

City of Bloomington Common Council

Legislative Packet

26 June 2013

Special Session

All relevant legislation and background material contained herein.

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To: Council Members
From: Council Office
Re: Weekly Packet Memo
Date: June 19, 2013

Packet Related Material

Memo

Agenda

Calendar

Notices and Agendas:

None

Special Session on Wednesday, June 26, 2013

- **Annual Tax Abatement Report (Covering Activity in 2012)**
 - Memo to Council from Danise Alano-Martin, Director of the Department of Economic and Sustainable Development; Report
Contact: Danise Alano-Martin at 349-3418 or alanod@bloomington.in.gov

Memo

Special Session But No Committee of the Whole on Wednesday, June 26th

The Council will not meet for the regularly scheduled Committee of the Whole, but will hold a previously-scheduled Special Session next Wednesday to consider the Annual Tax Abatement Report. That Report is included in this packet and is summarized below.

Annual Tax Abatement Report

Danise Alano-Martin, Director of Economic and Sustainable Development is scheduled to present the *Annual Tax Abatement Report (Report)* to the Council next Wednesday night at a Special Session. (This Special Session was added to the Annual Schedule a few years ago and gave the department another week to prepare the *Report*, while still giving the Council time to review it within the statutory timeframe.)

Each year, State statute and the local *Tax Abatement Program: General Standards¹ (Local Standards)* require recipients of tax abatements to file CF-1 forms with the Clerk of the legislative body indicating whether the project is providing the benefits which were promised at the time the petitioner sought the abatement. Due to a change in State law in 2005, the deadline for submitting CF-1s for improvements to real estate and for the installation of new manufacturing equipment are now all on the same date (May 15th). Please note that copies of those CF-1s are available in the Clerk's Office for your review.

Economic and Sustainable Development collects and reviews the CF-1s, files a report with the Economic Development Commission (EDC)(June 6th) and presents its recommendations to the Council in time for the Council to pursue statutory procedures to terminate abatements, should the underlying circumstances justify that decision. This year, the *Report* recommends that *all* of the recipients be found in substantial compliance, but mentions one (Woolery) where amendments are expected to be considered by the EDC later this summer.

The *Report* is to the EDC and Common Council and summarizes the status of the active, and notes the recently expired, tax abatement projects. Please note it contains one *new* tax abatement since the last *Report* was considered by the Council last June (Hoosier Energy at Tech Park Boulevard). The *Report* is included in this packet, takes the form of a PowerPoint presentation, and includes:

- Table of Contents (slide 2);
- Introduction to Tax Abatements (slides 3-10);
- Summary of the Economic Impact of these projects (slides 11-15);
- One sheet summary of each project which is accompanied by photos including:
 - Residential Development Projects (slides 16-31) – 7 projects;
 - Mixed-Use Projects (slides 32-34) – 1 project;
 - Commercial Projects (slides 35-46) – 4 projects;
 - New Projects (slides 47-49) – 1 project;
- List of five abatements that have expired (slide 51);
- List of two projects where a CF-1 was not received (slide 53); and
- Comment on one unfinished abatement where an amendment is expected to be discussed by the EDC on July 26th (slide 54).

¹ The General Standards were revised in January 2011 with the adoption of [Res 11-01](#).

My memo below briefly explains tax abatements, summarizes the process for reviewing these projects and highlights some projects that were previously discussed by the Council or that may not have fully met their targets this year. *Please note that the Meeting Memo for next week's Special Session will offer the Council an order for your deliberations as well as a menu of motions from which to choose.*

Tax Abatement – A Reduction in Property Tax Liability for Properties Not Susceptible to Normal Growth and Development

Tax abatements are a reduction of tax liability on real and personal property that applies to increased assessed valuation due to new investment. (I.C. 6-1.1-12.1 et seq.) Prior to awarding a tax abatement, the Council must make a determination (in the form of designating an Economic Revitalization Area [ERA] and, in some cases, an Economic Development Target Area [EDTA]) that the site would not develop under normal market conditions. Although this is a prediction and, therefore, a difficult determination to make, it serves as a check on the awarding of an abatement by providing an initial focus on the nature of the site and whether this tax break is needed to encourage the investments at that location.

Please note that the period of abatement may run from 1 to 10 years and the amount of the abatement is generally determined by a sliding scale that runs from 100% to 0%. However, in 2011² the General Assembly authorized local entities to grant up to three years of 100% abatement in certain very limited circumstances (involving occupation of large, vacant buildings and the investment of at least \$10 million) and also authorized local entities to use alternative methods for determining the duration and amount of property tax abatements based upon certain factors.³

Typical Commitments - Standard of Review (Substantial Compliance)

Along with making a determination regarding the distressed nature of the site, statute and *Local Standards* require the Council to find that the benefits asserted by the petitioner are reasonable and probable and justify, in totality, the granting of the

² House Enrolled Act 1007 (PL 173 of 2011)

³ IC 6-1.1-12.1-17 Alternative deduction schedules (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an alternative abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) An alternative abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An alternative abatement schedule may not exceed ten (10) years.

abatement. As a general matter, the nature of benefits sought by the City are set forth in the *Local Standards* and those benefits proposed for individual projects are set forth in the Application and Statement of Benefits. They principally relate to:

- the amount of investment (as measured by the estimated assessed valuation of the improvements) with the goal of enhancing the tax base; and
- the number of jobs retained and created by the project, and the size of the resulting payroll with the goal of creating permanent, full-time, living wage jobs.

Along with these principal benefits, the *Local Standards* invite petitioners to offer other benefits that provide significant positive contributions to the overall economic vitality and quality of life in the City. Those benefits can be found online at <http://bloomington.in.gov/taxabatement> and, in particular at <http://bloomington.in.gov/media/media/application/pdf/10780.pdf>.

In reviewing the benefits in the *Report*, you will see an articulation of benefits that evolved in the decade prior to the adoption of the new *Local Standards* in January of 2011. These evolved benefits include, but are not limited to:

- the number of affordable dwelling units that have been set aside for low-to-moderate income households. (*Please note that these units are usually in the form of subsidized rental units, but may include owner-occupied housing*);
- encouraging housing in the downtown area (*which, for decades, was not occurring at the rate or in the manner desired by the City*);
- rehabilitating a historic property in accordance with Secretary of Interior standards;
- the use of higher quality materials; and
- a commitment to provide a certain level of indigent care.

The Annual Tax Abatement *Report* gives the Council an opportunity to review the progress of tax abatement projects. Almost all of the projects are being reviewed under a statutory process that is tied to the review of the CF-1s and provides for the Council to determine whether or not the projects are in substantial compliance with the commitments made at the time of the abatement. Under this process, the Council must act within 45 days of the deadline for filing the CF-1s, if it intends to exercise its power to rescind a tax abatement.⁴ The Council may rescind the tax abatement and terminate the deduction only if it finds that the property owner has not

⁴ IC 6-1.1-12.1-5.9

substantially complied with the commitments made at the time of the abatement. The decision to terminate the tax deduction should be made only if you conclude the tax payer has not made reasonable efforts to meet its commitments and was not prevented from complying with the terms of the abatement due to factors beyond its control.⁵

There are also two some projects which have not commenced or completed construction and, therefore, have not progressed to the point of filing a CF-1. One was just approved in February and will commence construction this summer. The other was approved many years ago and has not begun construction. Please note that if a project has not filed a CF-1 and is not progressing at a satisfactory speed, the City may take steps to address that situation and, may among other measures, remove of the tax abatement.

Economic Impacts

As a result of past requests from the Council, the *Report* provides some economic impacts of the tax abatements, including the:

- amount of investment (\$58.6 million proposed/\$180.8 million actual);
- number of jobs created (254 proposed/ 551 actual) and the size of the resultant payroll (\$12 million proposed/ \$34.1 million actual);
- number of new and retained jobs (595), size of the payroll (37.6 million), and average annual salary (\$63.219); and
- change in assessed valuation (which grew from \$3.6 million to \$78.6 million).

⁵ The local General Standards give the following examples of grounds for terminating a tax abatement: 1) Failure to comply with any terms set forth in the Memorandum of Agreement; 2) An incomplete, inaccurate, or missing CF-1; 3) Petitioner vacates the City of Bloomington during the term of abatement; 4) Fraud on the part of petitioner; and 5) Initiation of litigation with the City of Bloomington.

List of Projects

Here is a list of the projects covered by the report, where they can be found, and the years left on the term of abatement.

<u>Page</u>	<u>Owner</u>	<u>Address</u>	<u>Legislation</u>	<u>Year of Abatement</u>
<u>Residential Projects</u>				
17-18	All Natural Properties	1403 & 1405 West 6 th	<u>Res 01-06</u>	10 of 10
19-21	Renaissance Rentals, LLC	3068-3090 Covenanter Dr.	<u>Res 02-18</u>	9 of 10
22-24	The Kirkwood (market-rate apartments)	314 W. 4 th Street	<u>Res 03-02</u>	9 of 10
25-26	B & L Rentals, LLC	718, 720 & 722 W. Kirkwood	<u>Res 03-22</u>	8 of 10
27-28	Habitat for Humanity	1034 & 1042 W. 14 th Street	<u>Res 05-11</u>	4 of 5
29-31	Evergreen Village	2101- 2125 S. Susie Street & 2300 S. Rockport Road	<u>Res 06-13</u>	5 of 5
<u>Mixed Use Projects</u>				
33-34	B & L Rentals	612 & 614 W. Kirkwood	<u>Res 03-21</u>	8 of 10
<u>Commercial Projects</u>				
36-38	Richard Dean Groomer	100 W. Kirkwood	<u>Res 03-27</u>	8 of 10
39-40	First Technology Initiative. LLC (formerly MRHC, LLC and Richland Development Group)	1600 Bloomfield Road	<u>Res 02-22</u>	8 of 10

41-44	Cook Pharmica	1300 S. Patterson Drive	<u>Res 04-08</u>	7 of 10 (Real Estate 6 of 10 (Personal Property))
45-46	IMA East	2605 East Creek's Edge Drive	<u>Res 06-02</u>	7 of 10

CF-1s Not Reviewed - Project Has Not Commenced

53-54	Woolery Ventures, LLC		<u>Res 04-01</u>	(0 of 10)
48-49	Hoosier Energy (New Project)	Tech Park Blvd and Schmalz Blvd	<u>Res 13-03</u>	(0 of 10)

Projects with Past Issues, Non-Filed CF-1s, or Lack of Progress

While identifying one project for further action by the EDC in July, the *Report* does not recommend any adverse actions by the Council on these abatements this year. The following entries note some projects that have drawn some more attention than the others in the past, identifies one project that has not filed a CF-1, and summarizes the status and staff recommendation regarding the one project that hasn't made progress on construction.

Slide 39	First Technology Initiative, LLC (formerly Marlin Real Estate Holdings, LLC and before that Richland Development Group)	1600 West Bloomfield Road	<u>Res 02-22</u>
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Issue: This property changed ownership a few years ago. Alano-Martin ascertained that ProLogic Redemption Solutions (which took over the aforementioned coupon redemption business), an accountant, dentist and a real estate office occupy the space. The initial property owner committed to invest \$3.35 million in improvements, retain 30 positions, and create 30 new positions. The *Report* indicates that the project met investment expectations, exceeded the number of jobs to be retained and created by 3 (63), and more than tripled the increase in the anticipated payroll.

Slide 45 **Rogers Property Management, LLP (IMA East)** 2605 East Creek's Edge Drive Res 06-02

Issue: Along with the standard commitments for investment in improvements, creation of new jobs, and the increase in payrolls (which all have more than doubled the projections), this project also included other community benefits. Those community benefits centered around providing a minimum of \$200,000 in uncompensated services to the community over the length of the abatement. The *Report* indicates this project met this commitment.

The attachment to the CF-1 indicates that the entire IMA enterprise contributed over \$3.4 million in uncompensated services in 2012. With 12% of the IMA professional staff located at the Creek's Edge facility, that figure translates (on a pro-rated basis) to more than \$400,000 in uncompensated services for that site.

Slide 28 **Habitat for Humanity** 1034 W. 14th Street Res 05-11

Issue: One of two properties did not file a CF-1.

Comment: This is an affordable, single-family housing project where the individual owners must file the CF-1. It isn't unusual for them to forget to file a CF-1 or file an incomplete CF-1.

Slide 54 **Woolery Ventures, LLC** 2200 W. Tapp Road Res 04-01
Real Estate

Issue and Staff Recommendation: In 2004, the petitioner sought a 10-year tax abatement for a historic adaptive re-use of an abandoned stone mill. The project was to include a hotel and residential units, meet Secretary of Interior standards, cost \$4.2 million, and create 45 new jobs with an annual payroll of \$762,000. The *Report* indicates that the petitioner still intends to develop the property, but hasn't made much progress (other than some landscaping and aesthetic improvements). Many of you may recall that this project has been identified in the past by the EDC for further consideration. This year, the *Report* indicated that the EDC will be considering a recommendation from ESD staff to amend the original approval at its meeting on July 26th. *Please note that, although this recommendation does not require any special action by the Council, the Meeting Memo for June 26th will offer a slate of motions you may want to consider regarding this or other projects that evening.*

Expired Tax Abatements (Slide 51)

The *Report* lists five abatements that have expired since last year:

Habitat for Humanity (Various Owners) 410, 412, 414 N. Hay Street Res 95-11

Lockerbie Court Condominium LLC 500 N. Walnut Street Res 01-02

Habitat for Humanity (Various Owners) 1010, 1018, 1026 W. 14th Street Res 05-09

Morton Street Properties 555 N. Morton Street
(formerly **Hirons, Investments,**
LLC)

Res 99-13

Metropolitan Printing Services 720 S. Morton Street

Res 99-31

Other Tax Abatements Within the City Without Review by the Common Council

The *Report* evaluates current tax abatement projects authorized by the City of Bloomington, but does not address another form of tax abatement within the City enacted by the General Assembly that are generally not reviewed by the Common Council. These are tied to our Urban Enterprise Zone (which, at this time, is set to expire in 2017) and offers a 100% deduction of taxes for a period of either five or ten years for eligible investments within an Enterprise Zone for the purchase, construction and rehabilitation of buildings as well as the purchase and retooling of equipment. (I.C. 6-1.1-45) You may recall that the Council does, in fact, review a subset of these abatements which fall within one or another of our TIF districts.

AGENDA
BLOOMINGTON COMMON COUNCIL
SPECIAL SESSION & COMMITTEE OF THE WHOLE
7:30 P.M., WEDNESDAY, JUNE 26, 2013
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON ST.

SPECIAL SESSION

I. ROLL CALL

II. AGENDA SUMMATION

III. REPORTS

1. Annual Tax Abatement Report

Asked to attend: - Danise Alano-Martin, Director of Economic and
Sustainable Development

IV. COUNCIL SCHEDULE

V. ADJOURNMENT



City of Bloomington
Office of the Common Council

To Council Members
From Council Office
Re Weekly Calendar – 24 June - 29 June 2013

Monday, 24 June

11:45 am Inclusive Recreation Advisory Council, Allison-Jukebox Community Center, 349 South Washington Street
4:00 pm Council for Community Accessibility, McCloskey
5:30 pm Bloomington Human Rights Commission, McCloskey

Tuesday, 25 June

8:30 am Jack Hopkins Technical Assistance Meeting for grantees, McCloskey
4:00 pm Bloomington Community Farmers' Market, between 6th and Madison St
4:00 pm Board of Park Commissioners, Council Chambers
5:30 pm Bloomington Public Transportation Corporation Board of Directors, Transit
6:00 pm [ImagineBloomington](#) Public Workshop, Monroe County Public Library (Room 1B), 303 E. Kirkwood Avenue

Wednesday, 26 June

2:00 pm Hearing Officer, Kelly
2:00 pm Maxwell Lane Sidewalk Quote Opening, McCloskey
4:00 pm Redevelopment Commission, Hooker Room
4:30 pm Martin Luther King, Jr. Birthday Commission, McCloskey
5:30 pm Traffic Commission, Council Chambers
6:30 pm Metropolitan Planning Organization – Citizens' Advisory Committee, McCloskey
7:30 pm Common Council Special Session, Council Chambers

Thursday, 27 June

10:30 am Address Coordination, McCloskey
11:00 am Monroe County Suicide Prevention Coalition-Awareness and Promotion Committee, Kelly
4:30 pm Bloomington Historic Preservation Commission, McCloskey
5:30 pm Board of Zoning Appeals, Council Chambers

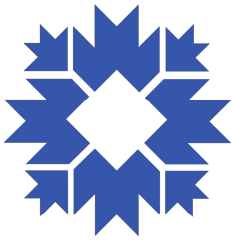
Friday, 28 June

5:00 pm WFHB Closing Exhibit Reception, City Atrium

Saturday, 29 June

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

Posted and Distributed: Wednesday, 19 June 2013



CITY OF BLOOMINGTON
economic & sustainable development

MEMORANDUM

To: City of Bloomington Common Council
CC: Dan Sherman, Regina Moore
From: Danise Alano-Martin, Jason Carnes
Date: June 18, 2013
Re: Tax Abatement Program, 2012 Activity Summary

Attached please find the 2012 Activity Summary of Tax Abatements. The Economic Development Commission (EDC) accepted the activity report in their meeting on June 6, 2013 and recommended it be forwarded to the City of Bloomington Common Council.

The summary is intended to provide a comprehensive description of the Common Council's active abatement portfolio. Each year, property owners with tax abatements must file a Compliance with Statement of Benefits (CF-1) Form with the City Clerk (as well as with the County Auditor). The CF-1 provides an status update on the abated project (real estate property or personal property, or both) and allows the Council to compare the actual values of the investment/improvement to the property with the values estimated on the original Statement of Benefits Form (SB-1). If the project included proposed job creation then the property owner also lists actual job creation and salary information.

The CF-1 provides a snapshot of the project and its progress toward achieving the "benefits" proposed in their original abatement application. Therefore, the CF-1 is limited in that it does not necessarily show real growth or fluctuations in activity throughout a year or from year to year.

Only one new abatement has been approved (Resolution 13-02: Hoosier Energy corporate headquarters) since we reported 2011 activity to you last June. As you may recall, the project will break ground later this summer and is projected to be complete by December 2014. The first time the annual CF-1 Form will be required to be filed is after the project is complete.

Another project still in progress is the Woolery Ventures project (Resolution 04-01). The EDC will be considering an amendment to this abatement at their next regular meeting, which will be July 26. Because the investment hasn't been completed, technically the statutorily-dictated process of submitting the annual CF-1 Forms has not been triggered. As such, the Council's time window for making any modifications to or for rescinding this particular abatement is not limited by the timing of this Annual Report. If the EDC adopts a resolution proposing an amendment, it is likely to be forwarded to the Council for consideration after your August recess.

We look forward to presenting to you on June 26, 2013 the details of this and other tax abatement projects via the annual Tax Abatement Activity Report.

Tax Abatement Annual Report

2012 Activity Summary



***Presentation to
Common Council
June 26, 2013***

**Economic Development Commission
June 6, 2013**

Activity Report



- I. Introduction
- II. Economic Impact
- III. Residential Projects
- IV. Mixed-Use Projects
- V. Commercial Projects
- VI. Projects in Progress
- VII. Expired Abatements
- VIII. CF-1s Not Received



I. Tax Abatements - Introduction



Tax Abatements

- What is tax abatement?
 - Real and personal property
 - IC 6-1.1-12.1
 - Vacant building
 - IC 6-1.1-12.1-16
 - Enterprise IT equipment
 - IC 6-1.1-10-44



Tax Abatements

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



Real Property Schedule

Year of Deduction	1	2	3	4	5	6	7	8	9	10
1 Year Deduction	100%									
2 Year Deduction	100%	50%								
3 Year Deduction	100%	66%	33%							
4 Year Deduction	100%	75%	50%	25%						
5 Year Deduction	100%	80%	60%	40%	20%					
6 Year Deduction	100%	85%	66%	50%	34%	17%				
7 Year Deduction	100%	85%	71%	57%	43%	29%	14%			
8 Year Deduction	100%	88%	75%	63%	50%	38%	25%	13%		
9 Year Deduction	100%	88%	77%	66%	55%	44%	33%	22%	11%	
10 Year Deduction	100%	95%	80%	65%	50%	40%	30%	20%	10%	5%

IC 6-1.1-12.1-4



Personal Property Schedule

Yrs	1	2	3	4	5	6	7	8	9	10	11
1	100%										
2	100%	50%									
3	100%	66%	33%								
4	100%	75%	50%	25%							
5	100%	80%	60%	40%	20%						
6	100%	85%	66%	50%	34%	25%					
7	100%	85%	71%	57%	43%	29%	14%				
8	100%	88%	75%	63%	50%	38%	25%	13%			
9	100%	88%	77%	66%	55%	44%	33%	22%	11%		
10	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	

IC 6-1.1-12.1-4.5



Tax Abatements

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



Authorization Process

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



Annual Reporting

- Compare estimated “benefits” to actual results
- Taxpayer submits annual Compliance form with Statement of Benefits form (IN Form CF-1)
 - Filed with County Auditor for deduction administration
 - Copied to City Clerk for reporting to Common Council
- Council has given ESD Department the responsibility to compile and report to EDC
 - EDC forwards final report to Council for any action



II. Economic Impact



Economic Impacts

Progress toward new real and personal property investment estimates

Category	Proposed New Investment (SB-1)	Actual New Investment (CF-1)
Commercial RE	\$ 26,431,250	\$ 124,417,256
Commercial PP	\$ 17,200,000	\$ 37,996,461
Mixed Use	\$ 155,000	\$ 230,000
Residential	\$ 14,840,113	\$ 18,144,477
Total	\$ 58,626,363	\$ 180,788,194



Economic Impacts

Progress toward new jobs and salary estimates

Proposed New Jobs (SB-1)	Proposed New Salaries (SB-1)	Actual New Jobs (CF-1)	Actual New Salaries (CF-1)
254	\$ 12,048,982	551	\$ 34,139,993
<i>Average Proposed New Salary = \$47,437</i>		<i>Average Actual New Salary = \$61,960</i>	

Figures exclude temporary jobs and corresponding salaries from construction.

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



Economic Impacts

Progress toward new and retained jobs and salary estimates

Total Jobs (New and Retained)	Total Salaries (New and Retained)
595	\$ 37,615,655
<i>Average Salary = \$63,219</i>	

Figures exclude temporary jobs and corresponding salaries from construction.

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



Economic Impacts

Original assessed values and current assessed values

Category	SB-1 Assessed Values (Before Project)	Current Assessed Values
Commercial RE + PP	\$ 3,057,600	\$ 68,848,984
Mixed Use	\$ 75,000	\$ 267,400
Residential	\$ 442,500	\$ 9,457,100
Total	\$ 3,575,100	\$ 78,573,484



III. Residential Development Projects



All Natural Properties, Inc.



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



All Natural Properties, Inc.

1403 & 1405 W. 6th Street

Resolution: 01-06

Statement of Benefits

Compliance

Type: Real Estate Improvements
Length of Abatement: 10 years

Summary: The project is complete and both units are occupied by low-income renters. HAND verified compliance.

Estimated New Investment: \$140,000
Estimated New Employment: N/A
Estimated New Salaries: N/A
Benefits: Construction of two downtown 3-bedroom, 2-bath, affordable housing units that are set aside for low-to-moderate income renters for 20 years.

Actual New Investment: \$176,000
Actual New Employment: 3
Actual New Salaries: \$90,000
Current Assessed Value: \$142,200
Remarks: EDC recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 10 of 10.

Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Renaissance Rentals, LLC



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Renaissance Rentals, LLC



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Renaissance Rentals, LLC
3068 – 3090 Covenanter Drive
Resolution: 02-18

Statement of Benefits

Type: Real Estate Improvements
Length of Abatement: 10 years

Estimated New Investment: \$520,322
Estimated New Employment: N/A
Estimated New Salaries: N/A
Benefits: Construction of 12-unit apartment building with 11 affordable, handicapped accessible units.

Compliance

Summary: The project is complete and the affordable units are occupied by low-income renters. HAND verified compliance.

Actual New Investment: \$641,500
Actual New Employment: N/A
Actual New Salaries: N/A
Current Assessed Value: \$444,000
Remarks: EDC recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 9 of 10.



The Kirkwood
Market-Rate Apartments





**The Kirkwood
Market-Rate Apartments**



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



**Kirkwood & Madison, LLC (The Kirkwood)
314 W. 4th Street
Resolution: 03-02**

Statement of Benefits

Type: Real Estate Improvements
Length of Abatement: 10 years

Estimated New Investment: \$12,000,000
Estimated New Employment: 3
Estimated New Salaries: \$71,000
Benefits: Construction of 59 unit residential apartments downtown with underground parking.

Compliance

Summary: The project is complete and all units are occupied.

Actual New Investment: \$15,100,000
Actual New Employment: 3
Actual New Salaries: \$64,000
Current Assessed Value: \$6,656,300
Remarks: EDC recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 9 of 10.

Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity

B & L Rentals



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity

B & L Rentals, LLC
718, 720 & 722 W. Kirkwood
Resolution: 03-22

Statement of Benefits

Compliance

Type: Real Estate Improvements
Length of Abatement: 10 years

Summary: The project is complete.

Estimated New Investment: \$100,000
Estimated New Employment: N/A
Estimated New Salaries: N/A

Actual New Investment: \$100,000
Actual New Employment: N/A
Actual New Salaries: N/A

Benefits: Renovation of Queen Anne 2 story housing with 3 apartments in the West Kirkwood ERA.

Current Assessed Value: \$281,800
Remarks: EDC recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 8 of 10.

Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Habitat for Humanity



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Habitat for Humanity 1034 & 1042 W. 14th Street Resolution: 05-11

Statement of Benefits

Type: Real Estate Improvements
Length of Abatement: 5 years

Estimated New Investment: \$160,000
Estimated New Employment: N/A
Estimated New Salaries: N/A
Benefits: Construction of two single-family homes to be sold to low-income families.

Compliance

Summary: The project is complete and all homes were sold to low-income families. HAND verified compliance.

Actual New Investment: \$160,000
Actual New Employment: N/A
Actual New Salaries: N/A

Current Assessed Value: \$175,000
Remarks: EDC recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 4 of 5

Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Evergreen Village



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Evergreen Village



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Evergreen Village
 2101 – 2125 S. Susie St. & 2300 S. Rockport Rd.
Resolution: 06-13

Statement of Benefits

Compliance

Type: Real Estate Improvements
Length of Abatement: 5 years

Summary: Project is complete. Eleven of 12 homes have been sold to income-qualified homeowners.

Estimated New Investment: \$1,919,791
Estimated New Employment: N/A
Estimated New Salaries: N/A

Actual New Investment: \$1,966,977
Actual New Employment: N/A
Actual New Salaries: N/A
Current Assessed Value: \$1,757,800

Benefits: The 12 housing units are LEED certified and affordable, with a 30-year affordability covenant.

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

Most abatements are in year 4 of 5.
 Some abatements are in year 5 of 5.



IV.
Mixed-Use Project



B & L Rentals



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



B & L Rentals, LLC 612 & 614 W. Kirkwood Resolution: 03-21

Statement of Benefits

Compliance

Type: Real Estate Improvements
Length of Abatement: 10 years

Summary: The project is complete and both the units are occupied.

Estimated New Investment: \$155,000
Estimated New Employment: 2
Estimated New Salaries: \$40,000
Benefits: Construction of a 2-story building with office, 2 bedroom apartments, and a detached garage.

Actual New Investment: \$230,000
Actual New Employment: 5
Actual New Salaries: \$222,604 with commissions
Current Assessed Value: \$267,400
Remarks: EDC recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 8 of 10.

Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



V. Commercial Projects



Richard Dean Groomer





Richard Dean Groomer



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Richard Dean Groomer

1000 W. Kirkwood

Resolution: 03-27

Statement of Benefits

Compliance

Type: Real Estate Improvements
Length of Abatement: 10 years

Summary: The project is complete.

Estimated New Investment: \$60,000

Actual New Investment: \$67,250

Estimated New Employment: 5

Actual New Employment: 5

Estimated New Salaries: N/A

Actual New Salaries: N/A

Benefits: Construction of a 2,100 square foot one-story building to be used as commercial space. The project is in the West Kirkwood ERA.

Current Assessed Value: \$186,500

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

This abatement is in year 8 of 10.

Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



First Technology Initiative, LLC



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



First Technology Initiative, LLC - 1600 Bloomfield Road (Formerly MRHC, LCC and Richland Development Group) Resolution: 02-22

Statement of Benefits

Type: Real Estate Improvements
Length of Abatement: 10 years

Estimated New Investment: \$3,350,000

Estimated New Employment: 30

Estimated New Salaries:
\$11/hr (approx. \$686,400)

Benefits: Construction of a 26,000 square foot corporate office building.

Compliance

Summary: The project is complete and occupied. The building is now occupied by First Technology Initiative, ProLogic Redemption Solutions, a dental office, a real estate office and an accountant.

Actual New Investment: \$3,350,000

Actual New Employment: 33

Actual New Salaries:
\$28/hr (approx. \$1,848,000)

Current Assessed Value: \$4,069,100

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

This abatement is in year 8 of 10.

Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity

Cook Pharmica



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity

Cook Pharmica



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Cook Pharmica



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Cook Pharmica 1300 S. Patterson Dr. Resolution: 04-08

Statement of Benefits

Type: Real Estate Improvements and Personal Property Improvements

Length of Abatement:

RE: 10 years

PP: 10 years

Estimated New Investment:

RE: \$19,000,000

PP: \$17,200,000

Estimated New Employment: 200

Estimated New Salaries: \$9,455,920

Benefits: Renovation of "Building 2" at the Indiana Enterprise Center. This 430,000 sq ft building was built in 1965. Renovation of exterior and 100,000 sq. ft. of interior for use by a new company to develop and research in contract pharmaceuticals.

Compliance

Summary: Real estate and equipment improvements are complete.

Actual New Investment:

RE: \$112,000,000

PP: \$37,996,461

Actual New Employment: 444

Actual New Salaries: \$30,293,468

Current Assessed Value:

RE: \$43,138,100

PP: \$15,189,584

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

The RE: abatement is in year 7 of 10.
The PP: abatement is in year 6 of 10.

Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



IMA East
2605 East Creek's Edge Drive
Resolution 06-02



Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Rogers Property Management, LLP
IMA East (2605 E. Creek's Edge Drive)
Resolution: 06-02

Statement of Benefits

Type: Real Estate Improvements
Length of Abatement: 10 years

Estimated New Investment: \$4,021,250

Estimated New Employment: 22

Estimated New Salaries: \$1,285,901

Benefits: Construction of an outpatient treatment facility for Internal Medicine Associates (IMA, INC). Petitioner targets a minimum of \$200,000 in uncompensated services to the community annually over the abatement period.

Compliance

Summary: The project is complete. Premier Healthcare provided \$3,418,406 in uncompensated healthcare in 2012 and further participates in Indigent Medication Programs, Cardiopulmonary Rehab at YMCA and IU Health-Bloomington Hospital, and donates services for high school athletes and new IU athletes (e.g., physicals, echocardiograms), Volunteers In Medicine and numerous boards and commissions.

Actual New Investment: \$9,000,000

Actual New Employment: 58

Actual New Salaries: \$1,621,921

Current Assessed Value: \$6,256,700

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

This abatement is in year 7 of 10.

Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



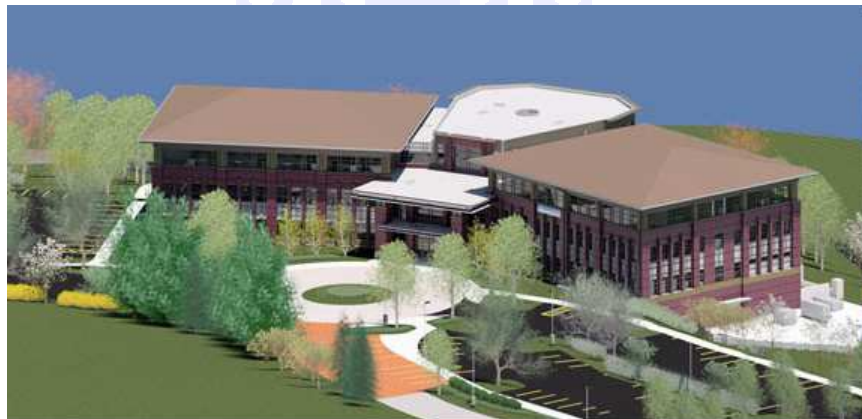
VI. New Projects in Progress

Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Hoosier Energy **Property at Tech Park Blvd and Schmaltz Blvd** **Resolution: 13-03**



An artist's rendering of Hoosier Energy's new headquarters to be located off of Tapp Road in Bloomington.

Department of Economic and Sustainable Development

Tax Abatement Report – 2012 Activity



Hoosier Energy
Property at Tech Park Blvd and Schmaltz Blvd
Resolution: 13-03

Statement of Benefits

Type: Real Estate Improvements
Length of Abatement: 10 years
Estimated New Investment: \$20,000,000
Estimated Retained Employment: 116
Estimated Retained Salaries: \$11,118,764
Benefits: Construction of a new multi-story, LEED-certified 80,000+ square foot headquarters building



VII.
Expired Abatements



Abatements Expired in 2012

- Res. 95-11 **Habitat for Humanity**
410, 412, 414 N. Hay Street
- Res. 01-02 **Lockerbie Court Condominiums, LLC**
500 N. Walnut Street
- Res. 05-09 **Habitat for Humanity**
1010, 1018, 1026 W. 14th St
- Res. 99-13 **Morton Street Properties**
555 N. Morton St. (formerly Hirons Investments, LLC)
- Res. 99-31 **Metropolitan Printing Service**
720 S. Morton Street



VIII. CF-1s Not Received



CF-1s Not Received

Res. 04-01 **Woolery Ventures LLC**

Res. 05-11 **Property at 1034 W. 14th St.**



Res. 04-01 Woolery Ventures LLC

Statement of Benefits

Type: Real Estate Improvements
Length of Abatement: 10 years
Estimated New Investment: \$4,200,000
Estimated New Employment: 45
Estimated New Salaries: \$762,000
Benefits: Renovation of an abandoned limestone mill into a mixed use facility (42 apts/condos, 55-room hotel, recreational amenities) rehabilitated to the historic standards of the Secretary of Interior. Estimated completion date of 6/30/2005.

Compliance

Summary: The project remains incomplete with the exception of landscaping, public infrastructure, and other aesthetic improvements.

Remarks: Staff will recommend an amendment to the original approval at the July 26, 2013, EDC meeting.

