

Summary of Minutes

BLOOMINGTON INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION MEETING HELD ON MONDAY, DECEMBER 13, 2010 AT 2:00 PM IN THE HOOKER CONFERENCE ROOM OF CITY HALL AT SHOWERS, 401 NORTH MORTON STREET, BLOOMINGTON, INDIANA

Call to Order

The meeting of the BIDAC was called to order at 2:03 PM.

Roll Call

Members present: Danise Alano-Martin, Chris Smith, Don Moore, Roger Kent, Pam Chapman, Joyce Poling.

Staff present: Adam Wason, Inge Van der Cruysse, Shazia Davis, Intern.

Approval of Minutes

Don Moore pointed out that the percentage for national average of local tax dollars should be less than 1% rather than 2% on the second page, second paragraph of the minutes (June 30, 2009 minutes). Roger Kent moved to approve the June 30, 2009 minutes and Mr. Moore seconded. Motion approved by general consensus.

Staff Report

Projects Update:

Danise Alano-Martin noted that Pam Chapman and Chris Smith are the two new members of BIDAC. She also said that the point of the meeting is to bring everyone up to speed with what is going on with the CRED districts in Bloomington, what has happened in the past, and plans for the future. A brief explanation is provided on why the Thomson and Downtown CREDs were created, as was presented in the Staff Memo provided to Commissioners. Ms. Alano-Martin showed maps each CRED district.

Mr. Moore asked why certain parts were excluded from the Downtown CRED map. Ms. Alano-Martin said that the Downtown CRED map was originally bigger and the State did not approve this size. Mr. Kent agreed; that is probably the reason. Mr. Moore explained that older blocks should have been included since part of the reason for the CRED is to address obsolete buildings. Adam Wason pointed out that some relatively new development has taken place in those two blocks and perhaps at the time of approval those developments were already underway (meaning they already be counted in the baseline).

Ms. Alano-Martin pointed out that many of the economic development projects financed in part by the Thomson CRED have been completed. She briefly discussed specific projects outlined in detail in the Memo. There is some discussion regarding the PTS Electronics agreement that was developed but never executed by PTS. However, the project did end up being completed and the building was eventually sold.

Cook Pharmica is one of the Thomson CRED's success stories. Cook Pharmica now has 354 employees. The first phase predicted 200 new jobs and the second phase predicted another 206.

The number of employees was not one of the investment criteria required (i.e. benchmarks). The benchmarks included required infrastructure improvements.

A discussion of Schulte and PPM ensued – two companies that ultimately did not execute their financing agreements.

Envisage Technologies, Inc., a high tech company, is the one project that has been financed in the Downtown CRED. They projected 23 new employees by 2012, so still have time to meet their benchmarks and are on target to meet their goals.

Mr. Moore asked how many jobs through all of these projects have been replaced in the Thomson CRED out of the original 1,200 jobs lost by the closure of Thomson/RCA. Ms. Alano-Martin said staff would research that.

Ms. Chapman asked if there are any specific goals or projects BIDAC is considering over the next 3, 5 or 10 years. Ms. Alano-Martin said that staff is focusing on developing a plan for the Downtown CRED right now and that agreed a reassessment and recalibrating of the Thomson CRED plan should be undertaken as well. She discussed current downtown projects that might be eligible for CRED if needed. As for Thomson, staff receives some direct inquiries from potential employers, but currently there is nothing specific in the pipeline. There is still a good amount of vacant land in the Thomson CRED, whereas in the Downtown CRED infrastructure improvements and infill will be primary redevelopment projects. Ms. Alano-Martin also mentioned that there is 160,000 square feet of warehouse space available in the Thomson CRED, facing the extension of the B-line. Mr. Moore asked if the County still owns some property in the Thomson CRED. Ms. Poling confirmed that they do.

Financial Report:

Mr. Moore pointed out that between the two CREDs, \$6.5 million is available for reinvestment in the areas. Mr. Smith asked for clarification on how the Industrial Development Fund (IDF) is funded. Ms. Alano-Martin explained that it is with the incremental increase payroll taxes, retail sales and use taxes. Only projects within the CREDs can be funded with these funds. Mr. Smith asked how to expand the CRED. Ms. Alano-Martin said it would take action by BIDAC, City Council and approval by the State of Indiana. However, Ms. Poling noted that in 2006 the State issued a moratorium on creating new CREDs in the state and that a request for expansion would not likely be approved.

The Commissioners discussed how CRED funds are collected and how they can and were intended to be used. Ms. Alano-Martin discussed areas of focus in the original Downtown CRED application to being Convention Center expansion, needed utility upgrades and parking structures.

Mr. Smith asked if BIDAC is solely responsible for giving out funds. Ms. Alano-Martin explained that BIDAC makes recommendations to the City Council for their final approval.

Mr. Moore asked if BIDAC can be proactive in targeting owners of dilapidated buildings to let them know that CRED funds are available. Ms. Chapman said that it would be beneficial to know what has already been developed, and identify the gaps and needs. Mr. Wason agreed.

Ms. Poling asked if each CRED is restricted to funds collected in that district. Ms. Alano-Martin said that in general, yes, but there are exceptions. A discussion about the marketing of availability of funds ensued.

Several commissioners agreed that incentivizing job growth was the main CRED goal. Ms. Poling asked if staff sees the Convention Center as being a CRED project. Ms. Alano-Martin said yes – it was a primary reason for creating the Downtown CRED. Adam Wason noted that CRED would not be enough; a different primary source of funding is needed and has to be approved by the Monroe County Council – the food and beverage tax.

Mr. Smith asked if City Council would like to see a proactive approach to using CRED funds and Ms. Alano-Martin said she would. Mr. Kent said it's all about creating jobs. A discussion ensued about the importance of repopulating the Thomson site with jobs. Ms. Van der Cruysse said she would research that issue of dispensation of funds after a CRED is expired or hypothetically if all projects are completed.

Mr. Kent said that all businesses creating new jobs would be a good target for BIDAC. Discussions about job number targets, opportunity costs, infrastructure funding and multiplier effects of job creation ensued. Also, a discussion about the Thomson site, its job growth to date, and outdated PUD issues took place. Mr. Moore asked if BIDAC can be used to incentivize firms to improve their productivity rather than simply increase the number count of jobs. Ms. Van der Cruysse said Legal will need to review the statute.

Ms. Chapman said that to get to that conversation we need to be articulating what we want to do. One of the take-aways from the meeting today is that staff will provide historical information and develop future recommendations.

Old Business

There is no old business.

Ms. Chapman moved to adjourn the meeting and Mr. Kent seconded. Meeting was adjourned at 3:24PM.

Approved this ____ day of _____, 20__.

BLOOMINGTON INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION

Member

Member