City of Bloomington
Common Council

Legislative Packet

30 April 2014
Committee of the Whole

For material regarding Ordinances 14-07 and 14-08, please consult the 23 April 2014 Legislative Packet.

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City of Bloomington Indiana

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To: **Council Members**
From: **Council Office**
Re: **Weekly Packet Memo**
Date: **April 25, 2014**

Packet Related Material

Memo
Agenda
Calendar
Notices and Agendas:
None

Legislation for Discussion for the Committee of the Whole on Wednesday, April 30, 2014:

- **Ord 14-07** An Ordinance to Amend Ordinance 13-16 which Fixed Salaries for Certain City of Bloomington Employees for the Year 2014 and to Amend Title 2 of the Bloomington Municipal Code Entitled "Administration And Personnel" - Re: To Centralize City Accounting and Purchasing Functions by Moving Positions to the Office of Controller and to Authorize the Controller to Appoint a Deputy
  Contact: Sue West at 349-3416 or wests@bloomington.in.gov

- **Ord 14-08** To Amend Title 2 of the Bloomington Municipal Code Entitled "Administration and Personnel" – Re: Amending Chapter 2.26 Entitled "Controller's Department" to Authorize Procedures Necessary for the Fiscal Management and Operations within that Department
  Contact: Sue West at 349-3416 or wests@bloomington.in.gov

Please see the Weekly Legislative Packet prepared for the 23 April 2014 Regular Session of the legislation, supporting information, and summaries

Introductory Materials for Legislation Pertaining to EZID Applications for Filing on May 15, 2014

- Memo from Jason Carnes, Assistant Director for Small Business, Economic and Sustainable Development Department
- Overview for Res 14-06 – 9 North Holdings, LLC – 508 N. College Avenue
- Overview for Res 14-07 – 10 North Holdings, LLC – 530 N. College Avenue
- Overview for Res 14-08 – Big O Properties, LLC – 304 – 346 S. Walnut Street
- Estimated Value of EZIDs for these Three Applications
- Maps for These Sites in Context of Economic Development Districts

- **Res 14-06** To Approve an Enterprise Zone Investment Deduction (EZID) in the Downtown Tax Increment Financing (TIF) District - Re: 9 North Holdings, LLC, 508 N. College Ave
  - Local Application
  - EZ-2 (filed 4/10/14)
  - EZ-2 (filed 5/16/11)

  Contact: Jason Carnes at 349-3419 or carnesj@bloomington.in.gov

- **Res 14-07** To Approve an Enterprise Zone Investment Deduction (EZID) in the Downtown Tax Increment Financing (TIF) District - Re: 10 North Holdings, LLC, 530 N. College Ave
  - Local Application
  - Description of Improvements
  - EZ-2

  Contact: Jason Carnes at 349-3419 or carnesj@bloomington.in.gov

- **Res 14-08** To Approve an Enterprise Zone Investment Deduction (EZID) in the Downtown Tax Increment Financing (TIF) District - Re: Big O Properties, LLC, 340-346 S. Walnut Street
  - Local Application
  - EZ-2 *(forthcoming)*

  Contact: Jason Carnes at 349-3419 or carnesj@bloomington.in.gov

Memo

Two Ordinances and Three Resolutions Ready for Discussion at the Committee of the Whole Scheduled for Wednesday, April 30th

There are two ordinances and three resolutions ready for discussion at the Committee of the Whole next Wednesday. The two ordinances were introduced this Wednesday and can be found in last Friday's Weekly Legislative Packet and can be found online as indicated above. The three resolutions are included in this packet and summarized herein.

Applications for the Council to Approve Three Enterprise Zone Investment Deductions by May 7th

It's the time of year when companies with projects within the Urban Enterprise Zone (Enterprise Zone) and one of our TIF districts seek Enterprise Zone Investment Deductions (EZIDs) from the City Council. This year, three applications are coming forward under new procedures established by ordinance last winter [1] and through a new department. The ordinance gave the duties of shepherding these applications to the staff of the Bloomington Urban Enterprise Association (BUEA) and those duties have now shifted from the HAND to Economic and Sustainable Development departments.

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

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

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

EZID – 10 Year, 100% Deduction for Qualified Investments

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

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

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

According to Carnes' *Memo*, the Enterprise Zone has received revenue of about $910,484 from this fee and approximately $308,862 from a Loan Interest Credit [5] and Employment Cost Credit over the years 2009 to 2013. His *Memo* briefly describes the history and activities of the Enterprise Zone. It was created in 1991

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

[3] To the Indiana Development Corporation per IC 5-28-15(a)(4)(A).

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

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

and, after three renewals, is set to expire in 2017. As mentioned earlier in this summary, the City is under contract to staff the BUEA, which is the non-profit organization empowered to administer the Enterprise Zone and its programs and activities. There are six regular programs along with special projects and activities that are designed to aid in the economic development of the Enterprise Zone by providing education and training, encouraging entrepreneurship, rehabilitating business facilities and improving the aesthetic character of historic buildings within it.

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

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

- Gave the BUEA staff the responsibility for processing these applications, preparing the written materials, establishing a schedule for review in consultation with the offices of the Mayor and Council, and, in the case of eligible applications, submitting a resolution and supporting material to Council.
    - Assigning BUEA staff these duties followed, in large part, from their role in tracking EZIDs, from both inside and outside of TIF districts, as well as the payment of the participation fees.
- Gave the ESD the advisory role of reviewing and preparing a statement to the council which was to address "the public benefits and other impacts of the project." [6] These impacts and benefits included, but were not limited to: "employment impact, wage structure, contributions to the area of development, and the nature of ownership and occupation of the property;" impacts on the TIF, CRED, Certified Technology Park districts, and Enterprise Zone; and, costs borne by public as a result of the project.
    - Please note that ESD was selected for this role, in part, because of their expertise in these matters, but also because their programs would not benefit directly from the participation fees. Now that ESD staff administers the BUEA, that separation from the fees is no longer true. Even so, the statement itself, only compiles impacts and does not make any recommendations in their regard.
- Specified that certain old investments were ineligible for consideration. At this point, those investments are ones where the Auditor's Office has increased the Assessed Valuation two or more years prior to March 1st of the year the application was made. The

[6] For purposes of that ordinance the term "project" includes the qualified investment, EZID, and development as a whole.

date of March 1st was chosen because the Assessed Valuation on that date is used to determine the tax liability for the following year.

- Allowed the Council to decide whether or not to consider the applications and, if it chose to do so,[7] set a standard for review. That standard reads as follows:

  > "whether the project significantly promotes the health of the various affected TIF and economic development districts within or adjacent to the Enterprise Zone, the Enterprise Zone itself, and the vitality of the area in general;" and

- Provides for the City Clerk to notify the County Auditor of the final outcome of applications by May 15th of the year the application was filed.

Downtown TIF District Financial Information

The *Memo* from Carnes indicates that all three applications are located within the Downtown TIF district. The balance in this fund was $6.06 million at the beginning and $2.70 million at the end of 2013, and is currently at $1.48 million. Receipts for 2013 were about $3.46 million and are expected to be about $2.2 million in 2014. Disbursements in 2013 (which may include expenditures approved in previous years) amounted to $5.10 million. Examples of approved projects include the Buskirk-Chumley Theatre ($79,000), the CTP Master Plan ($275,000), South Walnut Street ($3.99 million – on-going), and the Dispatch Center ($2.10 million – on-going). The life of this district will be no shorter than the term of its debt service which, at this point, extends to 2034.

The *Memo* offers the following description of the Downtown TIF district:

> "The Downtown TIF was created to encourage redevelopment/development of the downtown. It was originally established in 1985 and amended in 1990 and 2010. The revised redevelopment objectives include diverse retail activity, upper story residential, employment uses and greater use of vacant/under utilized properties, replacement of older water and sewer lines, develop a structured parking facility in conjunction with employment uses in the Certified Technology Park, expand the Convention Center and create additional hotel space, provide opportunities for more plaza and green space, and assist in the development of high tech office space in the Certified Technology Park. This TIF provides financial backing from the leases of 7th Street and Morton parking garages."

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

Summaries of the Three EZID Applications

Res 14-06 – Approves a Deduction for 9 North Holdings LLC, 508 North College Avenue

Res 14-06 approves a deduction for 9 North Holdings LLC at 508 North College for approximately $3.81 million of real estate improvements,[8] which amounts to savings of $329,500 over the "remaining lifetime of the EZID." [9] The project is located in the Downtown TIF and the Downtown CRED; it is not located in the Certified Technology Park (CTP).

Eligibility

There was a question whether this project was eligible for consideration under the procedures established with the adoption of Ord 13-23 in December of last year. As noted above, that ordinance specified that certain old investments were ineligible for consideration. At this point, those investments are ones with increased Assessed Valuations first entered into the Auditor's Office records two or more years prior to March 1st of the year the application was made. ESD staff report that the Auditor's Office has confirmed that the increase in AV for the construction of this building was first reflected in 2012, which is within that timeframe. The Memo mentions an issue the applicant has with the Auditor's Office, which may affect the value of the deduction, but was not addressed in the legislation.

The Project

The project is a three-story mixed-use building located on a 0.597-acre site (at the north east corner of Ninth and College) which was completed in 2011.

The first floor includes a bank, drive-through lanes, and 19 parking spaces. The bank (German American Bank) occupies 7,082 s.f. and is under a 20-year triple-net lease. The upper floors have 26 "high-end" apartment units, which the application asserts are "occupied by mostly graduate students seeking downtown amenities." Thirteen of those units are on the second floor along with a 16-space surface parking deck and the remaining 13 units are on the third floor.

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[8] The application and Memo indicate that the actual cost of the project was about $4.89 million.
[9] It appears the applicant may have missed a year or more of this deduction.

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

Participation Fees

According to the information provided, if approved, the Enterprise Zone Deduction would result in approximately $67,261 in taxes abated/annum for a total of $470,824 over the deduction's 10-year window. If approved for this EZID, the taxpayer would be required to pay $141,274 in participation fees to the BUEA, Redevelopment Commission and IEDC as follows:

Taxes Abated		$470,824
Participation Fees		
BUEA (20%)		*$94,165*
Redevelopment Commission (9%)		*$42,374*
Indiana EDC (1%)		*$4,708*
Total Fees		*$141,274*
Total Savings to Taxpayer		$329,577

Jobs

According to Petitioner's application, during the construction of this project, 49 jobs were created, 25 of which were full-time and 24 of which were temporary. The total annual payroll for those employees was $1,076,950. The number of jobs created with the siting of the German American Bank is, at this point, 15 full-time employees, with more expected in the future. The aggregate employee salary is $699,038. The lowest paid individual is a part-time employee earning $10.80 per hour ($11,232 per year).

Cost Incurred by City

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

Revenue to TIF and CRED

At the conclusion of this EZID (estimated for 2021), the increase in AV resulting from this project will create revenue for the Downtown TIF until it expires (estimated to be on or after 2034). In addition, a portion of the payroll and sales tax revenues generated by this project will go toward CRED increment received by the City.

Res 14-07 Approves a Deduction for 10 North Holdings LLC, 530 N. College Ave.

Res 14-07 approves an Enterprise Zone Investment deduction for 10 North Holdings, LLC at 530 N. College for approximately $7.6 million in real estate

improvements. An EZID on this improvement would yield a savings of $1.1 million over the 10-year term of the deduction. The project is located in the Downtown TIF and the Downtown CRED; it is not located in the Certified Technology Park.

The Project

The project is a multi-story building located .64 acres. The northern half of the building will consist of five stories and the southern half will consist of four stories. The structure will include lower-level retail and 53 multi-family units (73 bedrooms) on the upper floors.

The first floor will have two tenant spaces totaling 6,000 square feet. The northern space will be occupied by First Financial Bank of Ohio, a full service bank with a drive-up component within the building blueprint. The southern space will be dedicated to retail uses, most likely food service/restaurant. The balance of the first floor will be devoted to 27 parking spaces.

The second, third, fourth, and partial fifth floor will consist of a 34 one-bedroom apartments, 18 two-bedroom apartments, and one three-bedroom apartment. Petitioner writes that the predominance of one and two-bedroom apartments "attracts graduate students and other that wish to live downtown close to downtown amenities." Notably, petitioner's advisement for lease of its ground-floor retail markets the structure as "Bloomington's largest concentration of multi-family apartment units." The Council Office has been advised that petitioner will be positioned to speak to the project's attraction of graduate students.

Petitioner's application indicates that the building's architecture will "integrate elements of the urban surroundings to help the project fit into the downtown context," will include a balance between voids and solids, and will be built of masonry, glass, and metal panel. Please see artist's rendering for a depiction.

The project is scheduled for completion in August 2014.

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

Participation Fees

If approved, the Enterprise Zone Deduction would result in approximately $157,791 in taxes abated/annum for a total of $1,577,912 over the deduction's 10-year period. If approved for this EZID, the taxpayer would be required to pay

$473,373 in participation fees to the BUEA, Redevelopment Commission and IEDC as follows:

Taxes Abated		$1,577,912.00
Participation Fees		
BUEA (20%)		*$315,582.00*
Redevelopment Commission (9%)		*$142,012.00*
Indiana EDC (1%)		*$15,779.00*
Total Fees		*$473,373.00*
Total Savings to Taxpayer		$1,104,538.00

Jobs
According to Petitioner's application, during the construction of this project, 34 new jobs were created, 33 of which were temporary and one of which is permanent. The total annual payroll for those employees was $2,398,652. The number of jobs to be created by the siting of First Financial at this address is yet to be determined. Please see Section 6 of petitioner's application to the City for further details of the known jobs created by this project.

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

Revenue to TIF and CRED
Mr. Carnes writes that after any EZID approved for this project expires, the new assessed value for the project will create TIF revenue for the Downtown TIF until the Downtown TIF's expiration. The EZID would end effective 2024 and the Downtown TIF will expire no earlier than 2034 (projected date of satisfaction of last debt obligation). New payroll and sales tax revenues generated at the site will support the CRED increment received by the City.

<u>Res 14-08</u> Approves a Deduction for Big O Properties, LLC – 304-346 S. Walnut

<u>Res 14-08</u> approves an enterprise zone investment deduction for Big O Properties, LLC – 304-346 S. Walnut for approximately $2.5 million,[10] which amounts to

[10] This is estimated based on taxpayer's application to the Department of Economic and Sustainable Development. Petitioner did not submit a EZ-2 form.

savings of $329,500 over the 10-year term of the EZID. The project is located in the Downtown TIF, but is not located in the CRED nor the Certified Technology Park.

The Project

The improvement is a mixed-use residential/commercial building constructed in 2013. The residential component of the project includes 11, 2-bedroom units and 8, 1-bedroom units. The commercial component of the project includes space rented to two tenants: Waterstone Mortgage and Sofra, Inc. Waterstone currently occupies two suites and Sofra will also occupy two suites, but has not yet taken occupancy. Petitioner notes in its application that it incurred "significant land clean-up costs to prepare the site for construction (approximately $130,000)." In its application to the City, petitioner included a letter documenting its environmental remediation of the site.

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

Participation Fees

If approved, the Enterprise Zone Deduction would result in approximately $56,036/annum for a total of $560,258 over the deduction's 10-year period. If approved for this EZID, the taxpayer would be required to pay $168,108 to the BUEA, Redevelopment Commission and IEDC as follows:

Taxes Abated		$560,358.00
Participation Fees		
BUEA (20%)		*$112,072.00*
Redevelopment Commission (9%)		*$50,432.00*
Indiana EDC (1%)		*$5,604.00*
Total Fees		*$168,108.00*
Total Savings to Taxpayer		$392,250.00

Jobs

Petitioner's application indicates that 240 persons were employed in the construction of the building which generated a payroll of $2,200,000. Waterstone Mortgage will employ 4 mortgage professionals who will earn $7.25/hour + commissions. Sofra is in the process of finalizing its tenant improvements and business plan and has not determined the number of employees they will hire.

Sofra will locate two businesses in its space: Golden Stitch, an alteration shop, one side and a café on the other.

Cost Incurred by the City
Mr. Carnes indicates that there was no cost incurred by the City as a result of this project.

Revenue to TIF
After any EZID approved for this project expires, the new assessed value for this project will create TIF revenue for the Downtown TIF until the Downtown TIF's expiration. The EZID would end effective 2024 and the Downtown TIF will expire no earlier than 2034 (projected date of satisfaction of last debt obligation).

NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL COMMITTEE OF THE WHOLE
7:30 P.M., WEDNESDAY, APRIL 30, 2014
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON ST.

COMMITTEE OF THE WHOLE

Chair: Marty Spechler

1. Ordinance 14-07 An Ordinance to Amend Ordinance 13-16 which Fixed Salaries for Certain City of Bloomington Employees for the Year 2014 and to Amend Title 2 of the Bloomington Municipal Code Entitled "Administration and Personnel" – Re: To Centralize City Accounting and Purchasing Functions by Moving Positions to the Office of Controller and to Authorize the Controller to Appoint a Deputy

   Asked to Attend: Sue West, City Controller

2. Ordinance 14-08 To Amend Title 2 of the Bloomington Municipal Code Entitled "Administration and Personnel" – Re: Amending Chapter 2.26 Entitled "Controller's Department" to Authorize Procedures Necessary for the Fiscal Management and Operations within that Department

   Asked to Attend: Sue West, City Controller

3. Resolution 14-06 To Approve an Enterprise Zone Investment Deduction (EZID) in the Downtown Tax Increment Financing (TIF) District – Re: 9 North Holdings, LLC, 508 N. College Ave

   Asked to Attend: Jason Carnes, Assistant Director of Small Business Relations
   Representative of Petitioner

4. Resolution 14-07 To Approve an Enterprise Zone Investment Deduction (EZID) in the Downtown Tax Increment Financing (TIF) District – Re: 10 North Holdings, LLC, 530 N. College Ave

   Asked to Attend: Jason Carnes, Assistant Director of Small Business Relations
   Representative of Petitioner

5. Resolution 14-08 To Approve an Enterprise Zone Investment Deduction (EZID) in the Downtown Tax Increment Financing (TIF) District – Re: Big O Properties, LLC, 340-346 S. Walnut Street

   Asked to Attend: Jason Carnes, Assistant Director of Small Business Relations
   Representative of Petitioner

Posted & Distributed: Friday, 25 April 2014

City of Bloomington
Office of the Common Council

To Council Members
From Council Office
Re Weekly Calendar – 28 April –03 May 2014

Monday, 28 April

12:30 pm Board of Public Works Work Session, Kelly
4:00 pm Council for Community Accessibility, McCloskey
5:30 pm Human Rights Commission, McCloskey

Tuesday, 29 April

6:00 pm Neighborhood Improvement Grant – Neighborhood Presentations, McCloskey

Wednesday, 30 April

2:00 pm Hearing Officer, Kelly
5:30 pm Special Meeting of the Board of Public Works, Council Chambers
7:30 pm Common Council Committee of the Whole, Council Chambers
7:30 pm Arts Alliance of Greater Bloomington, McCloskey

Thursday, 01 May

4:00 pm Bloomington Digital Underground Advisory Council, McCloskey
4:30 pm Domestic Violence Study Group, Hooker Room
5:30 pm Commission on the Status of Women, McCloskey
5:30 pm Jack Hopkins Social Service Funding Committee, Council Library

Friday, 02 May

No meetings are scheduled for this date.

Saturday, 03 May

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

City of Bloomington
Economic & Sustainable Development Department

Memo

To: Bloomington City Council

From: Jason Carnes, Assistant Director

CC: Danise Alano-Martin, Adam Wason

Date: April 25, 2014

Re: Enterprise Zone Investment Deductions (EZID) Council Resolution

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Enterprise Zone Investment Deduction (EZID) Applicants

This year, three development projects are seeking to apply for EZIDs:

Property Owner	Address:
9 North Holdings LLC	508 N. College Ave
10 North Holdings LLC	530 N. College Ave
Big O Properties LLC	340 – 346 S. Walnut St.

Enterprise Zone Investment Deduction

The Enterprise Zone Investment Deduction (EZID) allows a property tax deduction for a qualified investment within an Urban Enterprise Zone (I.C. 6-1.1-45). In most case, this deduction (similar to a tax abatement) is automatic with the proper and timely application to the County Auditor. However, effective July 2008, when the investment is in an allocation area as defined by IC 6-1.1-21.2-3 , the deduction must be approved by the area's legislative body. Therefore, any EZID in one of the City's Tax Increment Financing Districts (TIFs) must be approved by the Common Council. In addition, taxpayers receiving the EZID must pay certain participation fees. The fees are paid to the local enterprise zone board, the Bloomington Urban Enterprise Association (BUEA), the Bloomington Redevelopment Commission (RDC) when the project is in a TIF, and the Indiana Economic Development Corporation (IEDC) when the savings received from the EZID is at least $1,000 annually. Participation fees are as follows: 20% of the savings received from the EZID to the BUEA, 9% of the savings to the RDC, 1% to the IEDC.

Basic information about the EZID:

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

- The deduction equals the difference between the assessed property value following the qualified investment and the assessed property value of a base year (the year preceding the qualified investment).

- The amount of the deduction (100%) will be the same for each year (it is non-graduated).

- The added valuation may be deducted for up to ten years and can extend past the expiration of the Enterprise Zone (Bloomington's zone designation will expire in March 2017).

- Claimants must pay a 20% participation fee annually to the BUEA on the savings received and 1% to the State of Indiana on any savings over $1,000.

- Qualified investment within an Enterprise Zone location includes:
    1. purchase of a building, or new manufacturing or production equipment;
    2. costs associated with the repair, rehabilitation or modernization of an existing building and related improvements;
    3. onsite infrastructure improvements;
    4. construction of a new building; and
    5. costs associated with retooling existing machinery.

- To claim the deduction a taxpayer must fill out Form EZ-2 and file it annually with the County Auditor between March 1 and May 15. The Auditor determines the eligibility of each investment and is required to notify each applicant of his/her determination by August 15. If the Auditor approves the deduction, taxpayers can take it the following year.

- Claimants must also annually file a Form EZB-R with the Indiana Economic Development Corporation and BUEA by June 1.

- As described above, a project located within a Tax Increment Financing (TIF) District must also gain approval from the Common Council, and requires a 9% participation fee paid to the Redevelopment Commission.

Bloomington Urban Enterprise Association

Urban Enterprise Zones are established under State Law. Zones are created for a period of ten (10) years, with the ability to apply for two (2) five-year renewals, and a final five-year extension. The Bloomington Urban Enterprise Zone (BUEA) was originally designated in 1991 and received its third five-year renewal in June 2010 and is set to expire in 2017. The BUEA is a private, nonprofit organization responsible for the Zone's day-to-day activities. It contracts with the City of Bloomington to provide administrative support in overseeing the programs and activities of the Zone. Over the last five years, the BUEA has utilized Housing & Neighborhood Development (HAND) Department and other City staff to operate six regular programs, as well as a number of special projects, all of which are respectively designed to aid in the economic development of the Zone

by providing education and training, encouragement of entrepreneurship, rehabilitation of business facilities, and improvements to the aesthetic character of historic buildings. In 2014, the primary department responsible for administrative support to the BUEA is transitioning to the Department of Economic & Sustainable Development from HAND.

BUEA Financial Information

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

BUEA Income for Years 2009-2013		
Year	EZID	Loan Interest Credit + Employment Cost Credit
2013	280,425	12,882
2012	473,697	66,855
2011	96,262	64,048
2010	39,354	59,926
2009	20,746	105,151
Total	910,484	308,862
	%	%

Council Ordinance 13-23

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

- made the BUEA staff responsible for creating application forms, processing applications for Council review for EZIDs within a TIF district and coordinating schedules with the Office of the Mayor and Office of the Common Council to set the date(s) for review of the applications in a Council meeting in time for the May 15 EZID filing deadlines.

- specified that investments made prior to March 1, 2011 would be ineligible for EZID approval from the Common Council. Also, qualified investments made two years or more prior to March 1 of the year the application is made would also be ineligible for Council approval.

- directs BUEA and ESD staff to forward eligible applicants to Council for review,. Staff is to prepare a statement of various benefits (including employment, wage, area development contributions, ownership and occupation of the property) and impacts (to TIF, CRED, CTP districts and Enterprise Zone), and to list any public costs related to the projects.

- states that the City Clerk shall notify the Monroe County Auditor by May 15th of any Council EZID approvals.

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

Downtown TIF Financial Information

The Downtown TIF has a current fund balance of $1,483,228.02 as of 04/14/2014. Annual tax increment revenues are approximately $2.2 million.

The Downtown TIF was created to encourage redevelopment/development of the downtown. It was originally established in 1985 and amended in 1990 and 2010. The revised redevelopment objectives include diverse retail activity, upper story residential, employment uses and greater use of vacant/under utilized properties, replacement of older water and sewer lines, develop a structured parking facility in conjuction with employment uses in the Certified Technology Park, expand the Convention Center and create additional hotel space, provide opportunities for more plaza and green space, and assist in the development of high tech office space in the Certified Technology Park. This TIF provides financial backing from the leases of 7th Street and Morton parking garages.

This area of the Downtown TIF is projected to expire upon the satisfaction the Downtown TIF's debt and other obligations. The debt service schedule for the TIF bonds which were issued for the Core Property purchase concludes in 2032. The debt service schedules for the parking garages concludes in January 2034 for the Morton Street garage and in February 2031 for the Walnut Street garage.

Beginning Balance	$6,062,688.32
2013 receipts	$3,465,565.28
Approved disbursements*	$5,102,060.66
Debt Service	$1,054,348.76
Lease payment	$669,925.68
Ending Balance	$2,701,918.50

* May include expenditures approved in prior years

Approved Projects in Downtown TIF:

Project	Status	Amount Approved
Buskirk-Chumley (2013)	Completed	$79,000
South Walnut Street	On-going	$3,991,914
Dispatch	On-going	$2,100,000
CTP Master Plan	Completed	$275,000

All three EZID applicant projects are located in the Downtown TIF.

Resolution 14-06: 9 North Holdings, LLC - 508 N. College Ave.

Improvements
The project is a three-story mixed-use property with 26 apartment units and one commercial space. It was built in 2011 and is situated on a .0597 acre site. 9 North LLC is the owner of the property. The commercial space is encumbered by a 20-year triple-net lease to German American Bancorp using 7,082 sf of net rentable space. The remainder of the first floor has three covered drive-thru lanes and 19 garage parking spaces for bank employees and customers. Currently, the property is 100% occupied.

Total capital investment cost is/was $4,887,525.

Jobs
During the construction of this project the contractor employed 25 full time and 24 temporary employees. The total annual payroll for those employees was $1,076,950.00. Currently German American Bank has 15 full time employees with more projected to be added in the future. The aggregate salary for all employees is $**699,038.34. The lowest paid individual is a part-time teller earning $10.80 per hour, with an annual pay of $11,232**

Other
According to 9 North Holdings, LLC they submitted their EZ-2 from to the Monroe County Auditors office before the May 15th, 2011 deadline. They received their EZ-2 back from the Monroe County Auditors office and it had a "Filed" stamp on it. 9 North Holdings, LLC assumed that this meant their paperwork was accepted and the deduction was in place. Later they discovered that their paperwork was denied, with the Monroe County Auditors claiming it was filed past the May 15th deadline. 9 North Holdings, LLC is confident that they submitted the paperwork before the deadline and is working with the Auditor's office to try to resolve this.

According to Ordinance 13-23, in which the Council adopted procedures and requirements for reviewing requests for EZIDs in TIFs, the Council will not consider requests for projects that were assessed more than two years prior to March 1 of the year the request is made to the City. 9 North Holdings, LLC is asking for waiver of this requirement to allow it to receive the EZID if the disagreement with the Monroe County Auditor regarding timing of its filing is resolved in its favor.

EZID Projection
See attached projected schedule of annual savings and participation fees if this EZID is approved. If approved, it is estimated that the property owner will receive approximately $329,500 in savings over the remaining lifetime of the EZID, the BUEA would receive approximately $94,000 in participation fees, the RDC would be paid $42,300 and the IEDC would receive $4,700.

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

Resolution 14-07: 10 North Holdings, LLC - 530 N. College Ave.

Improvements
This project is a multi-story mixed-use development on .64 acres that will include 6,000 square feet of lower level retail/commercial and 53 multi-family units. The market-rate apartments include 34 one-bedroom units, 18 two-bedroom units and one three-bedroom apartment.

The north half of the building will be five stories and the south half will step down to four stories. The project will add an urban streetscape utilizing concrete paving and tree grates. The first floor will have two commercial tenant spaces totaling 6,000 sf. The northernmost tenant space will be a full service regional bank branch of First Financial Bank of Ohio. The drive-up lanes will not be visible from the street. The southernmost tenant space will consist of retail uses. The property owner is targeting food service or restaurant.

The remainder of the first floor will be devoted to parking. A total of 51 parking spaces are provided on the site through first and second floor structure parking.

Total capital investment cost is/was $8,140,100

The project is expected to be complete August 2014.

Jobs
During the construction of this project the contractor employed 34 full time and 33 temporary employees. The total annual payroll for those employees was $2,398,652.00. The number of employees and related payroll information for First Financial Bank of Ohio has yet to be determined.

EZID Projection
See attached projected schedule of annual savings and participation fees if this EZID is approved. If approved, it is estimated that the property owner will receive approximately $1.1 million in savings over the 10-year term of the EZID, the BUEA would receive approximately $316,000 in participation fees, the RDC would be paid $142,000 and the IEDC would receive nearly $16,000.

Impact
The project is located in the Downtown TIF and Downtown CRED. It is not located in the CTP.

Once the EZID (if approved) for the project is expired, the new Assessed Value that the project has created will generate TIF revenue for the Downtown TIF until the TIF's expiration date. New payroll and sales tax revenues generated at the site will support the CRED increment received by the City. There was no cost incurred by the City as a result of this project.

Resolution 14-08: Big O Properties, LLC – 304 – 346 S. Walnut St.

Improvements
This project is a mixed-use building constructed in 2013. The building includes 19 residential units (11 2-bedroom units and eight 1-bedroom units). The development of the property also created eight parking spaces onsite. Two unrelated tenants lease the commercial space from property owner Big O Properties LLC. Waterstone Mortgage occupies two suites. Sofra Inc. will occupy the other two suites, but has not yet moved in. As part of the preparation of the construction of the building, the taxpayer incurred land clean-up costs to prepare the site for construction (approximately $130,000).

Total capital investment cost is/was $2.7 million.

Jobs
The construction of the building employed approximately 240 laborers which generated approximately $2,200,000 of payroll costs. The first tenant, Waterstone Mortgage, will employ four mortgage professionals earning a base wage of $7.25 per hour plus commissions. The second tenant, Sofra Inc., is currently finishing their tenant improvements and business plan. The tenant has not determined the number of employees they plan to maintain during their regular course of business. Sofra is a an LLC that will divide the space and have an alteration shop on one side,Golden Stitch, and a cafe on the other.

EZID Projection
See attached projected schedule of annual savings and participation fees if this EZID is approved. If approved, it is estimated that the property owner will receive approximately $329,500 in savings over the remaining lifetime of the EZID, the BUEA would receive approximately $112,000 in participation fees, the RDC would be paid approximately $50,400 and the IEDC would receive approximately $5,600.

Impact
The project is located in the Downtown TIF. It is not in the CRED or the CTP. There was no cost incurred by the City as a result of this project.

ESTIMATED Enterprise Zone Investment Deduction for Real Property Improvement
9 North Holdings LLC
Using 2014 Tax Rates

Improvements $ 3,239,600
Net Rate 0.020762
Annual Taxes without Abatement $ 67,261

Bloomington Township

Year	Abatement Percent	Value Abated	Taxes Payable	Taxes Abated	BUEA 20% Fee	RDC 9% Fee	State 1% Fee	Total Savings
2011	100%	$ 3,239,600	$ -	$ -	$ -	$ -	$ -	$ -
2012	100%	3,239,600	-	-	-	-	-	-
2013	100%	3,239,600	-	-	-	-	-	-
2014	100%	3,239,600	-	67,261	13,452	6,053	673	47,082
2015	100%	3,239,600	-	67,261	13,452	6,053	673	47,082
2016	100%	3,239,600	-	67,261	13,452	6,053	673	47,082
2017	100%	3,239,600	-	67,261	13,452	6,053	673	47,082
2018	100%	3,239,600	-	67,261	13,452	6,053	673	47,082
2019	100%	3,239,600	-	67,261	13,452	6,053	673	47,082
2020	100%	3,239,600	-	67,261	13,452	6,053	673	47,082
2021	0%	-	67,261	-	-	-	-	-
		Totals (thru Year 10)		$ 470,824	$ 94,165	$ 42,374	$ 4,708	**$ 329,577**

ESTIMATED Enterprise Zone Investment Deduction for Real Property Improvement
10 North Holdings
Using 2014 Tax Rates

Improvements $ 7,600,000
Net Rate 0.020762
Annual Taxes without Abatement $ 157,791

Bloomington Township

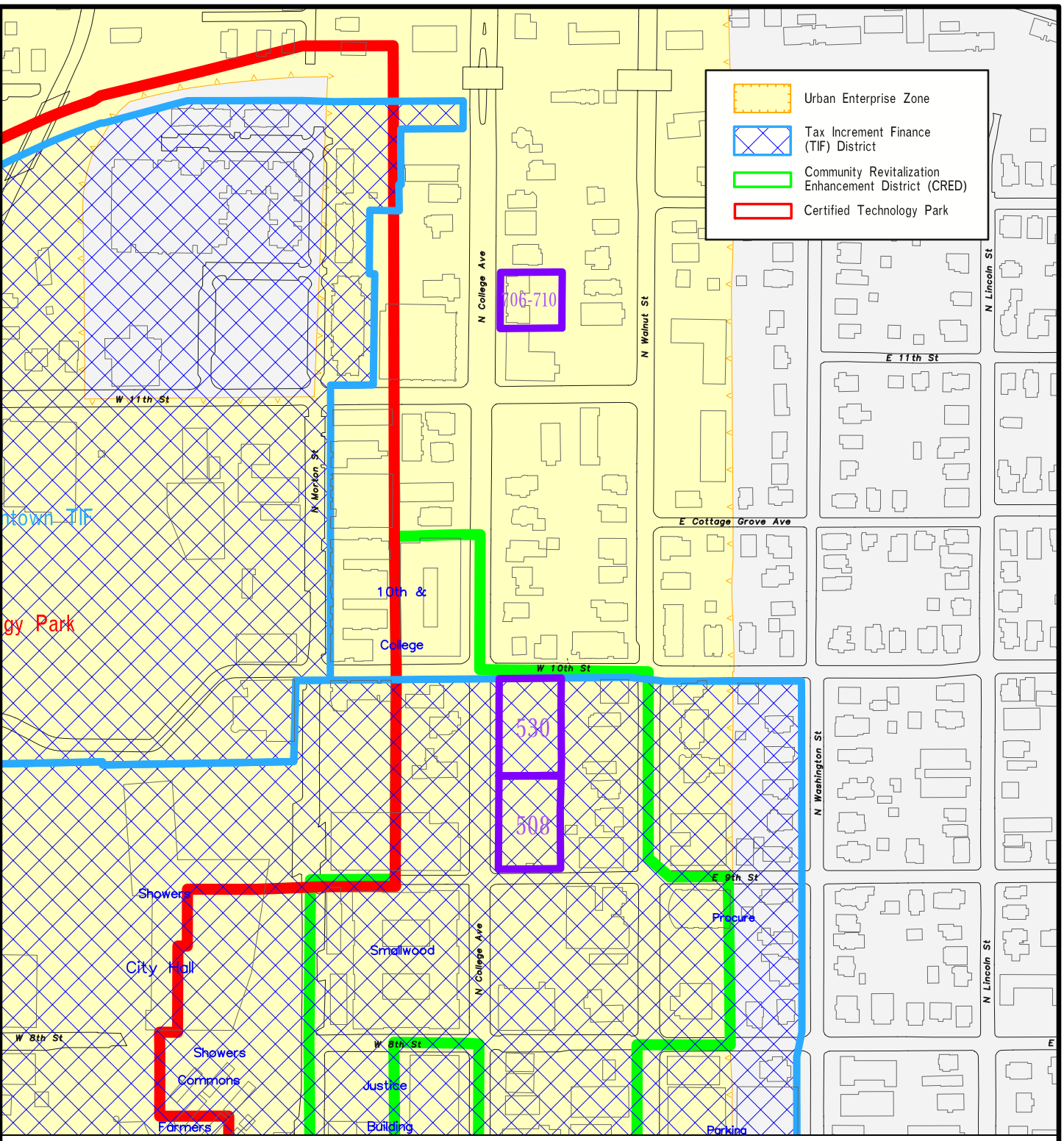
Year	Abatement Percent	Value Abated	Taxes Payable	Taxes Abated	BUEA 20% Fee	RDC 9% Fee	State 1% Fee	Total Savings
2014	100%	$ 7,600,000	$ -	$ 157,791	$ 31,558	$ 14,201	$ 1,578	$ 110,454
2015	100%	7,600,000	-	157,791	31,558	14,201	1,578	110,454
2016	100%	7,600,000	-	157,791	31,558	14,201	1,578	110,454
2017	100%	7,600,000	-	157,791	31,558	14,201	1,578	110,454
2018	100%	7,600,000	-	157,791	31,558	14,201	1,578	110,454
2019	100%	7,600,000	-	157,791	31,558	14,201	1,578	110,454
2020	100%	7,600,000	-	157,791	31,558	14,201	1,578	110,454
2021	100%	7,600,000	-	157,791	31,558	14,201	1,578	110,454
2022	100%	7,600,000	-	157,791	31,558	14,201	1,578	110,454
2023	100%	7,600,000	-	157,791	31,558	14,201	1,578	110,454
2024	0%	-	157,791	-	-	-	-	-
		Totals (thru Year 10)		$ 1,577,912	$ 315,582	$ 142,012	$ 15,779	**$ 1,104,538**

ESTIMATED Enterprise Zone Investment Deduction for Real Property Improvement
Big O
Using 2014 Tax Rates

Improvements $ 2,700,000
Net Rate 0.020754
Annual Taxes without Abatement $ 56,036

Perry Township

Year	Abatement Percent	Value Abated	Taxes Payable	Taxes Abated	BUEA 20% Fee	RDC 9% Fee	State 1% Fee	Total Savings
2014	100%	2,700,000	$ -	56,036	$ 11,207	$ 5,043	$ 560	$ 39,225
2015	100%	2,700,000	$ -	56,036	11,207	5,043	560	39,225
2016	100%	2,700,000	$ -	56,036	11,207	5,043	560	39,225
2017	100%	2,700,000	$ -	56,036	11,207	5,043	560	39,225
2018	100%	2,700,000	$ -	56,036	11,207	5,043	560	39,225
2019	100%	2,700,000	$ -	56,036	11,207	5,043	560	39,225
2020	100%	2,700,000	$ -	56,036	11,207	5,043	560	39,225
2021	100%	2,700,000	$ -	56,036	11,207	5,043	560	39,225
2022	100%	2,700,000	$ -	56,036	11,207	5,043	560	39,225
2023	100%	2,700,000	$ -	56,036	11,207	5,043	560	39,225
2024	0%	-	$ 56,036	-	-	-	-	-
		Totals (thru Year 10)		$ 560,358	$ 112,072	$ 50,432	$ 5,604	**$ 392,251**



Bloomington Economic Development Districts

508, 530, and 706-710 N College Ave.

Scale: 1" = 300'

300 0 300 600 900

N

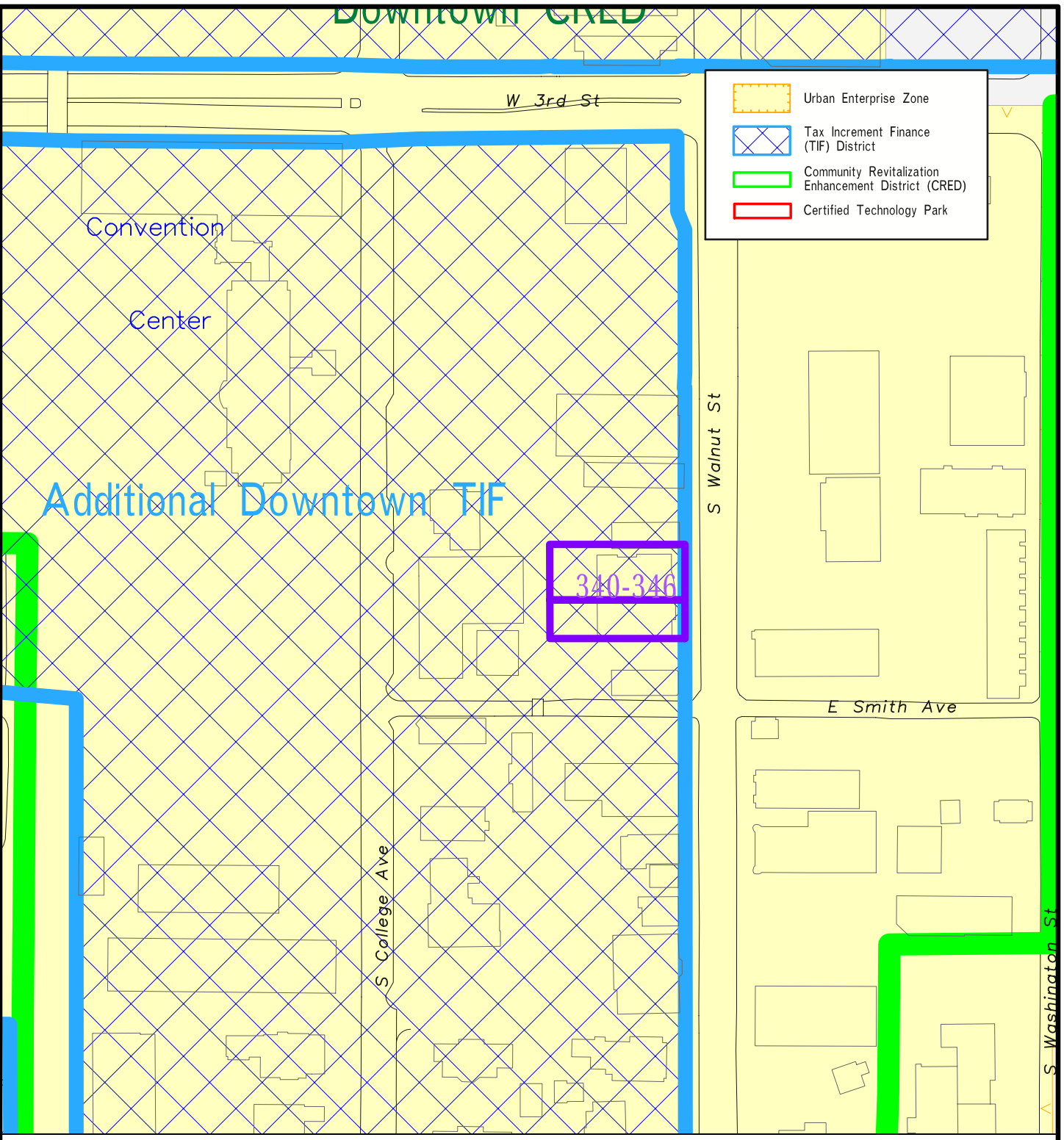
Apr 11, 2014

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

City of Bloomington
Economic & Sustainable Development

Geographic Information System

TdtecdevLP



Bloomington Economic Development Districts

340-346 S Walnut St.

Scale: 1" = 150'

150 0 150 300 450

N

Apr 11, 2014

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

City of Bloomington
Economic & Sustainable Development

Geographic Information System

TdtecdevLP

RESOLUTION 14-06

TO APPROVE AN ENTERPRISE ZONE INVESTMENT DEDUCTION (EZID)
IN THE DOWNTOWN TAX INCREMENT FINANCING (TIF) DISTRICT -
Re: 9 North Holdings, LLC, 508 N. College Ave

WHEREAS, Indiana Code 6-1.1-45-9(d) requires that Enterprise Zone Investment Deductions (EZID) for property located within a Tax Increment Financing District (TIF) allocation area created under Indiana Code 36-7-14 must be approved by the legislative body of the governmental unit; and

WHEREAS, The City of Bloomington's Downtown TIF allocation area was created under IC 36-7-14, so authority for approval of an EZID in that TIF allocation area now falls to the Bloomington Common Council; and

WHEREAS, City of Bloomington Ordinance 13-23, adopted on December 22, 2013, established procedure and criteria for Council consideration of EZIDs for property located within a tax allocation area pursuant to IC 6-1.1-45-9; and

WHEREAS, 9 North Holdings, LLC is applying for approval of the EZID deduction for construction of a building (Qualified Investment) on the property located at 508 North College Avenue, which is located in the Downtown TIF allocation area; and

WHEREAS, The Monroe County Auditor has confirmed that the date the Assessed Value of the property was first increased due to the Qualified Investment was 2012, thereby making this application eligible for consideration by the Common Council under Ordinance 13-23; and

WHEREAS, Pursuant to Ordinance 13-04, approved by the Common Council on March 27, 2013, 9 North Holdings, LLC will be required to pay an additional participation fee of 9% of the amount of the EZID to the Bloomington Urban Enterprise Association for the benefit of the Bloomington Redevelopment Commission;

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

The Common Council hereby approves the request of 9 North Holdings, LLC to receive the Enterprise Zone Investment Deduction for the aforementioned Qualified Investment made on the property located at 508 North College Avenue, Bloomington, Indiana.

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

_____
DARRYL NEHER, 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 _____, 2014.

ATTEST:

_____
REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2014.

_____
MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This resolution approves an Enterprise Zone Investment Deduction (EZID) for 9 North Holdings, LLC located at 508 North College Avenue. The EZID allows a property tax deduction for a qualified investment within an Urban Enterprise Zone (I.C. 6-1.1-45). In most cases, this deduction (which is similar to tax abatement) is automatic with the proper and timely application to the County Auditor. However, effective July, 2008, when the investment is in an allocation area defined by IC 12-19-1.5-1 (TIF District), the deduction must be approved by the area's legislative body. Therefore, any EZID in one of the City's TIF allocation areas must be approved by the Common Council.

Basic information about the EZID is listed below:

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

- The deduction equals the difference between the assessed property value following the qualified investment and the assessed property value of a base year (the year preceding the qualified investment).

- The amount of the deduction (100%) will be the same for each year (is non-graduated).

- The added valuation may be deducted for up to ten years and can extend past the expiration of the Enterprise Zone (Bloomington's zone designation will expire in March 2017).

- 20% of the tax savings is paid to the Bloomington Urban Enterprise Association and effective with Ordinance 13-04, an additional 9% of the tax savings is paid to the Bloomington Redevelopment Commission.

INVESTMENT DEDUCTION APPLICATION

CITY OF BLOOMINGTON

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

1. Application and License Information

This is an application for businesses located within the Bloomington Urban Enterprise Zone and the Tax Increment Financing Districts, who wish to apply for a tax exemption through the Enterprise Zone Investment Deduction (EZID) program.

Return completed application to Jason Carnes, Assistant Director- Small Business Relations, Economic & Sustainable Development Department with any questions:
(812) 349-3419 or carnesj@bloomington.in.gov

2. Taxpayer Information

Name:	9 North Holdings, LLC		
Federal ID Number:	27-1815657		
Address:	1557 S. Piazza Drive		
City, State, Zip:	Bloomington, Indiana		
E-Mail Address:	craigbeuosproperty group.com		
Phone Number:	812-332-1906	Mobile Phone:	812-345-0918

3. Property Information

Address of Property:	508 North College Avenue
City, State, Zip:	Bloomington, Indiana 47404-3891
DLGF Taxing District number:	
Date of Assessment:	6-27-2012

4. Qualified Investment Type

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

Name	Amount of Deduction
Purchase of existing building	
Construction of a new building	3,239,600
Repair/Rehabilitation/Modernization of existing building	
Onsite infrastructure improvement	
Purchase of new manufacturing or production equipment	
Retooling of existing machinery	

5. Investment Description I

Provide a description of the planned investment in the space below. Include any relevant details that will advise the committee on the public benefits and impacts of the project :

The subject is a mixed-use property with 26 apartment units and one commercial space located at 504-512 N. College Avenue in Bloomington, Monroe County, Indiana. It was built in 2011 and is situated on a 0.597-acre site. The apartment units are predominately utilized by Indiana University students while the commercial space is encumbered by a 20-year NNN lease to German American Bancorp. The subject consists of three stories. The first floor has 7,082 square feet of net rentable space utilized as a bank. The remaining of the first floor has three covered drive-thru lanes and 19 garage parking spaces allocated to bank employees and customers. The second floor has 13 apartment units and a 16 space surface parking deck for apartment tenants. The third floor is equipped with 13 apartment units. Currently the property is 100.0% occupied. For the upcoming 2012/2013 school year (August 1, 2012 through July 31, 2013), 24 of the 26 apartment units are pre-leased. The subject is more fully described, legally and physically, within the enclosed report.

Created a Regional Banking & Commerce Center for German American Bank. Created High End Apartment units Currently occupied by mostly graduate students seeking downtown amenities.

6. Investment Description II

Please provide the following information	
Cost of the project	4,887,525
Current assessed value of property	Year: 2012 Land: 575,000 Improvements: 3,239,600
New jobs created	Full Time: 25 Part Time: How many are temporary: 24 Permanent: 1
Type of jobs created (construction, professional, administrative, etc)	Construction
Annual payroll for jobs	1,076,950.00
Types of benefits offered	UNKNOWN

7. Certification Statement

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

Authorizes signature of owner or representative:	C.O. Blorstad
Date:	4-10-14
Printed name of owner or representative:	CRAIG O Blorstad
Title:	CFO
Telephone number:	812-332-1906
Mailing address of owner or representative:	1557 S Piazza Drive Bloomington, Indiana 47401

For City Of Bloomington Use Only

Date Received:	Received By:	Date Approved:	Approved By:

6. Investment Description II (9 North)

New Full Time Jobs - Perminant	Annual Pay	Number of Jobs
Property Manager/Maintenance	$ 50,000.00	1
TOTAL	$ 50,000.00	

New Full Time Jobs - Temporary	Annual Pay	Number of Jobs
Shell Jobsite Superintendant	$ 65,000.00	1
Shell Jobsite Field Supervision	$ 27,040.00	1
Multifamily Superintentant	$ 39,690.00	1
Multifamily Labor Assistant	$ 18,720.00	1
Shell General Labor	$ 3,900.00	1
Shell General Labor	$ 6,800.00	1
Site Earthwork Labor	$ 37,000.00	Unknown
Paving Labor	$ 3,000.00	Unknown
Landscape Labor	$ 4,000.00	Unknown
Concrete Labor	$ 22,400.00	Unknown
Concrete Panel Erection	$ 135,000.00	Unknown
Maonry Labor	$ 109,000.00	Unknown
Steel Eriection	$ 12,000.00	Unknown
Siding Contractor	$ 9,000.00	Unknown
Waterproofing Labor	$ 6,000.00	Unknown
Roofing Labor	$ 26,800.00	Unknown
Store Front Labor	$ 137,000.00	4
Elevator Instalation	$ 7,000.00	Unknown
MF General Labor	$ 5,200.00	1
MF General Labor	$ 5,200.00	1
MF General Labor	$ 5,200.00	1
Framer	$ 98,000.00	Unknown
Plumber	$ 60,100.00	Unknown
HVAC Laborer	$ 57,500.00	Unknown
Electrician	$ 77,700.00	Unknown
Fire Suppression Installer	$ 11,400.00	Unknown
Dryawaller	$ 27,000.00	Unknown
Carpenter	$ 30,800.00	Unknown
Painter	$ 15,000.00	Unknown
IT Professional	$ 14,500.00	2
TOTAL	$ 1,076,950.00	

ENTERPRISE ZONE INVESTMENT DEDUCTION APPLICATION

State Form 52501 (R4 / 12-10)
Prescribed by the Department of Local Government Finance

FORM EZ-2

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

INSTRUCTIONS:

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

PROPERTY DESCRIPTION

Name of taxpayer	Federal identification number		
9 North Holdings, LLC	27-1815657		
Address of taxpayer *(number and street, city, state, and ZIP code)*			
1557 S. Piazza Drive Bloomington, Indiana 47401			
Address of property *(number and street, city, state, and ZIP code)*			
508 North College Avenue Bloomington, Indiana 47404-3891			
DLGF Taxing District number	Township	County	Date of assessment
	Bloomington	Monroe	March 1, 20 12

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

1	2	3	4	5	6
PROPERTY CLASS	**TYPE OF QUALIFIED INVESTMENT**	**BASE YEAR**	**BASE YEAR ASSESSED VALUE**	**FIRST YEAR ASSESSED VALUE**	**AMOUNT OF DEDUCTION[2]** *(Column 5 - Column 4)*
Real property	Purchase of an existing building [1]				
Real property	Construction of a new building [1]	2011	575,000.00	3,814,600.00	3,239,600.00
Real property	Repair/rehabilitation/modernization of existing building [1]				
Real property	Onsite infrastructure improvement [1]				
Personal property	Purchase of new manufacturing or production equipment				
Personal property	Retooling of existing machinery				

[1] To be determined by the assessor.
[2] This deduction amount will stay the same for a ten (10) year period [IC 6-1.1-45-9(a)].

CURRENT YEAR DEDUCTION [2] = 3,239,600.00

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

	ASSESSMENT YEAR	AMOUNT OF DEDUCTION *(from Schedule A)*	SOURCE
Year 1	2012	3,239,600.00	Schedule A from this form
Year 2	2013	3,239,600.00	Schedule A from one (1) year ago
Year 3			Schedule A from two (2) years ago
Year 4			Schedule A from three (3) years ago
Year 5			Schedule A from four (4) years ago
Year 6			Schedule A from five (5) years ago
Year 7			Schedule A from six (6) years ago
Year 8			Schedule A from seven (7) years ago
Year 9			Schedule A from eight (8) years ago
Year 10			Schedule A from nine (9) years ago
	TOTAL DEDUCTION CLAIMED =		

CERTIFICATION STATEMENT

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

Authorized signature of owner or representative		Date signed *(month, day, year)*
C. O Blorstad		4-10-2014
Printed name of signatory	Title	Telephone number
Craig O Blorstad	CFO, member	(812) 332-1906
Full mailing address of owner or representative *(number and street, city, state, and ZIP code)*		
1557 S. Piazza Drive Bloomington, Indiana 47401		

DO NOT WRITE HERE – FOR USE BY COUNTY AUDITOR ONLY		
I, Auditor of the county named below, hereby certify that this claim for deduction was filed with this office on the date noted below, and having been referred this application, do hereby make the following determination:		
Signature of County Auditor	County	Date filed (*month, day, year*)
Approved amount of assessed value deduction for March 1, 20_____, payable in 20_____:		Amount

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

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

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

☐ Application was not timely filed in accordance with instruction 2 above.

☐ Business is not located within established enterprise zone boundary.

☐ Other (explain) _____

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

IC 6-1.1-45-2 "Base year assessed value"
"Base year assessed value" equals the total assessed value of the real and personal property assessed at an enterprise zone location on the assessment date in the calendar year immediately preceding the calendar year in which a taxpayer makes a qualified investment with respect to the enterprise zone location.

IC 6-1.1-45-9 (a) Eligibility for deduction; amount;
A taxpayer that makes a qualified investment is entitled to a deduction from the assessed value of the taxpayer's enterprise zone property located at the enterprise zone location for which the taxpayer made the qualified investment. The amount of the deduction is equal to the remainder of:

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

IC 6-1.1-45-10 (c) Extension
The county auditor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer's application if:

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

IC 6-1.1-45-10 (d) Waiver
An urban enterprise association created under IC 5-28-15-13 may by resolution waive failure to file a: (1) timely; or (2) complete; deduction application under this section. Before adopting a waiver under this section, the urban enterprise association shall conduct a public hearing on the waiver.

IC 6-1.1-45-11 (b) Appeals
A person may appeal the determination of the county auditor by filing a complaint in the office of the clerk of the circuit or superior court not later than forty-five (45) days after the county auditor gives the person notice of the determination.

ENTERPRISE ZONE INVESTMENT DEDUCTION APPLICA

State Form 52501 (R / 1-07)

Prescribed by the Department of Local Government Finance

FORM EZ-2

FILED

MAY 16 2011

Auditor Monroe County, Indiana

PRIVACY NOTICE: THE RECORDS IN THIS SERIES ARE CONFIDENTIAL ACCORDING TO IC 6-1.1-35-9.

INSTRUCTIONS:

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

PROPERTY DESCRIPTION

Name of taxpayer: 9 North Holdings LLC	Federal identification number: 27-1815657
Address of taxpayer (number and street, city, state, and ZIP code): 1128 S. College Mall Road Bloomington, Indiana 47401	
Address of property (number and street, city, state, and ZIP code): 508 N College Avenue, Bloomington Indiana 47404	

DLGF Taxing District number	Township	County	Date of assessment
		Monroe	March 1, 20____

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

1	2	3	4	5	6
PROPERTY CLASS	TYPE OF QUALIFIED INVESTMENT	BASE YEAR	BASE YEAR ASSESSED VALUE	FIRST YEAR ASSESSED VALUE[1]	AMOUNT OF DEDUCTION[2] (Column 5 - Column 4)
Real property	Purchase of an existing building				
Real property	Construction of a new building	~~2010~~	~~768,100~~	~~5,828,000~~	~~5,059,900~~
Real property	Repair/rehabilitation/modernization of existing building	2011	575,000	3,814,600	3,239,600
Real property	Onsite infrastructure improvement				
Personal property	Purchase of new manufacturing or production equipment	2012	329,300	1,173,600	844,300
Personal property	Retooling of existing machinery				

[1] To be completed by township assessor.
[2] This deduction amount will stay the same for a ten (10) year period.

CURRENT YEAR DEDUCTION[2] =

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

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

TOTAL DEDUCTION CLAIMED =

CERTIFICATION STATEMENT

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

Authorized signature of owner or representative		Date signed (month, day, year): 5-10-2011
Printed name of signatory: ERIC C STOUBERG	Title: MANAGING MEMBER	Telephone number: 812-332-9414

Full mailing address of owner or representative (number and street, city, state, and ZIP code): 1128 S. College Mall Road Bloomington, IN 47401

RESOLUTION 14-07

TO APPROVE AN ENTERPRISE ZONE INVESTMENT DEDUCTION (EZID)
IN THE DOWNTOWN TAX INCREMENT FINANCING (TIF) DISTRICT -
Re: 10 North Holdings, LLC, 530 N. College Ave

WHEREAS, Indiana Code 6-1.1-45-9(d) requires that Enterprise Zone Investment Deductions (EZID) for property located within a Tax Increment Financing District (TIF) allocation area created under Indiana Code 36-7-14 must be approved by the legislative body of the governmental unit; and

WHEREAS, The City of Bloomington's Downtown TIF allocation area was created under IC 36-7-14, so authority for approval of an EZID in that TIF allocation area now falls to the Bloomington Common Council; and

WHEREAS, City of Bloomington Ordinance 13-23, adopted on December 22, 2013, established procedure and criteria for Council consideration of Enterprise Zone Investment Deductions for property located within a tax allocation area pursuant to IC 6-1.1-45-9; and

WHEREAS, 10 North Holdings, LLC is applying for approval of the EZID deduction for construction of a building (Qualified Investment) on the property located at 530 North College Avenue, which is located in the Downtown TIF allocation area; and

WHEREAS, Pursuant to Ordinance 13-04, approved by the Common Council on March 27, 2013, 10 North Holdings, LLC will be required to pay an additional participation fee of 9% of the amount of the EZID to the Bloomington Urban Enterprise Association for the benefit of the Bloomington Redevelopment Commission;

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

The Common Council hereby approves the request of 10 North Holdings, LLC to receive the Enterprise Zone Investment Deduction for the aforementioned Qualified Investment made on the property located at 530 North College Avenue, Bloomington, Indiana.

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

_____
DARRYL NEHER, 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 _____, 2014.

_____
REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2014.

_____
MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This resolution approves an Enterprise Zone Investment Deduction (EZID) for 10 North Holdings, LLC located at 530 North College Avenue. The EZID allows a property tax deduction for a qualified investment within an Urban Enterprise Zone (I.C. 6-1.1-45). In most cases, this deduction (which is similar to tax abatement) is automatic with the proper and timely application to the County Auditor. However, effective July, 2008, when the investment is in an allocation area defined by IC 12-19-1.5-1 (TIF District), the deduction must be approved by the area's legislative body. Therefore, any EZID in one of the City's TIF allocation areas must be approved by the Common Council.

Basic information about the EZID is listed below:

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

- The deduction equals the difference between the assessed property value following the qualified investment and the assessed property value of a base year (the year preceding the qualified investment).

- The amount of the deduction (100%) will be the same for each year (is non-graduated).

- The added valuation may be deducted for up to ten years and can extend past the expiration of the Enterprise Zone (Bloomington's zone designation will expire in March 2017).

- 20% of the tax savings is paid to the Bloomington Urban Enterprise Association and effective with Ordinance 13-04, an additional 9% of the tax savings is paid to the Bloomington Redevelopment Commission.

INVESTMENT DEDUCTION APPLICATION

CITY OF BLOOMINGTON

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

1. Application and License Information

This is an application for businesses located within the Bloomington Urban Enterprise Zone and the Tax Increment Financing Districts, who wish to apply for a tax exemption through the Enterprise Zone Investment Deduction (EZID) program.

Return completed application to Jason Carnes, Assistant Director- Small Business Relations, Economic & Sustainable Development Department with any questions:
(812) 349-3419 or carnesj@bloomington.in.gov

2. Taxpayer Information

Name:	10 North Holdings, LLC		
Federal ID Number:	46-3678155		
Address:	1557 S. Piazza Drive		
City, State, Zip:	Bloomington, Indiana 47401		
E-Mail Address:	craigbeuspropertygroup.com		
Phone Number:	812-332-1906	Mobile Phone:	812-345-0918

3. Property Information

Address of Property:	530 North College Avenue
City, State, Zip:	Bloomington, Indiana 47404
DLGF Taxing District number:	
Date of Assessment:	6-3-2013

4. Qualified Investment Type

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

Name	Amount of Deduction
Purchase of existing building	
Construction of a new building	7,600,000
Repair/Rehabilitation/Modernization of existing building	
Onsite infrastructure improvement	
Purchase of new manufacturing or production equipment	
Retooling of existing machinery	

5. Investment Description I

Provide a description of the planned investment in the space below. Include any relevant details that will advise the committee on the public benefits and impacts of the project :

The project is a mixed use development on .64 acres that will include 6,000 square feet of lower level retail and 52 multifamily units.

The property is bounded on three sides by public right-of-ways; on the north by 10th Street, on the west by College Avenue, and on the east by an alley. The site is predominately paved with a single commercial structure at the center.

Site improvements will consist of a multi-story building. The north half of the building will be 5 stories and south half will step down to 4 stories and a more urban streetscape utilizing concrete paving and tree grates. The first floor will have two tenant spaces totaling 6,000 sf. The northern most tenant space will be a First Financial Bank of Ohio -full service regional bank branch which will provide drive-up within the building footprint and will not be visible from the street. The southern tenant space will consist of retail uses, probably food service/restaurant. The remainder of the first floor will be devoted to parking.

Access to the first floor parking will be provided from College Avenue with exiting traffic returning southbound on College or utilizing a right-out-only onto 10th Street. The first floor will have 27 parking spaces. There will be additional 24 parking spaces provided on the second floor and accessed from the alley to the east.

The second through fourth floors and partial fifth floor will consist of a mix of 34-one, 18- two and 1-three bedroom apartments that total 53 units, 73 bedrooms. The one and two bedroom mix attracts graduate students and others that wish to live downtown close to the downtown amenities.

The architecture will integrate elements of the urban surroundings to help the project fit into the downtown context. Some examples of this include the proportions of openings which will addresses a balance between voids and solids, composition of materials, addressing scale at the street level, and overall building mass. The material pallet will include masonry, glass, and metal panel which will also help place the building into the surrounding downtown.

6. Investment Description II

Please provide the following information	
Cost of the project	8,140,100
Current assessed value of property	Year: 2013 Land: 540,100 Improvements: 0
New jobs created	Full Time: 34 Part Time: How many are temporary: 33 Permanent: 1
Type of jobs created (construction, professional, administrative, etc)	CONSTRUCTION
Annual payroll for jobs	2,398,652.00
Types of benefits offered	UNKNOWN

7. Certification Statement

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

Authorizes signature of owner or representative:	C.O Blorstad
Date:	4-10-14
Printed name of owner or representative:	CRAIG O Blorstad
Title:	CFO
Telephone number:	812-332-1906
Mailing address of owner or representative:	1557 S. Piazza Drive Bloomington, IN 47401

For City Of Bloomington Use Only

Date Received:	Received By:	Date Approved:	Approved By:

6. Investment Description II (10 North)

New Full Time Jobs - Perminant	Annual Pay	Number of Jobs
Property Manager/Maintenance	$ 50,000.00	1
TOTAL	$ 50,000.00	

New Full Time Jobs - Temporary	Annual Pay	Number of Jobs
Shell Jobsite Superintendant	$ 105,000.00	1
Shell General Labor	$ 7,000.00	1
Shell General Labor	$ 14,632.00	1
Sitework Labor	$ 33,100.00	Unknown
Paving Labor	$ 7,500.00	Unknown
Landscape Labor	$ 1,800.00	Unknown
Concrete Labor	$ 261,000.00	Unknown
Concrete Panel Erection	$ 225,000.00	Unknown
Maonry Labor	$ 134,500.00	Unknown
Steel Eriection	$ 99,500.00	Unknown
Siding Contractor	$ 9,000.00	Unknown
Waterproofing Labor	$ 48,000.00	Unknown
Roofing Labor	$ 84,100.00	Unknown
Store Front Labor	$ 126,400.00	5
Exterior Finishes	$ 14,300.00	Unknown
Elevator Instalation	$ 22,700.00	Unknown
MF General Labor	$ 4,200.00	1
Framer	$ 240,000.00	Unknown
Plumber	$ 157,700.00	Unknown
HVAC Laborer	$ 94,500.00	Unknown
Electrician	$ 131,900.00	Unknown
Fire Suppression Installer	$ 47,200.00	Unknown
Dryawaller	$ 149,100.00	Unknown
Carpenter	$ 144,000.00	Unknown
Casework	$ 6,120.00	Unknown
Decking	$ 3,400.00	Unknown
Insulation	$ 24,500.00	Unknown
Flooring Labor	$ 100,100.00	Unknown
Painter	$ 76,900.00	Unknown
IT Professional	$ 25,500.00	3
TOTAL	$ 2,398,652.00	

Description of improvements:

The building information was obtained from the developer which includes; plans (46 pages) dated August 9, 2013, artist renderings, and density calculations. The proposed building is a mixed-use retail/multi-family on a corner lot.

Based on the density calculations, the gross building area is 77,989 square feet, as shown below:

Summary of Building Improvements					
Description	Level	Size (SF)	Estimated Year Built	Effective Age (yrs.)	Quality
Retail Portion	1	6564	2013/2014	0	Good
Parking Garage	1	16970	2013/2014	0	Good
Multi-Family	2	12840	2013/2014	0	Good
Roof Parking*	2	9866	2013/2014	0	N/A
Multi-Family	3	16995	2013/2014	0	Good
Multi-Family	4	16995	2013/2014	0	Good
Multi-Family	5	7625	2013/2014	0	Good
Total (SF)		77989			

**Not included in SF*

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10 North

508 N College Avenue • Bloomington, Indiana

For more information, contact:
Steve Delaney
sdelaney@sitehawkretail.com

FOR LEASE

- 2,650 SF available
- Downtown Bloomington location
- Bloomington's largest concentration of multi-family apartment units
- Walking distance to I.U. campus
- Bank leasing end cap of retail space
- Summer of 2014 completion

Sitehawk
RETAIL REAL ESTATE

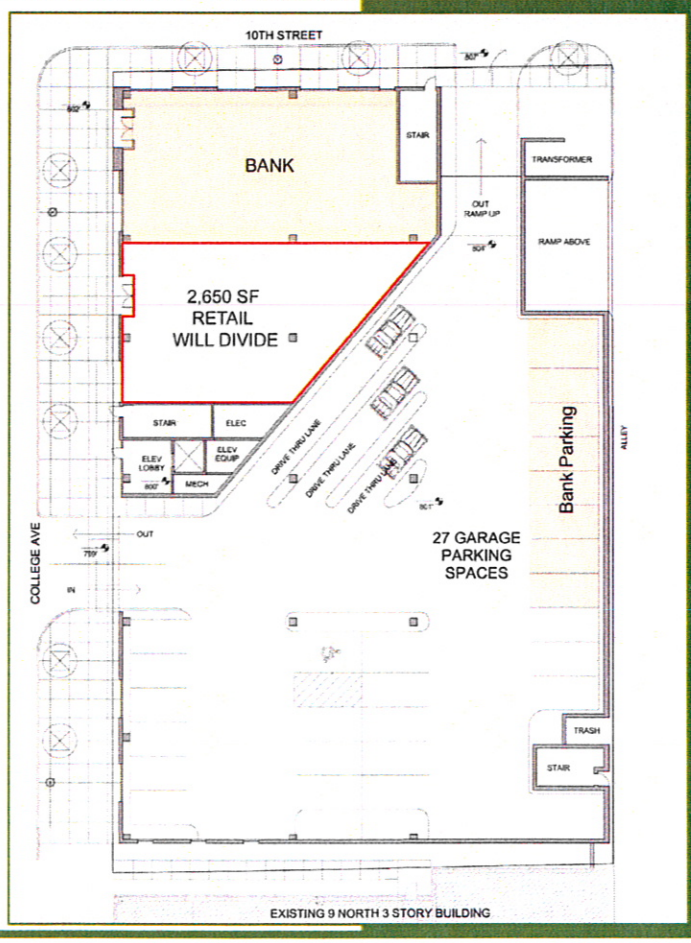
8500 Keystone Crossing, Suite 170
Indianapolis, Indiana 46240
317.844.5313 | fax 317.574.3135
sitehawkretail.com

MARKET DEMOGRAPHICS

	Population	Income	Households	Daytime Pop
1 Mile Radius	23,099	$24,550	7,797	20,098
3 Mile Radius	78,413	$43,555	30,042	50,788
5 Mile Radius	108,514	$50,873	42,277	59,905

Information deemed reliable, but not guaranteed. Subject to change without notice.

10 North



For more information,
contact:
Steve Delaney
sdelaney@sitehawkretail.com

Sitehawk
RETAIL REAL ESTATE

8500 Keystone Crossing, Suite 170
Indianapolis, Indiana 46240
317.844.5313 | fax 317.574.3135
sitehawkretail.com

A MEMBER OF
CHAINLINKS
RETAIL ADVISORS

Information deemed reliable, but not guaranteed. Subject to change without notice.

ENTERPRISE ZONE INVESTMENT DEDUCTION APPLICATION

State Form 52501 (R4 / 12-10)
Prescribed by the Department of Local Government Finance

FORM EZ-2

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

INSTRUCTIONS:

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

PROPERTY DESCRIPTION

Name of taxpayer 10 North Holdings, LLC		Federal identification number 46-3678155	
Address of taxpayer *(number and street, city, state, and ZIP code)* 1557 S. Piazza Drive Bloomington, Indiana 47401			
Address of property *(number and street, city, state, and ZIP code)* 530 North College Avenue Bloomington, Indiana 47404			
DLGF Taxing District number	Township Bloomington	County Monroe	Date of assessment March 1, 20 13

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

1	2	3	4	5	6
PROPERTY CLASS	**TYPE OF QUALIFIED INVESTMENT**	**BASE YEAR**	**BASE YEAR ASSESSED VALUE**	**FIRST YEAR ASSESSED VALUE**	**AMOUNT OF DEDUCTION[2]** *(Column 5 - Column 4)*
Real property	Purchase of an existing building [1]	2013	540,100.00	8,140,000.00	7,600,000.00
Real property	Construction of a new building [1]				
Real property	Repair/rehabilitation/modernization of existing building [1]				
Real property	Onsite infrastructure improvement [1]				
Personal property	Purchase of new manufacturing or production equipment				
Personal property	Retooling of existing machinery				

[1] To be determined by the assessor.
[2] This deduction amount will stay the same for a ten (10) year period [IC 6-1.1-45-9(a)].

CURRENT YEAR DEDUCTION [2] =

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

	ASSESSMENT YEAR	AMOUNT OF DEDUCTION *(from Schedule A)*	SOURCE
Year 1	2013	7,600,000.00	Schedule A from this form
Year 2			Schedule A from one (1) year ago
Year 3			Schedule A from two (2) years ago
Year 4			Schedule A from three (3) years ago
Year 5			Schedule A from four (4) years ago
Year 6			Schedule A from five (5) years ago
Year 7			Schedule A from six (6) years ago
Year 8			Schedule A from seven (7) years ago
Year 9			Schedule A from eight (8) years ago
Year 10			Schedule A from nine (9) years ago
	TOTAL DEDUCTION CLAIMED =		

CERTIFICATION STATEMENT

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

Authorized signature of owner or representative C O Blorstad		Date signed *(month, day, year)* 4-10-14
Printed name of signatory Craig O Blorstad	Title CFO, member	Telephone number (812) 332-1906
Full mailing address of owner or representative *(number and street, city, state, and ZIP code)* 1557 S. Piazza Drive Bloomington, Indiana 47401		

DO NOT WRITE HERE – FOR USE BY COUNTY AUDITOR ONLY		
I, Auditor of the county named below, hereby certify that this claim for deduction was filed with this office on the date noted below, and having been referred this application, do hereby make the following determination:		
Signature of County Auditor	County	Date filed (*month, day, year*)
Approved amount of assessed value deduction for March 1, 20_____, payable in 20_____:		Amount

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

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

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

☐ Application was not timely filed in accordance with instruction 2 above.

☐ Business is not located within established enterprise zone boundary.

☐ Other (explain) _____

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

IC 6-1.1-45-2 "Base year assessed value"
"Base year assessed value" equals the total assessed value of the real and personal property assessed at an enterprise zone location on the assessment date in the calendar year immediately preceding the calendar year in which a taxpayer makes a qualified investment with respect to the enterprise zone location.

IC 6-1.1-45-9 (a) Eligibility for deduction; amount;
A taxpayer that makes a qualified investment is entitled to a deduction from the assessed value of the taxpayer's enterprise zone property located at the enterprise zone location for which the taxpayer made the qualified investment. The amount of the deduction is equal to the remainder of:

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

IC 6-1.1-45-10 (c) Extension
The county auditor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer's application if:

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

IC 6-1.1-45-10 (d) Waiver
An urban enterprise association created under IC 5-28-15-13 may by resolution waive failure to file a: (1) timely; or (2) complete; deduction application under this section. Before adopting a waiver under this section, the urban enterprise association shall conduct a public hearing on the waiver.

IC 6-1.1-45-11 (b) Appeals
A person may appeal the determination of the county auditor by filing a complaint in the office of the clerk of the circuit or superior court not later than forty-five (45) days after the county auditor gives the person notice of the determination.

RESOLUTION 14-08

TO APPROVE AN ENTERPRISE ZONE INVESTMENT DEDUCTION (EZID)
IN THE DOWNTOWN TAX INCREMENT FINANCING (TIF) DISTRICT -
Re: Big O Properties, LLC, 340-346 S. Walnut Street

WHEREAS, Indiana Code 6-1.1-45-9(d) requires that Enterprise Zone Investment Deductions (EZID) for property located within a Tax Increment Financing District (TIF) allocation area created under Indiana Code 36-7-14 must be approved by the legislative body of the governmental unit; and

WHEREAS, The City of Bloomington's Downtown TIF allocation area was created under IC 36-7-14, so authority for approval of an EZID in that TIF allocation area now falls to the Bloomington Common Council; and

WHEREAS, City of Bloomington Ordinance 13-23, adopted on December 22, 2013, established procedure and criteria for Council consideration of Enterprise Zone Investment Deductions for property located within a tax allocation area pursuant to IC 6-1.1-45-9; and

WHEREAS, Big O Properties, LLC is applying for approval of the EZID deduction for construction of a building (Qualified Investment) on the property located at 340-346 South Walnut Street, which is located in the Downtown TIF allocation area; and

WHEREAS, Pursuant to Ordinance 13-04, approved by the Common Council on December 18, 2013, Big O Properties, LLC will be required to pay an additional participation fee of 9% of the amount of the EZID to the Bloomington Urban Enterprise Association for the benefit of the Bloomington Redevelopment Commission;

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

The Common Council hereby approves the request of Big O Properties, LLC to receive the Enterprise Zone Investment Deduction for the property located at 340- 346 South Walnut Street, Bloomington, Indiana.

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

_____
DARRYL NEHER, 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 _____, 2014.

_____
REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2014.

_____
MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This resolution approves an Enterprise Zone Investment Deduction (EZID) for Big O Properties, LLC located at 340-346 South Walnut Street. The EZID allows a property tax deduction for a qualified investment within an Urban Enterprise Zone (I.C. 6-1.1-45). In most cases, this deduction (which is similar to tax abatement) is automatic with the proper and timely application to the County Auditor. However, effective July, 2008, when the investment is in an allocation area defined by IC 12-19-1.5-1 (TIF District), the deduction must be approved by the area's legislative body. Therefore, any EZID in one of the City's TIF allocation areas must be approved by the Common Council.

Basic information about the EZID is listed below:

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

- The deduction equals the difference between the assessed property value following the qualified investment and the assessed property value of a base year (the year preceding the qualified investment).

- The amount of the deduction (100%) will be the same for each year (is non-graduated).

- The added valuation may be deducted for up to ten years and can extend past the expiration of the Enterprise Zone (Bloomington's zone designation will expire in March 2017).

- 20% of the tax savings is paid to the Bloomington Urban Enterprise Association and effective with Ordinance 13-04, an additional 9% of the tax savings is paid to the Bloomington Redevelopment Commission.

INVESTMENT DEDUCTION APPLICATION

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

1. Application and License Information

This is an application for businesses located within the Bloomington Urban Enterprise Zone and the Tax Increment Financing Districts, who wish to apply for a tax exemption through the Enterprise Zone Investment Deduction (EZID) program.

Return completed application to Jason Carnes, Assistant Director- Small Business Relations, Economic & Sustainable Development Department with any questions:
(812) 349-3419 or carnesj@bloomington.in.gov

2. Taxpayer Information

Name:	BigO Properties, LLC		
Federal ID Number:	35-2145582		
Address:	629 S. Woodcrest Dr.		
City, State, Zip:	Bloomington, IN 47401		
E-Mail Address:	mfried00@gmail.com		
Phone Number:	812-339-0995	Mobile Phone:	812-219-3348

3. Property Information

Address of Property:	340-346 S. Walnut Street
City, State, Zip:	Bloomington, IN 47401
DLGF Taxing District number:	015-171800-00 and 015-17190-00
Date of Assessment:	March 1, 2013 (have not received assessment for March 1, 2014)

4. Qualified Investment Type

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

Name	Amount of Deduction
Purchase of existing building	
Construction of a new building	not yet assessed
Repair/Rehabilitation/Modernization of existing building	
Onsite infrastructure improvement	
Purchase of new manufacturing or production equipment	
Retooling of existing machinery	

5. Investment Description I

Provide a description of the planned investment in the space below. Include any relevant details that will advise the committee on the public benefits and impacts of the project :

A mix-use (residential and commercial) building was constructed on the land in 2013. The building includes 19 residential units (11 - 2 bedroom units and 8 - 1 bedroom units.) The development of the property also created eight parking spaces. The commercial space is rented to two different unrelated party tenants. The first tenant, Waterstone Mortgage, occupies two suites and the second tenant, Sofra Inc, will occupy the other two suites. As part of the preparation for the construction of the building, the taxpayer incurred significant land clean-up costs to prepare the site for construction (approximately $130,000.)

The construction of the building employed approximately 240 laborers which generated approximately $2,200,000 of payroll costs. The first tenant, Waterstone Mortgage, will employ 4 mortgage professionals. The professionals will earn $7.25 per hour plus commissions. The second tenant, Sofra Inc, is currently finishing their tenant improvements and business plan. The tenant has not determined the number of employees they plan to maintain during their regular course of business.

6. Investment Description II

Please provide the following information	
Cost of the project	$2,700,000 (including $130,000 of land clean-up)
Current assessed value of property	Year: 2013 Land: $184,800 Improvements: -0-
New jobs created	Full Time: unknown Part Time: unknown How many are temporary: 240 (construction) Permanent: 4 + (tenant)
Type of jobs created (construction, professional, administrative, etc)	Construction, mortgage professionals, and retail
Annual payroll for jobs	Construction approx. $2,200,000, mortgage prof $7.25/hr plus commissions
Types of benefits offered	Unknown

7. Certification Statement

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

Authorizes signature of owner or representative:	Mary Friedman Big O Properties LLC Managing Partner
Date:	april 9, 2014
Printed name of owner or representative:	Mary Friedman
Title:	Property owner
Telephone number:	812-339-0995
Mailing address of owner or representative:	Omega Properties 115 E. 6th Street, Suite 1 Bloomington, IN 47408

For City Of Bloomington Use Only

Date Received:	Received By:	Date Approved:	Approved By:

Kerr Environmental Services, Inc.

340 South Walnut

January 20, 2010

Ms. Mary Friedman
Big O Properties, LLC
115 East Sixth Street, Suite 1
Bloomington, Indiana 47408

RE: Summary Remediation Report
Walnut Street Lofts
340 South Walnut Street
Bloomington, Indiana

Dear Ms. Friedman:

Pursuant to your request, Kerr Environmental Services, Inc. is providing this summary of remediation activities at the above referenced property.

Kerr Environmental Services, Inc. performed the remediation of petroleum contaminated soil at the future Walnut Street Lofts (hereinafter referred to as the "project site") located at 340 South Walnut Street in downtown Bloomington, Indiana, at the request of Ms. Mary Friedman, Big O Properties, LLC.

Kerr Environmental Services, Inc. obtained approval from Republic Services, Inc. to dispose of the contaminated soil at the Sycamore Ridge Landfill. On October 22, 2008, Kerr Environmental Services, Inc. mobilized to the project site to begin the soil remediation. During the soil remediation, three underground storage tanks (USTs) were encountered. Two of the USTs, located near the alley were believed to have contained gasoline. The UST on the north end of the excavation was believed to have contained heating oil. All three tanks were unregulated due to their removal from service prior to 1975. The two gasoline USTs contained water with a trace amount of gasoline. The other UST was empty. Prior to removal, the water was pumped from the two gasoline USTs by American Industrial Services, Inc. for offsite treatment and disposal.

Prior to removal from the ground, the tanks were purged of flammable vapors by the placement of pelletized dry ice in the tanks. The tanks were then opened and removed from the ground. The tanks were dismantled and removed from the site for recycling.

709 Main Street • Ellettsville, Indiana 47429
(812) 876-3300 • Fax (812) 876-3307 • Email: kerrenv@bluemarble.net

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Soil remediation activities continued until approximately 1,005 tons of contaminated soil was removed. A grading permit from the City of Bloomington was obtained during the excavation activities due to the increasing size of the excavation. Side wall samples were then collected. As the excavation was completed to bedrock, bottom samples were not collected. A total of ten side wall samples were collected for analyses of total petroleum hydrocarbons (TPH) for gasoline and extended range organics. Analyses only included these two constituents as they were the only constituents detected on site above comparative action levels in previous environmental investigations. The samples were collected directly from the sidewall and placed into containers supplied by the laboratory. The samples were properly labeled, placed in an iced cooler, and shipped to TestAmerica Laboratories, Inc. of Dayton, Ohio under strict chain of custody protocol. Rush 48-hour analyses was requested.

The analytical results indicated that two samples along the alley (S-1 and S-2) contained TPH above comparative action levels. However, these samples were collected at or very near to the western property line and the scope of remediation services did not extend offsite. Three other samples (S-7, S-8, and S-9) contained TPH above comparative action levels. Therefore, soil remediation continued in that area until all contamination appeared to be removed. An additional 278 tons of contaminated soil was removed. Four additional side wall samples were collected for laboratory analyses to confirm the completion of remediation. The analytical results of these additional samples revealed no detectable concentrations of TPH. The backfilling of the excavation is not covered under this report.

Kevin Huntley Excavating, Inc. provided the excavation services. William Hanna Trucking, Inc. and Kevin Huntley Excavating, Inc. provided the transportation to the Sycamore Ridge Landfill. A total of 1,283.27 tons of contaminated soil was removed for proper disposal at the landfill.

The excavation was extended to within a few feet of the western property line. The excavation was not extended all the way to the property line as an attempt to maintain the integrity of utilities in the adjoining alley. It was determined by Kerr Environmental Services, Inc. that the amount of contaminated material that may have been left at the edge of the property line, given the fact that no chemicals of concern was detected above residential action levels in the contaminated soil, was insignificant in comparison to the risk to adjacent utilities.

The subsurface soil remediation at the future Walnut Street Lofts located at 340 South Walnut Street in Bloomington, Indiana, was successful. Kerr Environmental Services, Inc. recommends no further environmental investigations or remediation.

Should you require additional information or have any questions concerning the Remediation Report, please contact me at your convenience.

Respectfully,

Kerr Environmental Services, Inc.

Dana R. Kerr
President