

Comm- 4-04
final- 801 (MH)

RESOLUTION 91-37

RESOLUTION APPROVING THE APPLICATION BY THE CITY OF BLOOMINGTON FOR DESIGNATION OF AN URBAN ENTERPRISE ZONE

WHEREAS, pursuant to IC 4-4-6.1 the City of Bloomington has prepared an application to be submitted to the State of Indiana Department of Commerce for the creation of an Urban Enterprise Zone in Bloomington, said application which is attached hereto; and

WHEREAS, IC 4-4-6.1-3 requires that the legislative body of the municipality approve by resolution said application; and

WHEREAS, creation of said zone will be of benefit to the businesses and residents within the zone, and the City in general through the provision of special tax incentives and credits; and

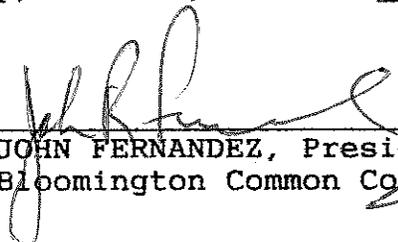
WHEREAS, creation of said zone will be of further benefit to the community and the zone in particular through the creation of an Urban Enterprise Association whose powers and duties include:

- 1) coordinate zone development activities
- 2) promote the zone to outside groups and individuals
- 3) serve as catalyst for zone development
- 4) establish a formal line of communication with residents and businesses in the zone
- 5) act as liaison between residents, businesses, the municipality, and the State Enterprise Board for any development activity in the zone
- 6) initiate and coordinate community development activities that aid in the employment of zone residents, improve their physical environment, or encourage the turnover or retention of capital in the zone

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Bloomington, Monroe County, Indiana, that:

Said application for designation of an Urban Enterprise Zone, to the Indiana Department of Commerce, by the City of Bloomington, Indiana, is hereby approved by the Common Council.

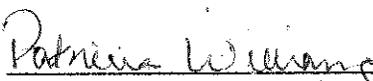
PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, on this 18th day of December, 1991.


JOHN FERNANDEZ, President
Bloomington Common Council

ATTEST:


PATRICIA WILLIAMS, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 19 day of December, 1991.


PATRICIA WILLIAMS, Clerk
City of Bloomington

SIGNED AND APPROVED by me on this 19 day of December, 1991.

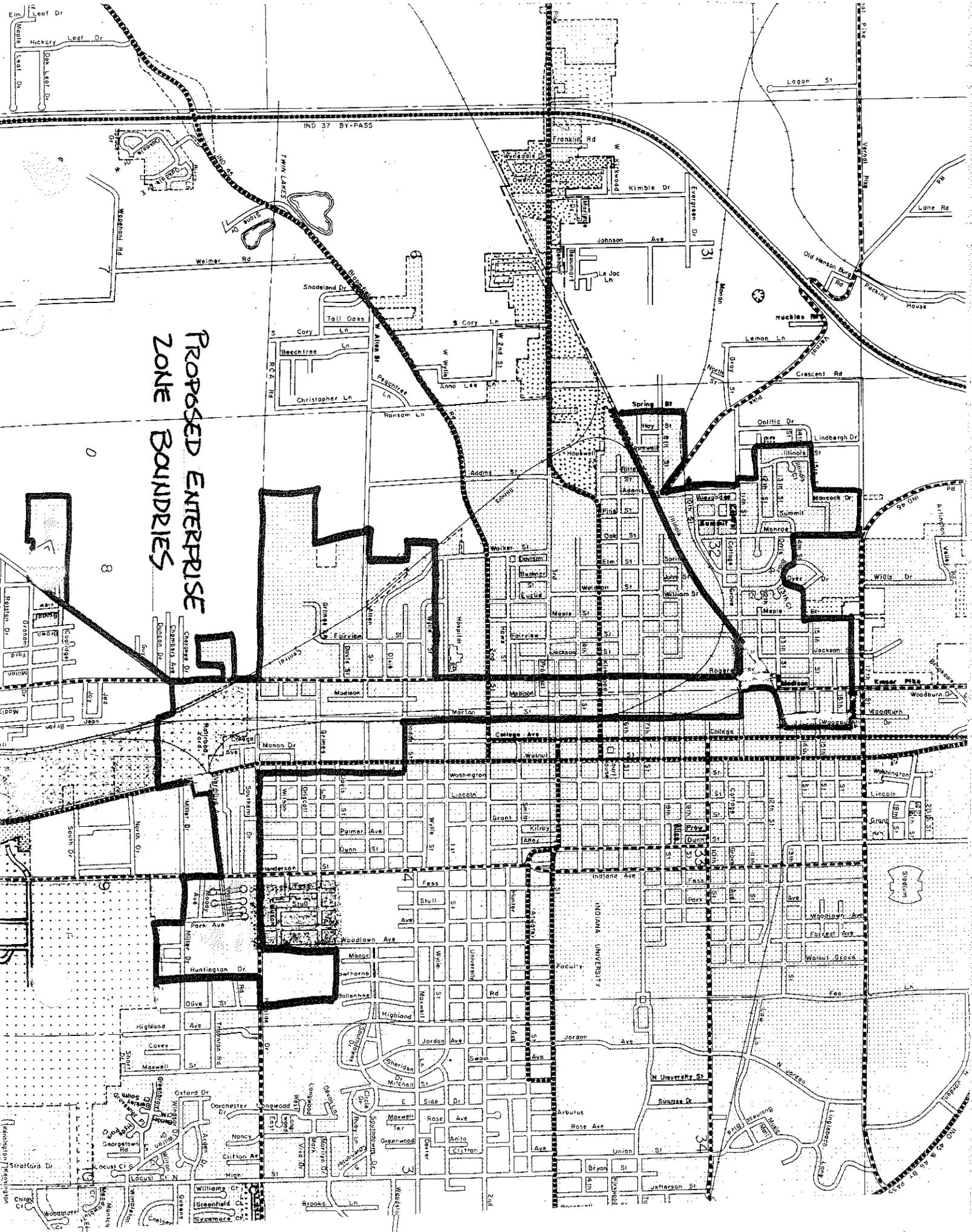
Jermilea Allison

TOMELIA ALLISON, Mayor
City of Bloomington

SYNOPSIS

This resolution approves the application of the City of Bloomington to the Indiana Department of Commerce for designation of an Urban Enterprise Zone.

PROPOSED ENTERPRISE
ZONE BOUNDARIES



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9

34

31

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City of
Bloomington
Indiana



Department of
Redevelopment

Post Office Box 100
Municipal Building
Bloomington, Indiana 47402
Telephone 812 331 6401

Arthur Banks III
Program Manager
Urban Enterprise Zone Program
Community Development Division

December 10, 1991

Dear Mr. Banks,

The City of Bloomington is pleased to forward to you its draft application for designation of an Urban Enterprise Zone in Bloomington. As I have noted this is a draft with a final document to be authorized by our Common Council on December 18th. Immediately following the Council hearing on Wednesday the 18th. we will forward our final application to your office with the required Resolution of support from our Council. We would expect that to be either hand delivered or express mailed on Thursday December 19th.

With that final application we will include further documentation of support and commitment of financial resources from area businesses that will be included in the EZ. We held several meetings last week for businesses that would be included in the EZ. The overwhelming reaction from area businesses have been positive and supportive of our application. However due to time constraints in getting the draft application to the Dept. of Commerce we have only included a commitment letter from Thomson Consumer Electronics in our draft application. Also our Common Council anticipates making their appointments to the local UEA after its December 18th. meeting. The Mayors appointments will also be finalized by that date. The composition of the UEA will therefore be included with our final application or shortly thereafter. Additional slides of vacant industrial buildings will also be included. In addition if there is any problem with our application or any additional information or clarification you need to complete your review of our application please let me know as soon as possible and we will attempt to provide whatever information you need.

Let me take this opportunity to express my and the administration's gratitude for all the technical support and encouragement that you have provided to date. I and others from Bloomington plan to attend your State Enterprise Zone Board meeting to answer any questions that may arise at that time. Please advise me of that meeting date when it has been finalized.

STATE OF INDIANA
ENTERPRISE ZONE APPLICATION

Legal Applicant: City of Bloomington Indiana
220 East Third Street
Bloomington, Indiana 47401
Monroe County

Contact Person: Chris Spiek
Executive Director
Bloomington Redevelopment Department
812-331-6401

Chief Executive: Tomilea Allison
Mayor
812-331-6406

d) Notable physical features or barriers dividing the zone.

Notable barriers dividing the zone include the existing corporate limits line which makes up most of the western boundary of the zone. In addition, the main east-west division is the railroad tracks that run parallel and adjacent to Morton Street.

2) Population

a) The population of the zone is 4267.

b) Prevailing age of the population, its family size and ethnic character.

According to 1990 census data for Bloomington, 71% of the population is under 44 years of age, with the highest concentration (26%) in the 25-44 age group. The median age is 23.1 years.

The ethnic breakdown for the zone is as follows: 93.9% white, 4.5% Black, .3% American Indian & Eskimo, 1.1% Asian and Pacific Islander, .98% Hispanic, and .2% Other.

The median family size is 2.19 persons.

3) Employment

a) 3516 people are employed in the zone.

b) The unemployment rate for the zone ranges from 3.1% to 4.9%.

c) This figure was determined through unemployment information supplied by the State Labor Market Information services. The most recent date was for September 1991. The zone includes parts of several census tracts; however the data was available by whole tracts only. The tract breakdown is as follows: Tract 1 - 3.3%; Tract 3.01 - 3.1%; Tract 4 - 2.0%; Tract 6 - 4.9%; and tract 11 - 4.5%. The average of these tracts is 4%.

Employment data was gathered by surveying each individual business within the zone.

4) Poverty

a) The poverty level in the zone is 29.2%. The City-wide rate for 1980 was 23.3%.

b) This figure was determined using the average of the 1980 census statistics for persons

- c) The source of the above information was a drive-by windshield survey.
- d) Percentage of owner occupied property: 34%; rental property: 66%.
- e) Percentage of vacant residential lots: 1-2%; vacant residential dwellings: 5.9%.
- f) How well does the supply of residential property in the zone fit zone residents' needs?

The supply of vacant residential property suitable for residential development within the zone is extremely limited. This lack of vacant residential property holds true for Bloomington as a whole. As indicated above, approximately 50% of the existing housing stock in the zone is in need of at least minor rehabilitation. Included within the zone are two Housing Authority complexes. The Housing Authority has lengthy waiting lists for units in these complexes, with the list often closed for months due to lack of available units. This clearly indicates an inadequate number of affordable units in the zone. This need for additional housing units is further demonstrated by the very low vacancy rates for both rental and owner occupied units.

- g) Percentage of single family units: 60%; multi-family with less than six units: 5%; multi-family of six or more units: 35%.
- h) Photos/slides which are representative of residential properties.
(See attachment 7h)

8) Land Usage

- a) Color-coded map indicating current land use. (See attachment 8a)

9) Infrastructure

- a) Condition and capacity of sewers, water, and sewage treatment plants, with appropriate verification and EPA rating. (See attachment 9a)
- b) Condition and capacity of roads. (See attachment 9b)
- c) Condition, capacity, and availability of utility service. (See attachment 9c)

8) Attach letters of support for the UEA. (See attachment IIb)

9) Attach a job description for professional staff for the UEA. (See attachment IIc)

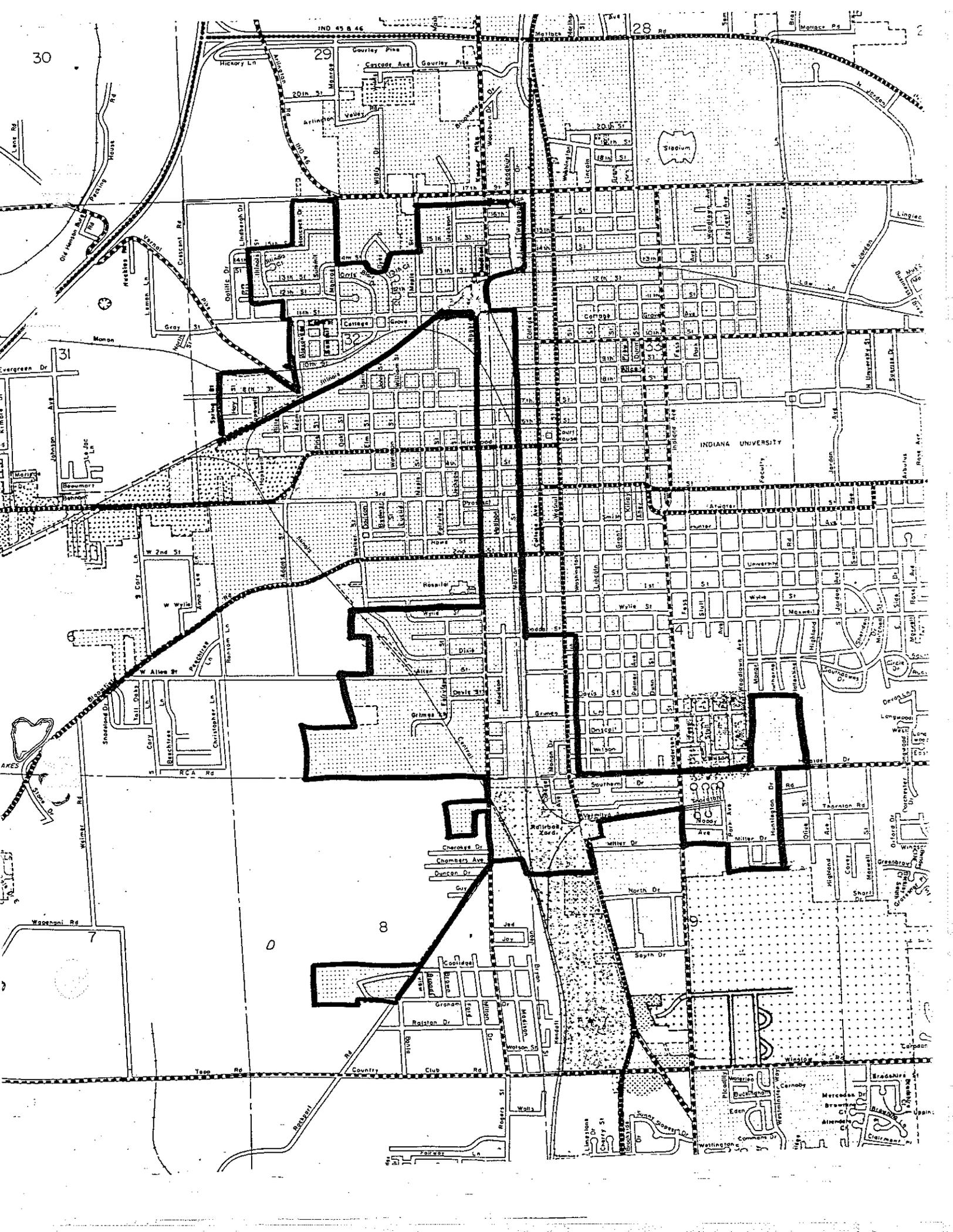
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ATTACHMENT 4b

ATTACHMENT 5c

ATTACHMENT 5d

ATTACHMENT 6b
List of Businesses in proposed Enterprise Zone

59 I.U. Publications 630 North Rogers Street Bloomington, IN 47404
60 City Fire Station 105 South Rogers Street Bloomington, IN 47404
61 Thompson Beauty Supply 201 S. Rogers Street Bloomington, IN 47403
62 Schmalz's Surplus Sales 207 S. Rogers Street Bloomington, IN 47403
63 Bloomington Thrift Shop 209 S. Rogers Street Bloomington, IN 47403
64 Hoosier Meats 211 S. Rogers Street Bloomington, IN 47403
65 South Central Mental Health Center 645 S. Rogers Street Bloomington, IN 47403
Internal Medicine Associates of Bloomington 719 S. Rogers Street Bloomington, IN 47403
67 Voils Plumbing 807 S. Rogers Street Bloomington, IN 47403
68 Imperial Driving School 901 S. Rogers Street Bloomington, IN 47403
69 Money Saving Ad Sheet 901 S. Rogers Street Bloomington, IN 47403
70 Ellington Tree Service 902 S. Rogers Street Bloomington, IN 47403
71 Thickstun Glass 903 S. Rogers Street Bloomington, IN 47403
72 Childrens' Organ Transplant Association 917 S. Rogers Street Bloomington, IN 47403
Raintree Five Hundred Muffler Shops 1133 S. Rogers Street Bloomington, IN 47403
74 Mobile Home Hardware 1205 S. Rogers Street Bloomington, IN 47403
75 Mike's Custom Service 1205 S. Rogers Street Bloomington, IN 47403
76 Hi Tech Electronics 1209 S. Rogers Street Bloomington, IN 47403
77 Thomson Consumer Electronics 1300 S. Rogers Street Bloomington, IN 47403
78 Rainbo Baking Company 1515 S. Rogers Street Bloomington, IN 47403
79 Indiana Distribution Warehouse 1525 S. Rogers Street Bloomington, IN 47403
80 Robinson Block & Concrete 1600 S. Rogers Street Bloomington, IN 47403
81 Floral Dimensions 1607 S. Rogers Street Bloomington, IN 47403
82 Indiana Prescription Lab 1607 S. Rogers Street Bloomington, IN 47403
83 Community Eye Care 803 Monroe Street Bloomington, IN 47404
84 County Women, Infants & Children 300 West First Street Bloomington, IN 47403
85 Health Services Bureau 300 West First Street Bloomington, IN 47403
86 State Division of Fish & Wildlife 300 West First Street Bloomington, IN 47403
Youth for Christ Southern Hills, Inc. 300 West First Street Bloomington, IN 47403
88 ASI Building Services 300 West First Street Bloomington, IN 47403
89 William Link Family Counseling 314 West First Street Bloomington, IN 47403
90 Bloomington Martial Arts Academy 324 West First Street Bloomington, IN 47403
91 P.K. Samaddar 822 W. First Suite 1 Bloomington, IN 47403
92 Bloomington Monroe County Overnight Shelters Inc. 301 W. 2nd Street Bloomington, IN 47403
93 Vocational Rehabilitation of Indiana 302 W. 2nd Street Bloomington, IN 47403
94 Nurse Call Plus 402 W. 2nd Street Bloomington, IN 47403
95 Medicine Shoppe 404 W. 2nd Street Bloomington, IN 47403
96 Mary M's Flowers 406 W. 2nd Street Bloomington, IN 47403
97 Bloomington Hospital Education & Training 407 W. 2nd Street Bloomington, IN 47403
Electronic Communications Systems 408 W. 2nd Street Bloomington, IN 47403
99 Elderhouse - SCCMHC 409 W. 2nd Street Bloomington, IN 47403
100 Lincare Incorporated 420 W. 2nd Street Bloomington, IN 47403
101 Fox's Cycle Sales & Service 322 W. 3rd Street Bloomington, IN 47404
102 Hays Market 300 W. 6th Street Bloomington IN 47404
103 Bank One 305 W. 6th Street Bloomington IN 47404
104 Le Petit Cafe 308 W. 6th Street Bloomington IN 47404
105 Wylie's Design Associates 316 W. 6th Street Bloomington IN 47404
106 Economy Printing 400 W. 6th Street Bloomington IN 47404
107 Tradewinds Marketing 401 W. 6th Street Bloomington IN 47404
Manns & Manns, Attorneys 405 W. 6th Street Bloomington IN 47404
Grubb Foods, Inc. 405 W. 6th Street Bloomington IN 47404
110 Pure Spring Bottled Water 405 W. 6th Street Bloomington IN 47404
111 Photo Solutions Laboratory 301 W. 7th Street Bloomington IN 47404
112 Bloomington Playwrights Project 310 W. 7th Street Bloomington IN 47404
113 Bloomington Antique Mall 311 W. 7th Street Bloomington IN 47404
114 Tom Cat's Pawn Shop 314 W. 7th Street Bloomington IN 47404
115 Ron White Ceramic 400 W. 7th Street Bloomington IN 47404
116 CFC Warehouse 408 W. 8th Street Bloomington IN 47404
117 The Dance Machine 702 W. 13th Street Bloomington IN 47404
118 Plew's Barber Shop 703 W. 11th Street Bloomington IN 47404

179 Kermit Hibner, Dr. 801 S. Walnut Street Bloomington IN 47401
180 Inman's Sunoco Service 802 S. Walnut Street Bloomington IN 47403
181 Davis Auto Sales 807 S. Walnut St. Bloomington IN 47401
182 Hoosier Outdoor Advertising 900 S. Walnut Bloomington IN 47403
183 Gold N' Pawn 901 S. Walnut Street Bloomington IN 47401
184 Auto Heaven 907 S. Walnut St. Bloomington IN 47401
185 Bob Jones Radiator Service 923 S. Walnut St., Bloomington IN 47401
186 True Value Hardware 1002 S. Walnut St. Bloomington IN 47403
187 Honda-Kawasaki of Bloomington 1006 S. Walnut St. Bloomington IN 47403
188 Eurotan 1010 S. Walnut St./Su. A Bloomington IN 47403
189 Bill's Barber Shop 1010 S. Walnut St./Su. B Bloomington IN 47403
190 Professional Hair Design 1010 S. Walnut St./Su. C Bloomington IN 47403
191 All State Insurance 1010 S. Walnut St./St. E Bloomington IN 47403
192 Kinser Insurance 1014 S. Walnut St. Bloomington IN 47403
193 Don Mott Auto Repair 1014 1/2 S. Walnut St. Bloomington IN 47403
194 DeLong Enterprises 1021 S. Walnut St. Bloomington IN 47403
195 Southern Indiana Scuba 1023 S. Walnut St. Bloomington IN 47401
196 Auto Upholstery Services 1025 S. Walnut St. Bloomington IN 47403
197 Alexander Neil and Associates 1025 S. Walnut St. Bloomington IN 47401
198 Indiana University Employees Local 832 1025 S. Walnut St. Bloomington IN 47401
199 Glass Cutters 1025 S. Walnut St. Bloomington IN 47401
200 Glass Works of Pre Cut Patterns 1108 S. Walnut St. Bloomington IN 47401
201 Frugal Mechanic 1108 S. Walnut St. Bloomington IN 47401
202 Home Entertainment, Inc. 1109 S. Walnut St. Bloomington IN 47401
203 Jiffy Wash 1115 S. Walnut St. Bloomington IN 47401
204 Clark Oil 1116 S. Walnut St. Bloomington IN 47403
205 K & W Products 239 W. Grimes St. Bloomington IN 47403
206 CSX Transportation 245 W. Grimes St. Bloomington IN 47403
207 Thomson Consumer Electronics Warehouse 301 W. Grimes St. Bloomington IN 47403
208 Auto Heaven Auto Parts 103 W. Grimes St. Bloomington IN 47403
209 City Storage Building 121 W. Grimes St. Bloomington IN 47403
210 Mini Warehouse Unlimited Storage 230 W. Grimes St. Bloomington IN 47403
211 Monon 1412 Burton's Garage Bloomington IN 47403

ATTACHMENT 9a

mgd and a hydraulic capacity of 10 mgd. It is a single stage complete mix activated sludge process. Chlorination and dechlorination are provided and solids are composted. The plant averages 97% removal of BOD and 95% removal of suspended solids. The average daily flow is about 2 mgd.

The sewage collection system serving the Enterprise Zone is shown on the attached map. The sewers within the Zone provide sufficient capacity for service.

ATTACHMENT 9b

Madison Street: Between the recently completed bridge just South of Thirteenth and Seventeenth has a two lane cross section and carries 5,500 VPD above the level of service "C".

Rogers Street: Between Rockport and Second has a two lane cross section and carries 10,000 VPD below the level of service "C". The section between Fifth Street and Seventh Street has a two lane cross section and carries 12,000 VPD below the level of service "C". The section between Seventh Street and the recently completed bridge just North of Eleventh Street has a two lane cross section and carries 5,500 VPD above the level of service "C".

Vernal Pike: Between Adams Street and the Railroad grade crossing - a segment approximately 600 feet in length - consists of a two lane cross section and carries 3,000 VPD above the level of service "C". This section is in need of improvement. Design for enhancement of the intersection of Vernal Pike and Adams Street is underway. Plans should be developed to improve the vertical alignment at the Railroad crossing.

The term level of service "C" is commonly used to define vehicular movement in the zone of stable flow where speeds and maneuverability are more closely controlled by the higher volumes. Most of the drivers are restricted in their freedom to select their own speed, change lanes, or pass. A relatively satisfactory operating speed is still obtained, with service volumes perhaps suitable for urban design practice.

Reference to "below" level of service "C" is a drop, nearing the level of service "D" and in most cases at peak flow attaining it. This level of service approaches unstable flow, with tolerable operating speeds being maintained, though considerably affected by changes in operating conditions. Fluctuations in volume and temporary restrictions to flow may cause substantial drops in operating speeds. Drivers have little freedom to maneuver, and comfort and convenience are low, but conditions can be tolerated for short periods of time.

ATTACHMENT 9c



INDIANA GAS COMPANY, INC.

Ronald J. Amen
Regional Director

2600 East Tenth Street
Bloomington, IN 47408
(812) 323-4738
1-800-777-6821

November 27, 1991

Mr. Chris Spiek, Executive Director
Department of Redevelopment
Post Office Box 100
Municipal Building
Bloomington, Indiana 47402

Dear Mr. Spiek,

In response to your request, dated November 14, 1991, the natural gas facilities located within the Bloomington Enterprise Zone have been reviewed. The zone boundaries, as described in your letter, are roughly 17th Street on the north, Morton on the east, the corporate limits on the southwest, and the Miller Drive neighborhood on the southeast.

Approximately 90% of the area within the zone is served by a 45 PSIG gas distribution system. The remaining residential areas are served by a low pressure (6" w.c.) system. Adequate capacity exists to provide gas utility service to meet the development needs of the zone. Indiana Gas Company has no size restrictions for new loads and can provide sales and technical support staff, located in Bloomington, who are equipped to consult with potential customers in establishing gas service to suit their needs in accordance with our established policies and procedures.

If further information is required, please contact me at the address and phone numbers listed above.

Sincerely,

A handwritten signature in cursive script that reads "Ronald J. Amen".
Ronald J. Amen

ATTACHMENT IIa

- ...
- 7) Provide preliminary three year objectives for the UEA participation in industrial, commercial, housing, and employment development.

The proposed Bloomington enterprise zone has four major areas of focus for goals and objectives for the next three years: industrial development, commercial development, employment development, and housing development. In industrial development, the primary goal of the UEA will be retention and expansion of its two major basic industrial employers; over the next three years it will work with the Thomson Consumer Electronics and the Carlyle operations to assist them in staying and expanding at their current locations. A secondary industrial objective will be to work with new industrial employers who wish to establish new operations within the enterprise zone. This will become increasingly important as the UEA works with the City of Bloomington to implement the city's Master Plan for development.

Housing development will be an important area over the next three years. Objectives in this category will be to increase the number of rehabilitated houses within the enterprise zone. The UEA will work closely with the City of Bloomington Redevelopment Department and volunteer organizations such as Habitat for Humanity. In addition more general neighborhood revitalization and beautification projects within the enterprise zone will help promote both new housing and housing rehabilitation efforts.

Commercial development will focus on areas such as new business creation and small business development. The UEA's initial objective will be to work with the SBDC and Indiana University help establish the Showers Building as a viable business incubator.

Employment development objectives in the next three years will focus on two areas: providing training for zone residents and assisting zone residents in finding employment. The South Central Indiana Private Industry Council (the local JTPA organization) will be the lead agency for training. In addition the industrial and commercial development programs will complement the training and employment operations.

ATTACHMENT I Ib

ATTACHMENT IIc

I. JOB REQUIREMENTS

Ability to interpret and apply State Enterprise Zone statutes and regulations to develop and implement Muncie Enterprise Zone program.

Knowledge of and ability to administer State program following governmental budgeting procedures.

Ability to effectively communicate with general public, community leaders, local, state, and federal officials promoting zone program.

Ability to legally operate vehicle.

A degree in Public Administration or related training and experience.

II. DIFFICULTY OF WORK

Incumbent uses a wide variety of laws, rules, regulations and professional knowledge to coordinate Enterprise Zone program. Independent judgement is required to make decisions in administering program, preparing various documents and reports, and making recommendations to the (UEA) Board, and communicating with community agencies, officials, businesses, and residents. Exercises independent judgement on a wide variety of planning and development matters.

III. RESPONSIBILITY

Incumbent coordinates the Enterprise Zone Program within the policy guidelines and general objectives established by the State and Local Enterprise Zone Boards. Work is reviewed for soundness of judgement and compliance with various rules and regulations and standard practices and procedures of the Board and agreement with Horizon '91.

IV. PERSONAL WORK RELATIONSHIPS

Incumbent maintains cooperative and effective working relationships with appointed and elected local officials, various zone businesses and residents, local, state, and federal agencies, and civic and community groups, and members of general public.

Reports directly to Enterprise Zone Board President and President of Chamber of Commerce or designee.

ATTACHMENT IIIa

The situation at Thompson, while more dramatic than others, is nonetheless typical of the change in employment within this central commercial and industrial corridor. Another example is that of the Carlyle facility. Twenty years ago (at that time under the ownership of Sarkes Tarzian) that facility employed over 400 workers; today the employment is approximately 160.

Another example is that of the Showers Furniture Company. A firm that was one of Bloomington's oldest employers, SFC went out of business and their massive facility (approximately 200,000 s.f.) is now being used only for storage.

In terms of other commercial and industrial employment the pattern is much the same within the zone area: larger employers either radically downsized or out of business entirely.

Large scale investment has for the most part, been missing from this sector of the city for a number of years. This lack of new company investment follows the same pattern as that of employment.

Particularly for the larger companies, transportation infrastructure has been a problem. This has been especially true in the past twenty years as SR 37 By-Pass has shunted traffic away from this inner city area. The Thomson Consumer Electronics facility for example has had some difficulties in moving its product from its location (which are bound by narrow, 2-lane streets) to the 4-lane corridor of SR 37 By-Pass.

targeted to that area exclusively. These projects include road and sidewalk improvement, neighborhood revitalization, and area beautification. Examples of such projects include: infrastructure improvements to a mobile home park, street and drainage improvements in the Miller Drive area, and limited street and drainage improvements in the Crestmont Housing project area. Although some of these revitalization projects were successful, because they were limited in scope, the projects were unable to correct the fundamental problems that limit the development of this area.

One significant project that is planned within the enterprise zone is the improvement of Walnut St. from Dodds St. south to Miller Drive. This project will help alleviate traffic congestion on this major entry corridor into the city. Inclusion of this area to the enterprise zone as well as a TIF district will allow for related improvements such as commercial access controls to Walnut St. to be implemented. The City is currently preparing an access control plan for this corridor which will include recommendations on how to implement such controls.

in this area.

Infrastructure Improvement will be the second component of the enterprise zone development plan. The single most important infrastructure issue within the enterprise zone is that of transportation. Improvement of local roads inside the zone will receive the highest priority for infrastructure development. Tax increment financing resulting from projects within the enterprise zone will help fund infrastructure development.

Other infrastructure development activities might include projects related to road improvements (sidewalks, etc.). In addition, when appropriate, water/sewer line improvements, rail spur extensions, and other business related changes will be made using the various incentives that are available to the enterprise zone.

The Business Development component of the enterprise zone development plan will function as a community wide partnership. The local Urban Enterprise Association will coordinate development activities by the City of Bloomington, the Bloomington Economic Development Corporation, the Greater Bloomington Chamber of Commerce, the regional Small Business Development Center, the South Central Indiana Private Industry Corp., and Indiana University.

These organizations will be asked to form a business development advisory group for the local UEA. This partnership will have several programs:

New Employer Recruitment

Retention & Expansion of Basic Employers

Small Business Development

Employee Training

page 5

The ordinance received a roll call vote of Ayes:1
(Hogan), Nays:8.

It was moved and seconded that Resolution 91-39 be introduced and read by title only. Clerk Williams read the resolution by title.
It was moved and seconded that Resolution 91-39 be adopted. The synopsis and committee recommendation of 8-0.

RESOLUTION 91-39

Toni McClure said that the police department will take over the tracking of tickets as they are issued when the program is up and running.

Olcott asked about signage. McClure there will be a special appropriation needed to purchase the signs and as soon as that is in place, they will be ordered and positioned, weather permitting. No tickets will be issued until the signage is in place.

The resolution received a roll call vote of Ayes:9,
Nays:0.

It was moved and seconded that Ordinance 91-67 be introduced and read by title only. Clerk Williams read the ordinance by title only.
It was moved and seconded that Ordinance 91-67 be adopted. The synopsis and committee recommendation of 8-0 was given.

ORDINANCE 91-67

Again, Toni McClure said that the previous resolution addresses the changes and the ordinance makes the necessary changes in the Municipal Code.
White and Kiesling thanked McClure for the really good job she did regarding this project.

The ordinance received a roll call vote of Ayes:9,
Nays:0.

It was moved and seconded that Resolution 91-37 be introduced and read by title only. Clerk Williams read the resolution by title.
It was moved and seconded that Resolution 91-37 be adopted. The synopsis and committee recommendation of 4-0-4 was given.

RESOLUTION 91-37

Mayor Allison said that this proposal is part of taking advantage of state and local incentives to preserve our economic well being, namely the Enterprize Zone (EZ) that would benefit the community to retain good jobs and attract investment and create new jobs. We also need services to low income families and this would occur with the 20% return to the EZ for projects such as day care, job training and improved job skills, youth programs, and affordable housing. This must be approved tonight or we will lose an entire year. People have wondered about the boundaries of the zone, this is the bare bones designation that has the necessary industry and residential areas and the zone can be expanded since we are below the limit for the actual zone. Bloomington has experienced job loss in the past and all our industry is not immune to recession problems. We must encourage new investment and the EZ has the potential to create those new jobs. She urged the council to support the resolution.

It was moved and seconded and approved by a voice vote that the comments from last week be incorporated into the minutes of this meeting.

RES 91-37
MINUTES
(COMMITTEE / REG. SESSION)

Mike Davis said that the primary goal with this proposal is coordination with the master plan and to encourage growth and development on the west and southwest part of town. Planning and zoning is not changed by the EZ and any rezonings or petitions would be handled as they always have. Assessed valuations for the industries are: Thompson about 5% of our assessed valuations as a city and Carlisle about 1.5. This is a significant part of our tax base that we would not want to lose. Neighborhood improvements are a special concern for this administration. The EZ also provides a sound economic environment for small businesses to thrive and expand. The EZ is currently 1.2 mile configuration and under state law that can expand to up to 3 sq miles. Discussions have taken place since last May and because of a rush of other projects we just have not been able to bring this to the council sooner.

Chris Spiek discussed the organization of the EZ Board and upon approval and appointment they will hire a director with LEDO grant money that has been awarded. The director will be responsible to the board and will familiarize people with the programs on all levels. Infrastructure needs within the zone will be a priority because of the impact for economic development as well as water and sewer lines for business as well as residential. The zone must be involved in helping zone residents with employment.

Olcott asked how much the zone would yield in terms of monies. Spiek said about \$150,000 to \$200,000 a year.

Thayr Ritchie said that 14 Indiana cities have EZs and Bloomington is the largest city in the state without a zone. The purpose of the zone is to encourage investment in urban centers that are disadvantaged and need incentives and this particular program is unique because it is a combination of business and community development and redevelopment purposes and the direct result is business funding through the zone for these community needs in the EZ area. The zone is controlled by the local appointees acting as a catalyst for new investment and information for community projects. It is necessary to have a working partnership to manage the zone properly and we are in the best set up, probably of any city in the state, to make the EZ work. The zone will also provide the first new industrial recruitment tool to bring new industry within the city limits.

Barry Rubin, SPEA Professor has studied EZs statewide, nationally, as well as Great Britain. He originally thought these zones didn't work, and for the most part that is true, however, a minority work and work well. The real issue is setting it set up right in the first place and Indiana has just about the best process to do this. Every zone is different and that is what makes comparison difficult nationally. The right director is important, offices must be in the zone, not city hall and the city should not try to control the zone. A certain number of viable businesses must be part of the zone when it is started to provide the base of activity to build on. Community activity is also necessary for success, it cannot just be business growth and activity. Zones make a moderate contribution to the areas in general, they do not turn around a declining city.

This will not be an overwhelming success and will not

be the be-all and end-all of economic development tools. Bloomington does not NEED an EZ but could certainly utilize an EZ here and there are any number of things that could be done as well but they all have to be pulled from the regular city budget (redevelopment issues) and that just isn't feasible. There are risks associated with an EZ and that is necessary to get good economic development. He thought Bloomington has been too hesitant to go out and take those risks over the years.

Kiesling asked about Professor Papke's (Purdue) comments regarding the average cost/job from \$30,000 to \$300,000 and what effect could the EZ have in terms of jobs. Rubin said the Evansville zone research showed that effects of the EZ cannot be totally separated from the rest of the overall urban economy and the average cost per job over a 3 yr period was \$3500 and those were jobs that the EZ was responsible for and at the same time the cost per job in Gary was phenomenal by comparison. His numbers and Papke's do not match, he said. Kiesling asked if this was "as tight" as it could be and Rubin said that additional restrictions cannot be imposed on the zone that the state does not actually provide and there is nothing to preclude the city working closely with the zone. It is best to start small, develop a good track record and then expand.

Register wondered if extreme examples of tax increases have been used to discourage the project. Rubin said that the average taxpayers bill has risen by about \$20-30 initially and over the long run if growth for new businesses occurs then the tax base in the city will increase and taxes would go up much more slowly over a ten year period for the average taxpayer and in fact may be less.

Art Banks, State Director of the Urban Enterprise Zone program, said this is a community long term process and the benefits outweigh the costs. He talked about other zones in the state and the very positive spill-over effects in the communities that have zones. Regarding people who work for not-for-profit corporations and live in the zone, they cannot take the UEA tax credits. An established business (already in the community) who wants to move into the zone, must petition the board and they have to show some distress or compelling reason why they need to move into the zone (e.g. fire). Rubin said there is a tendency for firms from out of state to move in and that is what you want to encourage, so as they move into the zone they build up the base for everyone advantage.

Gib Apple from Thomson said that they compete in the most competitive business in the world today. Thomson has operated in the red for the last few years and in 1990-91 the industry experienced their worse performance in the last 10 years and analysts are not optimistic about 1992. The property tax on inventory here in Indiana is a competitive disadvantage as few states have this tax. The company has shown considerable confidence in Bloomington over the years providing over \$58 million for improvements since 1985. Presently in 1990 the business was repositioned to compete in the high end market where the margins are much greater, this is labor intensive process to produce these high tech products, and have provided 225 new jobs in the last 18 months. Major investments are

needed to facilitate these type of production processes. Thomson will introduce a High Definition TV set in a 34" screen size and is planned to be ready for sales in the fall of 1992. The new distribution center also provides about 50 new jobs here in Bloomington. None of this would be possible without money to invest in our company and we will collapse in the face of our Japanese competitors. He said that they have not had lay offs and have a workforce of 1750 employees with a \$41 million income that is spent locally. All jobs are IBEW and Teamsters, all employees are union represented.

Fred Lindsay from the Dept. of Commerce, High Technology Development Dept. said this proposed zone could be a mechanism in bringing about the Research Park concept for the Showers Building. His department is the one that contacted Thomson regarding the implementation of this plan and how it could provide the best environment for our businesses and our citizens.

Tim Sutherlin was not in favor or the proposal because there is no compelling reason to vote on this tonight and the real decision that is being made tonight is the growth strategy that the city would like to make. There are other options and investment strategies that the city might consider. This concept is also being discussed by the federal agencies and some changes might be possible and could be strangely related to a relaxation of minimum wage laws. This might sound outlandish now but it might come to pass.

Dawn Hewitt, a west side resident asked for a delay in the vote so that people would have the time to understand what is actually happening.

Jim Sherman said he was not opposed to the concept of EZs and the 20% that comes back is wonderful, but the 80% that is supposed to be plugged back in the zone is out of the control of anyone. It is a big tax break for business and it will almost certainly involve a tax increase for other property owners. He said that this could be viewed in the same manner as the tax abatements that we grant when appropriate, they are all good but we can zone, abate and TIEFF a city to death and the average citizen pays the increase. He hoped that when the council votes on this that they will recognize and acknowledge the fact that they are also supporting a tax increase.

Jeff Ellington, Ellington Tree Service, also asked that the council delay the vote so that a small businessman such as himself can understand the paper work and tax picture and can it be structured so that taxes are not levied on individual property owners but just for businesses. He was willing to pay for it but did not think that his neighbor should pay for his breaks.

Mike Price asked why Professor Rubin thought this would work in Bloomington. Rubin said that grant that has been secured to pay for professional staff and the strong public/private support here in Bloomington is a big plus and if we wait it may not be as easy. He did suggest that at some point we take some time and attempt to develop an economic growth policy plan and figure out just what we want to do.

Dan Small, Banc One Small Business Division said that

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the zone will be a benefit to the entire community.

Sandy Clouthier a west side resident had questions - about this plan and appreciated all the information they have received this evening, they all agreed that they wanted our businesses to have the help they need to make everything work. She urged a delay of the vote so that a deeper discussion could take place.

Tom Marshalek asked about the environmental and health costs this proposal poses and will we be subjected to more pollution in a more industrialized community and he was worried that this was being passed too quickly.

Gene Stokes, Housing Authority, spoke in favor of the zone as did Ronald Davis from Indiana Metalcraft. Both facilities are in the zone.

Keith Dayton, AFL-CIO Community Services Liaison, discussed the Evansville EZ analysis and Professor Rubins comments on it and he was concerned that the information contradicts what was said earlier about tax incentives. The study was not done by Rubin, it was done by someone else commenting on Rubin's study. He said that nothing has been said about social services and he questioned the 20-80 splits and how it might be used more effectively. What happens if all these lines move to Mexico, what happens to dislocated workers, and what about retraining for these workers. State benefits are weak and people cannot access them easily. Organized labor was not included in discussions in the early stages of this proposal; they will be part of this zone and should be included. He suggested that we not try to attract outstate firms that will not promote good jobs and good wages who do not care about our community, applicants to the zone should present proposals of intended benefits to the community, incentives should be modified or terminated if applicants does not provide those proposals, and demand the average industrial wage plus benefits. (The article was by Bruce Neissan (sp)).

Rodney Ward, again expressed opposition to the EZ in general and urged council to vote against it.

Bob Barker urged the council to support the EZ proposal as an incentive for business retention as well as attraction.

Barry Rubin addressed the article referred to by Dayton and said that the article misquotes him and in fact is almost the exact opposite of his opinion stated tonight.

Charlie Kellar, a business resident of the proposed zone thought he needed more time to study the proposal and wondered if the zone failed did everyone still get their tax breaks.

Herb Weller, a small businessman with Motor Service was in favor of the plan.

Glenda Morrison, Chamber of Commerce Director, read a resolution supporting the Enterprise Zone/Association.

Michael Conner, Sec. of Near Westside Neighborhood Association requested that the council table the ordinance until more information is available to the residents of the zone and read a resolution pertaining

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to that.

Bob Anderson, Economic Development Corp. Director, also spoke in support of the zone, the zone being a positive economic development tool.

Bill Cook, Thomson Union Representative, asked what would happen if Thomson moved to Mexico and stressed that if taxes are raised and Thomson moves then we are going to be right where we are without them.

Hogan said the State should eliminate the inventory tax and while there might be an overall cost to the community, what would be the cost if Thomson "thinned out" their facility. We didn't create the EZ concept, the state did and if there are 14 other zones in the state, then Bloomington cannot be competitive in attracting new businesses. There are some real low income benefits from the state in the form of tax credits.

Fernandez said there has been the perception that this is a big business proposal shoved down our throats at the last meeting of the year and this is unfair to the Thomson reps. The discussion has been going on since May. Administrative costs can be minimized by in-kind use of space and some zones are 100% funded by zone activities (Hammond). Local control allows that board to modify boundaries, consider available incentives and there is control by people who live/work in the zone as well as the opportunity to make recommendation to a municipality how we spend other monies generated through the tax base.

Service said that she is not convinced that there is an advantage to tabling the legislation tonight and did not foresee what new information would surface.

Kiesling addressed the difference between federal and state EZs.

Thayr Ritchie said there is no connection between the federal and state EZ programs and the benefits are exclusively related to the Indiana State Tax Program. Businesses who received various incentives have to file certain forms to show their compliance and the program is entirely voluntary on the part of residents and businesses.

Kiesling asked about the combined effect of abatements and TIFs over the years. Ruckman thought the dollar amount probably changed hourly and that yes it would be wise to consider an Economic Development Plan as Dr. Rubin suggested.

Regester said he was confident that all the appropriate bodies will make this work right and this zone will take years to play out and all along the way there will be input from residents of the zone.

House asked about "city control" and if the mayor and council are making the appointments, is that not control. Barry Rubin said no, because city control is city councilmembers saying how the money should be spent and that would not happen. The city has opportunity for input by the appointments. House also asked if this has been around since 1984, why didn't we get this earlier. Rubin said we would not have qualified because the state board probably would not

have supported it and also because Bloomington is also the largest city of it's size not to have an EZ. The benefits don't come from the incentives, they come from the actual improvement of the business climate and it is the small businesses that benefit the most.

Fernandez said the only reason to delay the vote tonight is to eventually defeat the zone, there isn't that much more expert testimony to add to the discussion. The cost of delay is real and that is relevant. There is no guarantee that our "recession proof" economy will always be here and finally there is the potential funding for some social reinvestment for the kinds of programs we want to accomplish. We haven't been able to do it so far and maybe this will work. The amounts of money may seem insignificant but it is almost the same amount of money as CDBG monies we have to allocate each year and we always think that is important.

White expressed concern about the schedule and how fast this has moved along and while the explanation was given that we have talked about it since last May, what with the election and so forth, he did not feel that he had heard much about this zone concept and it might have been a prime target in the heat of an election year and it would have been appropriate to discuss them then and not cram all this into the last month of the year. And, as late as yesterday there were still a lot of unanswered questions. A lot of groups that he thought should have had some input on this did not have a chance to look at it and come up with an opinion and even the chamber had not commented on it, and that was the group that has to be involved in projects such as this to make them successful. But if we delay, we would be discussing the same things again, so after talking with different people, he said he was convinced that this was a good tool and we need to move ahead.

Olcott said that he has been in economic development since 1979 and the city hasn't always been as cooperative as they have been for the last 8 years and he complimented Allison for her help in funding a third of the economic development money that comes from the city. We are competing with cities all over the state and it is important to have this tool.

The ordinance received a roll call vote of Ayes:8,
Nays: 0, Abstain: 1 (House)

It was moved and seconded that Resolution 91-38 be introduced and read by title only. Clerk Williams read the resolution by title only.

RESOLUTION 91-38

It was moved and seconded that Resolution 91-38 be adopted. The synopsis and committee recommendation of 8-0.

Chris Spiek addressing the proposed TIFF district that includes the Thomson warehouse area. This is a public hearing and at 10:20 P.M. public input was requested. Our main purpose is to improve infrastructure for trucks moving out of the plant to access the highway.

Kiesling asked how far along we are for Thomson getting the railroad right of way to that as a truck route. Spiek said that is under study and right of way would have to be acquired next to the railroad. He said that when we annex, the new park will be included and we would hope to include that in the TIFF district.

Fernandez wondered how we can have a fiscal plan with these contingencies and particularly this advisory committee if they should decide to contest the annexation. Runkle said there have to be some guarantees on the part of the committee. Regester asked if there was any waiver concept in mind, that if the city does what is clearly agreed to, there shall be no remonstrance on the part of the surgery center or the PIC center. Runkle said if there was a remonstrance they have to follow the usual statutory processes and we would know before we were building four lane roads and no improvements would take place until the remonstrance period has passed.

Bill Milne spoke for an elderly lady on Adams St and her taxes will be hiked 33% after annexation. He thought they had done pretty well without the city for years, and wondered how the city was going to service the area when he doesn't have one (sewer). He said if he was alive in '95 and he is annexed he will run for mayor (and as an aside to Steve, as a Democrat).

Dr. Grossman spoke in support of the project, was not too sure what TIFP meant, but that it was something all parties would have some benefit from.

Fernandez said he was not happy with the "advisory committee" arrangement.

The ordinance received a Do-Pass recommendation of 8-0. The resolution also received a Do-Pass recommendation of 8-0.

Resolution 91-37 Urban Enterprise Zone

The introductory remarks were pretty much the same as the actual December 18, 1991 meeting.

Chuck Ruckman, addressing the question about Inventory Tax here in Indiana, said it is part of the property tax structure and he showed charts related to the calculations. Indiana does not have a tax based on the market value of property; so it starts with the cost of the inventory, apply an equalization factor to arrive at the true tax value to get down to the assessed value. Ruckman said that in a worse case scenario, if there was no growth in the zone, then the tax rate could go up by the 2%, but again, in a normal year the growth in the tax base would be double anyway and with the incentives involved, we expect to see additional growth in the next several years.

Fernandez said that there is the perception that we are shifting the tax burden from inventory tax to local property taxpayers and is that a requirement if we adopt an EZ. Ruckman said that is true and the council could determined that if there was not any growth in the zone, they could offset it by reducing the city budget by 2%, if that is the result you want to achieve.

House asked why Michigan City residents taxes were up by \$25 and she wondered why. Ruckman said that he did not know how they were figuring the new shopping center that has been added to that particular base.

Thayr Ritchie discussed all the state tax benefits for businesses and property owners within the zone. EZ TIFPs can be used for job training activities.

Ritchie said that not-for profit businesses do not qualify for the zone state tax benefits, but he said that Art Banks was researching that point.

Olcott asked about the Louisville zone that, as he understood it, took in almost all of the city. Ritchie said there are federal enterprize zones, but that he was not familiar with that program. Hammond, Muncie and Evansville are the most successful zones in our state. Businesses currently located outside the zone may not move into the zone, once it has been established just to take advantage of the incentives, but there are mechanisms for a business that is forced to move, then it could move into the zone and be eligible for the benefits. Certain conditions prevail. To take advantages of the incentives the business must be from outside the state.

Art Banks, State Dept of Commerce talked about various zones throughout the state and how Bloomington is finally eligible for the zone.

Gib Apple spoke of the prevailing competitive conditions in the electronic industry and Thomsons role in the process.

Kevin Forster, General Mgr of Carlisle Braking Systems, outlined the severe downturn in the economy effects upon their company. He was certainly in favor of the EZ.

Bob Arnove, a member of AFT thought we were rushing into this process. He said, paraphrasing Papke's remarks, that there was no evidence in 1989-91 that EZ had a favorable impact on the community, that there is no difference in the inventories, equipment lists, etc and that any general claims of tax incentives should be scrutinized with skepticism and doubt and that these concessions are compensatory gifts, are expensive and that the tax is regressive and ineffective and designed to waste tax payers dollars. The tax incentives should be aimed at companies that undertake high value added production so that the workforce gain on the job skills. No tax preferences should be granted for current or accumulated stock. He asked numerous questions about infrastructure and who would pay for those needs, how much of the 20% UEA funds will go for purely administrative costs, he said he would like to see the zone work and be successful but the problem is there is not mechanism to guarantee that success.

Michael Conner, a west side resident, agreed with Arnove and thought the city was rushing into this., that his neighborhood has been left out of the zone and that there has just not been enough time to study the impact of the zone.

Mr. Black-Schaeffer, though not involved in this project, he would like to be as well as other 17th St businesses.

Charlie Kellar said his business was in the zone and that was OK.

Bill Carpenter also a businessman in the zone hoped that it would help small businesses in the community, we have the opportunity to do this now to help us grow and get better.

Keith Dayton expressed concern that there are not enough conditions for those incentives, a prolonged dialogue would be best to make these determinations.

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Arnove talked again about the job loses in the other EZ cities

Fernandez said this could be the opportunity to do some really creative things for Bloomington.

Hogan said that the comments in the room are not

negative, but that people have unanswered questions.

Service thought the 20% monies returned to the zone, do not have any conditions attached to them at this time.

What if a whole plant line was to move from Bloomington - what recourse do we have? And can it be rescinded?

Gib Apple said that some TVs will be made in Mexico.

The discussion center around HDTV and the costs involved in production vs the costs and number of personnel needed for other TV production lines.

Olcott asked about increased chances of automation on the plant lines in the future, small businesses don't have the big inventories and he tries to keep in mind that if Thomson is healthy we all stay healthy.

The resolution received a Do-Pass recommendation of 4-0-4 (House, Fernandez, Kiesling, Service).

RESOLUTION 85-15

RESOLUTION OF THE COMMON COUNCIL OF THE
CITY OF BLOOMINGTON APPROVING THE REDEVELOPMENT PLAN FOR THE
DOWNTOWN REDEVELOPMENT AREA

WHEREAS, PURSUANT TO IC 36-7-14, the Redevelopment Commission of the City of Bloomington, Indiana has declared the Downtown Redevelopment Area to be blighted, with said redevelopment area located within the corporate limits of the City of Bloomington, Indiana and described as follows:

Beginning at a point which is the intersection of the east right-of-way line of Rogers Street and the south right-of-way line of 10th Street; Thence, east along the south right-of-way line of 10th Street to the east right-of-way line of Washington Street; Thence, south along the east right-of-way line of Washington Street to the north right-of-way line of 6th Street; Thence, east along the north right-of-way line of 6th Street to the east right-of-way line of Indiana Avenue; Thence, south along the east right-of-way line of Indiana Avenue to the south right-of-way line of 3rd Street; Thence, west along the south right-of-way line of 3rd Street to the east right-of-way line of Rogers Street; Thence, north along the east right-of-way Rogers Street to a point which is the intersection of the east right-of-way line of Rogers Street and the south right-of-way line of 10th Street, said point being the point of beginning of this description.

WHEREAS, the Bloomington Redevelopment Commission has had completed a market study which includes detailed studies of the location, physical condition of structures, land use, environmental influences and the social, cultural and economic conditions of the above-described redevelopment area; and

WHEREAS, there has been prepared and referred to the Common Council of the City of Bloomington, Indiana for review and approval a Redevelopment Plan for the Downtown Redevelopment Area, dated March, 1985 and consisting of 7 pages including maps and exhibits; and

WHEREAS, The Bloomington Redevelopment Commission has declared the area to be blighted and is a menace to the social and economic interest of the City and its inhabitants and that it will be of public utility and benefit to carry out certain public actions as may be required to implement the Plan, as evidenced by a copy of said body's duly certified Declaratory Resolution approving said Redevelopment Plan, which is attached hereto; and

WHEREAS, a general plan has been prepared and used as a guide for general development for the City of Bloomington, and

WHEREAS, The Plan Commission of Bloomington, Indiana, which is the duly designated and acting official planning body for the City of Bloomington, Indiana has submitted to the Common Council its report respecting said Redevelopment Plan and has certified that the Redevelopment Plan conforms to the general plan of the City of Bloomington and has issued its written order approving said Declaratory Resolution and said Redevelopment Plan, and the Common Council has duly considered said report, recommendations, and certification of the Plan Commission, and

WHEREAS, The State of Indiana has provided that declaratory resolutions adopted pursuant to IC 36-7-14 may provide for the special allocation and distribution of property taxes levied on tangible real and personal taxable property in the blighted area described in the declaratory resolution.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Bloomington, Indiana:

1. That it is hereby found and determined that the downtown Redevelopment Area is a blighted area and qualified as an eligible redevelopment area pursuant to IC 36-7-14.

2. That the Redevelopment Plan for the Downtown Redevelopment Area, having been duly reviewed and considered, is hereby approved, and the City Clerk be and is hereby directed to file said copy of the Redevelopment Plan with the minutes of this meeting.

3. It is hereby found and determined that said Redevelopment Plan for the Downtown Redevelopment Area conforms to the general plan for the City