

(passed 8-0
Sabbagh absent)

RESOLUTION 00-28

TO APPROVE APPLICATION AND AUTHORIZE LOAN FROM THE BLOOMINGTON BUSINESS INVESTMENT INCENTIVE FUND (The Indiana Theatre Limited Partnership)

- WHEREAS, on March 5, 1986 the Common Council of the City of Bloomington established the Bloomington Industrial Incentive Loan Fund and approved and authorized Guidelines and Procedures for the use of the Industrial Incentive Loan Fund; and
- WHEREAS, procedures established in Resolution 86-06 (the Industrial Incentive Loan Fund Guidelines and Procedures) and subsequent amendments require that an application be made to the Economic Development Commission of the City of Bloomington, and following approval by the Economic Development Commission, the application shall be forwarded to the Bloomington Common Council for approval by resolution; and
- WHEREAS, The Indiana Theatre LP has been created through a partnership between the Bloomington Area Arts Council and Consolidated Products, Inc., to restore The Indiana Theatre (The "Theatre"), located at 114 East Kirkwood Avenue; and
- WHEREAS, The Theatre was vacant and in deteriorating condition for several years prior to its restoration, and in its prominent location on Kirkwood Avenue constituted a detriment to the downtown area; and
- WHEREAS, since its restoration The Theatre has been used extensively by various groups for musical and theatrical performances and other types of programs, and has proven itself to be an essential component of downtown Bloomington's economic vitality; and
- WHEREAS, the presence of venues for the arts, music, dance and theatre downtown is vital to the economic well-being of Bloomington, in that such events attract people to downtown restaurants, stores and other businesses and contribute liveliness and energy to the area, in addition to the intangible value that cultural events provide in the community; and
- WHEREAS, The Indiana Theatre LP and Bloomington Area Arts Council owe a significant amount of debt as a result of the restoration of The Theatre, which debt is impeding their ability to manage the Theatre; and
- WHEREAS, the current debt burden affects the viability of the John Waldron Arts Center, because the Bloomington Area Arts Council has an ownership interest and management role in both facilities and the failure to pay the existing debt of The Indiana Theatre LP will result in foreclosure on Theatre loans, which are secured with the assets and buildings of both the Indiana Theatre, LP and the Bloomington Area Arts Council, including the John Waldron Arts Center; and
- WHEREAS, The Indiana Theatre LP has filed an application for a Business Investment Incentive Loan through the Bloomington Business Investment Incentive Fund, which application has been approved by the Economic Development Commission of the City of Bloomington and forwarded to the Common Council for its approval; and
- WHEREAS, The Indiana Theatre LP intends to use the loan to pay down its debt on capital expenditures for The Theatre, and provide for the payment of existing debt service incurred as a result of the renovation of the Theatre, which will require a waiver of the Business Investment Incentive Fund requirement that the loan be used for capital expenditures; and

WHEREAS, in 1999 the Bloomington Area Arts Council obtained a façade grant of \$25,000 for restoration of the marquee on The Theatre, so to the extent that the Bloomington Area Arts Council will benefit from the loan to The Indiana Theatre LP a waiver of the Business Investment Incentive Fund requirement that an entity that receives a grant may not also receive a loan will also be required; and

WHEREAS, to facilitate the financial recovery of The Theatre, a reduced interest rate is desirable, which will require waiver of the Business Investment Incentive Fund requirement that the interest rate is the highest rate available for other city fund investments at the time of application.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, THAT:

1. A loan in the amount of one hundred thousand dollars (\$100,000) from the City of Bloomington Investment Incentive Loan Fund established in Ordinance 86-06 to The Indiana Theatre LP is hereby approved, for a maximum term of five (5) years and subject to an interest rate of 2%. The Controller of the City of Bloomington is hereby authorized to release funds in the amount specified and subject to the specific terms and conditions and repayment plan approved by the City of Bloomington Economic Development Commission in Commission Resolution 00-03, together with all terms and conditions contained in Common Council Resolution 86-06 and subsequent amendments thereto.

2. Paragraph II.B.2.a. of the Guidelines for the Business Investment Incentive Fund, which provides, for projects within the Downtown Commercial zoning district, that loan funds may be used for "qualified capital improvement costs associated with a qualified project, including land acquisition; construction, expansion, or renovation of buildings; purchase of equipment; façade improvements; or infrastructure improvements" is hereby waived with regard to The Indiana Theatre LP's loan application and approval, and the application of the loan funds towards reduction of existing debt and debt service on the Theatre is hereby authorized.

3. Paragraph II.B.2.d. of the Guidelines for the Business Investment Incentive Fund, which provides, for projects within the Downtown Commercial zoning district, that loan funds may not be provided to non-profit organizations that have previously received a grant from the Business Investment Incentive Fund, is hereby waived to the extent that said provision might otherwise be construed to bar a loan to The Indiana Theatre LP, a for-profit entity due to the Bloomington Area Arts Council's receipt of a façade grant from the Business Investment Incentive Fund.

4. The first sentence in Paragraph III.B. of the Guidelines for the Business Investment Incentive Fund, which reads in part "The interest rate will be the highest interest rate currently available for other city fund investments at time of application," is hereby waived with regard to The Indiana Theatre LP's application and approval. The interest rate for said loan shall be two percent (2%).

5. Except as specifically waived herein, all other provisions of the Guidelines for the Business Investment Incentive Fund shall be in full force and effect with regard to the loan approved herein.

6. This resolution shall be in full force and effect from and after passage by the Common Council of the City of Bloomington and approval by the Mayor.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 29th day of November, 2000.

