (iii) it will use its best efforts at the request of Applicant to authorize the issuance of additional bonds for refunding and refinancing the outstanding principal amount of the bonds, for completion of the Project and for additions to the Project, including the costs of issuance (providing that the financing of such addition or additions to the Project is found to have a public purpose at the time of authorization of such additional bonds), and that the aforementioned purposes comply with the provisions of the Act; provided that all of the foregoing shall be mutually acceptable to the Issuer and the Applicant.
4. All costs of the Project incurred after the date permitted by applicable federal tax and state laws, including reimbursement or repayment to the Applicant of moneys expended by the Applicant for planning, engineering, a portion of the interest paid during acquisition, improvement and equipping, underwriting expenses, attorney and bond counsel fees, acquisition, improvement and equipping of the Project will be permitted to be included as part of the bond issue to finance the Project, and the Issuer will lend the proceeds from the sale of the bonds to the Applicant for the same purposes. Also, certain indirect expenses, including but not limited to, planning, architectural work and engineering incurred prior to this inducement resolution will be permitted to be included as part of the bond issue to finance the Project.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2021.

CITY OF BLOOMINGTON ECONOMIC  
DEVELOPMENT COMMISSION

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Kurt Zorn, President

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Vanessa McClary, Member

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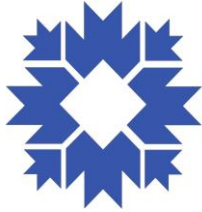
Geoff McKim, Member

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Kate Rosenbarger, Member

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Malcomb Webb, Member



**CITY OF BLOOMINGTON**  
economic & sustainable development

## MEMORANDUM

**To:** City of Bloomington Common Council  
**cc:** Economic Development Commission Members  
Larry Allen, Assistant City Attorney;  
Alex Crowley, Director, Economic and Sustainable Development  
**From:** Jane Kupersmith, Assistant Director, Economic & Sustainable Development  
**Date:** Jan 13, 2020  
**Re:** EDC Annual Report

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- I. **Background:** The Bloomington Economic Development Commission has five members whose terms last five years. The first three members listed below are mayoral appointments, and the final two were appointed by the Monroe County Council and the Bloomington Common Council respectively. Membership at the writing of this memo is as follows:

- Kurt Zorn, President
- Malcolm Webb, Vice President
- Vanessa McClary, Secretary
- Geoff McKim, County Council Representative
- Kate Rosenbarger, Bloomington Common Council Representative

City of Bloomington staff who support the Commission are:

- Alex Crowley, Director of Economic & Sustainable Development
- Jane Kupersmith, Assistant Director, Small Business Development
- Marnina Patrick, Administrative Assistant, Economic & Sustainable Development
- Larry Allen, Assistant City Attorney

In addition to the statutory responsibilities, duties, power, and authorities set out by Indiana Code 36-7-12, the EDC makes recommendations to the Bloomington Common Council regarding applications for tax abatement.

- II. **Summary of 2020 Activities:** In 2020, the EDC presented an annual abatement report to Bloomington Common Council on July 15, 2020 (please see attached presentation for additional details). No new tax abatements were recommended or considered during 2020.

The EDC amended and approved updated abatement guidelines on December 9, 2020, which will be presented to Bloomington Common Council for approval in 2021. The EDC did not issue any new bond inducements in 2020. However, the City Council authorized economic development bonds for the renovation of Walnut Woods and Reverend Butler Apartments by Bloomington RAD I, LP. The total amount authorized for the bonds was up to \$11,000,000. Those bonds were authorized by the City Council in Ordinance 20-02.

# Annual Economic Development Commission (EDC) Report

*2019 Activity and Tax Abatement Summary*



## ***Presentations to:***

Economic  
Development  
Commission  
*July 15, 2020*

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Common Council  
*July 29, 2020*



# **Tax Abatement Activity**

- I. Introduction
- II. Economic Impact
- III. Residential Projects
- IV. Mixed-Use Projects
- V. Commercial Projects
- VI. Projects in Progress
- VII. Other EDC Activity





## Tax Abatements

- Phase-in of new property taxes
  - All or part of **new** assessed value exempted from paying property tax
  - Reduction of tax liability on **added** assessed value (AV) only – from *improvements* only
- Terms from 1 to 10 years
  - Sliding scale from 100% to **no** exemption on the new AV;
  - Designating body may provide an “alternative deduction schedule” (IC 6-1.1-12.1-17)



# Tax Abatements

- Local economic development tool
  - City authorizes, County administers
- City of Bloomington General Standards
  - Evaluative criteria adopted 2010
    - Creation of full-time, permanent living-wage jobs
    - Creation of capital investment to enhance tax base (↑ AV)
    - Quality of Life and Environmental/Sustainability
    - Affordable Housing
    - Community Service
    - Community Character
- Bloomington Common Council requires an Economic Development Commission (EDC) recommendation



# Authorization Process

- ESD Department
  - Receives Application and Statement of Benefits (IN Form SB-1)
- EDC recommendation
  - Economic Revitalization Area
    - Economic Development Target Area, if appropriate
  - Abatement term and schedule
- Common Council
  - Designating resolution
  - Public hearing and confirmatory resolution
    - Or modifying/confirming or rescinding resolution



# Annual Reporting

- *Note: Due to COVID-19, receipt of some CF-1's was delayed.*
- Compare estimated “benefits” to actual results
- Taxpayer submits annual Compliance form with Statement of Benefits form (IN Form CF-1)
  - Filed with County Auditor for deduction administration
  - Copied to City Clerk for reporting to Common Council
- Council has given ESD Department the responsibility to compile and report to EDC
  - EDC forwards final report to Council for any action



# Economic Impacts

Progress toward new real and personal property investment estimates  
(Active Abatements only)

<b>Category</b>	<b>Proposed New Investment (SB-1)</b>	<b>Actual New Investment (CF-1)</b>
Commercial RE	\$ 77,500,000	\$ 44,346,687
Commercial PP*	\$ 110,400,000	\$ 65,869,287
Mixed Use	\$ 11,500,000	\$ 12,600,000
Residential	\$ 17,600,000	\$ 24,473,938
<b>Total</b>	<b>\$ 217,000,000</b>	<b>\$ 147,298,912</b>



# Economic Impacts

Progress toward new jobs and salary estimates

<b>Proposed New Jobs</b>	<b>Proposed New Salaries</b>	<b>Actual New Jobs</b>	<b>Actual New Salaries</b>	<b>Total Jobs New and Retained</b>	<b>Total Salaries New and Retained</b>
336	\$ 18,635,104	1,119	\$69,248,917	2,678	\$158,930,780
<i>Average Proposed New Salary = \$55,462</i>		<i>Average Actual New Salary = \$61,885</i>		<i>Average New and Retained Salary = \$59,347</i>	

Figures exclude temporary jobs and corresponding salaries from construction.

Excludes unknown salary information from some businesses leasing space in mixed-use developments, non-reported information and commissions/benefits.





## Economic Impacts of Active Abatements

<b>Category</b>	<b>Current Assessed Values (Improvements only)</b>
Commercial RE + PP	\$134,396,698
Mixed Use	\$14,859,300
Residential	\$2,609,100
<b>Total</b>	<b>\$ 151,865,098</b>

**Union at Crescent**  
***N. Crescent Road***  
**Resolution: 17-30**





**Union at Crescent**  
***N. Crescent Rd***  
**Resolution: 17-03**

**Statement of Benefits**

**Compliance**

**Type:** Real Estate Property Improvements

**Summary:** Real estate improvements are complete.

**Length of Abatement:** 10 years RE

**Estimated New Investment:** \$17,600,000

**Estimated Retained Employment:** n/a

**Estimated New Job Created:** 5

**Estimated New Salaries:** \$13.00/HR

**Benefits:** Construction of a new 146-unit, 5-story multi-family mixed affordable and market rate housing development within four attached buildings.

**Summary:** No less than 70% of the units (102 units) will be allocated to households with incomes at or below 60% of the Area Median Income, and no less than 20% of the units will be Market Rate.

**Actual New Investment:** \$24,473,938

**Actual retained Employment:** n/a

**Actual New Employment:** 5

**Actual New Salaries:** \$17.00/HR

**Current Assessed Value:** \$2,609,100  
(partial assessment)

**Remarks:** Staff recommends a finding of substantial compliance with the Statement of Benefits.

This Real Property abatement is in Year 1 of 10.



**Urban Station**  
**403 South Walnut St.**  
**Resolution: 16-12**





**Urban Station**  
**403 South Walnut St.**  
**Resolution: 16-12**

**Statement of Benefits**

**Compliance**

**Type:** Real Estate Property Improvements

**Summary:** Real estate improvements are complete.

**Length of Abatement:** 10 years RE

**Estimated New Investment:** \$11,500,000

**Estimated Retained Employment:** 10

**Estimated New Job Created:** 5

**Estimated Retained Salaries:** \$400,000

**Estimated New Salaries:** \$115,000

**Benefits:** Construction of one new 4 story, mixed-use building with 7,000 sq ft of commercial space on 1<sup>st</sup> and one new 4 story residential building.

**Summary:** First City tax abatement project that includes Workforce Housing, including five 1BR and five 2BR units, with a duration of 99 years.

**Actual New Investment:** \$14,500,000

**Actual retained Employment:** n/a

**Actual New Employment:** 4

**Actual Retained Salary:** n/a

**Actual New Salaries:** \$150,000

**Current Assessed Value:** \$14,859,300

**Remarks:** Staff recommends a finding of substantial compliance with the Statement of Benefits.

This Real Property abatement is in Year 3 of 10.

**The Foundry**  
**304 West Kirkwood Ave.**  
**Resolution: 14-15**







**The Foundry**  
**304 West Kirkwood Ave**  
**Resolution: 14-15**

**Statement of Benefits**

**Type:** Real Estate and Personal Property Improvements

**Length of Abatement:** 5 years RE, 10 years PP

**Estimated New Investment RE:**  
\$11,500,000

**Estimated New Investment PP:** \$400,000

**Estimated Retained Employment:** 54

**Estimated New Jobs Created:** 11

**Estimated Retained Salaries:** \$3,637,099

**Estimated New Salaries:** \$825,000

**Benefits:** Construction of a new 4 story, mixed-use building with 12,640 sq ft of commercial space on 1<sup>st</sup> and 2<sup>nd</sup> floor.

**Summary:** Tax Abatement does not include top floor residential units

**Compliance**

**Summary:** Real estate improvements are completed. Personal Property has not yet been purchased.

**Actual New Investment:** \$18,875,710 (RE)

**Actual Retained Employees:** 54

**Actual Retained Salaries:** \$3,673,099

**Actual New Employees:** 11

**Actual New Salaries:** \$1,901,809

**Current Assessed Value:** \$15,966,800

**Remarks:** Staff recommends a finding of substantial compliance with the Statement of Benefits.

The RE abatement is in year 1 of 5. The PP abatement has not yet begun.

V. – Commercial Projects

## **Cook Pharmica d/b/a Catalent Biologics (2015)**

*1300 S Patterson Drive*

Resolution 15-06







## **Cook Pharmica d/b/a Catalent Biologics**

**1300 S. Patterson Dr.**

**Resolution: 15-06**

### **Statement of Benefits**

### **Compliance**

**Type:** Personal Property Improvements

**Summary:** PP investments complete.

**Length of Abatement:** 10 years

**Estimated New Investment:** \$25,000,000

**Est. Retained Jobs:** 550

**Est. Retained Salaries:** \$31,000,000

**Estimated New Jobs Created:** 70

**Estimated New Salaries:** \$3,200,000

**Actual New Investment:** \$31,869,287

**Actual Retained Jobs:** 550

**Actual Retained Salaries:** \$31,000,000

**Actual New Employees:** 686

**Actual New Salaries:** \$37,134,386

**Current Assessed True Tax Value of Personal Property:** \$17,797,408

**Benefits:** Investment in building improvements, machinery and equipment in order to expand its capacity to formulate, fill and finish (package) vials and syringes.

**Remarks:** Staff recommends a finding of substantial compliance with the Statement of Benefits.

**Summary:** 70% personal property tax abatement

This abatement is in year 2 of 10.

**Catalent Indiana, LLC**  
**1300 S. Patterson Dr.**  
**Resolution: 19-03; 19-04**





**Catalent Indiana, LLC**  
**1300 S. Patterson Dr.**  
**Resolution: 19-04**

**Statement of Benefits**

**Type:** Real Estate and Personal Property Improvements

**Length of Abatement:** 10 years

**Est. New PP Investment:** \$85,000,000

**Est. New RE Investment:** \$40,000,000

**Est. Retained Employees:** 839

**Esti. Retained Salaries:** \$43,926,000

**Estimated New Jobs Created:** 200

**Estimated New Salaries:** \$13,312,000

**Benefits:** Phase 1: Build out 15,000 ft<sup>2</sup> of manufacturing space to expand packaging capacity and add new capabilities to support specialized device assembly. (End of 2019))  
*Department of Economic and Sustainable Development*

**Compliance**

**Summary:** Phase 1 PP investments complete. RE investments pending.

**Actual New Investment:** \$34,000,000

**Actual Retained Employees:** 839

**Actual Retained Salaries:** \$43,926,000

**Actual New Employees:** 397

**Actual New Salaries:** \$24,208,386

**Current Assessed True Tax Value of Personal Property:** \$89,376,790

**Remarks:** Staff recommends a finding of substantial compliance with layer 1 for PP of the Statement of Benefits.

This abatement is in year 1 of 10.





**Hoosier Energy**  
**2501 South Cooperative Way**  
**Resolution: 13-03**





**Hoosier Energy**  
**2501 South Cooperative Way**  
**Resolution: 13-03**

**Statement of Benefits**

**Type:** Real Estate Improvements  
**Length of Abatement:** 10 years

**Estimated New Investment:**  
\$20,000,000  
**Estimated Retained Employees:** 116  
**Estimated Retained Salaries:**  
\$11,118,764  
**Estimated New Employees:** 0  
**Estimated New Salaries:** 0

**Benefits:** Construction of a new multi-story, LEED-certified 80,000+ square foot headquarters building

**Compliance**

**Summary:** Real estate improvements are complete.

**Actual New Investment:**  
\$20,800,000  
**Actual Retained Employees:** 116  
**Actual Retained Salaries:** \$11,118,764  
**Actual New Employees:** 16  
**Actual New Salaries:** \$5,854,336  
**Current Assessed Value:** \$9,303,400

**Remarks:** Staff recommends a finding of substantial compliance with the Statement of Benefits.  
The abatement is in year 4 of 10.



**Woolery Mill Ventures, LLC**  
**Property at 2600 S. Kegg Rd**  
**Resolution: 04-01; 13-14**





**Woolery Mill Ventures, LLC**  
**Property at 2600 S. Kegg Rd**  
**Resolution: 04-01; 13-14**

**Statement of Benefits**

**Type:** Real Estate Improvements  
**Length of Abatement:** 10 years  
**Estimated New Investment:** \$6,000,000  
**Estimated New Employment:** 45  
**Estimated New Salaries:** \$1,183,104

**Benefits:** Renovation of an abandoned limestone mill into a mixed use facility (42 apts/condos, 55-room hotel, recreational amenities, event space) rehabilitated to the historic standards of the Secretary of Interior.

Phase I includes site improvements and completion of event space.

**Compliance**

**Summary:**

Woolery Ventures obtained a building permit for Phase I (event space) and completed the event space in May 2019. They have met their investment and construction timeline for Phase I requirements.

**Actual New Investment:** \$4,670,977

**Actual New Employees:** 0\*

**Actual New Salaries:** 0

**Current Assessed Value:** \$1,952,300

\*Employees status affected by COVID-19.

**Remarks:** Staff recommends a finding of substantial compliance with the Statement of Benefits

Abatement is in year 1 of 10.



**Southern Knoll/Milestone Ventures**  
**1107 W 3rd St**  
**Resolution: 18-09**







## **Southern Knoll/Milestone Ventures**

**1107 W 3rd St**

**Resolution: 18-09**

### **Statement of Benefits**

**Type:** Real Estate Improvements

**Length of Abatement:** 10 years RE / 98% rate

**Estimated New Investment RE:** \$4,000,000

**Estimated New Job Created:** 1 FTE

**Estimated New Salaries:** \$23,200

**Benefits:** A 31-unit 2-story affordable housing complex on 1107 W. 3rd St. All units affordable to households at or below 80% of the Area Median Income (AMI), at least 75% of the units affordable to households at or below 60% AMI.

-7 units set aside as permanent supportive housing for the homeless. (Shalom)

-7 units will be set-aside for persons with developmental disabilities. (LifeDesigns)

**Summary:** Construction is about to begin, estimated completion 2020

**Catalent Indiana, LLC**  
**1300 S. Patterson Dr.**  
**Resolution: 19-03; 19-04**





**Catalent Indiana, LLC**  
**1300 S. Patterson Dr.**  
**Resolution: 19-03**

**Statement of Benefits**

**Type:** Real Estate

**Length of Abatement:** 10 years / 45% rate

**Estimated New Investment:** \$40,000,000 RE; \$85,000,000 PP

**Estimated New Jobs Created:** 200

**Estimated New Salaries:** \$13,312,000

**Benefits:** Phase 1: PP Complete

Phase 2: Build out the facility's drug product sterile filling capacity by 79,000 sq ft. (End of 2021)

**Summary:** Declining tax abatement, 45% average rate per year, over 10 years on both RE and PP investments.



## **VIII. Other EDC Activity**

- I. Housing Bond Approvals
- II. Tax Abatement Guidelines Review and Recommendation



## Limestone Crossing

- Final approval in December 2019 of revenue bonds not to exceed \$26,000,000 to Limestone Crossing
- To facilitate the rehabilitation of Canterbury House (now Limestone Crossing) at 540 S Basswood Drive
- 208 units at 60% AMI (previously only
- Site rehabilitations include: new roofs, trash enclosures, parking lot repair, enhanced site lighting and accessibility;
- Unit improvements include: new flooring, countertops, windows, doors, HVAC and appliances (including washer and dryers); and safety improvements: site lighting, larger and clearly visible building identification (per BFD), enhanced security system and fencing.



## Walnut Woods / Rev. Butler Renovations

- BHA received \$11 million bond for renovations for 116 affordable units
- Walnut Woods, 818 E Miller, was built in 1981 and contains 60 affordable units
- Reverend Butler Apartments, 1202 W. 11th St., was built in 1972 and contains 56 affordable units
- 8 jobs will be retained throughout the renovation process
- Closed February 2020
- Phase I completion 9-4-20, Phase II completion 12-21





# Tax Abatement Guidelines Review

- Government abates property taxes on increased assessed value of new construction, rehabilitation of existing buildings or installation of eligible equipment over a specified period of time between one to 10 years
- Applications for tax abatement are considered on their merits on a case-by-case basis and according to the General Standards outlined in the Tax Abatement Guidelines adopted by City Council.
  - Up to 10 years
  - Flexible length and rate, can be 0-100% in each year
  - Must be located in an “Economic Revitalization Area”
- Process
  - Submit successful application to Administration
  - EDC recommendation of abatement schedule and designation of ERA
  - Common Council ERA designation and approval of abatement schedule



# Tax Abatement Guidelines Review

- **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; and
  - Creation of capital investment as an enhancement to the tax base
- **Additional Evaluative Criteria:** “Other qualifying and evaluative criteria will be considered...list 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.”
  - Quality of Life/Environmental Sustainability; Affordable Housing; Community Service; Community Character
  - Appendix 1 provides examples





# Tax Abatement Guidelines Review

## Problems with Current Guidelines

- Ambiguous language
  - Are Job creation/capital investment “threshold” factors (both factors required or just one?)
  - Appendix 1 indicates job creation/capital investment/affordable housing, etc. are equally considered, while language in the document itself indicates otherwise
- Nonsensical to evaluate affordable housing/community service/character/quality of life projects through the basis of capital investment and job creation
- Does not match breadth or flexibility of other process requirements (ERA designation, abatement schedule, application form)



# Tax Abatement Guidelines Recommendation

## **-Edit “Review Criteria” Section as follows:**

“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 capital investment as an enhancement to the tax base; and either
  - Creation of affordable housing units; or
  - Creation of permanent living-wage jobs with benefits, or a significant increase in wages.”
- EDC approved changes to guidelines in 2019. Requires Council approval -- to be scheduled in 2020.



***Thank you for your service!***