

THE REDEVELOPMENT COMMISSION OF THE CITY OF BLOOMINGTON, INDIANA met on Monday, December 3, 2012 at 5:00 p.m. in the Showers City Hall, McCloskey Room, 401 North Morton Street, with President David Walter presiding.

I. ROLL CALL

Commissioners Present: David Walter, Elizabeth Kehoe, Michael Szakaly, John West and Michael Gentile

Commissioner(s) Absent: Kelly Smith

Staff Present: Lisa Abbott, Doris Sims, Bob Woolford and Christina Finley

Other(s) Present: Susan Failey, Assistant City Attorney; Danise Alano-Martin, Economic Development Director; Vickie Renfrow, City Attorney

II. READING OF THE MINUTES – None.

III. EXAMINATION OF CLAIMS. John West moved to approve the claims for November 9, 2012 for \$248,930.07 and November 21, 2012 for \$267,956.66. Michael Gentile seconded the motion. The claims were unanimously approved.

IV. REPORT OF OFFICERS AND COMMITTEES

A. Director’s Report. Abbott stated that CDBG applications are due on Friday. The CAC Advisory Council is December 10th and the public hearings will be in early January. At the January 2nd meeting she will review the annual TIF report to the Commission. She will send the report to the Commissioners prior to the January meeting in order for them to review the report and get back to her with any questions they might have. The report will then be submitted to the State for review.

Abbott stated the BUEA (UEA) and the Economic Development Department are working on an abatement for the Spring Well Suites Hotel. The hotel is asking for an abatement inside a TIF through the Enterprise Zone Investment Deduction. Staff will bring a request to the RDC to increase the UEA participation’s fee for projects that want to use the UEA zone investment deduction in a TIF from 20% to 29% -- that requires Council approval. They will then ask the UEA to collect the 29%, they will sign an agreement with the RDC that states the UEA will keep 20% of the fee and 9% will be given to the RDC which will be put in the RDC non-reverting fund.

Abbott informed the RDC that she and Bob have been discussing an amendment to the Annual Action Plan in order to enable a couple of projects to begin sooner than anticipated. There are additional funds available for the projects due to projects that were completed under budget and from payments received through loan payoffs. She said the details have not been worked out yet, but she wants to publish the amended plan ad so the required public hearing can be held at the January 2, 2013 RDC meeting.

Failey reported that the Dispatch bids have been advertised and solicited. They had a pre-bid meeting last week with a good turnout of potential bidders. The bids are due December 19, 2012 and Transit will award the bid on December 30, 2012. She said they will keep the Commission informed on the outcome.

B. Budget Summary Report.

V. UNFINISHED BUSINESS. None.

VI. NEW BUSINESS

A. **RESOLUTION 12-38: Approval of Estoppel Certificate for Mercury Development Group, LLC.** Renfrow explained that the Register garage ground is leased to Mercury Development and one of the conditions of the ground lease was that they build the garage and lease it back to the City. They have two leases in place – the ground lease from the RDC to Mercury and the operating lease from Mercury to the RDC. Mercury is currently doing new financing for improvements. They have about 21 years left on the lease. The lease is basically a lease purchase – at the end of the payments they will own the garage. The lender has asked the RDC to approve the Estoppel Certificate. The lender needs assurances from the City (the third party) that what they see in the two lease documents is in fact the case and that everything is fine and no one is in default.

Renfrow stated the Estoppel Certificate basically states that everyone is doing what they are supposed to do and represents that the City will do certain things such as if Mercury defaulted the City would allow the lender to step in and act as the landlord. The Certificate gives the lender a certainty that the relationships they are relying on are as the documents state they are. The amendment to the operating lease no longer requires Mercury to lease 150 spaces which was initially required, but leasing spaces has not been an issue so it is being removed from the lease.

West asked if there were any defaults or gray area that would cause them not to sign off on the documents. Renfrow said things have gone as they should. West asked why copies of all notices and documents were included. Renfrow said the lender wants to make sure they know what is going on and that everyone involved is doing what they are supposed to do.

John West moved to approve the Resolution. Michael Gentile seconded the motion. Resolution 12-38 was unanimously approved. **ADOPTED.**

B. **RESOLUTION 12-39: Approval of Contract for Neighborhood Improvement Grant at Sixth and Lincoln Streets.** Woolford explained that this grant is for the Old Northeast Neighborhood at the southwest corner of Lincoln and Sixth Streets. The proposal is for improvements including removing trees and benches which will be replaced with shrub trees, landscaping, a neighborhood sign and limestone pads.

Michael Gentile moved to approve the resolution. Elizabeth Kehoe seconded the motion. The resolution was unanimously approved. **ADOPTED.**

C. **RESOLUTION 12-40: Approval to Extend the Deadline for Training Envisage Employees to June 30, 2013 to Allow Them Access to Their Remaining Downtown TIF Funds.** Alano-Martin stated that the initial resolution was first approved in 2009. The resolution provided Envisage with funding for their building renovations, technology and funds for employee training when the business moved to the downtown area. They have provided specialized training for 16 employees to date. They have \$15,000 remaining of the \$75,000 they received in 2009 which they would like to access for employee training and development.

West asked how the funding is tracked. Alano-Martin stated she receives receipts as proof of payment for conference, training, etc. West asked if the funds can be used for both in-house and off site

training. Alano-Martin stated they did not stipulate the location of the trainings. It's typically off-site training for such things as software for homeland security, fire departments, safety agencies, high security software development, etc.

Michael Gentile moved to approve the resolution. Elizabeth Kehoe seconded the motion. Resolution 12-40 was unanimously approved. **ADOPTED.**

D. RESOLUTION 12-41: Approval of the Strategic Redevelopment Plan. Abbott reminded the Commissioners that Micuda discussed this plan with them at last month's meeting. This plan is part of a low-income housing tax credit application for the redevelopment of 3000 S. Walnut Street. This resolution is asking the RDC to approve the Redevelopment Plan which can then be submitted by the developer with the application. She said they will probably not have the results of the application until February or March.

Elizabeth Kehoe moved to approve the Resolution. John West seconded the motion. Resolution 12-41 was unanimously approved. **ADOPTED.**

VII. BUSINESS/GENERAL DISCUSSION

A. CTP Update. Alano-Martin said they received the appraisals for a small parcel in the CTP. She said a Commission meeting may be requested for the Commission so they can discuss the appraisals and discuss a whether or not they want to purchase the property.

Gentile asked the size of the property. Alano-Martin said it is .2 acres.

West asked how quickly the seller needs action on the decision. Alano-Martin stated the seller wanted to complete the transaction by the end of the year. Failey said staff may make an offer on the property contingent with RDC approval and then discuss the offer with the Commissioners at the January meeting.

West asked if the City needs the property. Alano-Martin stated it provides the City with a better position for resale of property in the future and provides more flexibility for the development program the consultants have put forward. She said it makes sense to aggregate it with the other properties. West said his concern is that if staff makes an offer, it is then contingent on the RDC. He doesn't think it puts the RDC in a good negotiating position. Failey said that was just a possibility and they indicated to the seller that they probably won't be able to close this year.

Abbott said it would be very difficult for the City to get anything done towards the property purchase before January 1st. She asked the Commissioners if they would consider paying for the Phase I out of the TIF funds. West said they could require the seller to pay for the Phase I or pay for it up to a certain point. Abbott said that would be part of the negotiations with the property owner.

Alano-Martin also informed them that they had submitted a grant application to the EPA which the RDC supported with Resolution 12-33, but she doesn't expect to hear anything until the spring.

Alano-Martin said they are on schedule with the master plan which will be presented to the City Council in February and to the Commission in March to adopt. The consultants are currently working on detailed real estate recommendations related to site improvements, putting together a prioritization schedule and the detailed infrastructure implementation plan. They have received preliminary cost for some building improvements making the buildings marketable shells.

B. Abbott reminded the Commissioners that the next meeting is on January 2nd, 2013,

VIII. ADJOURNMENT

It was moved and seconded to adjourn the meeting.

David Walter, President

Michael Gentile, Secretary

Date