

Summary

ECONOMIC DEVELOPMENT COMMISSION MEETING HELD ON FRIDAY, JANUARY 25, 2008 AT 12:00PM IN THE HOOKER CONFERENCE ROOM OF CITY HALL AT SHOWERS, 401 NORTH MORTON STREET, BLOOMINGTON, INDIANA

Roll Call

Members present: Dick McGarvey, Kurt Zorn, Mike Satterfield

Members observing via conference phone: Malcolm Webb

Staff present: Danise Alano, Director of Economic Development; Jackie Moore, Assistant City Attorney; Susan Failey, Assistant City Attorney; Sean Fox, SPEA Service Corps Fellow

Election of Officers

Mike Satterfield moved to accept the slate of officers for 2008: Dick McGarvey as President, Joyce Poling as Vice-President, and Kurt Zorn as Secretary. Kurt Zorn seconded. Motion carried unanimously.

Approval of Minutes

Mike Satterfield moved to approve the minutes from December 12, 2007. Dick McGarvey seconded. Motion carried unanimously.

BIIF Report

Danise Alano reported that as of January 24, 2008 the balance of the BIIF was \$597,411.88. The majority of that amount, \$597,000, is invested as follows: \$110,000 at 4.56%, maturing February 7, 2008; \$100,000 at 3.55%, maturing February 21, 2008; and \$387,000 at 3.43%, maturing July 24, 2008. She said that there are currently no inquiries for loans or grants, but enough short-term investing will continue so that the cash can be liquidized if a proposal comes through. She and Susan Failey provided background on the Business Investment Incentive Fund: it is a revolving loan fund set up in the 1970s with funds from the West Side Industry Fund, started with a \$400,000 balance, and was set up to provide loans to businesses for various purposes, including reinvesting in downtown and setting up daycare centers. It is primarily for business capital improvements and property acquisition. There is also a grant component for non-profits with a retail component. The most recent loan was for Bloomingfoods and was \$100,000 for renovation purposes. Revisions of the BIIF guidelines last took place in 1993.

Two loans are currently outstanding. The first is the Bloomingfoods loan, and we received our last payment from them in December, with the next due in January. They are occasionally doubling up on payments. The second is the Cha Cha loan. They had a fire and a legal battle with their insurance claim, but there was a resolution in the Indiana Supreme Court. Once Cha Cha receives their insurance claim disbursement, we should

begin receiving payment. Danise Alano explained that Cha Cha's loan was one of the "bridge" loans, which are fast-tracked, at a fixed low-interest rate. Businesses eligible for these loans are those that endure a disruption in sales or revenues due to the impact of a City construction/public works project. These loans are not required to go through the entire process of approval by the EDC and City Council; instead there is a combined committee.

New Business

Danise Alano discussed need to review and revise the guidelines for the BIIF and for the tax abatement program, both of which are at least ten years old. She stated the objective of the revisions as updating the guidelines and getting them more in line with the Administration's and EDC's economic development vision. She proposed a process for revisions.

The BIIF and tax abatement revisions would be reviewed by different committees (with some overlapping members), including EDC, staff and members of the community. A goal of the BIIF revision should be to ensure the fund is serving its purpose as a closer of the gap between traditional lending sources and what businesses need to make their project possible. Representatives from the financial industry should be part of the team.

For the tax abatement review, Alano suggested representatives from the Bloomington Economic Development Corporation, the Monroe County Commissioners community and economic development office, and the City of Bloomington Redevelopment Commission. The Redevelopment Commission oversees TIF districts and must have a positive recommendation for tax abatement if it occurs within a TIF district.

Danise Alano indicated that an initial meeting should include review of existing guidelines and staff-compiled research. Alano indicated that the Administration's goals, including BEAD and sustainable development, should be incorporated into the incentives.

Susan Failey asked Danise Alano if she was proposing the same timelines for both revisions. Alano said she would like to bring them both to Council at the same time. Failey suggested keeping them separate, as they both serve different goals.

Dick McGarvey said that he would like to make sure Kurt Zorn serves on the BIIF committee, and that he would serve on the tax abatement committee. Malcolm Webb (via conference phone) said that he would help out any way he could, and said he would serve on the tax abatement team. Mike Satterfield said he would serve on both for now.

Timelines were discussed. Dick McGarvey said that for Kurt, the end of the school year would be a busy time. Kurt Zorn said that he thought we should begin as soon as possible. Malcolm Webb said he would be willing to serve on either advisory team.

Dick McGarvey asked what the Chamber Advocacy Council was. Danise Alano responded that it was a new committee of the Greater Bloomington Chamber, and is a business advocacy committee. They are a group of small business owners that look for ways to help small business.

Dick McGarvey said he liked the idea of having both timelines together. Susan Failey noted that the timeline is ambitious.

Kurt Zorn explained to new member Mike Satterfield his concern with the BIIF: no source of funding to recapitalize the fund. Therefore, each grant decreases available funds for loans. Satterfield asked what options have been explored for funding. Zorn said that none have been yet, which is why he is hoping the revisions will go forward to the City Council to consider a one-time or periodic infusion of money. In that case, the EDC may become more liberal in approving grants.

Dick McGarvey applauded Danise Alano for moving forward with this initiative.

Mike Satterfield asked how people find out about EDC and other commission positions. Alano said that they are appointed, and Susan Failey said that all openings for all commissions are announced at the beginning of the year. They are also announced at Council meetings and via the City Clerk's website.

Malcolm Webb (via conference phone) suggested Doug Talley as a lender resource. Mr. Talley grew up in Bloomington and was chief commercial lending officer for National Bank of Indianapolis. Malcolm Webb said local people might be best though and encouraged Danise Alano to pursue local contacts.

Adjournment

Dick McGarvey moved to adjourn the meeting. Kurt Zorn seconded. Motion carried. Meeting adjourned.