



**CITY OF BLOOMINGTON
parks and recreation**

AGENDA

City of Bloomington Board of Park Commissioners
Special Meeting: Monday, October 11, 2010

Parks & Recreation Conference Room
401 North Morton

CALL TO ORDER - ROLL CALL

A. PUBLIC HEARINGS/APPEARANCES

Public Comment Period

B. OTHER BUSINESS

The Board of Park Commissioners will meet on Monday October 11, 2010 from 4:00 – 5:00 p.m. in the City Hall Parks and Recreation Conference Room. The purpose of this meeting is to discuss the proposed changes to the Project School lease agreement.

ADJOURNMENT



CITY OF BLOOMINGTON
parks and recreation

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10/26/10

Board of Park Commissioners
Regular Meeting
Minutes

Monday, October 11, 2010
4:00 – 5:00 p.m.

Parks and Recreation Conference Room
401 N. Morton St.

CALL TO ORDER

The meeting was called to order by Mr. Carter at 4:05 p.m.

Board Present: John Carter, Les Coyne, Joe Hoffman

Board Absent: Jane St. John

Staff Present: Mick Renneisen, Judy Seigle, Kevin Robling, Margie Rice

Others: Daniel Baron, Project School representative; Ken Ritchey, ONB Loan Officer; Jon Anderson, Bond Counsel for The Project School

A. PUBLIC HEARINGS/APPEARANCES

No public comment at this time.

B. PROPOSED AMENDMENTS TO THE PROJECT SCHOOL LEASE

Ms. Rice stated that the Project School is proposing an amendment to the lease so their bank (Old National Bank) will accept them for a loan. The proposed amendments include:

Section 3.1 Occupancy – Tenant shall use and occupy the premises solely for the operation of a charter school, as authorized by Indiana Code and for no other use or purpose without the landlord’s prior, written consent, which consent may be withheld at the landlord’s sole discretion. However, should the tenant default on their loan, the premises may be used by subsequent tenants for any lawful purpose with landlord’s prior, written consent, which shall not be unreasonably withheld.

Section 4.3 Rent During Lease Years Three (3) Through Ten (10) – Tenant shall pay rent to landlord during lease years 3-10 in an annual amount equal to \$88,125 with payments of \$7,343.75 per month.

Section 4.4 Rent During Extended Term(s) – Should the tenant elect to extend the lease, the annual rent payable by tenant to landlord shall be computed as follows during the first and second Extended Term: (i) Lease Year Eleven (11) annual rent shall be an amount equal to \$88,125 plus the lesser of (A) the Consumer Price Index (“CPI”) or (B) two percent (2%) (“Lease Increase Amount”); and (ii) Lease Years Twelve (12) through Twenty (20) annual rent shall be an amount equal to the preceding Lease Year rent plus the Lease Increase Amount. As an example, Lease Year Eleven (11) Rent based upon Two Percent (2%) rent increase amount would equal \$89,887.50, and Lease Year Twelve (12) rent based upon the same calculation using Year Eleven (11) above as a base rent would be \$91,685.25. Parties agree, however, that a negative CPI shall not be applied to annual rent and in no event shall rent decrease from year to year.

(b) Should Tenant elect to extend the term of this Lease beyond the second Extended Term as described in Section 2.2, the rent payable by Tenant to Landlord during any such Extended Term shall be negotiated by the parties. Within sixty (60) days of receipt by Landlord of Tenant’s written notice of its election to extend the term of the Lease, Landlord and Tenant shall begin said negotiations.

Mr. Coyne asked the City Attorneys if they felt this is a reasonable request regarding interest rates and CPI.

Mr. Robling stated that the City Administration feels this is reasonable.

Mr. Hoffmann asked for some clarification on the flat payment amounts of \$88,125. He indicated that years 11-20 payments seem less favorable than the original proposal. Payments beyond year 10 are now determined on a base of \$88,125 instead of \$120,000.

Mr. Renneisen stated that staff would prefer the flat payments of \$88,125 for years 3-10 over an escalating lease payment. The Department would prefer to receive a more predictable revenue stream on an annual basis. He also believes the new rent schedule reduces risk to the City in the event that the Project School terminates its lease.

Mr. Coyne stated that he feels the department is bending over backwards to help the Project School succeed. If this were any other organization, he would be much less inclined to approve the proposed amendments. He wants to make sure the Project School staff and Board are aware of this.

Mr. Robling stated that he initially thought the partnership with the Project School would not work. However, he feels the school is an asset to the community and now it must continue to succeed.

Ms. Rice stated that the Project School must change the way in which they do business with the City. They can no longer continue to make their finances the responsibility of the Park Board to fix.

Mr. Hoffmann expressed his disappointment that this whole issue had to take two meetings to be resolved. Any future dealings must be done with appropriate lead time so the Board is not spending too much time on issues that should be resolved before they are presented for Board approval.

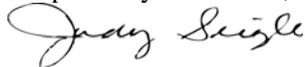
Mr. Baron expressed his appreciation to the Board and staff and stated that he appreciates how much the Board and staff has gone out of their way with this partnership. This partnership helps to realize his vision of helping impoverished students, as well as affluent students, succeed in school. The Project School staff and their Board express tremendous gratitude to the City and the Park Board for this arrangement.

Mr. Hoffmann made a motion to approve the lenders Amendment No. 3 to Lease Agreement. Mr. Coyne seconded the motion. Motion unanimously carried.

ADJOURNMENT

Meeting adjourned at 4:35 p.m.

Respectfully Submitted,



Judy Seigle, Secretary Board of Park Commissioners