

# Economic Development Commission

## 2022 Activity and Tax Abatement Summary

Economic Development  
Commission  
June 9, 2023

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Common Council  
June 14, 2023

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## Agenda

- Overview of Compliance Review Process
- Evaluative Criteria and Process
- Economic Impact of Abatements
- Residential Abatements - Project Details
- Commercial Abatements - Project Details
- Pending Abatements - Project Details
- Other Economic Development Commission Activity

# Overview of Compliance Review Process

## Annual Reporting

- Compares original commitments to self-reported results
- Taxpayer submits annual compliance form (IN Form CF-1)
  - CF-1 is filed with County Auditor for deduction administration
  - CF-1 is filed with City Clerk for reporting to Common Council
- Council has given ESD Department the responsibility to compile and report to Economic Development Commission
- Economic Development Commission forwards final report to Council for any action

# Overview of Compliance Review Process

## Roles & Responsibilities in Tax Abatement Approvals

- Economic Development Commission Recommends
- Common Council authorizes
- County administers

## City of Bloomington General Standards

- Creation of capital investment as an enhancement to the tax base
  1. Significantly increases full-time, permanent, living-wage jobs;
  2. Significantly increases existing wages; or
  3. Creates affordable housing units.
- Review criteria adopted in 2022 to acknowledge affordable housing projects

# Evaluative Criteria and Process

Other evaluative criteria considered during application process:

- Quality of Life and Environmental/Sustainability
- Affordable Housing
- Community Service
- Community Character
  - Art, local business, historic preservation

# Evaluative Criteria and Process

## Authorization Process

- ESD Department
  - Receives Application and Statement of Benefits (IN Form SB-1)
  - Recommends to Economic Development Commission (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 Process

- Phase-in of new property taxes
  - All or part of **new** assessed value exempted from paying property tax
  - Reduction of tax liability on **added** assessed value (AV) only – from *improvements* only
- Terms from 1 to 10 years (up to 20 years for Personal Property)
  - 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)

## Economic Impact of Tax Abatements

New real and personal property investment  
(Active Abatements only)

Category	Proposed New Investment (SB-1)	Actual New Investment (CF-1)
Mixed Use	\$11,500,000	DNF
Commercial RE	\$29,500,000	\$ 42,953,957
Commercial PP	\$85,000,000	\$ 107,485,476
Residential	\$21,246,130	\$ 28,891,875
<b>Total</b>	<b>\$ 147,246,130</b>	<b>\$ 179,331,308</b>

# Economic Impact of Tax Abatements

New and retained jobs and salary estimates

<b>Total Jobs New and Retained</b>	<b>Total Salaries New and Retained</b>
3,227	\$181,697,693
<i>Avg. New and Retained Salary</i> = \$56,305	

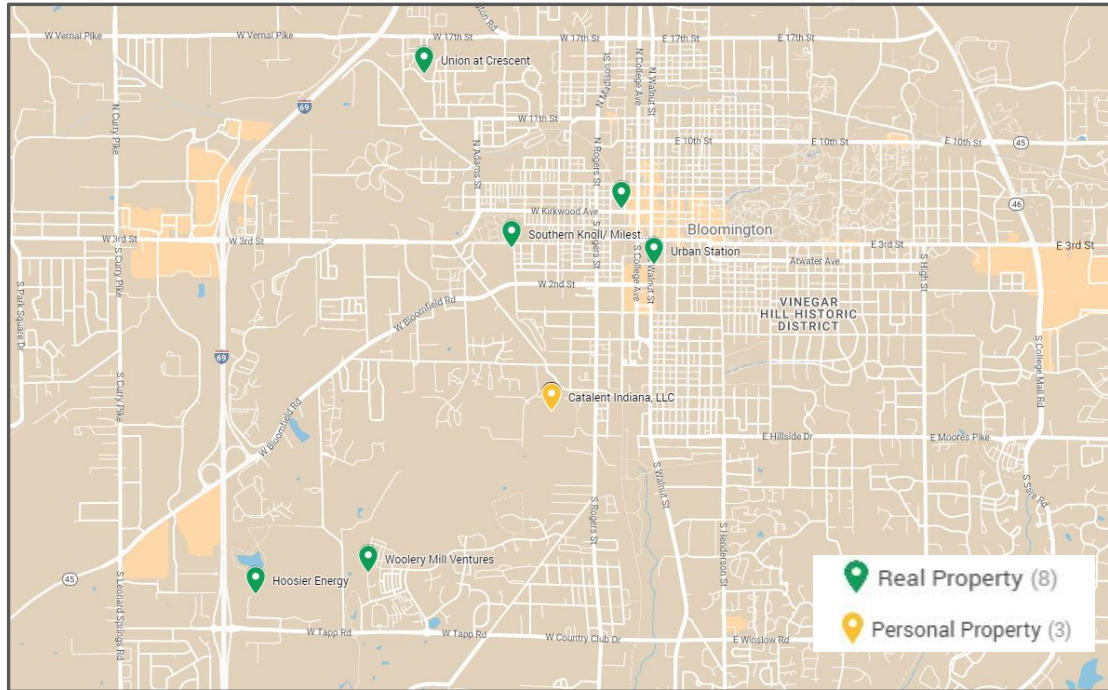
- Excludes temporary jobs and corresponding salaries from construction.
- Excludes unknown salary information from some businesses leasing space in mixed-use developments, non-reported information, and commissions/benefits.

# Economic Impact of Tax Abatements

<b>Category</b>	<b>Proposed New Assessed Value (SB-1)</b>	<b>Actual New Improvements * (CF-1)</b>
Mixed Use	\$0	\$ 15,863,400
Commercial RE	\$30,504,800	\$ 100,552,800
Commercial PP	\$34,000,000	\$0
Residential	\$10,960,996	\$5,991,100
<b>Total</b>	<b>\$75,465,796</b>	<b>\$ 122,407,300</b>

\*2023 Pay 2024 Improvements

# Location of Tax Abatements



## Economic Impact of Tax Abatements

- “But for” threshold means no increase in Assessed Value without presence of the tax abatement
- Benefits to residents are investments in quality of life: new/retained jobs, expanded community economic vibrancy, direct/indirect increased assessed value; investment in challenging property sites
- Example of impact of tax abatements on individual tax rates:
  - Assuming a flat levy
  - Total Bloomington Net Assessed Value: \$4.2 billion
  - Example: \$10 million AV @ 100% abatement = 0.2% impact on tax rate

## Residential

### Southern Knoll / Milestone Ventures

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



## Residential

### Southern Knoll / Milestone Ventures

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

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

#### Public Benefits:

- All units affordable to households at or below 80% AMI
- At least 75% of units affordable to households at or below 60% AMI
- 7 units set aside as permanent supportive housing for the homeless. (Shalom)
- 7 units will be set-aside for persons with developmental disabilities. (LifeDesigns)

**Development Status:** Real estate improvements are complete. Property is 100% occupied.

**Staff Recommendation:** Compliant with tax abatement commitments.

## Residential

### Southern Knoll / Milestone Ventures

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

<b>Abatement Type:</b>	Real Property (Affordable Housing)
<b>Abatement Length, Rate:</b>	10-year, 98% (Year 3 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$4,000,897	\$4,417,937	Compliant
<b>New Employment:</b>	1	2	Compliant
<b>New Salaries:</b>	\$21,040	\$34,939	Compliant
<b>Assessed Value:</b>	\$1,007,396	\$699,500	69% Attainment

## Residential

### Union at Crescent

N. Crescent Road / Resolution 17-30





## Residential

### Union at Crescent *N. Crescent Road / Resolution 17-30*

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

**Public Benefits:**

- No less than 70% or 102 units allocated to households with incomes at or below 60% of the AMI
- No less than 20% of the units will be Market Rate

**Development Status:** Real estate improvements are complete.

**Staff Recommendation:** Compliant with tax abatement commitments.

## Residential

### Union at Crescent *N. Crescent Road / Resolution 17-30*

<b>Abatement Type:</b>	Real Property (Affordable Housing)
<b>Abatement Length, Rate:</b>	10-year, 100% (Year 4 of Abatement)

	Commitment (SB-1)	Compliance (CF-1)	Staff Evaluation
<b>New RE Investment:</b>	\$17,245,233	\$24,473,938	Compliant
<b>New Employment:</b>	5	5	Compliant
<b>New Salaries:</b>	\$135,200	\$156,000	Compliant
<b>Assessed Value:</b>	\$9,927,900	\$5,291,600	53% Attainment

## Mixed Use

### Urban Station 403 South Walnut St. / Resolution 16-12



## Residential

### Urban Station 403 South Walnut St. / Resolution 16-12

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

#### Public Benefits:

- No less 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:** Did not file a 2023 Pay 2024 CF-1.

## Residential

### Urban Station 403 South Walnut St. / Resolution 16-12

<b>Abatement Type:</b>	Real Property (Affordable Housing)
<b>Abatement Length, Rate:</b>	10-year, 80% (Year 6 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$11,500,000	DNF	Non-Compliant
<b>Retained Employment:</b>	10	DNF	Non-Compliant
<b>Retained Salaries:</b>	\$400,000	DNF	Non-Compliant
<b>New Employment:</b>	5	DNF	Non-Compliant
<b>New Salaries:</b>	\$115,000	DNF	Non-Compliant
<b>Assessed Value:</b>	\$0	\$15,863,400	100% Attainment

## Commercial

### The Foundry 304 West Kirkwood Ave. / Resolution 14-15



## Commercial

### The Foundry 304 West Kirkwood Ave. / Resolution 14-15

**Property Description:** A new 4 story, mixed-use building with 12,640 sq ft of commercial space on 1st and 2nd floor, residential condominiums above (excluded from abatement).

#### Public Benefits:

- Redevelopment of parcel abutting B-Line trail
- Retention and creation of new economy jobs for growing local technology business

**Development Status:** Real estate improvements are complete. Given changes in technology, the Company no longer plans to make the personal property investment related to this abatement.

**Staff Recommendation:** Compliant with tax abatement commitments.

## Commercial

### The Foundry 304 West Kirkwood Ave. / Resolution 14-15

<b>Abatement Type:</b>	Real Property
<b>Abatement Length, Rate:</b>	RE 5-year, 60% (Year 4 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$11,500,000	\$17,847,312	Compliant
<b>Retained Employment:</b>	54	54	Compliant
<b>Retained Salaries:</b>	\$3,637,099	\$3,637,099	Compliant
<b>New Employment:</b>	11	38	Compliant
<b>New Salaries:</b>	\$825,000	\$6,469,825	Compliant
<b>Assessed Value:</b>	\$6,304,800	\$19,261,200	>100% Attainment

## Commercial

### Hoosier Energy 2701 South Cooperative Way / Resolution 13-03



## Commercial

### Hoosier Energy 2701 South Cooperative Way / Resolution 13-03

**Property Description:** A new multi-story, LEED-certified 80,000+ square foot headquarters building.

**Public Benefits:**

- Development of a LEED-certified corporate headquarters facility
- Retention of jobs for growing local business

**Development Status:** Real estate improvements are complete.

**Staff Recommendation:** Compliant with tax abatement commitments.

**Commercial**

**Hoosier Energy**  
*2701 South Cooperative Way / Resolution 13-03*

<b>Abatement Type:</b>	Real Property
<b>Abatement Length, Rate:</b>	10-year, 40% (Year 6 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$20,000,000	\$20,800,000	Compliant
<b>Retained Employment:</b>	116	116	Compliant
<b>Retained Salaries:</b>	\$11,118,764	\$11,118,764	Compliant
<b>New Employment:</b>	0	29	N/A
<b>New Salaries:</b>	\$0	\$8,879,729	N/A
<b>Assessed Value:</b>	\$20,000,000	\$9,099,400	45% Attainment

**Commercial**

**Woolery Mill Ventures, LLC**  
*Property at 2600 S. Kegg Rd / Resolutions 04-02; 13-14*



## Commercial

### Woolery Mill Ventures, LLC

Property at 2600 S. Kegg Rd / Resolution: 04-02; 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 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 to develop Phase II (condo/hotel) but have been significantly delayed given a variety of market pressures.

**Staff Recommendation:** Compliant with tax abatement commitments.

## Commercial

### Woolery Mill Ventures, LLC

Property at 2600 S. Kegg Rd / Resolution: 04-02; 13-14

<b>Abatement Type:</b>	Real Property
<b>Abatement Length, Rate:</b>	10-year, 80% (Year 4 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$6,000,000	\$4,306,645	Substantially compliant
<b>New Employment:</b>	45	55	Compliant
<b>New Salaries:</b>	\$762,000	\$1,944,800	Compliant
<b>Assessed Value:</b>	\$4,200,000	\$1,978,600	47% Attainment

**Commercial**

**Catalent Indiana, LLC (Formerly Cook Pharmica)**

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



**Commercial**

**Catalent Indiana, LLC (Formerly Cook Pharmica)**

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

- 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.
- Catalent’s 2022 tax abatement passed February 2022 and therefore is included in compliance assessment

**Staff Recommendation:** Compliant with tax abatement commitments.



## Commercial

### Catalent Indiana, LLC (Formerly Cook Pharmica)

1300 S Patterson Drive / Resolution 15-06

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

<b>Abatement Type:</b>	Personal Property
<b>Abatement Length, Rate:</b>	10-year, 70% (Year 5 of Abatement)

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New PP Investment:</b>	\$25,000,000	\$31,859,287	Compliant
<b>Assessed Value:</b>	\$10,000,000	\$5,751,094	57% Attainment

## Commercial

### 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.

<b>Abatement Type:</b>	Real Estate and Personal Property		
<b>Abatement Length, Rate:</b>	RE: 10-year, 100% (Year 2 of Abatement) PP: 10-year, 95% (Year 3 of Abatement)		

	<b>Commitment (SB-1)</b>	<b>Compliance (CF-1)</b>	<b>Staff Evaluation</b>
<b>New RE Investment:</b>	\$10,000,000	\$0	Compliant
<b>New PP Investment:</b>	\$85,000,000	\$107,485,476	Compliant
<b>RP Assessed Value:</b>	\$0	\$26,384,800	Compliant
<b>PP Assessed Value:</b>	\$34,000,000	\$58,582,386	>100% Attainment

## Commercial

### Catalent Indiana, LLC (Formerly Cook Pharmica) 1300 S Patterson Drive / Resolution 15-06, 19-04

	SB-1 Commitments		Consolidated Total	Company Reported	Staff Evaluation
	Resolution 15-06	Resolution 19-04		Consolidated CF-1(s)	
<b>Retained Employment:</b>	550	839	1,389	1,389	Compliant
<b>New Employment:</b>	70	200	270	1,594	Compliant
<b>Total Employment:</b>	<b>620</b>	<b>1,039</b>	<b>1,659</b>	<b>2,983</b>	<b>Compliant</b>

## Commercial

### Catalent Indiana, LLC (Formerly Cook Pharmica) 1300 S Patterson Drive / Resolution 15-06, 19-03, 19-04

	SB-1 Commitments		Consolidated Total	Company Reported	Staff Evaluation
	Resolution 15-06	Resolution 19-04		Consolidated CF-1(s)	
<b>Retained Salaries:</b>	\$31,000,000	\$43,926,000	\$74,929,000	\$74,929,000	Compliant
<b>New Salaries</b>	\$3,200,000	\$13,312,000	\$16,512,000	\$76,628,337	Compliant
<b>Total Salaries:</b>	<b>\$34,200,000</b>	<b>\$57,238,000</b>	<b>\$91,441,000</b>	<b>\$151,557,337</b>	<b>Compliant</b>
Total Employment:	620	1,039	1,659	2,983	Compliant
<i>Avg. Salaries:</i>	\$55,161	\$55,090	\$55,118	\$50,807	Compliant

## Commercial

### Catalent Indiana, LLC (Formerly Cook Pharmica) 1300 S Patterson Drive / Resolution 15-06, 19-04

#### Rationale for Staff Recommendation of Substantial Compliance

- Personal Property capital investments for 15-06 exceed commitments
- Real and Personal Property investments for 19-04 exceed commitments
- Cumulative employment growth significantly exceeds commitments
- CF-1 data reflects total annual payroll and year-end headcount.

## Pending (Commercial)

### Catalent Indiana, LLC 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.

#### Development Status:

	Commitment (SB-1)
<b>New RE Investment:</b>	\$10,000,000
<b>New PP Investment:</b>	\$340,000,000
<b>New Employment:</b>	1,000
<b>New Salaries:</b>	\$66,560,000

## Pending (Residential)

### Real America, LLC 1730 S. Walnut St. / Resolution 21-20

**Property Description:** 48 affordable units with 10 fully ADA units reserved for individuals working with StoneBelt. 6 units at 80% AMI, 6 at 70% AMI, 6 at 50% AMI, and 6 at 30% AMI. 16 additional market rate units (excluded from abatement).

**Development Status:** Project broke ground on June 9, 2022. Estimated completion: 2023.

	Commitment (SB-1)
<b>New RE Investment:</b>	\$9,777,122
<b>New Employment:</b>	2
<b>New Salaries:</b>	\$80,000

## Other Economic Development Commission Activity

- **January:** Real and Personal Property Tax Abatement for Catalent Indiana, LLC
  - Passed by Bloomington Common Council in February, 2022
  - Compliance on or before December 31, 2026: \$315,000,000 in real and personal property investment and 900 new, full-time jobs
- **June:** Approved Project Expenditure and Financing Agreement for City-wide Fiber Internet with Hoosier Networks, LLC (Meridiam).
  - Part of creation of a new tax increment financing district for business property
- **October:** Recommended Issuance of Economic Development Revenue Bonds for the Renovation of Country View Apartments, 2500 S Rockport Road
  - Renovation of a 206-unit affordable apartment complex receiving Indiana Low-Income Housing Tax Credit (LIHTC) / Rental Housing Tax Credit (RHTC)

# THANK YOU.

## Questions?

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