

Memorandum on 2025 Abatement and Annual Activity Report

To: City of Bloomington Common Council
Gretchen Knapp, Deputy Mayor
Larry Allen, City Council Administrator/Attorney
Audrey Brittingham, City Attorney
Kurt Zorn, President, Economic Development Commission

From: Andrea de la Rosa, Asst. Director of Small Business Development
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Date: June 2, 2026

Subject: 2025 Abatement and Annual Activity Report to the Economic Development Commission

Executive Summary

The 2024 Summary of Abatement Activity presentation analyzes each active tax abatement issued by the City, based on annual compliance (CF-1) filings that abatement recipients must file with the City and County. At the meeting today, ESD staff will present an overview of the abatements, and Council will formally receive the CF-1 forms. The Council will meet on June 10 to review the filings and determine whether there is substantial compliance or noncompliance.

Background

The Economic Development Commission (EDC) reviewed and approved this report on May 20, 2025. Staff recommends a finding of compliance or substantial compliance with six of the City's seven abatements. Staff recommends a finding of "not substantially compliant" for one abatement (Union at Crescent). Per IN Code § 6-1.1-12.1-5.9, if the Common Council determines that the Union at Crescent has not substantially complied and that that failure was not caused by circumstances outside the filer's control, the Council shall mail written notice to the filer with notice of a hearing within 30 days of the letter. At the hearing, the filer may present additional information regarding the abatement before the Council makes a final determination.

If council members are interested in the report's history of any particular tax abatement or have any other questions, please contact council staff or Assistant Director Andrea de la Rosa.

Economic Development Commission (EDC)

The Bloomington Economic Development Commission consists of the following members:

- Kurt Zorn, President, mayoral appointment
- Isak Ntsi Asare, Vice President, Bloomington Common Council Representative
- Vanessa McClary, Secretary, mayoral appointment
- Liz Feitl, County Council Representative
- Tim Henke, mayoral appointment

City of Bloomington staff who support the Commission are:

- Jane Kupersmith, Director of Economic & Sustainable Development
- De de la Rosa, Assistant Director, Small Business Development
- Audrey Brittingham, City Attorney

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

Tax Abatements

Tax abatements are reductions in tax liability on real or personal property that apply to increased assessed valuation resulting from a new investment. The kinds of investments in real and personal property that may be eligible for tax abatements are primarily found in I.C. § 6-1.1-12.1-0.3, et seq., which, along with the ones typically authorized by the City, also include ones for distressed residential properties and vacant buildings. Bloomington's Tax Abatement Program General Standards supplement the requirements outlined in state statute.

Before issuing a tax abatement, the Common Council must designate an Economic Revitalization Area (ERA) or an Economic Development Target Area (EDTA). Upon establishing the ERA or EDTA and determining that the benefits asserted by the petitioner are reasonable and probable, the Common Council may issue the abatement. Benefits of the abatement are outlined in a Statement of Benefits (SB-1) and include the estimated cost of the project, the number of persons employed, and related wage information.

For real property abatements, the abatement period may range from 1 to 10 years, and the abatement amount is a sliding scale from 100% to 0% over that period. For personal property, the Council has discretion to grant either a ten-year abatement schedule or a twenty-year enhanced abatement schedule. All tax abatements must be accompanied by a schedule that specifies the percentage for each year of the abatement, as indicated in I.C. §§ 6-1.1-12.1-17, -18.

Annual Review and Compliance

The Common Council reviews active abatement projects through a statutory process that focuses on the CF-1s, which compare the benefits committed by the applicant in the Statement of Benefits (SB-1) with the actual benefits delivered by the project. Reviewing the CF-1s (available upon request), the Common Council determines whether the projects are in "substantial compliance" with the commitments made when the abatement was granted. If the Council determines that a recipient of an abatement may not be in "substantial compliance" and that the failure to substantially comply was not caused by factors beyond the control of the abatement recipient (such as natural disaster or declines in demand for the recipient's products or services), it has 45 days from the receipt of the CF-1 to mail a written notice of the finding to the abatement recipient.

The written notice must include an explanation of the Council's determination, and the date, time, and place of a hearing to be conducted by the Council to further consider the recipient's compliance. The hearing must occur within 30 days of the date the notice is mailed to the abatement recipient, and failure to do so could result in the termination of the deduction. The decision to terminate the tax

deduction should be made only if the Council concludes that the taxpayer 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.

Fiscal Impact

Approval of the tax abatement compliance report does not impact the City's budget.

Recommendation

ESD staff recommend finding compliance and substantial compliance for all projects included in this year's report.

2025 Tax Abatement Compliance Report

Economic Development Commission Presentation - June 2, 2026

Common Council Presentation - June 10, 2026

Presenters:

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Agenda

- **Summary of Tax Abatement Program**
 - Evaluative Criteria and Process
 - Compliance Review Process

- **Economic Impact of Tax Abatements**
 - Residential Abatements - Project Details
 - Mixed Use - Review Project Details
 - Commercial Abatements - Project Details
 - Pending Abatements - Project Details

- **Review of Payment in Lieu of Taxes (PILOT) Agreements**

Summary of Tax Abatements - What is a Tax Abatement?

- Temporary reduction property tax liability
- Encourages investment and development in targeted areas
- May apply to:
 - Real property (buildings, land improvements)
 - Personal property (machinery, equipment)
- Applies only to the increase in assessed value

Summary of Tax Abatements - Eligibility

- For a project to be eligible for tax abatement, the area in which it is located must be designated as an Economic Revitalization Area (ERA) or Economic Development Target Area (EDTA).
- An area must have “become undesirable for or impossible of, normal development and occupancy” because of such factors as “a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property,” in order to become designated as an ERA. (I.C. § 6-1.1-12.1-1)

Summary of Tax Abatements - How they work

- **Phasing in of new property taxes**
 - All or part of the new assessed value is exempted from paying property tax
- **Terms from 1 to 10 years (up to 20 years for Personal Property)**
 - Sliding scale from 100% to 0% exemption on the new AV;
 - Designating body may provide an “alternative deduction schedule” (IC 6-1.1-12.1-17)

Evaluative Criteria and Application Process

Authorization Process

- ESD Department
 - Receives Application and Statements of Benefits (IN Form SB-1)
 - Recommendation to EDC
- EDC recommendation to Common Council
 - Economic Revitalization Area
 - Economic Development Target Area, if appropriate
 - Abatement term and schedule
- Common Council
 - Designating resolution
 - Public hearing and confirmatory resolution

Evaluative Criteria and Application Process

- SB-1 sets the baseline for:
 - Assessed value
 - Employment
 - Investment amount

- Job & wage projections
- Criteria considered during the application process:
 - Creation of full-time jobs or an increase in wages
 - Creation of Affordable Housing
 - Quality of Life and Sustainability
 - Community Service
 - Community Character (Art, local business, historic preservation)

Compliance Review Process

Roles & Responsibilities in Tax Abatement Approvals

- Staff reviews
- EDC Recommends
- Common Council authorizes
- County administers

City of Bloomington General Standards

- Creation of capital investment as an enhancement to the tax base and
 - Significantly increases the amount of full-time, permanent, living-wage jobs;
 - Significantly increases existing wages; or
 - Creates affordable housing units.

Annual Reporting

- Taxpayer submits annual compliance form (IN Form CF-1)
 - CF-1 is filed with the County Auditor for deduction administration
 - CF-1 is filed with the City Clerk for reporting to the Common Council
 - ESD staff compares SB-1 commitments to CF-1 results
- ESD staff works with HAND and other departments to verify compliance with other evaluative criteria
- ESD recommends findings to EDC:
 - Compliance
 - Substantial compliance
 - Noncompliance
- EDC forwards report to Council for final action
- Council may approve the report or individual abatements as compliant or substantially compliant, or
- Council may request a hearing for additional information if they wish to consider a finding of noncompliance.

"If the designating body determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner." Indiana Code 6-1.1-12.1-5.9

Economic Impact of Tax Abatements

New real and personal property investment

Type	Proposed Investment (SB-1)	Actual Investment (CF-1)	Proposed Assessed Value (SB-1)	Actual Assessed Value * (CF-1)
Mixed Use	\$11,500,000	\$11,500,000	\$0	\$16,505,300
Commercial RE	\$56,000,000	\$158,949,302	\$58,204,800	\$110,833,100
Commercial PP	\$450,000,000	\$208,733,776	\$95,000,000	\$66,255,746
Residential	\$31,023,242	\$34,806,720	\$12,400,996	\$12,162,100
Total	\$548,523,242	\$413,989,798	\$165,605,796	\$205,756,246

Economic Impact of Tax Abatements

Company	SB1 Planned Jobs	CF1 Actual Jobs	SB1 Planned Salaries	CF1 Actual Salaries
Southern Knoll/ Milestone Ventures	2	2	\$43,264	\$62,543
Union at Crescent	5	5	\$135,200	\$275,480
Urban Station	5	4	\$128,125	\$150,000
Woolery Mill Ventures, LLC	45	60	\$762,000	\$990,000
Totals	57	71	\$1,068,589	\$1,478,023

Total New & Retained Jobs = 71

Actual Avg. New & Retained Salary =\$20,817

Company	SB1 Planned Jobs	CF1 Actual Jobs	SB1 Planned Salaries	CF1 Actual Salaries
Catalent Indiana, LLC (Formerly Cook Pharmica) 15-06, 19-04, & 22-06 Consolidated (RP & PP)	4,212	1,867	\$266,808,800	\$150,860,004

Total New & Retained Jobs =1867

Actual Avg. New & Retained Salary = \$80,803

- Excludes temporary jobs and corresponding salaries from construction.
- Excludes unknown salary information from some businesses leasing space in mixed-use developments, and commissions/benefits.

Economic Impact of Tax Abatements–Housing

	Avg % AMI	Required by Resolution - # of Units	2025 Total AH Units	2024 Total Occupied AH Units
New Urban Station	41.75%	15 Bedrooms (10 Units)	25 bedrooms (15 Units)	23 bedrooms (140%) (14 Units)
Southern Knoll	28%	31 units	31 units	29 units (94%)
Union at Crescent	63.47%	102 units	118 units	63 units (61%)

Southern Knoll / Milestone Ventures (Residential)

1107 W 3rd St / Resolution 18-09; 18-10

Property Description: A 31-unit 2-story affordable housing complex.

Public Benefits:

- 31 units affordable to households at or below 80% AMI with 94% occupancy (29 units)
- 75% of units or 24 units are affordable to households at or below 60% AMI, with 124% occupancy
 - (26 affordable against 29 units occupied)
- 7 units set aside as permanent supportive housing.
- 7 units will be set aside for persons with intellectual or developmental disabilities.

Development Status: Real estate improvements are complete.

Staff Recommendation: Compliant with tax abatement commitments.

Abatement Type: Real Property (Affordable Housing)

Abatement Length, Rate: 10-year, 98% (Year 6 of Abatement)

	Commitment (SB-1)	Compliance (CF-1)	Staff Recommendation
New RE Investment:	\$4,000,897	\$4,417,937	Compliant
New Employment:	2	2	Compliant
New Salaries:	\$21,632	\$62,549	Compliant
Assessed Value:	\$1,033,096	\$1,346,100	N/A
Units at <80% AMI:	31	31 (94% occupancy)	Compliant
Units at <60% AMI:	24	26 (124% occupancy)	Compliant

Union at Crescent (Residential)

N. Crescent Road / Resolution 17-30

Property Description: A 146-unit, 5-story, multi-family, mixed affordable and market-rate housing development within four attached buildings.

Public Benefits:

- No fewer than 102 units allocated to households with incomes at or below 60% of the AMI

Development Status:

- Original real estate improvements are complete.
- Currently, 63 units are occupied with an average AMI of 63%, and 55 vacancies
- 42 vacancies reported in AH units in the 2024 report
- Property management reverted back to the developer, The Annex Group (March 2025)
- The May 2026 report indicates \$1 million during the turnaround process. This includes costs for replacing HVAC units, exterior siding, and other items, covering a total of 30 units.
- 100% passed compliance Inspections: (HAND in January, IHEDA in April, Home Units in April).

Staff Recommendation: Substantially Compliant due to significant investment and progress in proposed turnaround plan

Abatement Type: Real Property (Affordable Housing)

Abatement Length, Rate: 10-year, 100% (Year 6 of Abatement)

	Commitment (SB-1)	Compliance (CF-1)	Staff Recommendation
New RE Investment:	\$17,245,233	\$27,473,938	Compliant
New Employment:	5	5	Compliant
New Salaries:	\$135,200 (\$13/hr)	\$275,480 (\$26.49/hr)	Compliant
Assessed Value:	\$9,927,900	\$8,961,500	N/A
Housing Units <60%AMI	102	102 (61% Occupancy or 63 units)	Substantially Compliant

Urban Station (Mixed Use)

401 S. Washington St. / 403 S Walnut St. / Resolution 16-11 & 16-12

Property Description: A 4-story, mixed-use building with 7,000 sq ft of commercial space and 148 bedrooms.

Public Benefits:

- No fewer than 15 bedrooms will be allocated to households with incomes at or below 80% of the AMI
- Rent for the affordable units may not exceed 85% of the market rate
- Affordability duration of 99 years.

Development Status: Real estate improvements are complete.

Staff Recommendation: Compliant with tax abatement commitments.

Abatement Type: Real Property (Affordable Housing)

Abatement Length, Rate: 10-year, 20% (Year 8 of Abatement)

	Commitment (SB-1)	Compliance (CF-1)	Staff Recommendation
New RE Investment:	\$11,500,000	\$14,500,000	Compliant
Retained Employment:	10	4	Substantially Compliant
Retained Salaries:	\$256,250 (\$12.32/hr)	\$150,000 (\$18.03/hr)	Compliant
New Employment:	5	N/A	N/A
New Salaries:	\$128,125 (\$12.32/hr)	N/A	N/A
Assessed Value:	\$346,900	\$16,505,300	N/A
Units at <80% AMI	15 bedrooms/10 units	17 bedrooms/11 units (100% Occupancy)	Compliant

Woolery Mill Ventures, LLC (Commercial)

2550 S Breaking A Way / Resolution: 04-01; 13-14

Property Description: Renovation and reactivation of historic limestone mill.

Public Benefits:

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

Development Status: Woolery Ventures completed Phase I (event space) in May 2019. They have met their investment and construction timeline for Phase I requirements. The property owners continue to work on developing Phase II (condo/hotel), but have been significantly delayed due to a variety of market pressures.

Staff Recommendation: Substantially Compliant with tax abatement commitments.

Abatement Type: Real Property

Abatement Length, Rate: 10-year, 50% (Year 6 of Abatement)

	Commitment (SB-1)	Compliance (CF-1)	Staff Recommendation
New RE Investment:	\$6,000,000	\$4,306,645	Substantially Compliant
New Employment:	45	60	Compliant
New Salaries:	\$762,000	\$990,000	Compliant
Assessed Value:	\$4,200,000	\$2,549,300	N/A

Catalent Indiana, LLC (Formerly Cook Pharmica)

1300 S Patterson Drive / Resolution 15-06, 19-04, 22-06

- Multiple tax abatements covering separate expansion phases and employee growth projections
- Initial abatement with Cook Pharmica, assumed by Catalent Indiana as part of its acquisition
- Real and Personal Property abatements have distinct phases
- Employee growth is blended in Catalent's CF-1's
- CF-1 data reflects total annual payroll and year-end headcount.
- Projected job growth significantly exceeds commitments

Staff Recommendation: 15-06 and 19-04: Compliant with tax abatement commitments.
22-06: Substantially compliant with tax abatement commitments.

Catalent Indiana, LLC (Formerly Cook Pharmica) 1300 S Patterson Drive / Resolution 15-06

Abatement Type: Personal Property

Abatement Length, Rate: 10-year, 70% (Year 8 of Abatement)

	Commitment (SB-1)	Compliance (CF-1)	Staff Recommendation
New PP Investment:	\$25,000,000	\$31,859,287	Compliant
Assessed Value:	\$10,000,000	\$4,778,893	N/A

Catalent Indiana, LLC (Formerly Cook Pharmica) 1300 S Patterson Drive / Resolution 19-04

Property Description: Phase 1: Build out 15,000 ft of manufacturing space to expand packaging capacity and to support new specialized device assembly.

Abatement Type: Real Estate and Personal Property

Abatement Length, Rate: RE: 10-year, 80% (Year 5 of Abatement) PP: 10-year, 95% (Year 6 of Abatement)

	Commitment (SB-1)	Compliance (CF-1)	Staff Recommendation
New RE Investment:	\$40,000,000	\$119,944,956	Compliant
New PP Investment:	\$85,000,000	\$107,469,288	Compliant
RP Assessed Value:	\$10,000,000	\$53,828,800	NA
PP Assessed Value:	\$34,000,000	\$ 25,102,928	NA

Catalent Indiana, LLC (Formerly Cook Pharmica) 1300 S Patterson Drive / Resolution 22-06

Property Description: Expanded drug substance capacity in Building A (Parcel 1); expanded drug product fill/finish capacity, additional quality control lab space, and expanded packaging capacity in Building B (Parcel 1); expanded packaging capacity and additional cold storage in Building D (parcel 5); and the development of surface parking at the former IMI parcel.

Abatement Type: Real Estate and Personal Property

Abatement Length, Rate: RE: 10-year, 100% (Year 2 of Abatement); PP: 20-year, 100% (Year 2 of Abatement)

	Commitment (SB-1)	Compliance (CF-1)	Staff Recommendation
New RE Investment:	\$10,000,000	\$34,697,692	Compliant
New PP Investment:	\$337,000,000	\$69,421,984	Substantially Compliant
RP Assessed Value:	N/A*	\$12,198,500	N/A
PP Assessed Value:	N/A*	\$36,373,925	N/A

Catalent Indiana, LLC (Formerly Cook Pharmica) - Resolution 15-06, 19-04, 22-06 - Employment

	Resolution 15-06	CF-1	Resolution 19-04	CF-1	Resolution 22-06	CF-1
Retained Employment:	550	550	839	839	3,212	1867
New Employment:	70	1317	200	1028	1,000	0
Total Employment:	620	1867	1,039	1867	4,212	1867

Catalent Indiana, LLC (Formerly Cook Pharmica) - Resolution 15-06, 19-04, 22-06 - Salaries

	Resolution 15-06	CF-1	Resolution 19-04	CF-1	Resolution 22-06	CF-1
Retained Salaries:	\$31,000,000	\$31,000,000	\$43,926,000	\$43,926,000	\$200,428,800	\$150,860,004
New Salaries	\$3,200,000	\$119,860,004	\$13,312,000	\$106,934,004	\$66,560,000	\$0
Total Salaries:	\$34,200,000	\$150,860,004	\$57,238,000	\$150,860,004	\$266,988,800	\$150,860,004
Total Employment:	620	1867	1,039	1867	4,212	1867
Avg. Salaries:	\$55,161 (\$26.5/hr.)	\$80,803 (\$38.85/hr.)	\$55,090 (\$26.5/hr.)	\$80,803 (\$38.85/hr.)	\$63,388 (\$30/hr)	\$80,803 (\$38.85/hr.)

Rationale for Staff Recommendation of Substantial Compliance

- Personal Property capital investments for 15-06 exceed commitments
- Personal Property investments for 19-04 exceed commitments
 - Real Property abatement has not been activated
- Real and Personal Property investments for 22-06 are in process and meet the level of commitment per the MOU. (That is, capital investments have been made, and the company has until 2027 to complete)
- CF-1 data reflects total annual payroll and year-end headcount.

Retreat at Switchyard - Not Yet Active - Information only

Property at 1730 S Walnut Street / Resolutions 21-20; 21-21

Property Description: An affordable housing development, which would include 64 units in a five-story building with dedicated first-floor retail space

Public Benefits:

- 48 of 64 housing units (75% of the total units) reserved for low to moderate-income residents for a period of 99 years, and the remaining 16 units would be available for lease at the market rate
- Partnering with Stone Belt and will set aside 10 units (of the 48) as housing along with additional service areas within the Project for Stone Belt's clients;
- According to Petitioner's Statement of Benefits, this Project would create two new full-time, permanent jobs with an estimated total annual payroll of \$80,000.00, with the lower starting full-time wage of \$35,000.00 per year.

Development Status: Construction Complete. 41 of 64 are occupied. 35 units at or below 60% AMI.

Abatement Type: Real Property

Abatement Length, Rate: 10-year, N/a (Year 0 of Abatement)

	Commitment (SB-1)	Compliance (CF-1)	Staff Recommendation
New RE Investment:	\$9,777,112	\$21,670,786 (as of 5/26)	Informational only
New Employment:	2	2	Informational only
New Salaries:	\$80,000	\$112,672	Informational only
Assessed Value:	\$1,440,000	\$2,914,800	Informational only

Pilots

	Legislation	Overview	Status
Evergreen Village 3607 S. Heirloom Dr.	Ord. 16-18	115-unit, residential care (assisted living) facility for residents at 60% AMI or below. Requires compliance with the Living Wage Ordinance. The term is tied to the IHEDA extended use agreement.	The 2026 payment has not yet been received
Countryview 2500 S. Rockport Rd.	Ord. 22-29	30 Years. 206 units; 60% AMI and below.	2026 paid
Cambridge Square 307 N. Pete Ellis Dr.	Ord. 25-01	17 years; 153, 1-BR units; serving residents 62+ or differently abled; 60% AMI and below.	2026 no payment due
Henderson Court 2475 S. Winslow Ct.	Ord. 25-02	17 years; 150 units; 1-, 2-, and 3-bedrooms; HUD Section 8 HAP; 60% AMI.	2026 no payment due