

INTRODUCED: 7/8/2024

REFERRED TO: Metropolitan and Economic Development Committee

SPONSOR: Councilors Osili, Lewis, Jones and J. Brown

DIGEST: repeals Chapter 121, Article X of the Code, the Mile Square Economic Enhancement District, and creates Chapter 121, Article XI, entitled Economic Enhancement District

SOURCE:

Initiated by: City-County Council

Drafted by: LeAnnette Pierce, General Counsel

LEGAL REQUIREMENTS FOR ADOPTION:

Published Notice of Public Hearing

Subject to approval or veto by Mayor

PROPOSED EFFECTIVE DATE:

Adoption and approvals

GENERAL COUNSEL APPROVAL:



Date: July 3, 2024

CITY-COUNTY GENERAL ORDINANCE NO. , 2024

A PROPOSAL FOR A GENERAL ORDINANCE to repeal Chapter 121, Article X, the Mile Square Economic Enhancement District of the Revised Code of the Consolidated City and County, and create Revised Code Chapter 121, Article XI, entitled the Economic Enhancement District.

BE IT ORDAINED BY THE CITY-COUNTY COUNCIL OF THE
CITY OF INDIANAPOLIS AND OF MARION COUNTY, INDIANA:

SECTION 1. Chapter 121 of the Revised Code of the Consolidated City and County, regarding taxation, is hereby amended to delete Article X, "Mile Square Economic Enhancement District" reading as follows:

ARTICLE X — MILE SQUARE ECONOMIC ENHANCEMENT DISTRICT

~~Sec. 121-1001. Definitions~~

~~(a) "Board" shall refer to an economic enhancement district board established in this Article~~

~~(b) "Economic enhancement project" as used in this Article, means the following:~~

- ~~(1) Providing security for public areas, including installing and maintaining exterior cameras directly linked with the Indianapolis metropolitan police department central control.~~
- ~~(2) Employing safety ambassadors to:~~
 - ~~(A) deter aggressive panhandling and other nuisance behavior;~~
 - ~~(B) assist with directions and information;~~
 - ~~(C) facilitate open communications with police to report ongoing issues;~~
 - ~~(D) provide safety escort services; and~~
 - ~~(E) maintain a network of communication throughout the downtown area by engaging with private and public security companies.~~
- ~~(3) Cleaning and maintaining sidewalks, including picking up litter, removing graffiti, and power washing.~~
- ~~(4) Conducting extensive outreach to unsheltered homeless individuals.~~

- (5) Funding facility operations for a low barrier shelter for homeless individuals.
- (6) Designing, landscaping, beautifying, or maintaining public areas.
- (7) Activating and promoting public events.
- (8) Creating innovative approaches to attracting new businesses.
- (9) Supporting business development.
- (10) Planning improvement activities.

~~(c) "District" shall refer to the Economic Enhancement District established in this Article.~~

~~Sec. 121-1002. — Establishment of the Mile Square Economic Enhancement District~~

- ~~(a) The City County Council finds that the area bounded by North Street on the North, East Street on the east, South Street on the south and West Street on the west is hereby established as the Mile Square Economic Enhancement District.~~
- ~~(b) The City County Council further finds that the proposed economic enhancement projects will provide special benefits to all property owners in the economic enhancement district;~~
- ~~(c) The initial special benefits assessment shall be calculated in a manner that will generate an initial budget not to exceed \$5,500,000.00. For each taxable property in the district the special benefits assessment shall be calculated as follows:~~
 - ~~(1) Residential properties shall be assessed a flat fee of \$250.00 each.~~
 - ~~(2) All other taxable, nonresidential property shall be assessed at a rate based on the formula below:~~
 - ~~(A) The total budget amount minus the total amount raised from residential properties shall be divided by the total assessed value of all the nonresidential taxable property in the district. This fraction shall be considered the EED Assessment Rate.~~
 - ~~(B) The EED Assessment Rate can be multiplied by the assessed value of any nonresidential taxable property to determine that property's individual assessment.~~
- ~~(d) This designation and associated benefits for this district shall expire ten (10) years from the date of adoption of this ordinance. However, the district may be extended for a period of ten (10) additional years if the Council adopts an ordinance and the general assembly enacts legislation to extend the life of the economic enhancement district.~~

~~Sec. 121-1003. — Appointment of board members; staff support~~

- ~~(a) The economic enhancement board shall consist of eight (8) members to be appointed as follows:~~
 - ~~(1) Two (2) members appointed by the city county council.~~
 - ~~(2) Two (2) members appointed by the mayor.~~
 - ~~(3) Two (2) members appointed by the governor. One (1) of the members appointed under this subdivision must represent the business community and own real property located within the economic enhancement district.~~
 - ~~(4) One (1) member of the state senate appointed by the president pro tempore.~~
 - ~~(5) One (1) member of the house of representatives appointed by the speaker.~~

~~A majority of the board members must own real property within the economic enhancement district. Each board member shall serve a term of one (1) year from the first day of January after the board member's appointment and until the board member's successor is appointed and qualified.~~

- ~~(b) A proposal before the board must receive at least five (5) votes to authorize action by the board.~~
- ~~(c) Downtown Indy, Inc., or its successor organization, shall provide staff support to the economic enhancement board.~~
- ~~(d) The members may not receive compensation for service on the board.~~

~~Sec. 121-1004 Imposition of special benefits assessment; apportionment of benefits; public hearing~~

~~(a) The board, after approval of the city-county council and subject to Section 121-1011, may impose an annual special benefits assessment on all of the taxable real property of the economic enhancement district based on the relative benefits to be received by each type of property. The benefits accruing to parcels of real property within an economic enhancement district may be apportioned among those parcels on any basis reasonably representative of the diffusion of benefits from the economic enhancement projects, including but not limited to the following:~~

- ~~(1) Proximity of the parcel to the projects.~~
- ~~(2) Accessibility of the parcel to the projects.~~
- ~~(3) True cash value of the parcels.~~
- ~~(4) True cash value of any improvement on the parcel.~~
- ~~(5) Age of any improvement on the parcel.~~
- ~~(6) Other similar factors.~~

~~The apportionment of benefits under this subsection may be adjusted by zone or land use as provided in subsections (c) and (d).~~

~~(b) Upon determining the proposed assessment for each parcel, the board shall promptly mail notice to each owner of property to be assessed. This notice must:~~

- ~~(1) set forth the amount of the proposed special assessment;~~
- ~~(2) state that the proposed special assessment on each parcel of real property in the economic enhancement district is on file and may be seen in the board's office;~~
- ~~(3) set forth the time and place where the board will hold a public hearing to hear any owner of assessed real property regarding their proposed assessment; and~~
- ~~(4) state that the board, after hearing evidence, may decrease, or leave unchanged, the special assessment on any parcel.~~

~~The notices must be deposited in the mail not later than twenty (20) days before the hearing date. The notices to the owners must be addressed as the names and addresses appear on the tax duplicates and the records of the county auditor.~~

- ~~(c) If the benefit of the economic enhancement project varies from one (1) area to another within the economic enhancement district, up to three (3) zones may be established within the economic enhancement district to delineate the approximate difference in beneficial impact, and benefits may be apportioned accordingly.~~
- ~~(d) In order to encourage the retention or development of various land uses within the economic enhancement district, assessments may be adjusted according to the zoning classification of the property.~~

- (e) ~~Each special assessment is a lien on the real property that is assessed, second only to ad valorem property taxes levied on that property.~~
- (f) ~~After the public hearing is conducted under subsection (b), the board shall certify to the county auditor the schedule of special assessments of benefits. For purposes of providing substantiation of the deductibility of a special assessment for federal adjusted gross income tax purposes under Section 164 of the Internal Revenue Code, the board shall, to the extent practicable, supplement the schedule of special assessments provided to the county auditor with a statement that identifies the part of each special assessment that is allocable to interest, maintenance, and repair charges. If the board provides the county auditor with the statement, the county auditor shall show, on the tax statement, the part of the special assessment that is for interest and maintenance and repair items separately from the remainder of the special assessment.~~
- (g) ~~Not later than thirty (30) days after the county auditor receives the certification of final scheduled assessments for the completion of the economic enhancement projects, the county auditor shall deliver a copy of the certificate to the county treasurer. Each year, the county treasurer shall add the full annual assessment due in that year to the tax statements of the person owning the property affected by the assessment, designating it in a manner distinct from general taxes.~~
- (h) ~~The proceeds of the special benefits assessments shall be deposited into a special fund known as the economic enhancement district project fund, and shall be used by the board solely to finance economic enhancement projects in or directly serving or benefiting the economic enhancement district. Any money earned from investment of money in the fund becomes a part of the fund.~~

~~Sec. 121-1005—Annual budget; expenditures~~

- (a) ~~Not later than November 1 of each year, the board shall prepare and submit to the council a budget for the following calendar year governing the board's projected expenditures from the economic enhancement district project fund. The council may approve, modify, or reject the proposed budget.~~
- (b) ~~The board's budget submittal shall include the total number of residential properties, the flat fee to be assessed for residential properties, a break down and a total of the assessed value of all of the nonresidential taxable properties and the total amount to be raised for a given year.~~
- (c) ~~Any increase in the annual special benefits assessment budget shall be calculated in a manner not to exceed an inflationary adjustment based on the six year moving average of Indiana non farm personal income as published by the U.S. Bureau of Economic Analysis.~~
- (d) ~~The board may make an expenditure from the economic enhancement district project fund only if the expenditure is approved by the city fiscal body in its review of the board's budget or is otherwise approved by the council.~~

~~Sec. 121-1006—Compliance with requirements for contracting for public works, open door, public records~~

~~The board shall comply with IC 36-1-12 when contracting for public works. All meetings of the board shall comply with Indiana's Open Door Law, IC 5-14-1.5-1 et seq. All records of the board shall be kept as directed under Indiana's Access to Public Records Act, IC 5-14-3-1 et seq.~~

~~Sec. 121-1007.—Leases or contracted agreements~~

~~The board may enter into lease or contractual agreements, or both, with governmental, not-for-profit, or other private entities for the purpose of carrying out recovery projects.~~

~~Sec. 121-1008.—Disposal of assets and liabilities upon repeal of ordinance~~

~~If this ordinance is repealed or the district is otherwise terminated, the assets and liabilities of the economic enhancement district shall be disposed of in the manner determined by the city. However, liabilities incurred~~

~~by the economic enhancement district are not an obligation of the city and are payable only from the special benefits assessments and other revenues of the economic enhancement district.~~

~~Sec. 121-1009. Annual report to city fiscal body~~

~~The board shall submit an annual report to the city fiscal body not later than June 30 of each year. The report must summarize the board's activities and expenditures during the preceding calendar year.~~

~~Sec. 121-1010. Power of the board to finance projects~~

~~Subject to section 121-1011, after approval of the city fiscal body, the board may issue revenue bonds payable from special benefits assessment revenues or other revenues of the economic enhancement district to finance an economic enhancement project.~~

~~Sec. 121-1011. Failure to comply with statutory requirements~~

~~If the board fails to comply with a requirement under IC 36-7-40, the board may not issue revenue bonds and a special assessment may not be assessed within the economic enhancement district.~~

SECTION 2. Chapter 121 of the Revised Code of the Consolidated City and County," regarding taxation, is hereby amended to add Article XI, "Economic Enhancement District" and shall read as follows:

"Article XI – ECONOMIC ENHANCEMENT DISTRICT"

Sec. 121-1101. Definitions

(a) "*Board*" shall refer to an Economic Enhancement District board established in this Article

(b) "*Economic enhancement project*" as used in this Article, means the following:

- (1) Providing security for public areas, including installing and maintaining exterior cameras directly linked with the Indianapolis metropolitan police department central control.
- (2) Employing safety ambassadors to:
 - (A) deter panhandling and other nuisance behavior;
 - (B) assist with directions and information;
 - (C) facilitate open communications with police to report ongoing issues;
 - (D) provide safety escort services; and
 - (E) maintain a network of communication throughout the downtown area by engaging with private and public security companies.
- (3) Cleaning and maintaining sidewalks, including picking up litter, removing graffiti, and power washing.
- (4) Conducting extensive outreach to unsheltered homeless individuals.
- (5) Funding facility operations for a low barrier shelter for homeless individuals.
- (6) Designing, landscaping, beautifying, or maintaining public areas.
- (7) Supporting business development.

(c) "*District*" shall refer to the Economic Enhancement District established in this Article.

Sec. 121-1102. Establishment of the Economic Enhancement District

- (a) The City-County Council finds that the area described below is hereby established as the Economic Enhancement District ("EED").

The boundaries of the proposed district are as follows: The North border and the East border are primarily I65. The South border is primarily South Street, and the West border is primarily Blackford Street.

- The Southwest corner is the projection of Blackford Street going south that would intersect with the projection of South Street projected west.
- The Northwest corner is the projection of Blackford Street north where it intersects with the projection of I65 going west.
- The Southeast corner is the projection of South Street east until that projection intersects with I65.

- (b) The City-County Council finds that the proposed economic enhancement projects will provide special benefits to all property owners of the Economic Enhancement District.

- (c) The City-County Council further finds that the following types of properties within the District are excluded from the assessment of benefits:

(1) Any property that receives a homestead standard deduction under IC 6-1.1-12-37.

(2) Any property that is used for single unit or multi-unit residential property.

- (d) Owners of properties described in subsection 121-1102(c)(1) and (c)(2) or the owner of any property outside of the boundaries described in section 121-1002(a), may voluntarily opt-in to include their property in the EED assessment of benefits by notifying the county auditor in writing. A determination to opt-in is binding until the property is sold at which time the new owner shall have the opportunity to determine whether to opt-in.

- (e) The formula to be used for the assessment of benefits shall be as follows:

(1) The annual special benefits assessment shall be calculated in a manner that will generate an amount not to exceed five million five hundred thousand dollars (\$5,500,000.00).

(2) For each taxable property in the District, the special benefits assessment shall be calculated as follows:

(A) Residential properties shall be assessed a flat fee of two hundred fifty dollars (\$250.00) each.

(B) All other nonresidential taxable property shall be assessed at a rate equal to the total budget amount minus the total amount raised from residential properties divided by the total assessed value of all the nonresidential taxable property in the District. This fraction shall be considered the EED Assessment Rate. The EED Assessment Rate can be multiplied by the assessed value of any nonresidential taxable property to determine that property's assessment.

(C) No individual parcel's EED assessment rate shall exceed 0-1681% of the parcel's gross assessed value.

- (f) The expiration date of the EED shall be ten (10) years from the date of the adoption of this ordinance and may not be renewed.

Sec. 121-1103. Appointment of board members; staff support

(a) The economic enhancement board shall consist of nine (9) members to be appointed as follows:

- (1) Two (2) members appointed by the city-county council.
- (2) One (1) member appointed by the mayor.
- (3) Four (4) members appointed by the governor. One (1) of the members appointed under this subdivision must represent the business community and own real property located within the Economic Enhancement District.
- (4) One (1) member of the state senate appointed by the president pro tempore.
- (5) One (1) member of the house of representatives appointed by the speaker.

A majority of the board members must own real property within the Economic Enhancement District . Each board member shall serve a term of one (1) year from the first day of January after the board member's appointment and until the board member's successor is appointed and qualified.

(b) A proposal before the board must receive at least six (6) votes to authorize action by the board.

(c) Downtown Indy, Inc., or its successor organization shall provide staff support to the economic enhancement board.

(d) The members may not receive compensation for service on the board.

Sec. 121-1104. Imposition of special benefits assessment; apportionment of benefits; public hearing

(a) The board, after approval of the City-County Council and subject to Section 121-1011, may impose an annual special benefits assessment on all of the non-excluded taxable real property of the Economic Enhancement District based on the relative benefits to be received by each type of property. The benefits accruing to parcels of real property within an Economic Enhancement District may be apportioned among those parcels on any basis reasonably representative of the diffusion of benefits from the economic enhancement projects, including but not limited to the following:

- (1) Proximity of the parcel to the projects.
- (2) Accessibility of the parcel to the projects.
- (3) True cash value of the parcels.
- (4) True cash value of any improvement on the parcel.
- (5) Age of any improvement on the parcel.
- (6) Other similar factors.

The apportionment of benefits under this subsection may be adjusted by zone or land use as provided in subsections (c) and (d).

(b) Upon determining the proposed assessment for each parcel, the board shall promptly mail notice to each owner of property to be assessed. This notice must:

- (1) set forth the amount of the proposed special assessment;
- (2) state that the proposed special assessment on each parcel of real property in the Economic Enhancement District is on file and may be seen in the board's office;

- (3) set forth the time and place where the board will hold a public hearing to hear any owner of assessed real property regarding their proposed assessment; and
- (4) state that the board, after hearing evidence, may decrease, or leave unchanged, the special assessment on any parcel.

The notices must be deposited in the mail not later than twenty (20) days before the hearing date. The notices to the owners must be addressed as the names and addresses appear on the tax duplicates and the records of the county auditor.

- (c) If the benefit of the economic enhancement project varies from one (1) area to another within the Economic Enhancement District, up to three (3) zones may be established within the Economic Enhancement District to delineate the approximate difference in beneficial impact, and benefits may be apportioned accordingly.
- (d) In order to encourage the retention or development of various land uses within the Economic Enhancement District, assessments may be adjusted according to the zoning classification of the property.
- (e) Each special assessment is a lien on the real property that is assessed, second only to ad valorem property taxes levied on that property.
- (f) After the public hearing is conducted under subsection (b), the board shall certify to the county auditor the schedule of special assessments of benefits. For purposes of providing substantiation of the deductibility of a special assessment for federal adjusted gross income tax purposes under Section 164 of the Internal Revenue Code, the board shall, to the extent practicable, supplement the schedule of special assessments provided to the county auditor with a statement that identifies the part of each special assessment that is allocable to interest, maintenance, and repair charges. If the board provides the county auditor with the statement, the county auditor shall show, on the tax statement, the part of the special assessment that is for interest and maintenance and repair items separately from the remainder of the special assessment.
- (g) Not later than thirty (30) days after the county auditor receives the certification of final scheduled assessments for the completion of the economic enhancement projects, the county auditor shall deliver a copy of the certificate to the county treasurer. Each year, the county treasurer shall add the full annual assessment due in that year to the tax statements of the person owning the property affected by the assessment, designating it in a manner distinct from general taxes.
- (h) The proceeds of the special benefits assessments shall be deposited into a special fund known as the Economic Enhancement District project fund, and shall be used by the board solely to finance economic enhancement projects in or directly serving or benefiting the Economic Enhancement District. Any money earned from investment of money in the fund becomes a part of the fund.

Sec. 121-1105. Annual budget; expenditures

- (a) Not later than November 1 of each year, the board shall prepare and submit to the council a budget for the following calendar year governing the board's projected expenditures from the Economic Enhancement District project fund. The council may approve, modify, or reject the proposed budget.
- (b) The board's budget submittal shall include the total number of residential properties, the total number and break down of the nonresidential properties, the flat fee to be assessed for residential properties, the total assessed value of all of the taxable properties, and the total amount to be raised for a given year.
- (c) Any increase in the annual special benefits assessment budget shall be calculated in a manner not to exceed an inflationary adjustment based on the six-year moving average of Indiana non-farm personal income as published by the U.S. Bureau of Economic Analysis.
- (d) The board may make an expenditure from the Economic Enhancement District project fund only if the expenditure is approved by the city fiscal body in its review of the board's budget or is otherwise approved by the council.

Sec. 121-1106. Compliance with requirements for contracting for public works, open door, public records

The board shall comply with IC 36-1-12 when contracting for public works. All meetings of the board shall comply with Indiana's Open Door Law, IC 5-14-1.5-1 *et seq.* All records of the board shall be kept as directed under Indiana's Access to Public Records Act, IC 5-14-3-1 *et seq.* and Indiana's Record Retention laws, IC 5-15 *et seq.*

Sec. 121-1107. Leases or contracted agreements

The board may enter into lease or contractual agreements, or both, with governmental, not-for-profit, or other private entities for the purpose of carrying out economic enhancement projects. The term of any lease or contractual agreement may not exceed the expiration of this article.

Sec. 121-1108. Disposal of assets and liabilities upon repeal of ordinance

If this ordinance is repealed or the District is otherwise terminated, the assets and liabilities of the Economic Enhancement District shall be disposed of in the manner determined by the city. However, liabilities incurred by the Economic Enhancement District are not an obligation of the city and are payable only from the special benefits assessments and other revenues of the Economic Enhancement District.

Sec. 121-1109. Annual report to city fiscal body

The board shall submit an annual report to the City-County Council not later than June 30th of each year. The report must summarize the board's activities and expenditures during the preceding calendar year.

Sec. 121-1110. Power of the board to finance projects

Subject to section 121-1111, after approval of the City-County Council, the board may issue revenue bonds, whose term may not exceed the expiration date of this article, payable from special benefits assessment revenues or other revenues of the Economic Enhancement District to finance an economic enhancement project.

Sec. 121-1111. Failure to comply with statutory requirements

If the board fails to comply with a requirement under IC 36-7-40, the board may not issue revenue bonds and a special assessment may not be assessed within the Economic Enhancement District."

SECTION 3. Should any provision (section, paragraph, sentence, clause, or any other portion) of this ordinance be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the Council in adopting this ordinance. To this end the provisions of this ordinance are severable."

SECTION 4. This ordinance shall be in effect from and after its passage by the Council and compliance with Ind. Code § 36-3-4-14.

The foregoing was passed by the City-County Council this _____ day of _____, 2024, at _____ p.m.

ATTEST:

Vop Osili
President, City-County Council

Yulonda Winfield
Clerk, City-County Council

Presented by me to the Mayor this _____ day of _____, 2024.

Yulonda Winfield
Clerk, City-County Council

Approved and signed by me this _____ day of _____, 2024.

Joseph H. Hogsett, Mayor