COMMON COUNCIL
REGULAR SESSION
February 18, 2015

In the Council Chambers of the Showers City Hall on Wednesday, February 18, 2015 at 7:30 pm with Council President Dave Rollo presiding over a Regular Session of the Common Council.

ROLL CALL

Roll Call: Rollo, Ruff, Sandberg, Volan, Granger, Sturbaum, Neher, Spechler, Mayer
Absent: None

AGENDA SUMMATION

Council President Rollo gave the Agenda Summation.

It was moved and seconded that the council amend its agenda to place Resolution 15-04 regarding IU Health Bloomington Hospital at the end of the items under Second Readings and Resolutions. There was no debate on the motion.
The motion to amend the agenda was approved by a roll call vote of Ayes: 9, Nays: 0.

APPROVAL OF MINUTES

There were no minutes to be approved at this meeting.

REPORTS

- COUNCIL MEMBERS

Dorothy Granger noted that February was Black History Month and urged people to attend one of the many events in celebration.

Tim Mayer thanked the Public Works Department for keeping the streets clean and safe during recent bad weather. He also thanked the firefighters and police officers for keeping citizens safe in inclement weather. He thanked the utility workers for keeping water running in the extreme cold conditions, and he thanked the Sanitation workers also, and then noted that because of extreme cold temperatures, trash pickup for the following day would be postponed until Friday of that week.
Mayer congratulated two firefighters, Fred Matthews and Mark Webb, on their recent retirement, noting that they had each served for over thirty years.

Dave Rollo announced that on-street metered parking enforcement would be suspended from 8 am February 19th until Monday February 23rd due to severe weather conditions.
Rollo asked the council to accept a Disclosure of a Conflict of Interest. He said he, his wife and others owned Stranger's Hill Organics which had a vendor contract with the city's Farmers' Market.
It was moved and seconded that the council accept Rollo's Conflict of Interest Statement.
The motion to accept the Disclosure Statement was approved by a roll call vote of Ayes: 9, Nays: 0.

- The MAYOR AND CITY OFFICES

There were no reports in this segment of the meeting.

- COUNCIL COMMITTEES

There were no reports from council committees at this meeting.

- PUBLIC

There was no comment from the public in this section of the meeting.

APPOINTMENTS TO BOARDS AND COMMISSIONS

It was moved and seconded to reappoint the following persons to the following commissions:

- Susie Hamilton to the Housing Quality Appeals Board
- Barbara Fuqua to the Martin Luther King, Jr. Birthday Commission.
- Jack Khan to the Commission on Aging
- Alice Oestreich to the Commission on Aging
- Sue Sgambelluri to the Redevelopment Commission
- David Walter to the Redevelopment Commission
- Paul Ash to the Bike and Pedestrian Safety Commission

Appointments (cont'd)

- Mark Stosberg to the Bike and Pedestrian Safety Commission
- Gary Charbonneau to the Commission on Sustainability.

The reappointments were approved by a voice vote.

It was moved and seconded to appoint Maria Carrisquillo to the Commission on Hispanic and Latino Affairs.
The appointment was approved by a voice vote.

LEGISLATION FOR SECOND READING AND RESOLUTIONS

Ordinance 15-02 - A Supplemental Bond Ordinance of the City of Bloomington, Indiana, Supplementing and Amending Ordinance 05-35, Adopted on December 21, 2005, as Previously Amended by Ordinance 06-05, Adopted on March 2, 2006, All for the Purpose of Authorizing the Modification of Certain Contractual Rights of the City of Bloomington, Indiana, the Execution and Delivery of its Amended Sewage Works Revenue Bonds of 2006, Series A-1, and Approving Certain Related Matters in Connection Therewith

It was moved and seconded that Ordinance 15-02 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 9-0-0.
It was moved and seconded that Ordinance 15-02 be adopted.

Patrick Murphy, Director of Utilities for the City of Bloomington, said that the bond refinancing would recoup savings to the Utility. He noted that the technical specialist had been present at a previous committee meeting on this issue. He noted that this measure would save $700,000.

Rollo said, for the people present at the meeting, that the council had received information on this item several weeks before this date, had a publicly noticed internal work session with the administration, a committee meeting with a full discussion, and were now taking final action and adoption. He noted the committee's recommendation.

Sturbaum said that everyone was unanimously in favor of saving money.

Ordinance 15-02 received a roll call vote of Ayes: 9, Nays: 0.

Ordinance 15-03 - A Supplemental Bond Ordinance of the City of Bloomington, Indiana, Supplementing and Amending Ordinance 05-12, Adopted on April 20, 2005, as Previously Amended by Ordinance 06-04, Adopted on March 2, 2006, All for the Purpose of Authorizing the Modification of Certain Contractual Rights of the City of Bloomington, Indiana, the Execution and Delivery of its Amended Waterworks Revenue Bonds of 2006, Series A, and Approving Certain Related Matters in Connection Therewith

It was moved and seconded that Ordinance 15-03 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 9-0-0.
It was moved and seconded that Ordinance 15-03 be adopted.

Utilities Director Murphy said this was a wastewater bond that would result in savings of about $480,000. He said the Utility wanted to take advantage of the market to realize these savings. He noted the presence of Gregory Small, Assistant City Attorney, who could also take questions.

Mayer thanked Small for his work and thanked the Utilities Service Board for their work on the issue.

Spechler noted that this bond refinancing was similar to a person refinancing their own home, in that it came about when the prevailing interest rate in the market had fallen as greatly as it had. He said that the city had examined the refinancing carefully and saw no problem. He said the council was happy to help save the money.

Ruff noted that this was a final vote in what had been a long deliberative process. He said a lot of questions had been asked of the administration and Utilities' leadership and the council was ready for the final vote.

Rollo thanked the administration for the amortization schedule that they had provided for the council deliberation.
Ordinance 15-03 received a roll call vote of Ayes: 9, Nays: 0.

Resolution 15-01 - To Designate an Economic Revitalization Area, Approve Statements of Benefits, Authorize Periods of Abatement for Real Property Improvements - Re: 338 S. Walnut Street (Big O Properties, LLC, Petitioner)

It was moved and seconded that Resolution 15-01 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 5-1-3.

It was moved and seconded that Resolution 15-01 be adopted.

Danise Alano-Martin, Director of Economic and Sustainable Development, said she and Jason Carnes, Assistant Director, would discuss both this and Ordinance 15-01 together as they related to the same project.

Carnes recapped the previous committee presentation. He noted that the Economic Development Commission had made the recommendation to establish the Economic Revitalization Area (ERA) and an Economic Development Target Area (EDTA). He reviewed the proposed project, and noted commercial space and residential units that would target renters without vehicles. He noted the $2M investment, and said that the project would increase tax liability on the property by over $40,000 annually.

Carnes referenced questions from the committee meeting about bike parking. He said the developer proposed one bike parking spot per bedroom which, he said, was a new threshold. Carnes noted sustainability features of the new building that included LED lighting in common areas, a white heat reflective membrane on the roof, locally sourced materials, testing of a washer/dryer in the accessible units, and Energy Star appliances and HVAC systems.

He noted that EDTA acreage for the City of Bloomington was capped at 15%, and that this would only increase that acreage by 0.001% for a total of 0.1094% of total city acreage designated as EDTA.

Alano-Martin addressed the question of the impact to other residents of the city. She said that in the three years of the proposed abatement, the increase in taxes per $100,000 of assessed value was about $.02 in the first year and less each year after that.

Alano-Martin noted the Enterprise Zone Investment Deduction (EZID) value for the property at 340-346 S. Walnut owned by this developer and adjacent to this proposed plan. She said that the total amount of taxes saved by the developer on that project over a ten year period was over $560,000, but would be reduced to $392,000, after paying part of their savings to the state and the enterprise zone, as required by the plan.

The administration, said Alano-Martin, supported this project at 338 S. Walnut for its effect on revitalization of South Walnut Street. She said that that while the market rate residential aspect of the project probably didn't merit a ten year abatement, the revitalization of South Walnut and other aspects of the project deserved support. She said the value of the abatement to the developer over the three year period would be a little over $80,000.

Noting that the project was in the Downtown TIF, Alano-Martin said staff found the project provided benefits to the TIF, and that the proposal was compatible with the plan. She said that there were no additional public investments needed for the project that would be paid out of TIF funds.

Alano-Martin noted this project would enhance the assessed value of the property, provide commercial space to create new jobs, had sustainability features, and provided a mixed use project on Walnut Street to enhance community character.

Alano-Martin noted that the Economic Development Commission unanimously recommended that the property be designated an EDTA and ERA for tax abatement purposes. She discussed the Memorandum of Understanding that would accompany the agreement including the standard language and any clawbacks in case the common council found they were not in compliance with their promises.

Spechler said that he was told by the county assessor that due to two unfavorable court decisions, the net assessed value of property in Monroe County and the City of Bloomington would be cut considerably. He asked what she knew about that situation, and if the costs of the abatement to other taxpayers would be larger because of that situation. Alano-Martin said she was marginally aware of the cases, but that they were regarding larger commercial properties. She said the purpose of incentives, such as tax abatements, were to induce the creation of additional assessed value which would ultimately reduce what other tax payers would pay. She said without inducement of private investment for things that would be difficult for the private sector to do, the city would not be able to mitigate the impact of the court cases.

Spechler asked should the net assessed value of property in Bloomington be cut, if the cost of this and other abatements mean the average tax payer would pay more taxes. Alano-Martin, said she thought so, but that that scenario would be true of anything that would reduce assessed value. She also said that her model did not project any change to the net assessed value for the area, and that she could not predict what external changes might happen. She said that those issues could occur whether this particular abatement existed or not.

Volan asked if the EDTA was at 10.84% of the city. Alano-Martin noted it was one tenth of one percent.

Volan asked what the petitioner had proposed that was above and beyond what was required by any city measure. He asked if a mixed use building was required in this area. Alano-Martin said some projects had the ground floor commercial requirement waived. Volan asked about the bike parking and Energy Star appliances. Alano-Martin said the proportion of bike parking was above and beyond city code. She said that this area on South Walnut Street was in need of revitalization. She said Big O was willing to invest there and that would spur additional private investment in the area. She said the project in this area merited additional assistance to get the project off the ground, to continue that investment, and to attract additional private investment.

Volan said he didn't think this block was suffering with 'blight' whereas blocks south of that area needed more investment. Alano-Martin said that blight, as most people thought of it, was not a condition of an Economic Revitalization Area. She said that the ERA was designated after a cessation of growth, that the area was undesirable, and that there were obstacles to redevelopment. She said the administration believed that those things existed on South Walnut with older buildings that were becoming obsolete. She said the city recognized the need for inducing private investment and therefore made infrastructure improvements there.

Volan asked what features of the building were above the requirements of code in the area. Marc Cornett, the architect for the petitioners, said they would be developing two parking spaces on Walnut Street. He said it was not required by code or by the planning process, and that the developer wanted to add them at the cost of $30,000-$40,000 each. He said this was half of the amount of the abatement, and it was included in the project budget because the on-street spaces would be important to the health of the project. Cornett said the petitioner wanted to hold out for the right type of retail per the council request in committee discussions.

Volan asked why the spaces would cost so much. Cornett said that surface parking lot spaces cost a minimum of $10,000, but added that these two on-street spaces would need demolishment of the curb, removal of a concrete paneled area and reconfiguring the parking area with respect to the specifications of Utilities and other issues. He added that the spaces would become revenue generators for the city. Volan asked what the developer could have done instead of putting in these spaces. Cornett said the tax abatement would offset the cost of putting in

the spaces, as it was a hardship to the developer to put in that public parking. Volan said it was a good argument but asked if the space could have been used as a sidewalk space for a café. Cornett said there would still be space for that as the proposed parking spaces were currently grassy areas.

Neher asked if the spaces would have a direct benefit to the developer in terms of easier leasing of the commercial/retail space. Cornett said they would directly benefit retail in the entire area as there were only twelve spaces to park on South Walnut between 2nd and 3rd Streets. Volan asked for an image of the area. Cornett said the curb cuts would be done to city specifications. Cornett reiterated that the developer was not obligated or mandated to reconfigure the space for public parking. He assumed the city would then install meters as in the rest of the block.

Rollo asked Alano-Martin if she would monitor and verify the clawback provisions, specifically sustainability features promised by the developer. Rollo asked her to report back to the council.

Ruff said that he needed to be convinced of the public benefits that would accrue and would not otherwise accrue if not for the tax abatement. He asked that these items be highlighted as the parking spaces had been.

Cornett said that it was difficult to do that because the whole project had been fleshed out at this point. Ruff asked what percentage of commercial space beyond what was required by code would result from the abatement. Cornett said the city required 2600 square feet of retail space. He said the petitioners have asked that be reduced by 1600 sq. ft. because of the very narrow, deep site that would not easily accommodate multiple tenants. He said the tenant spaces in the area were about 800-1500 sq. ft. spaces.

Spechler asked if two parking spaces would have to be made, whether or not the tax abatement was approved. Cornett said the petitioner made the decision, and that this was not a specification from either the plan staff or Plan Commission. Volan clarified that the curb currently went into the street and filled the area where cars could park, and that the petitioner would voluntarily construct parking spaces there for the city. Cornett said he didn't understand why the spaces were not created when the street was recently updated.

There was no public comment on this item.

Sturbaum said this was a worthwhile abatement.

Volan noted that the decision was tough for him and not automatic. He commended the staff and petitioner for being reasonable in their request, said that three years was a reasonable time for abatement, and appreciated that the developer was adding a facet to the development that was not required. He noted the bike parking was good, acknowledged the hardship of the site regarding commercial space issues, and noted he had been persuaded to support the petition.

Granger said she really liked the accessible units and the additional parking, but said that $900 for one a bedroom unit was not affordable for most. She added that the tax abatement was a tool that should be used to encourage affordable housing, and would not be voting for the abatement.

Spechler said he was against tax abatements because they created a bad precedent for commercial/residential sites. He said he would be in favor

of an abatement producing jobs or affordable housing, but this one did neither, with no incentive to produce either item if the abatement was approved. He said the project would be built regardless of the abatement; it didn't need an abatement as an incentive. He added that the $80,000 in projected tax savings for the developer could go to the TIF for the Switchyard Park. He said the developers were nice people but did not warrant an abatement for a project that would be built without one. He said the answer was clear: the $80,000 should be used for public good, not to help a developer, no matter how wonderful they were.

Sandberg said this was a modest proposal that would bring the full amount of taxes due to the city at the end of the abatement period. She said she was a strong advocate for affordable housing. She noted the architect of this project was a player in the building of affordable housing and would help the city. She said having a local developer made a difference and the target audience of the development was couples, a significant change for this type of building.

Neher applauded the fact that the Friedmans took council's feedback from their last project and brought it into this new project's process. He said a three year abatement, modestly structured, was a benefit. He said council was clear in their voice for future projects with the desire for bike-ability, walkability and attracting different demographics. He said this was a different kind of project that would benefit the tax base in the second year.

Ruff said he voted more often against tax abatements than for them, including two by this same developer, and stood by his scrutiny of proposals. He said after the initial presentation, the developers, in good faith, changed the project to make it more consistent with the downtown goals. He said they asked for a more modest abatement of 3 years and would create two new meter spots to correct what he called a city mistake. He said this proposal would have his support.

Mayer noted the creation of two ADA compliant apartments added a new and different facet to downtown development and in itself made the project worth a good look. He said the council had developed criteria for tax abatement that the staff used to work with a developer in creating proposals, and projects that met the criteria were worthy of support.

Volan clarified that support of one project did not automatically indicate support of all. He added that the council, while developing the criteria for abatements, hadn't ceded responsibility for the decision of abatement or oversight of these projects. The council needed to keep an open mind that staff may have negotiated too much. He said that addition of two parking spaces would have been a good use of TIF money, and it was a good give-and-take on that measure. He stated that there were tangible benefits to the city and added that while he was reluctant, he would support this proposal.

Rollo noted that this project would not be in its present form without some negotiation at the council level. He said that when it had first been presented in an internal work session the developer took feedback to improve the project with one-to-one bike parking, green building materials, local sourcing, and parking. He said he liked the appeal to an older demographic and felt there would be action by the council in the future on affordability of housing. He said the three year abatement and the increase in assessed value were good.

Granger said she liked many things about the project but would not vote on this proposal because of the affordability factor.

She pledged to work with city staff and colleagues to insure that affordable housing would be included in future tax abatement applications.

Resolution 15-01 received a roll call vote of Ayes: 7, Nays: 1 (Spechler), Abstain: 1 (Granger).

It was moved and seconded that Ordinance 15-01 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 4-1-4

It was moved and seconded that Ordinance 15-01 be adopted.

Ordinance 15-01 - To Designate an Economic Development Target Area (EDTA) – Re: Property Located at 338 S. Walnut Street and Identified by the Monroe County Parcel ID Number 015-47812-00 (Big O Properties, LLC, Petitioner)

It was moved and seconded that Amendment #1 to Ordinance 15-01 be adopted.

Rollo read the amendment into the record. There were no council questions on the amendment.

There was no public comment on the amendment.

Spechler noted that this ordinance was required to go along with the resolution and therefore he would be against such a measure. He said this designation was simply an accommodation for the previous resolution.

Amendment #1 to Ordinance 15-01 received a roll call vote of Ayes: 8, Nays: 1 (Spechler).

Amendment #1 to Ordinance 15-01
This amendment makes changes to this ordinance largely as a result of action taken by the Economic Development Commission after the ordinance was tabled on January 14, 2015. Those changes:

- reflect the hearing and resolution adopted by the EDC on January 23, 2015;
- correct a statutory cite in the first Whereas clause; and
- add the name of the Council President to the signature line (which was not formally decided when the legislation was released to the public in the packet the week before).

Danise Alano-Martin said this Economic Development Target Area (EDTA) designation was required of tax abatement projects that were located within an economic revitalization area if the project was primarily retail or housing oriented. She read the requirements of an EDTA and an Economic Revitalization Area (ERA) to the council for reference; she noted their similarities. She noted the petitioner was present for more questions.

Ordinance 15-01 as amended

Marc Cornett, architect for the petitioner, spoke about the area noting that although it could be called 'blighted,' that term meant there was a lack of development. He noted that the project was a gateway corridor to the city. He said that 293,000 square feet of property existed on the corridor between 2nd and 3rd Streets with 91,000 square feet of buildings in the areas. He said that in this "CD" zone, 100% coverage was encouraged and that there was no parking required for development. He said that there were significant holes in the built environment, what he called 'dead space,' and noted that this, surface parking, many curb cuts, weather conditions, speed of vehicles on the street, lack of trees for shade and lack of street parking actually inhibited pedestrian traffic in the area. He noted that this was the history of the area, and that there was little change in the last 20 years except for three buildings, including the transit station. He said the reduction in that block from 35 parking spaces to 20 spaces was detrimental to retail business in that corridor. He referred to nationally recognized studies on parking and the impact on the health of the downtown, and said that based on those concepts alone this area qualified for the EDTA designation. He said

Ordinance 15-01 as amended *(cont'd)*

according to his analysis there was a potential for 60 spaces on Walnut Street, and regretted that the streetscape was renovated without the foundations for sidewalk cafés and retail health.

Spechler said the question was not if the area was blighted, but if there was adequate parking for the type of retail space there. He said there was no proof that there was not enough parking, and that businesses would locate where there was sufficient parking for customers. He said there was no evidence that this was absent in this area.

Spechler speculated about the likely development in the area, and said he depended on the private sector to develop those parts without tax abatements. He said the claims by Cornett were part of the tax abatement 'play' and he would vote against it.

Volan said it all came down to parking, and that he was persuaded by Cornett's arguments. He noted that the decision to install parking meters came after the plans for renovation of the Walnut streetscape. He said The Project School was in the area, and several retail destinations were located there. He said the designation would further encourage development in the area, and that this area should have 100% coverage, with no spaces between buildings.

Ordinance 15-01 received a roll call vote of Ayes: 8, Nays: 1 (Spechler).

Resolution 15-04 - Calling upon Indiana University Health's Leadership to Accept the City's Ongoing Offer to Re-Engage City Government and the Community in a Transparent and Meaningful Discussion about Keeping Indiana University Health Bloomington Hospital at its Current Location

It was moved and seconded that Resolution 15-04 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, noting that there was no committee recommendation.
It was moved and seconded that Resolution 15-04 be adopted.

President Rollo read the entire Resolution.

It was moved and seconded to allow each speaker on this item five minutes to speak to this Resolution.
The motion was approved by a voice vote.

There were no council questions since the resolution was sponsored by all nine council members. Rollo called for public comment.

James Allison said that the resolution was a great one. He stated that the present location of the hospital was ideal. He asked about the reasons for the hospital relocation, asking if we were in the medical version of a Kleenex throw-away society with regards to the hospital age and location. He noted he preferred that the hospital act less like a corporation and show more concern for the citizens of Bloomington who would have to deal with an abandoned site should the hospital move. He added that this move would not survive a referendum.

Charlotte Zietlow likened the move of the hospital to a former issue of moving the center of county government to the by-pass area. She said the people making that decision took into consideration the offices, banks, and other institutions that may have needed to relocate and found the rippling effect of costs along with transportation issues for people who visited the government offices made that solution unreasonable. She said the move would have eviscerated the historical center of town.

Zietlow noted that while the hospital was not a taxpayer funded entity, it had been supported for years by the community in many ways. She noted since IU Health had obtained the hospital the entity was governed by people not from this community, and didn't consider itself part of Bloomington, but rather a part of another entity.

Zietlow reiterated that the move of the hospital friendly to patients or the community. She hoped that people of good will would work to prevent this move from happening.

Resolution 15-04 *(cont'd)*

Rita Lichtenberg applauded the city resolution supporting the hospital remaining on Second Street and remodeling to achieve its goals. She noted that recently there had been a $36M renovation and expansion. She said that a hospital downsizing to 200 beds should not require building on 85 unused acres of land. She noted that the aged, the poor, and the sick may not have the means to get to a more remote hospital location. She told of the creation, nurturing and financing of the hospital by the people of Bloomington, and said the hospital board needed to listen to those people. She added that a relocation would create a difficult situation in the current area as many operations related to the hospital would also move. Lastly, she urged citizens to contact the hospital board of directors regarding this issue.

John Hamilton said he was present to support the resolution, and said if a new hospital could be successful in the downtown, it would benefit everyone in the community. He said this decision about location was one that came once in a century. He said that the decision should also reflect costs that are not directly incurred by the building of a new hospital in a different location and would include reuse costs, lost revenues, property values around the old site, demolition costs, ancillary medical office and services relocation, transportation, environmental impacts of greenfield development, greater demand on private autos, a threat to the downtown and the human costs for the most vulnerable in the community.

Hamilton noted that there had not been a lot of information shared, asked that relevant facts be publicly shared, and asked how decisions were being made. He noted that his petition to keep the hospital downtown had over 500 signatures after only one week. Lastly, he noted that we, as a community, must keep fighting for this much needed community engagement.

Gregory Travis, while supporting the resolution, also noted his experiences with Bloomington Hospital, of living in a centuries old structure, and of working in the health care industry. He showed a satellite view of the hospital and surrounding area referring to the image as he noted the following: the land owned by the hospital and related medical facilities totaled 27 acres; the current hospital main building occupied about 5 acres; the remaining acreage was primarily surface parking which he said was underutilized space. He said the current garage had as much space for cars as all the rest of the surface parking, and suggested building two more garages for the net gain of 9 acres of land, enough to build another hospital bigger than the existing one.

Travis reiterated that the facts of how and why it would be much more expensive to renovate than new construction was not yet known by the community. He said the location should be a community discussion, and the burden of a case for relocation and the benefit of it should be on the ones who presumed it to be in public benefit to do that. He said that a relocation would have a profoundly negative economic effect on the city.

Travis said that recent literature had shown evidence that smaller, less sophisticated and perhaps even less modern facilitates managed to deliver better health care outcomes than modern mega-hospitals.

Philippa Guthrie noted her main concern with a hospital move was access to care for those who often need it the most – those with disabilities, elderly and poor. Their care would diminish, or become too difficult to access. She said she was a member of the board of both Volunteers in Medicine (VIM) and Centerstone, both located in close proximity to the hospital, which she said, provided almost all the tests for VIM clients, and many for Centerstone clients as well

Guthrie applauded Mayor Kruzan for creating a committee to study this issue, and urged members to put access to hospital care at the top of their agenda.

Kathleen Bartunek said she thought everyone would suffer in some way if the hospital was moved. She noted that when she came to Bloomington, she took note of the location of the hospital before she even located the grocery store. She said homes would lose value, and that close proximity to the hospital was important for people who lived within the city limits.

Isabel Piedmont-Smith said that the hospital had been nourished by the community for over a hundred years, and that the citizenry was getting a lack of respect, a lack of communication, and a disregard for those who were impoverished and lacked transportation to get to a more remote location. She said the decision for relocation was made outside of Bloomington, by those who had no relation to our community, and who would never have to deal with the brownfield that would be left.

She asked if members of the hospital board were present at the meeting or if there was a representative of the hospital present to hear the public remarks. She also said without facts to fill a void of information, she was left to jump to conclusions. She reiterated that it was necessary to support local control in businesses and in health care issues rather than depend on those who had no vested interest in the community at large.

Dr. Jean Creek noted he had been the Director of Medical Education at the Bloomington Hospital, its Chief of Staff, and founder of Internal Medicine Associates, but was now a private citizen with no affiliation with any of these entities except as a consumer. He said this issue went back several years to when the Local Council of Women was pressured into giving up local control of the hospital. He said while he never anticipated IU taking over health care here, he felt an obligation to support them because of his long affiliation with them. He noted he was greatly disappointed that there was no discussion with the local community about this relocation.

Creek said that sunshine was the best disinfectant, and added that he thought it was also true in this issue; it needed a lot more discussion.

He also said his Willie Sutton question was "Where is the money coming from?" and that was still unanswered. Noting that banks and bonding institutions would take note of disharmony in this decision, he hoped that there could be more discussion on the issue.

Larry Jacobs, with the Chamber of Commerce, said that IU Health Bloomington Hospital was the county's second largest employer, one of a regional nature with 36% of employees coming from out of county. He said that we were fortunate to have the quality regional hospital here, and that the employees were engaged in the community with many volunteer hours dedicated to various aspects of the community. He said they were engaged and wanted to help create possibilities for the reuse and redevelopment of the hospital property.

He added that the administration of the Chamber appreciated the efforts of Mayor Kruzan, the medical community, staff and hospital leadership in working to explore how it might be feasible to build on the existing site, and hoped that all would continue working for a solution for all parties concerned.

Dave Harstad, real estate broker, thanked the council for their concern regarding what he called 'this huge' issue surrounding the hospital. He said the debate should center on health care, and also should be most civil. He said he personally didn't feel that health care needs should trump the needs of the downtown and economic development.

Resolution 15-04 *(cont'd)*

He thought the hospital should be built somewhere else. He said he wrote a letter to the editor calling for people to carefully study the issue and ask tough questions. He said asking the hospital to use their old building was like asking someone to keep an old car for sentimental reasons. He said there had been changes in health care that created a need for a new facility.

He also asked the council to consider that if the hospital moved, they should not ask that the land be just given over to the city. He said that the land was exceedingly valuable and that the city itself should not be the owner and developer of this site, and that the city should not go further and further into the development business.

Council Comments:
Rollo noted a question about the presence of a representative of IU Health. Rollo said he invited Mark Moore, President and CEO of the South Central Region of IU Health Bloomington the previous day; Moore declined the invitation to attend. Rollo said that Moore indicated, earlier that day that he would send a representative of IU Health Bloomington to the council meeting to listen firsthand to input from the council and the public. He also noted to Rollo that IU Health would be responsive to the questions and comments heard at this meeting. Rollo noted that the statements made by the public were very important in this regard.
Rollo noted a lengthy memo written to the council from Moore regarding why the current site of the hospital was not feasible for a new hospital. Moore cited cost, length of time for construction, age of the facility, ceiling heights that would not accommodate new equipment, load bearing walls that would not accommodate new equipment, outdated infrastructure that limited ability for electrical service for ventilation and utilities, and the need to maintain an unusually large facility as reasons for the unsuitability of the current site.

Sturbaum said that in 2010 he and several others served on a committee that investigated facilities and possibilities. He said he recently found his file on this committee work, and noted that a consultant had made the statement *"Everything older than 30 years is obsolete."*

Sturbaum said the committee visited several hospitals in suburban and urban areas where they found 'serial rebuild' as a model. He noted that it meant as something aged, it would get rebuilt.

He said the consultants presented four options to the committee, looking at positive aspects and challenges of each option. He said that only one option renovated the existing facilities, which would have to be done one room at a time, which Sturbaum admitted was less than desirable. He also noted another option was to replace the hospital to the west of the existing site, while the existing hospital continued use during construction time. He said that would necessitate the acquisition of new land. He noted one option showed a phased redevelopment on the existing campus to the front of the existing hospital. The scenario would not require any new land but would place the building very close to the street, and would reuse several units in the existing hospital. The fourth plan showed replacement of the hospital to the east straddling Rogers Street, with a possible new medical office building on adjacent land. He objections were having patients in a construction zone, the cost of tens of millions of dollars more, and ongoing maintenance of the outdated facility at the same time which would divert funds from critical care.

Sturbaum said he agreed that a new hospital was needed, but did not agree that it needed to be outside of the town. He said there would be real harm to the community with the abandonment of the present site, along with medical facilities that would need to relocate as well. He said the community would be left with a mess, and left holding the bag. He added that he understood that Moore was trying to run a hospital and Sturbaum was sympathetic to that task.

Sturbaum read his statement from the end of the committee work:

> *I would be so excited if the reinvestment was made at the current site. There are so many economic and sustainable issues that this would affect positively that everyone would be over the moon to see that kind of investment in the city. On the other hand, the current plan hurts the city in a number of ways. Health and safety would be negatively affected due to longer ambulance trips. Health care for the less fortunate would be more difficult. Walkability for visitors and staff is eliminated by the new suburban site. And an area that would be thriving if the reinvestment went to the current site would be left behind and blighted by the abandonment of the hospital after over a hundred years on the current site. I simply can't be happy with this plan. Costs would probably would go up out there, the demolition of relatively new facilities that wouldn't need replacing for decades seems financially and sustainably ill-advised as well. I wish I could agree with you on this move, but I can't see this move as a positive to Bloomington.*

Concluding his statement, Sturbaum thanked everyone paying attention to the issue, and said he really thought the hospital would be rebuilt on-site.

Spechler said Sturbaum's comments were very helpful to him. He said he had a very different perspective. He said he worked in Comparative Economics, and it was a fact that the US spends more on medical care than any other developed country in the world. He said it was also a fact that the results from this medical care were lower than most countries in the world, with a lot of morbidity, sickness and unresolved medical problems especially in low income people and minorities. He said it was a fact that hospitals had been built to a luxurious standard, with sophisticated and expensive machinery just for prestige and that was not fully used. He said this equipment could be shared with other hospitals. He said this was a race between hospitals and their administrators for the prestige. He said medical care was too expensive for the poor results.

Spechler said he got a long call from Mark Moore, and regretted that he couldn't come to answer questions at the council meeting. He said Moore told him of the physical facilities that were inadequate, and Spechler said that his statements were persuasive. Moore also told him that some elements of the present hospital were okay, and Spechler said it all sounded very honest. Spechler said that the problem with the analysis left out the welfare of the patients. He never said that patients were not getting adequate care, and Spechler felt that Greg Travis' comment was most accurate in that new hospitals did not provide better outcomes for patients. Spechler said the welfare of the patient was the most important thing, and not money spent on another luxurious accommodation to satisfy prestige objectives of a small number of people who control the decision.

Neher said even though the council and community had been told to listen to the experts, it had been difficult to get engagement from them. He said conversations about health care outcomes had not been a centerpiece to any discussion, nor had the case been made for the downtown location not being viable.

Neher asked what the benefits to the hospital would be in moving ancillary services to the new site. He said the council had the obligation to ensure the best possible outcome and that that would begin with making the case to stay in the same place.

He added that if the hospital ultimately decided to relocate, the city had the obligation to hold the hospital accountable, as a community partner, to ensure that the present location would not be left as a brownfield, as in the case of Richmond, Indiana. He said the hospital demolition in Richmond was estimated at $6M. He said this could not happen in Bloomington.

Neher said the time for reengagement was now. He said he looked forward to having a productive conversation that required a genuine engagement by hospital leadership.

Ruff said that IU Health Bloomington Hospital was a regional hospital, and it would most likely not change as communities outside of a certain range used hospitals in Indianapolis, Evansville, Louisville, Terre Haute and Columbus. He said this argument of growing a regional hospital didn't have much substance.

Ruff noted that hospitals in urban locations expanded in place all the time. He said it was not about renovation, but building a new facility which could be done on this site. He said the city had made the offer to the hospital administration and board to do whatever would be needed to keep the hospital in the existing location. He said the offer had even included declaring eminent domain for the hospital's use of land.

He noted the claim had been made that the city didn't have a right to claim any ownership of the hospital property. He said the cumulative value of federal, state and local forgone taxes that the hospital hadn't paid in its entire life, or economic transactions that it did not pay taxes on for decades, would represent the cumulative public investment and would be a staggering amount. Ruff noted they were served by the same infrastructure as the other tax paying citizens. He said, in a way, the citizens were investors and owners of the hospital. He said he rejected the concept that the city didn't have the right to make statements of their investment rights to the property.

Ruff said the hospital could not serve the community well at the proposed west side location, especially the population that was poor, elderly, or transportation challenged. He said the irony was this segment of the population defined the non-profit status of the hospital because the hospital provided services to this group.

He said arguments presented were a vague narrative created to justify the move which was actually being done for other reasons. He said this move was partly a real estate deal because the hospital itself would not need the whole 85 acres in the proposed area and could lease property to other medical interests that needed to be near the hospital.

Ruff cited recent literature which stated hospital moves, even for non-profit hospitals, were done to shed patients that were not able to pay or were not well insured by moving to an inaccessible location for them. He said amenities were for the well insured or people who could pay their own way.

Ruff said there was a way to work to ensure access to the poor and elderly and transportation challenged to have good access. He said they needed to have good proximity to Volunteers in Medicine, the Community Kitchen, mental health services, shelter accommodations, group homes and a host of other services. To ensure this, he said the community needed to work to make sure there was a full hospital on that current site whether it was this hospital organization or a different and new group. He said the same kind of offer of assistance and help, in zoning and transportation improvements, should be made to another hospital that might be interested in that site. He added that IU Health Bloomington Hospital may have rejected the city's offers, but another entity might be interested. He said that whoever used the site would be seen as the new Bloomington Hospital.

Ruff said patients and their families often had great experiences at the hospital, and the community appreciated that. He said that those experiences had everything to do with the professionalism, the skills, commitment, and compassion of the nurses, doctors, techs and support staff and EMTs along with other fundamental employees there. He added that it had little to do with the hospital administration and board.

Sandberg asked who would benefit from a new hospital in a suburban setting. She said the new structure would come at a cost to some folks,

namely the most vulnerable. She asked what barriers hospitals faced and speculated that it might have to do with who had the ability to pay for services. She said her personal experiences with high intensity patients cared for in hospitals and nursing facilities were not especially good. She said Medicare, Medicaid, insurance provisions and ability to pay for services dictated the care a patient would get.

She said that a package sewer system would be needed to service the new building at the west side location, and that was an issue that was still to be discussed.

She stressed the need for civility in pursuing more information as all involved should understand what was really involved in this decision.

Volan said he calculated some stats on mileage and drive times from various locations within the community to the present hospital and the proposed location at Curry Pike and SR46. He said places that one would think would have to be closer to the proposed location were not in actuality. He said at least half of the patients would not be better served with the same or likely worse travel times to the proposed hospital location.

Volan commented on the number of people who were present in the council chambers when there was a chance of another hospital locating within the city limits, and again when the Local Council of Women entertained a merger with Clarion. He asked why all those people were not at this meeting, and wondered about the tactics used to mobilize folks.

Volan said the hospital hadn't fully communicated with the city because they just didn't have to. He referred to his theory of a "College Driven Metro" where 15% or more of the population of an area was enrolled in a four year university, and where higher education was also the largest employment sector. He said the second largest employer in these areas was usually health care.

Volan noted that no one disputed the quality of care within the walls of the hospital, but people were concerned about the facility or campus, and the fact that it was controlled by an entity some distance away from the city of Bloomington. He said that he was concerned about the hospital's willingness to reinvest in the community. He wondered why, if the new hospital was going to be seven stories high, it couldn't be built in the parking lot at Second and Rogers Streets. He said the genuine engagement by the hospital with the city would be to share data on why they needed a facility so far out of town, the costs, and the details on why the move was necessary.

Volan said if the hospital left town, the courteous thing to do would be to remove the "Bloomington" name, so it could be left for another health facility.

Mayer thanked Sturbaum, his council colleague who served with him on the hospital location committee, for bringing his material from that committee work. He said the group had laid out four scenarios counter to the far location, but there was another scenario that he liked the best. He said the block surrounded by Rogers, Second Street, Morton Street and First Street would be a perfect site for a hospital after the structures on that block were cleared. He said the current site could be used until that time, and then repurposed.

Mayer said the neighborhoods surrounding the hospital had issues with employees parking on the neighborhood streets, and those cars should be considered, even as far as environmental concerns.

Mayer said the hospital should explain to the city their financial costs of building downtown compared to a greenfield site. He said the 85 acres out of town could be sold rather than building on it. He asked the hospital to please engage with the city, and give them some hard numbers to understand and work with.

Mayer said the council had received two letters from the hospital CEO

Mark Moore, and that both talked about the value of patient care. Mayer said he hoped motivations to move the hospital did not go beyond that, because health care was about taking care of people.

Resolution 15-04 *(cont'd)*

Rollo agreed the hospital cared about patients, but said the out of town location was not accessible to the most vulnerable people in our community, and called the move regressive and said it was done at the expense of those who could least afford it. He said it seemed to be motivated by elite care users. He said 85 acres must be meant to include more than a hospital facility.

Rollo said he respected policy that was evidence based, transparent, and accountable to the public. He hoped the hospital would show some hard data related to this decision. He said there was no full cost accounting that included social costs to the community.

Rollo said civility was achieved with partners working together with mutual respect, transparency and sharing of information. He said that until that happened, the process wasn't civil. He noted the irony of this resolution being sent out in the packet on Friday and the hospital announcing their move just hours later.

Resolution 15-04 received a roll call vote of Ayes: 9, Nays: 0.

LEGISLATION FOR FIRST READING

There was no legislation to introduce at this meeting.

PUBLIC COMMENT

There was no public comment at this portion of the meeting.

COUNCIL SCHEDULE

Dan Sherman, Council Attorney/Administrator, noted that there was an Internal Work Session scheduled for Friday, February 20, 2015 at noon. Rollo said it was open to the public.

ADJOURNMENT

The meeting was adjourned at 11:12 pm.

APPROVE:

Dave Rollo, PRESIDENT
Bloomington Common Council

ATTEST:

Regina Moore, CLERK
City of Bloomington