

THE REDEVELOPMENT COMMISSION OF THE CITY OF BLOOMINGTON, INDIANA met on Monday, March 26, 2010 at 9:00 a.m. in the Showers City Hall, McCloskey Room, 401 North Morton Street, with President David Walter presiding.

I. ROLL CALL

Commissioners Present: David Walter, Michael Gentile, John West and Michael Szakaly
Commissioner(s) Absent: Jim Muehling and Elizabeth Kehoe
Staff Present: Lisa Abbott and Bob Woolford
Other(s) Present: Margie Rice, City Attorney; Danise Alano, Economic Development Director

II. READING OF THE MINUTES -- None.

III. EXAMINATION OF CLAIMS – None.

IV. REPORT OF OFFICERS AND COMMITTEES – None.

V. UNFINISHED BUSINESS – None.

VI. NEW BUSINESS

PUBLIC HEARING

A. RESOLUTION 10-09: Approval of Expenditures for the Waldron Arts Center from the Downtown TIF. Rice explained that this resolution is requesting \$150,000 in TIF funds to purchase the fixtures and equipment that are currently in the Waldron building. She stated that she had researched Indiana Case Law and assured the Commissioners that this was an appropriate and legal use of TIF dollars. Rice said the BAAC could no longer afford the building. Therefore the City agreed to take back the building from the BAAC in order to keep it open to the public and keep it running as an arts venue. This agreement with BAAC also cleans up the legal paperwork and the title that's related to the building. Rice stated this resolution is needed to effectuate the agreement and the recommendations of the Waldron Study Group. The request today is to approve \$150,000 to buy the equipment and fixtures; it would cost much more if the City had to purchase new equipment.

She further explained City's intent is to find a good steward for the Waldron and to sell the equipment to them. There will be deed restrictions on the property which require it to be used as an arts venue. Rice said they are in discussions with a potential buyer who will buy the equipment and adhere to the deed restrictions.

Rice said she looks at this as a loan because once they sell the equipment, the funds will be returned to the TIF. However, it is not guaranteed that the \$150,000 will come back. If the Commissioners approve the resolution, it is an outright purchase and they have to have faith that the City is going to get an agreement that requires funds will be returned to the TIF.

Rice addressed the following questions from Mike Gentile:

1. Is this a loan? Rice: No. She has been using those terms because she expects the funds to be returned.
2. What does the RDC receive in exchange for the \$150,000? What documentation supports the intentions? Rice: They amended the original resolution to read: Paragraph 2 says -- In order to facilitate economic development of the Downtown TIF Area, and based upon the intention of the City of Bloomington described in paragraph 3 below, the Redevelopment Commission of the city of Bloomington hereby approves the expenditure of up to One Hundred Fifty Thousand Dollars (\$150,000) And the intent in paragraph 3 is the intention of the City of Bloomington to dispose of the property in order to recoup the One Hundred Fifty Thousand Dollars She stated that there is no guarantee that the money is coming back.
3. If the City disposes of the property and receives more than \$150,000, who receives the surplus? Who would eat a shortage? Rice: She would expect any surplus money to go into a City fund. She said the TIF would eat the shortage or there might be a City fund that could reimburse the TIF.
4. What if the City would sell the building itself? Would it be an average of two appraisals? If so would the appraisals consider the deed restrictions? Rice: They are working on getting two appraisals done jointly by Gil Mordoh and Wayne Johnson. There is a provision in the Indiana Code regarding disposal of property which states if you acquire property other than through

eminent domain and you're selling it for certain purposes, you can sell it for less than the two appraisals. Rice said at this point their intent is to transfer the property through quit claim. She said the restrictions on this property are going to limit the market.

Szakaly asked how the purchase of the equipment will be handled if the arrangement is a lease instead of a sale. Rice said she does not expect the next owner to lease, but expects it to be a sale.

West, who chaired the Waldron Study Group, stated he endorses everything Rice has said. This agreement follows the plan developed by the study group. He is relatively sure that a sale is going to happen and is pretty confident that the TIF will get the \$150,000 back. West stated he supports this resolution.

Rice noted there is a BUEA resolution attached because there is overlapping jurisdiction of the two bodies – the property is both in the BUEA and TIF districts.

Rice stated the City will close with BAAC on March 31, 2010. She then expects a quick sale of the building by either May 1 or June 1, 2010.

Walter asked if any members of the public would like to speak to the resolution.

Evelyn Powers thanked the Waldron Study Group, Miah Michaelsen, Danise Alano, Margie Rice, Trish Bernes, John Whitlatch and Mayor Kruzan for keeping the Waldron as an art center. She expressed the hope that the building will continue to be call the John Waldron Art Center in honor of Cecil Waldron's father-in-law. Ms. Powers also thanked the Redevelopment Commission for helping them find a way to keep the Waldron Art Center alive.

Walter asked who is keeping an eye on the property between the City taking possession and the sale to another entity. Rice said Miah Michaelsen and the Public Works Department will change the locks and make sure the equipment stays in place. There will be City staff in place during the hours of operation during the interim.

Michael Szakaly moved to approve the resolution. Michael Gentile seconded the motion. Resolution 10-09 was unanimously approved. **ADOPTED.**

VII. BUSINESS/GENERAL DISCUSSION

VIII. ADJOURNMENT

It was moved and seconded to adjourn the meeting.

David Walter, President

Michael Gentile, Secretary

Date