



Packet Related Material

Memo Agenda Calendar

Notices and Agendas:

None

Reports

Annual Tax Abatement Report

- Memo from Ron Walker, Director of Economic Development; Report

Contact: Ron Walker at 349-3534 or walkerr@bloomington.in.gov

Legislation for Final Action:

Ord 05-10 To Amend Title 4 of the Bloomington Municipal Code Entitled "Business Licenses Generally" (Amending Chapter 4.04.110 Entitled "Lunch Wagon" by Disallowing Lunch Wagons from Operating Near the Farmers' Market When the Market is Open)

(Please see the packet for the March 30th Special Session and Committee of the Whole for the legislation, summary, and background material)

Contact: Marcia Veldman at 349-3738 or veldmanm@bloomington.in.gov

Ord 05-09 To Amend Title 8 of the Bloomington Municipal Code, Entitled "Historic Preservation and Protection" to Establish a Historic District - Re: Brick Streets in University Courts (Bloomington Historic Preservation Commission, Petitioner)

(Please see the packet for the March 23rd Regular Session for the legislation, summary, and background material.)

Contact: Nancy Hiestand at 349-3507 or hiestann@bloomington.in.gov

Legislation and Background Material for First Reading:

Ord 05-11 To Amend Title 9 of the Bloomington Municipal Code Entitled "Water" (Rate Adjustment)

- Memo from Pat Murphy, Director of Utilities; Comparison of Old and New Rates

Contact: Patrick Murphy at 349-3650 or murphyp@bloomington.in.gov

Ord 05-12 An Ordinance Concerning the Construction of Additions, Extensions and Improvements to the Waterworks of the City of Bloomington, Indiana, the Issuance of Revenue Bonds to Provide the Cost Thereof, the Collection, Segregation and Distribution of the Revenues of said Waterworks, the Safeguarding of the Interests of the Owners of said Revenue Bonds, Other Matters Connected Therewith, Including the Issuance of Notes in Anticipation of Bonds, and Repealing Ordinances Inconsistent Herewith

- Exh A – Description of the Project(s); Exh B – Form of Bond; Exh C – Financial Assistance Agreement (with 3 Sub-Exhibits); Exh D – Continuing Disclosure Agreement (with 3 Sub-Exhibits); Memo from Vickie Renfrow, Assistant City Attorney;

Contact: Vickie Renfrow at 349-3557 or renfrowv@bloomington.in.gov

Ord 05-13 To Amend Title 8 of the Bloomington Municipal Code, Entitled “Historic Preservation and Protection ” to Establish a Historic District -
Re: “The Home Laundry Building at 300 East 3rd Street (Bloomington Historic Preservation Commission, Petitioner)

- Map of District; Sandborn Maps from 1913 and 1927; Memo from Nancy Hiestand, Housing Coordinator; Report; Photos of Building; Nomination form for National Register; Photos of the Laundry, its Staff, and Operations

Contact: Nancy Hiestand at 349-3507 or hiestann@bloomington.in.gov

Minutes from Special Session:

March 30, 2005

Memo

One Report and Two Ordinances Ready for Final Action and Three Ordinances Ready to be Introduced at the April 6th Regular Session

There is a tax abatement report and two ordinances ready for final action and three ordinances ready to be introduced at next week’s Regular Session. The report and three new pieces of legislation can be found in this packet and the two ordinances ready for final action can be found in the packet for March 23rd (**Ord 05-09** – Designating the brick streets in University Courts as historic) and for March 30th (**Ord 05-10** – Regulating the Operation of Lunch Wagons around the Farmers’ Market while it is in session). The following paragraphs summarize the report and new pieces of legislation.

Reports

Reports from the Mayor – Annual Tax Abatement Report

Ron Walker will present the Annual Tax Abatement Report to the Council next Wednesday night during Reports from the Mayor. Each year statute requires recipients of tax abatements to file CF-1 forms with the legislative body showing whether the project is providing the benefits which were promised at the time the petitioner sought the abatement. The CF-1s for improvements to real estate are due by March 1st and the CF-1s for the installation of new manufacturing equipment are due by May 15th. Ron gathers the CF-1s and files his report with the Economic Development Commission so that he can present its recommendations to the Council in time for the Council to pursue statutory procedures to terminate abatements – should the underlying circumstances justify that decision. This year the EDC recommended that all recipients who filed a CF-1 be found in substantial compliance and authorized Ron to file a Supplemental Report regarding the remaining projects for which no CF-1 was filed.

This packet includes a cover memo from Ron along with the Report. My memo below briefly summarizes the process for reviewing these tax abatement projects, highlights some of the abatements Ron wanted to bring to your attention, and finally offers an order for your deliberations as well as a menu of motions from which to choose.

Typical Commitments - Standard of Review - Report Finds Substantial Compliance in All Projects Filing a CF-1

Before granting a tax abatement, statute requires the Council to find that the benefits asserted by the petitioner are reasonable and probable and, in totality, justify the granting of the abatement. These benefits are found in the Application and Statement of Benefits and typically relate to:

- the amount of investment (as measured by the estimated assessed valuation of the improvements);
- the number of jobs retained and created by the project, and the size of the resulting payroll;
- the number of affordable dwelling units that have been set aside for low-to-moderate income households. (Please note that these units are usually in the form of subsidized rental units, but may include owner-occupied housing.);

- other goals specified in the tax abatement guidelines such as:
 - encouraging housing in the downtown area (which over the years has grown from encouraging owner-occupied units to supporting some projects with market-rate rental units);
- other policies of the City such as:
 - following the West Kirkwood Corridor Plan, or
 - implementing the Growth Policies Plan;
- other benefits such as:
 - the use of higher quality materials or
 - a commitment to provide a certain level of indigent care (see Landmark – IMA).

The Annual Tax Abatement Report gives the Council an opportunity to review projects in order to determine whether they are in substantial compliance with the commitments made at the time of the abatement. The Council must act within 45 days of the deadlines for filing the CF-1s if it intends to exercise its power to rescind an abatement. Because the deadline for filing the CF-1s regarding improvements to real estate is March 1st, the Council hears the Report in early April. Please note that although the deadline for filing CF-1s for the installation of manufacturing equipment is not until May 15th, Ron has received almost all those forms and has included them in this Report. He intends to submit a Supplemental Report later in the Spring to review projects for which forms have not yet been filed.

As noted above, the Council may rescind the tax abatement and terminate the deduction only if it finds that the tax payer has not substantially complied with the commitments made at the time of the abatement. *According to statute, the decision to terminate the tax deduction should be made only when you conclude the tax payer has not made reasonable efforts to meet those commitments and was not prevented from complying with these terms due to factors beyond its control.*

Report Recommends Substantial Compliance for All Projects Having Filed a CF-1

The EDC recommended that all of the projects filing CF-1s be found in compliance with the terms of their abatement. Given that recommendation, Ron wanted to alert the Council to some issues involved with some of those projects. These issues are briefly noted below.

| <u>Report</u> | <u>Tax Payer</u> | <u>Site/Name of Project</u> | <u>Legislation</u> |
|---------------|------------------|-----------------------------|--------------------|
|---------------|------------------|-----------------------------|--------------------|

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|--------|------------|--|------------------|
| Page 7 | Doug McCoy | 314 N. Washington Street (The Gables) | <u>Res 94-01</u> |
|--------|------------|--|------------------|

Issue: This was one of the first owner-occupied residential projects in the downtown. It did not market well as a condominium (even with onsite parking) and changed hands during construction. The Council has acknowledged this difficulty and found the project in substantial compliance for many years. It is nearing the end of the period of abatement.

| | | | |
|--------|--|----------------------------------|------------------|
| Page 8 | Bloomington Community Foundation | 501 N. Morton (North Showers) | <u>Res 94-17</u> |
|--------|--|----------------------------------|------------------|

Note: This entity is a non-profit and may not be eligible to benefit from the abatement, which appears in compliance.

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|---------|-----------|-------------------------------|------------------|
| Page 18 | Rono Corp | 901 – 903 S. Rogers Street | <u>Res 99-29</u> |
|---------|-----------|-------------------------------|------------------|

Issue: This revitalization project included commercial uses on the first floor and residential uses above. The owner was not able to turn the three rental units into affordable housing, due to the high costs of the project. The Council has acknowledged this fact in the past yet still found the project in substantial compliance.

| | | | |
|---------|----------------------------|------------------|------------------|
| Page 15 | Hirons Investments, LLC | 555 North Morton | <u>Res 99-13</u> |
|---------|----------------------------|------------------|------------------|

Issue: This project surpassed its investment goal by over \$1.2 million, but appears well under the target for new employment. The actual number of new jobs, however, is much higher closer to the target, if you account for different ownership for at a portion of that site.

| | | | |
|---------|-----------|-------------------|------------------|
| Page 21 | Lockerbie | 500 N. Walnut St. | <u>Res 01-02</u> |
|---------|-----------|-------------------|------------------|

Issue: This was intended to be a downtown, owner-occupied residential project. All 17 units have been sold – three are rented, three are vacant, and 11 are owner-occupied.

Unfiled CF-1s (Page 28)

The following is the list of projects without a CF-1 on file for 2005. Please note that those for equipment are not due until May 15th. Ron Walker will request that that he present a Supplemental Report regarding these projects to the Council on June 15th.

| <u>Tax Payer</u> | <u>Site/Name of Project/Type of Abatement</u> <i>(no listing means that it was for improvements to real estate)</i> | <u>Legislation</u> |
|---|--|---|
| Bloomington Business Incubator | 210-200 West Allen Street | <u>Res 94-56</u> |
| East Third Street Properties | 1239, 1249, 1251 East Miller Drive and 1721, 1725, 1731 Highland Avenue | <u>Res 95-03</u> |
| Peoples State Bank <i>(formerly Renaissance Rentals)</i> | 1421 & 1425 West 6 th Street | <u>Res 96-14</u> |
| PTS Corporation | 305 North Curry Pike <i>Equipment</i> | <u>Res 99-09</u> |
| Metropolitan Printing | 720 South Morton Street <i>Real Estate and Equipment</i> | <u>Res 99-31</u> |
| PrintPack <i>(formerly Independent Packaging, Inc.)</i> | 303 North Curry Pike <i>Equipment (last one also included Real Estate)</i> | <u>Res 93-18</u> as modified by <u>Res 97-07</u> & <u>Res 99-35</u> |
| Renaissance Rentals | 3000 Covenant Drive | <u>Res 02-18</u> |
| PTS Corporation | 1300 South Patterson Drive <i>Equipment</i> | <u>Res 03-14</u> |

ADC Real Estate 1204 and 1208 West Cottage Grove Res 93-27
Investment Group,
Inc.

All Natural Properties 1403 & 1405 West 6th Street Res 01-06

Huntington Gardens 838 - 840 E. Miller Drive Res 94-18

Unfinished Projects (Page 29)

The last page of the Report refers to more recent projects that have yet to be completed. The owners of these projects have no obligation to file the CF-1 form until the project is assessed and they intend to claim the deduction. All but one of these projects were granted a tax abatement last year and are under construction. One of those projects, Evergreen Place Apartments, has experienced financial difficulties since the tax abatement was granted in 2001. Another entity, however, is looking at this site and may be able to bring forward another proposal for its renovation and reuse. Ron Walker will be able to address any questions you may have on these recent approvals.

Charting Course of Action on Tax Abatement Report

I suggest that deliberation occur in the following order:

1. Ron Walker will give the Tax Abatement Report (which is included in this packet).
2. At the conclusion of his Report, the Council may ask questions about any of the individual projects.
3. Then, Council Members may take actions on items in the following order:
 - A. Action on CF-1s Not Received by March 1st Deadline (for Real Estate) and CF-1s Due on May 15th (for New Manufacturing Equipment)

Ron will be proposing to present the Supplemental Report covering the remaining CF-1 forms that were due March 1st on the same night that the Council considers any CF-1 forms due for manufacturing equipment. The

CF-1s for new manufacturing equipment are due on May 15th, and Ron will request that the Supplemental Report be scheduled for June 15th.

Possible Action: Motion to Hear Supplemental Report and Ascertain Status of the Affected Tax Abatements on June 15th. Please note that this motion also directs Ron to file the Supplemental Report with the Council Office by June 6th - which he agrees is a reasonable date. (Motion #1).

B. Action on Recommendation to Find a Project in Non-Compliance.

The EDC recommended that the Council find all of the projects with current CF-1s in substantial compliance with the terms of the application and statement of benefits. Do you, as members of the Council, believe that any of these projects should be rescinded for lack of compliance? If so, this would be the opportunity to make that motion.

Possible Action: Motion to Declare Intent to Rescind the Tax Abatement at Hearing on May 18th and to Direct Council Administrator/Attorney to Notify the Property Owner(s) of this Hearing. (Motion #5)

C. Other Issues that May be Raised by Council Members

After covering the unfiled CF-1s and any motion to rescind an abatement, the Council may have questions and propose actions regarding the other tax abatement projects. I suggest that you take those items up at this point. There are three motions listed at the end of this memo that offer some possible motions for any projects which you may have felt had not complied with the statement of benefits. *Please let me know if there are other motions you would have in mind so that I can prepare them in advance.*

Possible Action: Motions to Extend and Reevaluate Next Year (Motion #3), Declaring Intent to Rescind Next Year (Motion #4), or Declaring Intent to Rescind this Year (Motion #5).

D. Action on the Remaining Items in the Report

At the conclusion of your deliberation, you may want to make a motion on the report as a whole. In essence, the motion would accept the report as modified by previous motions.

Possible Action:

Motion to Accept the Report as Modified by the Previous Motions of the Council (Motion #2)

Possible Motions - Please Contact the Council Office If You Want Other Motions Specially Prepared for Any of These Abatements

1) Motion to Hear and Act on Supplemental Report Regarding Remaining Forms for Tax Abatements on Real Estate and Manufacturing Equipment

I move that Ron Walker present a supplemental report regarding the remaining CF-1 forms for improvements to real estate and investment in new manufacturing equipment on June 15th, and that the report be filed with the Council Office by June 6th. After the supplemental report has been presented, the Council will make an initial determination regarding the status of these tax abatements.

2) Motion to Accept the Tax Abatement Report as Modified by the Council.

I move that the Council accept the tax abatement summary as amended by the previous motions of the Council.

In the Event the Council Suspects Non-Compliance

3) Motion to Extend and Re-Evaluate Next Year

Given that the project at _____ has not commenced construction, the Council extends the date for commencing the project by one year and declares its intent to re-evaluate compliance with the terms of the tax abatement resolution with next year's annual tax abatement summary.

4) **Motion to Declare Intent to Rescind Next Year**

Given that the project at _____ has not commenced construction, the Council declares its intention to act in 2006 to rescind the tax abatement unless the permits for the project are issued and construction is underway by March 1st, 2006.

5) **Motion to Declaring Intent to Rescind This Year**

Pursuant to Indiana Code 6-1.1-12.1-5.9, the Common Council determines that the owner of _____ has not substantially complied with the Statement of Benefits and that the failure do so was not caused by factors beyond their control. Therefore, the Common Council will hold a hearing at the Regular Session on **May 18, 2005**, to further consider the property owner's compliance with the Statement of Benefits. At the conclusion of the hearing the Common Council may adopt a resolution terminating the tax abatement. The Council Attorney is directed to mail the statutorily-required written notice to the property owner.

(Note: The date of this hearing must be within 30 days of the date of the notice provided by the Council Office. In accordance with this motion I would mail notice of the hearing to the owner after April 19th.

First Readings

Item One - Ord 05-11 - Adjustment in Water Rates and Charges

The first item to be introduced on April 6th is **Ord 05-11**, which amends Title 9 of the Bloomington Municipal Code by increasing the rates and charges for water (but not the wastewater or stormwater) services. According to the memo from Pat Murphy, Director of Utilities, the proposed rates will increase about 11% and produce approximately \$977,000 more in revenues next year. About \$412,000 will go towards operation and maintenance costs (which includes inflation, salaries, and building necessary reserves) and the remaining \$565,000 will go towards debt service on the \$5.32 million in water improvement bonds authorized by the next ordinance in your packet (**Ord 05-12**). He notes that this change will amount to approximately \$1.66 more a month for the typical residential user of 5,000 gallons of water.

This increase follows those approved by the Council in 1999 and 2001, and would, according to the Indiana Utilities Regulatory Commission (IURC) webpage, mean that the average residential rate would have gone up about 2.82% annually since

1994. Please note that the IURC has the final authority to determine the rates and charges and frequently reduces the rates adopted by the Council, which do not appear in our code. Once the City has sought a rate increase, it must wait at least 15 months before filing another rate request.

The following paragraphs briefly summarize the changes to the various rates and charges:

Monthly Usage Charge and Service Charge

There is a monthly usage and service charge. The usage charge is based upon 1,000 gallons of water used by each of the six types of customers. Those types of customers include:

- Residential - which will increase by 11% (from \$1.91 to \$2.12);
- Commercial, governmental, and interdepartmental - which will increase by 11.2%;
- Industrial - which will increase by 10.7%;
- IU - master meter and non-master meter - which will increase by 10.8% and 11.2% respectively; and,
- Irrigation – which will increase by 10.9% (*Please note that irrigation was added in 2001*).

The service charge is based upon the size of the customers' water meters which are divided into 10 sizes that range from 5/8" to 10". The charges for each size of meter will increase at about the same rate for an average of about 10.9 %. A residential tenant with a 5/8" meter, for example, would see an increase from \$3.01 to \$3.34 (10.9 %) per month and an industrial customer with a 10" meter would see an increase from \$200.01 to \$222.01 (10.5 %) per month.

Monthly Fire Protection Surcharge and Private Fire Line Charge

The fire protection surcharge covers the cost of providing water via hydrants to the area serviced by the utility and, except for the I.U. Master Meter account, is based upon the size of the water meter and whether it is located inside or outside of the City's boundaries. You will note that customers inside the City pay a lower rate than customers outside of the City, and that I.U. pays a flat rate for the master metered account. The proposed adjustments will result an average increase of about 11 % for each of these three classes of customers.

The charge for private fire lines is based upon the size of the line and will also increase by an average of 11 %.

Contracts for Resale

The City has agreements with several water companies who buy water to resell to their customers. These agreements include a monthly usage charge, based upon every 1,000 gallons of water used, and a monthly service charge, based upon the size of the meter. The monthly usage charge will rise 10.6 % from \$1.22 to \$1.35 per 1,000 gallons of water. The monthly service charge will increase at a similar rate for each meter size for overall average increase of about 10.9 %.

Item Two - Ord 05-12 - Authorizing Issuance of Revenue Bonds for \$5.32 Million in Water Projects

The second item to be introduced for first reading on April 6th is **Ord 05-12**, which approves the issuance of approximately \$5.32 million in waterworks revenue bonds for capital improvements to our water system. The improvements are listed in Exhibit A, which is summarized below, and will be funded out of the rates proposed in the previous ordinance.

Exhibit A

Monroe Water Treatment Plan - \$2.45 million or \$288,000/year

The City began making \$14.4 million in improvements to our one water treatment plant in 2003 and experienced a \$2.45 million shortfall due to revised engineering designs and an expanded scope of the project (given the age of the facility).

Relocation of 20" water main along SR45/46 - \$1.2 million or \$137,000/year

The State will be expanding the SR 45/46 Bypass and the CBU, like all other utilities, will be responsible for relocating any water lines within the right-of-way before construction of that project begins.

Repair, renovation, and possible relocation of the Utilities' headquarters - \$1.2 million or \$140,000/year

The main office of the two city utilities (water and waste water/storm water) burned in November of 2003 and most of the staff has been housed in the North Showers Center since that time. The City has not decided whether to return staff to the former location or find another location. Whatever course

is chosen, the Utility will have at least three sources of funds to pay for permanent work space for the staff: insurance proceeds, water rates, and wastewater rates. Given the approximate two-year delay in filing another rate increase with the IURC, the City wants to act now to provide water utility revenues for this future project.

Bond Ordinance

The ordinance is a long and very technical document that sets forth the procedures and the assurances necessary for the relevant financial interests to engage in this \$5.32 million dollar transaction. The following paragraphs categorize and highlight the provisions of the ordinance which, in brief:

Amount and Purpose of the Bonds (with Accompanying Documents)

- Authorize the City to raise a maximum of \$5.32 million in bonds;
- Attach Exhibit A, which sets forth the list of improvements;
- Incorporate by reference the plans and specifications for these improvements, which will be available in the Clerk's Office when completed.

Kinds of Bonds, Limits on Interest and Maturity, Relationship with Outstanding Bonds, and Life Cycle of Bonds

- Authorize bonds with a maximum interest rate of 7 % per year and maximum maturity period of no more than 20 years after completion of the project;
- Authorize the issuance of Bond Anticipation Notes (BANs provide money prior to sale of bonds) at an interest rate of no more than 6 % and a maturity date, with extensions, of no more than 5 years after initial issuance of these financial instruments;
- Authorize issuance of state drinking water revolving loan fund bonds and acknowledge the need for approval of Financial Assistance Agreement (FAA) with the State;
- Acknowledge outstanding bonds (2000, 2003, 2003A & 2003B with a total outstanding obligation of \$31.49 million) and provides for the new bonds to be issued in parity with the outstanding ones;
- Authorize Municipal Bond Insurance (MBI helps lower rates);
- Set forth procedures for issuing, holding, transferring, and redeeming the bonds and BANs;

Safeguarding Bondholders

- Require the separation of funds into various accounts and prescribe the uses and minimum balances of these accounts;

- Require the utility to set reasonable, just, and equitable rates and charges sufficient to cover its operations as well as reserve amounts slightly in excess of annual debt service and related obligations;
- Allow for the issuance of further bonds and BANs on certain conditions;
- Prohibit the City from amending the ordinance in a manner that adversely affects bond holders without obtaining consent of owners of at least 66 2/3% of the principle;
- Require the City to preserve the tax exempt status of the bonds by not using more than a small percentage of the funds for private purposes; and
- Repeal portions of any previous ordinances that are inconsistent with these provisions.

Exhibits

- Exhibit A: Project Summary
- Exhibit B: Form of the Bond
- Exhibit C: Financial Assistance Agreement (for State Revolving Loan Fund bonds) with Request for Disbursement, Description of the Project, and Principal Payment Schedule
- Exhibit D: Continuing Disclosure Undertaking Agreement and attached Exhibits (for the IRS)

Ord 05-13 - Amending Title 8 (Historic Preservation and Protection) by Designating the Home Laundry Building at 300 East 3rd Street as a Historic District

Ord 05-13 amends Title 8 of the BMC by designating the Home Laundry Building at 300 East 3rd Street as a historic district. Please note that it was pursued by the Historic Preservation Commission over the objection of the property owner, Barbara Leonard, who lives in Florida. She requested that the Council take this matter up at this time and intends to attend at least one hearing and have an attorney present as well.

Historic Preservation Ordinances

Before describing this proposed designation, the next few paragraphs provide a brief overview of the Title 8 regarding Historic Preservation and Protection. The provisions of that title conform to state law (I.C. 36-7-11 et seq.) and are intended to protect historic and architecturally-worthy properties that either impart a distinct aesthetic quality to the city or serve as visible reminders of our historic heritage.

These provisions are intended to:

- insure the harmonious and orderly growth and development of the City;
- maintain established, but endangered neighborhoods;
- enhance property values and attract new residents; and
- ensure the viability of the traditional downtown area and to enhance tourism.

The Historic Preservation Commission (Commission) is authorized to draw up an inventory of historic properties (Historic Survey) and make recommendations to the Council regarding the establishment of historic districts. Once those districts are established, the Commission promulgates rules and procedures for reviewing changes to the external appearance of these properties. The review takes the form of either granting or denying certificates of appropriateness for the proposed changes.

The code provides for various levels of historic designations, areas, and ratings which largely correspond to various levels of protection. There are two forms of designations. The first form is the conservation district, which is a less intrusive and occasional, interim designation (initially for three years), and the second is the full historic district. Within each district, properties may be divided into primary or less-regulated secondary areas. Each property within a district may be rated as either outstanding, notable, contributing, or noncontributing, according to its significance.

According to the code, the Historic Preservation Commission must hold a public hearing and submit a map and report to the Council when recommending a historic designation. The map identifies the district and the report explains the designation in terms of the criteria set forth in the ordinance. The criteria address the historic or architectural importance of the property. Along with the recommendation, the Commission may impose interim protection on the district that remains in effect until the Council acts on the designation and protects the property from exterior alteration.

Demolition Delay

In January of this year, the City amended the local code in order to impose a 90 – 120 day delay on permits to demolish exterior portions of buildings and structures listed as “contributing,” “notable,” or “outstanding” on the Bloomington Survey of Historic Sites and Structures (Historic Survey). This delay is intended to give the Commission time to consider whether or not to recommend designation and impose an interim protection for the property in order to preserve the status quo until the Council makes the ultimate decision regarding the designation. In the event the Commission does not pursue the designation within the period of delay or the

Council denies the designation, then neither the Commission nor Council may interfere with demolition permit for one year after that decision or action.

Ord 05-13 – Designation of the Home Laundry Building at 300 East 3rd Street

Ord 05-13 would designate the Home Laundry Building at 300 East 3rd Street as a historic district and rate it as an “outstanding ” structure. As noted above, the Commission sought this designation and is bringing it forward over the objection of Barbara Leonard. Please note that she filed for a permit to demolish the building prior to the adoption of the demolition delay ordinance as well as the decision of the Commission to recommend historic designation. Also please note that her representative has requested all records from the City regarding the demolition delay ordinance.

On February 10, 2005, the Commission voted (6 – 2 – 0) to submit a map and report, which are attached to the ordinance and recommend its designation under the historic as well as architecturally worthy criteria. According to the staff report, the current owner of the building, Barbara Leonard, successfully listed it on the National Register in March of 2000 with the intent to create an incentive for future adaptive reuse through special tax credits. The nomination form, which is included in this material, served as the basis for the report to the Council. The building also appears as an outstanding structure on the 2001 local Historic Survey under the section regarding scattered sites (#155-055-90173).

Historic Criteria

The Home Laundry was built in 1922 and expanded in 1941 and 1947- 48. It was one of the oldest continuously-operated laundry facilities in Bloomington and had a history that was part of the Progressive Era as well as national trends in laundry business over the last century.

The Progressive Era lasted from the late 1800’s to 1930 and brought with it a confidence in improving the human condition. Along with the well-known political, regulatory, and urban reforms, that era also saw a transformation of the American household due, in large part, to the popularity of the automobile and the trend towards smaller families, which brought women into the work force. Mr. Benjamin Franklin Leonard took over a laundry near Smith and Washington in 1915 and joined a cluster of other businesses - bottling companies, dairies, auto repair shops, and other laundries – and a park that were part of these same historical developments.

Laundries at that time were true industries, which used steam power to drive large machines that could churn large volumes of sheets and clothes, and applied strong chemicals to remove the dirt. At Home Laundry there was a large room where the washing was done by women in stark white dresses and hats and a garage where vans driven by men in uniforms and caps picked up and delivered these goods. The report also notes that Mr. Leonard and his son, Robert, kept up with new technologies, processes and business practices. Like the industry as a whole, Home Laundry thrived during that era. It survived the Depression with a contract with Indiana University, reached its peak in the 1940s, tapered in the 1950s when washers and dryers began appearing in most homes, and continued until about 2000. Given this background, the Commission found that the building:

- has significant character, interest or value as part of the development, heritage, or cultural characteristics of the city and nation;
- exemplifies part of the cultural, economic, and social heritage of the community.

Architecturally Worthy Criteria

The Home Laundry building combines the “industrial vernacular” features of its original construction in the 1920s with the “moderne” features of some additions in the 1940s. The former cloaked its industrial use with formal brick, high windows, and retail street front, while the latter displayed the laundry with glass block, aluminum awnings, and a flat roof. Inside the main building, one can see some of the last wood trusses to be used to support a roof in an industrial building like this. These trusses allowed high ceilings, good light, and an open work space that could accommodate all the mechanical systems and equipment. The addition in 1948 was done by a well-known local architect, Cecil Harlos. Given these and other facts the Commission found that the building:

- embodies distinguishing characteristics of an architectural or engineering type;
- contains architectural style, detail, or other element that are endanger of being lost; and
- exemplifies the built environment in an era characterized by a distinctive architectural style.

Rating as an Outstanding Structure

The Commission rated this building as an “outstanding” structure, which is the highest of four classifications. According to its definition in Title 8, this rating means the building “has sufficient historic or architectural significance that it is already

listed, or is eligible for individual listing, in the National Register of Historic Places. Outstanding resources can be of local, state, or national importance.”

**NOTICE AND AGENDA FOR
COMMON COUNCIL, REGULAR SESSION
7:30 P.M., WEDNESDAY, APRIL 6, 2005
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 NORTH MORTON**

I. ROLL CALL

II. AGENDA SUMMATION

III. APPROVAL OF MINUTES FOR: Special Session: March 30, 2005

IV. REPORTS FROM:

- 1. Council Members**
- 2. The Mayor and City Offices**
 - **Annual Tax Abatement Report**
- 3. Council Committees**
- 4. Public**

V. APPOINTMENTS TO BOARDS AND COMMISSIONS

VI. LEGISLATION FOR SECOND READING

1. Ordinance 05-10 To Amend Title 4 of The Bloomington Municipal Code Entitled “Business Licenses Generally” (Amending Chapter 4.04.110 Entitled “Lunch Wagon” by Disallowing Lunch Wagons from Operating Near the Farmers’ Market When the Market is Open)

Committee Recommendation: Do Pass 4 – 0 – 4

2. Ordinance 05-09 To Amend Title 8 of the Bloomington Municipal Code, Entitled “Historic Preservation and Protection” To Establish a Historic District – Re: Brick Streets in University Courts (Bloomington Historic Preservation Commission, Petitioner)

Committee Recommendation: Do Pass 8 – 0

VII. LEGISLATION FOR FIRST READING

1. Ordinance 05-11 To Amend Title 9 of the Bloomington Municipal Code Entitled “Water” (Rate Adjustment)

2. Ordinance 05-12 An Ordinance Concerning the Construction of Additions, Extensions and Improvements to the Waterworks of the City of Bloomington, Indiana, the Issuance of Revenue Bonds to Provide the Cost Thereof, the Collection, Segregation and Distribution of the Revenues of said Waterworks, the Safeguarding of the Interests of the Owners of said Revenue Bonds, Other Matters Connected Therewith, Including the Issuance of Notes in Anticipation of Bonds, and Repealing Ordinances Inconsistent Herewith

3. Ordinance 05-13 To Amend Title 8 of the Bloomington Municipal Code, Entitled “Historic Preservation and Protection” to Establish a Historic District - Re: “The Home Laundry Building at 300 East 3rd Street (Bloomington Historic Preservation Commission, Petitioner)

VIII. PRIVILEGE OF THE FLOOR (This section of the Agenda is limited to a maximum of 25 minutes. Each speaker is allotted 5 minutes.)

IX. ADJOURNMENT

City of
Bloomington
Indiana

City Hall
401 N. Morton St.
Post Office Box 100
Bloomington, Indiana 47402



Office of the Common Council
(812) 349-3409
Fax: (812) 349-3570
e-mail: council@bloomington.in.gov

To: Council Members
From: Council Office
Re: Calendar for the Week of April 4 - 8, 2005
Date: April 1, 2005

Monday, April 4, 2005

5:00 pm Redevelopment Commission, McCloskey
5:00 pm Utilities Service Board, IU Research
5:30 pm Bicycle & Safety Commission Work Session, Hooker Room

Tuesday, April 5, 2005

1:30 pm Development Review Committee, McCloskey
5:30 pm Board of Public Works, Council Chambers
5:30 pm Public Transportation Corporation, Public Transportation Center, 130 W. Grimes
7:30 pm Telecommunications Council, Council Chambers

Wednesday, April 6, 2005

12:00 pm Urban Enterprise Association, McCloskey
7:30 pm Common Council, Regular Session, Council Chambers

Thursday, April 7, 2005

3:00 pm Draft Zoning Ordinance, Steering Committee, Council Chambers
4:00 pm Digital Underground, McCloskey
5:30 pm Commission on the Status of Women, McCloskey

Friday, April 8, 2005

There are no meetings scheduled for today.

TO: City of Bloomington Common Council
FROM: Ron Walker, Director of Economic Development
DATE: March 28, 2005
SUBJECT: 2005 Tax Abatement Activity Summary

MEMORANDUM

Attached please find the annual Tax Abatement Activity Summary. The summary is intended to assist the Common Council in determining if the property owner(s) of a property that is receiving a tax abatement is in “substantial compliance” with the Statement of Benefits (SB-1) approved for the property.

Each year, property owners file a Compliance with Statement of Benefits Form (CF-1) if they are receiving a tax abatement. The CF-1 compares the actual values of the investment/improvement to the property with the value of the investment/improvement estimated on the SB-1. If the SB-1 contained job creation and salary estimates, then the property owner can also list job creation and salary information. Depending upon the project, additional information relating to the benefits of the projects may also be provided.

Determining compliance is an imperfect process and one that should be guided by the following:

- Estimates provided on the SB-1
- Effort by the property owner to meet the investment, job creation and end-use estimates
- Community benefits derived from the project
- The overall intent, justification or reasoning of the legislation approving the abatement

There are two primary factors that may influence the compliance aspect of an abatement:

- Factors beyond the control of the property owner, such as declines in demand for the property owner’s services or products
- Length of time needed to meet estimates may depend upon amount and type of investment, market trends, availability of labor, etc.

Tax Abatement Program

Activity Summary

Report to Common Council

April 6, 2005

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Madison Park Homeowners Association

Madison Park Condominiums

Resolution: 91-18

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$1,800,000

Estimated New Employment: NA

Estimated New Salaries: NA

Benefits: Construction of sixteen 2 bedroom garden and sixteen 2 bedroom town house condominiums

Compliance

Summary: The project is complete and all units are occupied

Actual New Investment: \$1,431,124

Actual New Employment: NA

Actual New Salaries: NA

Remarks: Although approved in 1991 for a 10 year abatement, one building in this project is still within the abatement term because construction was divided into three phases over a period of eight years. The property owner is in substantial compliance with the Statement of Benefits.

David Ferguson

Cantol Wax Building, 211 N. Washington St.

Resolution: 91-31

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$141,000

Estimated New Employment: NA

Estimated New Salaries: NA

Benefits: Renovation of historic warehouse into five apartments

Compliance

Summary: The project is complete and all units are occupied

Actual New Investment: \$362,354

Actual New Employment: NA

Actual New Salaries: NA

Remarks: The property owner is in substantial compliance with the Statement of Benefits.

Covey Parke Partners

1851-1857 S. Covey Lane

Resolution: 93-12

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$200,000

Estimated New Employment: NA

Estimated New Salaries: NA

Benefits: Construction of two duplex buildings, each containing two 2-bedroom apartments. The downstairs apartment in each building is handicap accessible.

Compliance

Summary: The project is complete. All of the units are set aside for renters who are at or below 60 percent of the median income.

Actual New Investment: \$208,806

Actual New Employment: NA

Actual New Salaries: NA

Remarks: The property owner is in substantial compliance with the Statement of Benefits.

Johnson Creamery, LLC

400 West 7th Street

Resolution: 93-24

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$1,675,000

Estimated New Employment: NA

Estimated New Salaries: NA

Benefits: Renovation of historic building to accommodate commercial and professional offices.

Compliance

Summary: The project is complete and the building is occupied

Actual New Investment: \$3,500,000

Actual New Employment: NA

Actual New Salaries: NA

Remarks: The property owner is in substantial compliance with the Statement of Benefits.

Doug McCoy
314 N. Washington Street (The Gables)
Resolution: 94-06

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$815,000

Estimated New Employment: NA

Estimated New Salaries: NA

Benefits: Construction of brick two-story, six-unit condominium building with parking below.

Compliance

Summary: The project is complete and all units are occupied. This was the first downtown condominium and it has built-in parking. The current owner bought the project from the developers after the project stalled during the construction process. The new owner had to convert the units to rentals.

Actual New Investment: \$825,000

Actual New Employment: NA

Actual New Salaries: NA

Remarks: The property owner has made a good faith effort to meet the abatement estimates and is in substantial compliance with the Statement of Benefits.

Community Foundation of Bloomington and Monroe County, Inc.

501 N. Morton Street (North Showers)

Resolution: 94-17

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$11,901,422

Estimated New Employment: 41 temporary

Estimated New Salaries: \$833,000

Benefits: Redevelopment of historic Showers Building into IU Research Park.

Compliance

Summary: The project is complete and most of the units are occupied

Actual New Investment: \$5,594,224 (actual cost for IU portion of Showers Plaza)

Actual New Employment: 70 temp/150 perm

Actual New Salaries: \$1,326,000

Remarks: Although there is no actual abatement on the property, the owner is in substantial compliance with the Statement of Benefits.

CFC, Inc.
320 W. Eighth Street (Showers Plaza)
Resolution: 94-17

Statement of Benefits

Type: Real Estate Improvements
Length of Abatement: 10 years
Estimated New Investment: \$11,901,422

Estimated New Employment: 41 (temp)
Estimated New Salaries: \$833,000
Benefits: Redevelopment of historic Showers Building into retail and office space

Compliance

Summary: The project is complete and most units are rented.
Actual New Investment: \$7,547,037 (actual cost for CFC portion of Showers Plaza)
Actual New Employment: 77 (shared)
Actual New Salaries: \$35,000/yr (avg)
Remarks: The owner is in substantial compliance with the Statement of Benefits.

Lincoln Place Homeowners Association

301, 303,305,307,309, 311 East 7th and 308, 310 N. Lincoln

Resolution: 94-33

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$1,280,000

Estimated New Employment: NA

Estimated New Salaries: NA

Benefits: Construction of eight 2 bedroom condominiums with two-car garages

Compliance

Summary: The project is complete and all units are owner-occupied

Actual New Investment: \$1,424,213

Actual New Employment: NA

Actual New Salaries: NA

Remarks: The owner is in substantial compliance with the Statement of Benefits

Fortune Properties, Inc.

213 S. Rogers St.

Resolution: 95-09

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$775,000

Estimated New Employment: NA

Estimated New Salaries: NA

Benefits: Renovation of Frosted Foods building into commercial space.

Compliance

Summary: The project is complete.

Actual New Investment: \$1,227,261

Actual New Employment: 24

Actual New Salaries: \$630,000

Remarks: The owner is in substantial compliance with the Statement of Benefits.

Habitat for Humanity

410, 412, 414 N. Hay Street

Resolution 95-12

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$87,000

Estimated New Employment: NA

Estimated New Salaries: NA

Benefits: Construction of three 1,200 square foot 3-bedroom homes to be sold to low-income families.

Compliance

Summary: The project is complete and all homes were sold to low-income families.

Actual New Investment: \$105,000

Actual New Employment: NA

Actual New Salaries: NA

Remarks: The property owner is in substantial compliance with the Statement of Benefits.

CFC, Inc.
200-216 South Madison (Bicycle Apartments)
Resolution: 95-30

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$1,195,000

Estimated New Employment: NA

Estimated New Salaries: NA

Benefits: Construction of five buildings containing a grand total 66 efficiency and twelve 1-bedroom apartment units. Two of the buildings contain only affordable units. Four units are handicapped accessible. Automotive vehicles are prohibited.

Compliance

Summary: The project is complete.

Actual New Investment: \$1,400,191

Actual New Employment: NA

Actual New Salaries: NA

Remarks: The owner is in substantial compliance with the Statement of Benefits.

CFC, Inc.
417 & 421 West 6th Street (Max Fulk/East House)
Resolution: 98-10

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$971,692

Estimated New Employment: NA

Estimated New Salaries: NA

Benefits: Restoration of East House and demolition/conversion of Fulk warehouse building into a 2-story, mixed-use, brick structure.

Compliance

Summary: The project is complete. The property us a mix of commercial, and market-rate residential.

Actual New Investment: \$1,134,072

Actual New Employment: NA

Actual New Salaries: NA

Remarks: The owner is in substantial compliance with the Statement of Benefits.

Hirons Investments, LLC

555 North Morton Street

Resolution: 99-13

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$2,700,000

Estimated New Employment: 30

Estimated New Salaries: NA

Benefits: Renovation of historic former Showers Showroom, including an 8,000 square foot addition, for the new location of Hirons and Co.

Compliance

Summary: The project is complete. New employment appears low because some of the operations are now under different ownership. Total new employment on the site is approximately 25-30.

Actual New Investment: \$3,900,000

Actual New Employment: 9

Actual New Salaries: \$236,470

Remarks: The owner is in substantial compliance with the Statement of Benefits.

Ferguson, Seeber and Cassady
114-116 N. Walnut Street (KP Building)
Resolution: 99-20

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$500,000

Estimated New Employment: NA

Estimated New Salaries: NA

Benefits: Renovation of downtown fraternal lodge building into ten apartments

Compliance

Summary: The project is complete. The renovation of the building is complete and all of the units are occupied

Actual New Investment: \$500,000

Actual New Employment: NA

Actual New Salaries: NA

Remarks: The property owner is in substantial compliance with the Statement of Benefits.

Landmark Medical, LLC
550 Landmark Avenue (Landmark Business Center)
Resolution: 99-27

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$9,231,231

Estimated New Employment: 121

Estimated New Salaries: \$6,900,000

Benefits: Construction of new outpatient facility for IMA and SIRA and the creation of 121 jobs. Provision of \$900,000 in uncompensated health care, indigent medication program, high school physicals, and community involvement.

Compliance

Summary: The project is complete. The Center provides \$1,625,915 in uncompensated health care, \$23,128 in staffing support for indigent health care, \$226,800 in donated services to high schools, \$127,008 in donated services to incoming IU athletes and \$29,071 in donated staff time for health fairs.

Actual New Investment: \$10,239,000

Actual New Employment: 136

Actual New Salaries: \$12,044,193

Remarks: The owner is in substantial compliance with the Statement of Benefits.

Rono Corp./RC One
901-903 S. Rogers Street
Resolution: 99-29

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$600,000

Estimated New Employment: 10-14

Estimated New Salaries: Not Indicated

Benefits: Renovation of former Thickstun Glass building into retail and office space on the ground floor and basement, and three affordable rental units on the second floor.

Compliance

Summary: The project is complete. The building has been fully renovated and many of the units are occupied. The residential units are market rate rentals.

Actual New Investment: \$508,468

Actual New Employment: 26

Actual New Salaries: Not Indicated

Remarks: The owner is in substantial compliance with the Statement of Benefits.

B & L Sheet Metal & Roofing

1301 N. Monroe Street

Resolution: 99-41

Statement of Benefits

Type: Real Estate Improvements, Equipment

Length of Abatement: 10 years

Estimated New Investment: \$403,000

Estimated New Employment: 10

Estimated New Salaries: \$250,000

Benefits: Purchase and renovation of vacant building for expansion of B&L and purchase of new equipment.

Compliance

Summary: The project is complete and actual investment and hiring exceeded estimates.

Actual New Investment: \$220,000 (RE only)

Actual New Employment: 17

Actual New Salaries: \$571,000

Remarks: The property owner is in substantial compliance with the Statement of Benefits.

Mary & Daniel P. Friedman
252 N. Walnut Street (Omega Building)

Resolution: 00-07

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$2,100,000

Estimated New Employment: 1

Estimated New Salaries: \$10,000

Benefits: Construction of 4-story mixed-use building on downtown vacant lot. Building contains 13 apartments and 2 commercial spaces.

Compliance

Summary: The project is complete and the building is completely occupied.

Actual New Investment: \$2,100,000

Actual New Employment: 3

Actual New Salaries: \$95,000

Remarks: The owner is in substantial compliance with the Statement of Benefits.

Lockerbie Court Condominiums, LLC

500 N. Walnut Street

Resolution: 01-02

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$2,700,000

Estimated New Employment: 1

Estimated New Salaries: \$10,000

Benefits: New downtown construction of a 4-story brick/limestone residential building with 17 condominiums and parking on the ground floor.

Compliance

Summary: The project is complete and the building is completely occupied.

Actual New Investment: \$4,400,000

Actual New Employment: NA

Actual New Salaries: NA

Remarks: The owner is in substantial compliance with the Statement of Benefits.

Richland Development Group

1600 Bloomfield Road

Resolution: 02-03

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$3,350,000

Estimated New Employment: 30

Estimated New Salaries: \$11/hr

Benefits: Construction of a 26,000 square foot corporate office building.

Compliance

Summary: The project is complete and all units are occupied

Actual New Investment: \$3,350,000

Actual New Employment: 14

Actual New Salaries: \$11/hr

Remarks: The property owner is in substantial compliance with the Statement of Benefits.

Kirkwood & Madison LLC.

314 W. 4th Street

Resolution: 03-02

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$12,000,000

Estimated New Employment:

3 permanent, 130 temporary

Estimated New Salaries:

\$71,000 permanent, \$6,000,000 temporary

Benefits: Construction of a 59 unit residential apartment complex, with underground parking.

Compliance

Summary: The project is complete.

Actual New Investment: \$15,000,000

Actual New Employment: 0 permanent (contracts with CFC), 130 temporary

Actual New Salaries: \$0 permanent, \$6,000,000 temporary

Remarks: The property owner is in substantial compliance with the Statement of Benefits.

B & L Rentals, LLC

612 & 614 W. Kirkwood

Resolution: 03-21

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$155,000

Estimated New Employment: 2

Estimated New Salaries: \$40,000

Benefits: Construction of a 2-story building with office on the first floor and a 2-bedroom apartment upstairs. Construction of a detached garage.

Compliance

Summary: The project is complete.

Actual New Investment: \$155,000

Actual New Employment:

Actual New Salaries:

Remarks: The property owner is in substantial compliance with the Statement of Benefits.

B & L Rentals, LLC
718, 720 & 722 W. Kirkwood
Resolution: 03-22

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$100,000

Estimated New Employment: NA

Estimated New Salaries: NA

Benefits: Renovation of Queen Anne residential unit into 3 apartments.

Compliance

Summary: The project is complete.

Actual New Investment: \$100,000

Actual New Employment: NA

Actual New Salaries: NA

Remarks: The property owner is in substantial compliance with the Statement of Benefits.

Richard Dean Groomer

1000 W. Kirkwood

Resolution: 03-27

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 10 years

Estimated New Investment: \$60,000

Estimated New Employment: 5

Estimated New Salaries: Not Indicated

Benefits: Construction of a 2,100 square foot one-story building to be used as commercial space.

Compliance

Summary: The project is complete.

Actual New Investment: \$67,256

Actual New Employment: 4

Actual New Salaries: Not Indicated

Remarks: The property owner is in substantial compliance with the Statement of Benefits.

Bloomington Paint & Wallpaper

1150 S. Walnut Street

Resolution: 04-03

Statement of Benefits

Type: Real Estate Improvements

Length of Abatement: 5 years

Estimated New Investment: \$1,010,000

Estimated New Employment: 2-4

Estimated New Salaries: \$10,000 - \$40,000

Benefits: New construction of mixed-use facility, 9,000 sq. ft. of retail on first floor and 7,000 square feet of apartments on second level. Exterior construction is brick and limestone.

Compliance

Summary: The project is complete. The retail facilities are occupied and 4 of the 6 apartments are currently occupied.

Actual New Investment: \$1,330,000

Actual New Employment: 1

Actual New Salaries: \$30,000

Remark: The property owner is in substantial compliance with the Statement of Benefits.

CF-1's Not Received

Substantial compliance has not been determined for the projects listed below because CF-1's have not been received.

Bloomington Business Incubator (210-200 West Allen)

East Third Street Properties (1239, 1249, 1251 Miller Dr. and 1721, 1725, 1731 Highland Avenue)

People's State Bank (1421 and 1425 West 6th Street)

PTS Corporation (305 N. Curry Pike)

Metropolitan Printing (720 S. Morton)

PrintPack, LLC. (3003 N. Curry Pike)

Renaissance Rentals (3000 Covenanter Drive)

PTS Corporation (1300 S. Patterson Drive)

ADC Real Estate Investment Group, Inc.

All Natural Properties

Huntington Gardens

Projects Still Under Construction

The projects listed below have not been completed
(improvements have not been assessed)

| | |
|------------|---|
| Res. 04-08 | Cook Pharmica (1300 S. Patterson Drive) |
| Res. 04-21 | Schulte Corporation (1500 S. Patterson Drive) |
| Res. 04-01 | Woolery Ventures, LLC (2200 W. Tapp Road) |
| Res. 02-01 | Evergreen Place Apartments (318 S. Washington Street) |

ORDINANCE 05-11

**TO AMEND TITLE 9
OF THE BLOOMINGTON MUNICIPAL CODE ENTITLED "WATER"
(Rate Adjustment)**

- WHEREAS, the City of Bloomington, Indiana ("City") owns and operates a waterworks system, through its Utilities Service Board, pursuant to IC 8-1.5-2 and -3, as amended ("Act"), which waterworks system is subject to the jurisdiction of the Indiana Utility Regulatory Commission ("Commission"); and,
- WHEREAS, the current rates and charges of the waterworks system of the City were established by the order of the Commission in Cause No. 42083 on May 15, 2002; and,
- WHEREAS, the City has determined that the construction of additions and improvements to the waterworks will be necessary and that it will be necessary to finance said additions and improvements through the issuance of bonds and, if necessary, bond anticipation notes; and,
- WHEREAS, the City, through its Utilities Service Board, has engaged Crowe Chizek and Company, LLP to study the revenue requirements for the waterworks system pursuant to the provisions of the Act; and,
- WHEREAS, Crowe Chizek and Company, LLP has studied the revenue requirements of the waterworks system pursuant to the provisions of the Act and has determined that the waterworks system annual operating revenues from water service do not produce sufficient revenues to meet the requirements of the Act and that such revenues need to be increased to provide income sufficient to pay the debt service on the proposed financing of the additions and improvements to the waterworks and otherwise provide for the revenue requirements set forth in the Act, specifically IC 8-1.5-3-8; and,
- WHEREAS, based upon the aforementioned study, the Common Council of the City finds that the rates and charges of the waterworks system of the City should be increased as set forth herein so as to produce sufficient revenues to meet the requirements of the Act; and,
- WHEREAS, the Common Council of the City finds that the rates and charges set forth herein are reasonable and just and are based upon the cost of providing service to the customers of the waterworks system of the City;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, INDIANA, THAT:

SECTION I. Section 9.08.010 of the City Code of Bloomington ("Code"), entitled "Monthly rates generally" is hereby amended and restated as follows:

The following rates and charges are established for the use of and service rendered by the water utility of the city. The schedule of rates and charges for the use of the water utility as set forth in this chapter reflects the rates and charges of the water utility as adopted by ordinance of the Common Council of the City and may not necessarily reflect the actual rates and charges of the water utility, which are subject to the approval of the Indiana Utility Regulatory Commission ("Commission"). The actual rates and charges of the water utility as approved by the Commission are set forth in the most recent tariff of the water utility on file with the Commission and the Clerk of the City and open for public inspection. Appropriate Indiana Sales Tax will also apply to billings for customers that are not tax-exempt. Each customer will pay a monthly charge according to the following schedules:

Monthly Usage Charge Applicable to Residential, Commercial, Governmental, Interdepartmental, Industrial, Indiana University -- Master Metered, Indiana University -- Non-Master Metered, and Irrigation Classes.

| Category | Rate Per 1,000 Gallons |
|---|-------------------------------|
| Residential | \$2.12 |
| Commercial, Governmental, Interdepartmental | 1.79 |
| Industrial | 1.65 |
| Indiana University -- Master Metered | 1.33 |
| Indiana University -- Non-Master Metered | 1.79 |
| Irrigation | 3.06 |

Monthly Service Charge, in Addition to Monthly Usage for the Customer Categories Listed Above.

| Meter Size | Charge | Meter Size | Charge |
|-------------------|---------------|-------------------|---------------|
| 5/8" | \$3.34 | 3" | \$34.27 |
| 3/4" | 4.45 | 4" | 56.35 |
| 1" | 5.99 | 6" | 111.58 |
| 1 ½" | 10.41 | 8" | 166.80 |
| 2" | 14.83 | 10" | 222.01 |

Monthly Surcharges for Fire Protection Service for the customer categories listed above excluding Indiana University - Master Metered.

| Meter Size | Charge | | Meter Size | Charge | |
|-------------------|--------------------|---------------------|-------------------|--------------------|---------------------|
| | Inside City | Outside City | | Inside City | Outside City |
| 5/8" | \$1.11 | \$1.85 | 3" | \$19.37 | \$32.53 |
| 3/4" | 1.67 | 2.79 | 4" | 33.21 | 55.77 |
| 1" | 2.76 | 4.65 | 6" | 69.20 | 116.19 |
| 1 ½" | 5.54 | 9.29 | 8" | 99.64 | 167.31 |
| 2" | 8.86 | 14.877 | 10" | 160.54 | 269.56 |

The monthly Fire Protection Charge for Indiana University - Master Metered accounts as a group shall be \$1,015.65.

SECTION II. Section 9.08.020 of the Code, entitled "Contract sales for resale" is hereby amended and restated as follows:

The rate for contract sales for resale shall be \$1.35 per one thousand gallons.

Monthly Service Charge in Addition to Monthly Usage Charge.

| Meter Size | Charge | Meter Size | Charge |
|-------------------|---------------|-------------------|---------------|
| 5/8" | \$3.34 | 3" | \$34.27 |
| 3/4" | 4.45 | 4" | 56.35 |
| 1" | 5.99 | 6" | 111.58 |
| 1 ½" | 10.41 | 8" | 166.80 |
| 2" | 14.83 | 10" | 222.01 |

SECTION III. Section 9.08.040 of the Code, entitled "Private fire connections per connection" is hereby amended and restated as follows:

| Line Size | Monthly | Annually |
|------------------|----------------|-----------------|
| 4" and under | \$5.58 | \$66.98 |
| 6" | 15.51 | 186.05 |
| 8" | 31.78 | 381.40 |
| 10" | 55.66 | 667.91 |
| 12" | 87.76 | 1,053.02 |

SECTION IV. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that the existing rates and charges of the waterworks system of the City shall remain in full force and effect until the rates and charges fixed by this ordinance shall be approved by order of the Commission and the tariff reflecting said approved rates and charges shall have been filed with and approved by the Commission.

SECTION V. In the event the rates and charges of the waterworks system approved by the Commission shall differ from the rates and charges set forth herein, the Common Council hereby approves said rates and charges as adjusted by the Commission without further action of the Common Council. The rates and charges of the waterworks system of the City as reflected in the tariff filed with and approved by the Commission shall be filed with the Clerk of the City and be open for public inspection.

SECTION VI. If any section, sentence, or provision of this ordinance or the application thereof to any person or circumstance shall be declared invalid, such invalidity shall not affect any of the other parts of this ordinance which can be given effect without the invalid part, and to this end the provisions of this ordinance are declared to be severable.

SECTION VII. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City and approval of the Mayor.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2005.

ANDY RUFF, President
Bloomington Common Council

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2005.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2005.

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This ordinance amends the rates and charges included in Title 9 of the Bloomington Municipal Code, entitled "Water", to reflect increased costs of supplying water and services to customers, and to make debt service payments on bond financing for required capital improvements.

INTEROFFICE MEMORANDUM

TO: COUNCILMEMBERS
FROM: PATRICK MURPHY
SUBJECT: WATER RATE AND BOND ORDINANCES
DATE: 3/31/2005

The Utilities Service Board approved two resolutions on March 21, 2005 by a vote of 5-0. The first dealt with bond financing of capital projects and the other was an approval of an increase in water rates in order to produce revenues to finance the capital projects and cover the increased operation and maintenance costs of the utility. (Wastewater rates and stormwater rates are not part of this legislation.) As you know, the USB makes a recommendation to the City Council. In the case of the Water Utility, rate adjustments approved by the Council are then forwarded to the Indiana Utility Regulatory Commission (IURC) for final approval.

The action taken by the USB and the legislation before you includes a proposed rate increase not to exceed 11%. If approved, this increase would have an estimated impact of \$1.66 per month on the typical residential monthly water bill. IURC regulations and procedures would prohibit another rate increase from taking effect for nearly two years after City Council approval of this request. The last water rate adjustment took effect in June of 2002.

The rate adjustment request is composed of four elements:

- \$288,000 in annual funding to pay off a \$2.45 million shortfall for improvements being made at the Monroe Water Treatment Plant (MWTP) which treats all water in the City's supply. The improvements are part of a larger \$14.5 million project that began at MWTP in 2003. The shortfalls came about due to revised engineering design and expansion of the scope of the project.
- \$140,000 in annual funding for repair, renovation and possible relocation of CBU headquarters in the aftermath of the November, 2003 fire at the Utilities Service Center. The USB and CBU continue to research alternative space locations and configurations, and the cost/benefits of each. While the precise amount and timing of insurance claims receipts remain at this point uncertain, insurance proceeds would eventually be applied to such costs. The time lag between the current rate request and final IURC approval, as well as the gap between such approval and any future rate increases, lead to the request to fund the needed repairs and new space in the current rate request.
- \$137,000 in annual funding for the relocation of a water main in conjunction with the expansion of the SR45/46 Bypass by the Indiana Department of Transportation (INDOT.) Like all utilities, CBU must pay to move its infrastructure, in this case a

water main, as required by a public road construction project. The exact timing of Bypass expansion remains uncertain but the water main relocation must precede INDOT construction.

These three capital projects would be included in the \$5 million in bond authorization that is included as part of the rate request as a separate ordinance. The annual funding amounts above are the estimated relative annual shares of the bond payments.

Besides financing for these three capital projects, the rate request also includes:

- \$412,000 in additional funding for Operations and Maintenance. These revenues would be used:
 - for increases in employee salaries, wages, social security and Medicare contributions, and pension contributions over the next two years.
 - for anticipated increases in the cost of goods and services procured by the Utility.
 - to build up cash reserves as required by the State Revolving Loan Fund.

If you have any questions or need further information please do not hesitate to contact me.

Schedule of Present and Proposed Rates and Charges

| | <u>Present Rates (1)</u> | <u>Proposed Rates</u> |
|---|------------------------------|---------------------------|
| <u>Monthly Usage Charge (Per 1,000 Gallons)</u> | | |
| Residential | \$ 1.91 | \$ 2.12 |
| Commercial, Governmental, Interdepartmental | 1.61 | 1.79 |
| Industrial | 1.49 | 1.65 |
| Indiana University - Master Metered | 1.20 | 1.33 |
| Indiana University - Non-Master Metered | 1.61 | 1.79 |
| Irrigation | 2.76 | 3.06 |
| <u>Monthly Service Charge (in addition to Monthly Usage Charge)</u> | | |
| 5/8 inch meter | \$ 3.01 | \$ 3.34 |
| 3/4 inch meter | 4.01 | 4.45 |
| 1 inch meter | 5.40 | 5.99 |
| 1 1/2 inch meter | 9.38 | 10.41 |
| 2 inch meter | 13.36 | 14.83 |
| 3 inch meter | 30.87 | 34.27 |
| 4 inch meter | 50.77 | 56.35 |
| 6 inch meter | 100.52 | 111.58 |
| 8 inch meter | 150.27 | 166.80 |
| 10 inch meter | 200.01 | 222.01 |
| <u>Contract Sales for Resale Monthly Usage Charge (Per 1,000 Gallons)</u> | | |
| | \$ 1.22 | \$ 1.35 |
| <u>Contract Sales for Resale Monthly Service Charge (in addition to Monthly Usage Charge)</u> | | |
| 5/8 inch meter | \$ 3.01 | \$ 3.34 |
| 3/4 inch meter | 4.01 | 4.45 |
| 1 inch meter | 5.40 | 5.99 |
| 1 1/2 inch meter | 9.38 | 10.41 |
| 2 inch meter | 13.36 | 14.83 |
| 3 inch meter | 30.87 | 34.27 |
| 4 inch meter | 50.77 | 56.35 |
| 6 inch meter | 100.52 | 111.58 |
| 8 inch meter | 150.27 | 166.80 |
| 10 inch meter | 200.01 | 222.01 |

(1) Present Rates and Charges were approved by the Indiana Utility Regulatory Commission on June 7, 2002.

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

PRELIMINARY DRAFT

Schedule of Present and Proposed Rates and Charges

| | <u>Present Rates (1)</u> | | <u>Proposed Rates</u> | |
|--|--------------------------|---------------------|-----------------------|---------------------|
| | <u>Inside City</u> | <u>Outside City</u> | <u>Inside City</u> | <u>Outside City</u> |
| <u>Monthly Public Fire Protection Charge</u> <u>(excluding Indiana University - Master Metered)</u> | | | | |
| 5/8 inch meter | \$ 1.00 | \$ 1.67 | \$ 1.11 | \$ 1.85 |
| 3/4 inch meter | 1.50 | 2.51 | 1.67 | 2.79 |
| 1 inch meter | 2.49 | 4.19 | 2.76 | 4.65 |
| 1 1/2 inch meter | 4.99 | 8.37 | 5.54 | 9.29 |
| 2 inch meter | 7.98 | 13.40 | 8.86 | 14.87 |
| 3 inch meter | 17.45 | 29.31 | 19.37 | 32.53 |
| 4 inch meter | 29.92 | 50.24 | 33.21 | 55.77 |
| 6 inch meter | 62.34 | 104.68 | 69.20 | 116.19 |
| 8 inch meter | 89.77 | 150.73 | 99.64 | 167.31 |
| 10 inch meter | 144.63 | 242.85 | 160.54 | 269.56 |

| | | |
|---|-----------|-------------|
| <u>Monthly Fire Protection Charge -</u> <u>Indiana University - Master Metered</u> | \$ 915.00 | \$ 1,015.65 |
|---|-----------|-------------|

| | <u>Present Rates (1)</u> | | <u>Proposed Rates</u> | |
|--|--------------------------|-----------------|-----------------------|-----------------|
| | <u>Monthly</u> | <u>Annually</u> | <u>Monthly</u> | <u>Annually</u> |
| <u>Private Fire Protection Charge (per connection)</u> | | | | |
| 4 inch line or smaller | \$ 5.03 | \$ 60.34 | \$ 5.58 | \$ 66.98 |
| 6 inch line | 13.97 | 167.61 | 15.51 | 186.05 |
| 8 inch line | 28.63 | 343.60 | 31.78 | 381.40 |
| 10 inch line | 50.14 | 601.72 | 55.66 | 667.91 |
| 12 inch line | 79.06 | 948.67 | 87.76 | 1,053.02 |

(1) Present Rates and Charges were approved by the Indiana Utility Regulatory Commission on June 7, 2002.

BLOOMINGTON MUNICIPAL WATER UTILITY

Bloomington, Indiana

PRELIMINARY DRAFT

Typical Monthly Bill Analysis

3/4" Meter Customer - Inside City

| <u>Gallons</u> | <u>Present</u> <u>Charge</u> | <u>Proposed</u> <u>Charge</u> | <u>Difference</u> |
|----------------|---------------------------------|----------------------------------|-------------------|
| 1,000 | \$ 7.42 | \$ 8.24 | \$ 0.82 |
| 2,000 | 9.33 | 10.36 | 1.03 |
| 3,000 | 11.24 | 12.48 | 1.24 |
| 4,000 | 13.15 | 14.60 | 1.45 |
| 5,000 | 15.06 | 16.72 | 1.66 |
| 6,000 | 16.97 | 18.84 | 1.87 |
| 7,000 | 18.88 | 20.96 | 2.08 |
| 8,000 | 20.79 | 23.08 | 2.29 |
| 9,000 | 22.70 | 25.20 | 2.50 |
| 10,000 | 24.61 | 27.32 | 2.71 |
| 11,000 | 26.52 | 29.44 | 2.92 |
| 12,000 | 28.43 | 31.56 | 3.13 |
| 13,000 | 30.34 | 33.68 | 3.34 |
| 14,000 | 32.25 | 35.80 | 3.55 |
| 15,000 | 34.16 | 37.92 | 3.76 |
| 16,000 | 36.07 | 40.04 | 3.97 |
| 17,000 | 37.98 | 42.16 | 4.18 |
| 18,000 | 39.89 | 44.28 | 4.39 |
| 19,000 | 41.80 | 46.40 | 4.60 |
| 20,000 | 43.71 | 48.52 | 4.81 |

ORDINANCE 05-12

An Ordinance Concerning the Construction of Additions, Extensions and Improvements to the Waterworks of the City of Bloomington, Indiana, the Issuance of Revenue Bonds to Provide the Cost Thereof, the Collection, Segregation and Distribution of the Revenues of said Waterworks, the Safeguarding of the Interests of the Owners of said Revenue Bonds, Other Matters Connected Therewith, Including the Issuance of Notes in Anticipation of Bonds, and Repealing Ordinances Inconsistent Herewith

WHEREAS, the City of Bloomington, Indiana (“City”) has heretofore established, constructed and financed its waterworks, and now owns and operates said waterworks pursuant to IC 8-1.5-2 and -3, as in effect on the issue date of the bonds authorized herein, and other applicable laws (“Act”); and

WHEREAS, the Common Council of the City (“Common Council”) finds that certain additions, extensions and improvements to said waterworks are necessary; that plans, specifications and estimates have been or will be prepared and filed by the engineers employed by the City for the construction of said additions, extensions and improvements (as more fully set forth in summary fashion in Exhibit A hereto and made a part hereof) (“Project”), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction and have been or will be approved by the aforesaid governmental authorities and are incorporated herein by reference and are or will be open for inspection at the Office of the Clerk as required by law; and

WHEREAS, the City has obtained engineers' estimates of the costs for the construction of the Project; will advertise for and receive bids for the Project; said bids will be subject to the City's determination to construct said Project and subject to the City obtaining funds to pay for said Project; that on the basis of said engineers' estimates, the cost of said Project, including estimated incidental expenses, is in the estimated amount of Five Million Nine Hundred Twenty Thousand Dollars (\$5,920,000); and

WHEREAS, the Common Council estimates that \$600,000 of insurance proceeds will be available to apply on the costs of the Project and that it is necessary to finance the remaining costs of the Project by the issuance of waterworks revenue bonds, in one or more series, in an aggregate amount not to exceed Five Million Three Hundred Twenty Thousand Dollars (\$5,320,000) and, if necessary, bond anticipation notes (“BANs”); and

WHEREAS, the Common Council finds that there are now outstanding bonds payable out of the Net Revenues (as hereinafter defined) of the City's waterworks designated as (i) the Waterworks Revenue Bonds of 2000, Series A (“2000 Bonds”), dated June 23, 2000, originally issued in the aggregate principal amount of \$10,850,000, now outstanding in the aggregate principal amount of \$10,843,000 and maturing semiannually on January 1 and July 1 over a period ending on January 1, 2021; (ii) the Waterworks Revenue Bonds of 2003, Series A (“2003A Bonds”), dated April 18, 2003, originally issued in the aggregate principal amount of \$4,215,000, now outstanding in the aggregate principal amount of \$3,978,000 and maturing semiannually on January 1 and July 1 over a period ending on January 1, 2023; (iii) the Waterworks Refunding Revenue Bonds of 2003 (“2003 Refunding Bonds”), dated July 23, 2003, originally issued in the aggregate principal amount of \$10,220,000, now outstanding in the aggregate principal amount of \$8,785,000 and maturing semiannually on January 1 and July 1 over a period ending on January 1, 2020; and (iv) the Waterworks Revenue Bonds of 2003, Series B (“2003B Bonds”), dated September 5, 2003, originally issued and now outstanding in the aggregate principal amount of \$7,885,000 and maturing semiannually on January 1 and July 1 over a period ending on January 1, 2025, which 2000 Bonds, 2003A Bonds, 2003 Refunding Bonds and 2003B Bonds (collectively, “Outstanding Bonds”) rank on a parity and constitute a first charge on the Net Revenues of the waterworks; and

WHEREAS, the ordinances authorizing the Outstanding Bonds each authorize the issuance of additional bonds ranking on a parity with the Outstanding Bonds provided certain financial conditions can be met (“Parity Tests”); and

WHEREAS, the Common Council finds that the Parity Tests can be met with respect to the bonds to be issued pursuant to this ordinance and, accordingly, the bonds to be issued pursuant to this ordinance will constitute a first charge against the Net Revenues of the waterworks, on a parity with the Outstanding Bonds, and are to be issued subject to the provisions of the laws of the Act, and the terms and restrictions of this ordinance; and

WHEREAS, the City desires to authorize the issuance of BANs hereunder, in one or more series, if necessary, payable solely from the proceeds of waterworks revenue bonds issued hereunder and to authorize the refunding of said BANs, if issued; and

WHEREAS, the Common Council has been advised by its financial advisor that it may be economically efficient to acquire a municipal bond insurance policy (“Bond Insurance”) for the bonds hereby authorized and to acquire a debt service reserve surety bond (“Surety Bond”) to fund the reserve for the bonds hereby authorized; and

WHEREAS, prior to the issuance of the bonds authorized by this ordinance, the City shall first obtain the approval of the Indiana Utility Regulatory Commission (“IURC”) for the issuance of said bonds; and

WHEREAS, if any of the bonds authorized by this ordinance will be sold to the Indiana State Drinking Water Revolving Loan Fund Program (“DWSRF Program”), the City will enter into a Financial Assistance Agreement with the State of Indiana pertaining to the Project and the financing thereof (“FAA”); and

WHEREAS, the Utilities Service Board of the City (“USB”) has approved the Project and has recommended the Common Council approve the same by the adoption of this ordinance; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said revenue bonds and BANs have been complied with in accordance with the provisions of the Act; now, therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, INDIANA, THAT:

SECTION I. Authorization of Project. The City shall proceed with the construction of the Project in accordance with the plans and specifications heretofore prepared or to be prepared and filed by the engineers employed by the City, which plans and specifications are hereby adopted and approved and by reference made a part of this ordinance. Two copies of the plans and specifications are now on file or will subsequently placed on file in the office of the Clerk of the City and open for public inspection pursuant to IC 36-1-5-4. The estimated cost of construction of said Project is expected to be \$5,920,000, plus investment earnings on the BAN and bond proceeds. The terms “waterworks,” “waterworks system,” “works,” “system,” and words of like import where used in this ordinance shall be construed to mean and include the Drinking Water System, as defined in the ordinance authorizing the 2003 Refunding Bonds, and includes the existing waterworks system and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired. The Project shall be constructed in accordance with the plans and specifications heretofore mentioned, which Project is hereby approved. Said Project shall be constructed, and the BANs and bonds herein authorized shall be issued, all pursuant to and in accordance with the Act.

SECTION II. Issuance of BANs. The City shall issue, if necessary, its BANs, in one or more series, for the purpose of procuring interim financing to apply on the cost of the Project. The City may issue its BANs in an aggregate amount not to exceed Five Million Three Hundred

Twenty Thousand Dollars (\$5,320,000) to be designated “Waterworks Bond Anticipation Notes, Series _____”, to be completed with the appropriate series designation. Each series of BANs shall be sold at not less than 99.3% of their par value, numbered consecutively from 1 upward, shall be in multiples of One Thousand Dollars (\$1,000) as designated in the purchase agreement for said BANs, shall be dated as of the date of delivery thereof, and shall bear interest at a rate not to exceed 6.0% per annum (the exact rate or rates to be determined through negotiations with the purchaser of the BANs) payable either upon maturity or redemption. The BANs will mature no later than one year after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 6.0% per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The term of the BANs and all renewal BANs may not exceed five years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof. The BANs may be payable in installments and may be issued pursuant to the book-entry provisions set forth in Section 7 hereof.

The BANs shall be issued pursuant to IC 13-18-21 if sold to the DWSRF Program, pursuant to IC 5-1.5-8-6.1 if sold to the Indiana Bond Bank or pursuant to IC 5-1-14-5 if sold to a financial institution or any other purchaser. The City shall pledge to the payment of the principal of and interest on the BANs the proceeds from the issuance of revenue bonds pursuant to and in the manner prescribed by the Act. Interest on the BANs shall be calculated according to a 360-day calendar year containing twelve 30-day months.

SECTION III. Issuance of Bonds. The City shall issue its waterworks revenue bonds, in one or more series, in the aggregate principal amount not to exceed Five Million Three Hundred Twenty Thousand Dollars (\$5,320,000) to be designated “Waterworks Revenue Bonds of 200___, Series _____,” to be completed with the appropriate year and series designation (“Bonds”). The Bonds shall be issued for the purpose of procuring funds to apply on the cost of said Project, refunding the BANs, if issued, and issuance costs, including the costs of Bond Insurance and a Surety Bond, if acquired. If the Bonds are sold in more than one series, the sale and issuance of any series of Bonds which follows the issuance and sale of the first series of Bonds hereunder shall be subject to the requirements established by Section 24 and 25(f) of this ordinance.

The Bonds shall be issued in fully registered form, numbered consecutively from one (1) up and shall bear interest at a rate or rates not exceeding seven percent (7%) per annum (the exact rate or rates to be determined by bidding or by negotiation with the SRF Program). For any series of Bonds sold to the DWSRF Program, said Bonds shall be (i) issued and sold at a price not less than the par value thereof; (ii) issued in denominations of \$1 or integral multiples thereof; and (iii) be originally dated as of the date of delivery thereof. For any series of Bonds sold to a purchaser other than the DWSRF Program, said Bonds shall be (i) issued and sold at a price not less than 98.5% of the par value thereof; (ii) issued in denominations of \$5,000 or integral multiples thereof; and (iii) be originally dated as of first day of the month in which delivered or sold, or the date of delivery thereof as determined by the Controller with the advice of the City's financial advisor. Interest on the Bonds shall be payable semiannually on January 1 and July 1 in each year, commencing on the first January 1 or the first July 1 following the date of delivery of the Bonds, as determined by the Controller with the advice of the City's financial advisor. Principal of the Bonds shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined), and such Bonds shall mature semiannually on January 1 and July 1, or be subject to mandatory sinking fund redemption on January 1 and July 1, over a period ending no later than twenty years after substantial completion of the Project. Each series of Bonds shall mature in such amounts that will either (i) produce as level annual debt service as practicable taking into account the denominations of the Bonds; (ii) produce as level annual debt service as practicable taking into account the denominations of the Bonds and the annual debt service on the Outstanding Bonds and any other series of Bonds previously issued hereunder; or, if the Bonds are sold to the DWSRF Program, (iii) produce such level of annual debt service as may be required by the DWSRF Program and as set forth in the FAA for the Bonds.

The Bonds will be payable solely out of and constitute a first charge against the Net Revenues (herein defined as gross revenues of the waterworks of the City after deduction only for the payment of the reasonable expenses of operation and maintenance) of the waterworks of the City, on a parity with the Outstanding Bonds. Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the purchaser of the Bonds. Such term bonds shall have a stated maturity or maturities of January 1 or July 1, on the dates as determined by the purchaser of the Bonds, but in no event later than the final serial maturity date of the Bonds as determined in accordance with the above paragraph of this Section 3. The term bonds shall be subject to mandatory sinking fund redemption and payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest, to the redemption date, on principal payment dates which are hereinafter determined in accordance with the above paragraph of this Section 3.

Any reference herein to the DWSRF Program as the purchaser of any series of Bonds shall be deemed to include circumstances wherein the Indiana Bond Bank (or any other nominal owner of the Bonds) is the registered owner of the Bonds for the benefit of the DWSRF Program.

SECTION IV. Registrar and Paying Agent. The USB is authorized to select and appoint a qualified financial institution to serve as Registrar and Paying Agent for the Bonds and the BANs, which Registrar is hereby charged with the responsibility of authenticating the Bonds (“Registrar” or “Paying Agent”). The Director of the City of Bloomington Utilities is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Director of the City of Bloomington Utilities is further authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Waterworks Sinking Fund established to pay the principal of and interest on the Bonds as fiscal agency charges. As to the BANs and as to the Bonds, if sold to the DWSRF Program or any other purchaser that does not object to such designation, the Controller may serve as Registrar and Paying Agent and in such case is charged with the duties of a Registrar and Paying Agent.

If the Bonds or BANs are sold to the DWSRF program, the principal of and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the State on the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the State of Indiana or the Indiana Bond Bank is the owner of said Bonds or BANs, such Bonds and BANs shall be presented for payment as directed by the State.

For all other Bonds or if wire transfer payment is not required, the principal of the Bonds shall be payable at the principal office of the Paying Agent and all payments of interest on the Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof, as of the fifteenth day of the month preceding each payment date (“Record Date”), at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner on or before such Record Date. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).

All payments on the BANs and Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment, shall be legal tender for the payment of public and private debts.

Each Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by its attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the City. The City and the Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including

for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

Interest on Bonds sold to the DWSRF Program shall be paid from the date or dates which are set forth in the FAA. Interest on all other Bonds which are authenticated on or before the Record Date which precedes the first interest payment date shall be paid from their original date. Interest on Bonds authenticated subsequent to the Record Date which precedes the first interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Bond is authenticated between the Record Date and the interest payment date in which case the interest shall be paid from such interest payment date.

SECTION V. Redemption of BANs. The BANs are prepayable by the City, in whole or in part, on any date, upon seven (7) days' notice to the owner of the BANs, without any premium.

SECTION VI. Redemption of Bonds. The Bonds of this issue are redeemable at the option of the City, but no sooner than ten (10) years after their date of delivery if sold to the DWSRF Program and no sooner than seven (7) years after their date of delivery if sold to any other purchaser, or any date thereafter, on sixty (60) days' notice if sold to the DWSRF Program and on thirty (30) days' notice if sold to any other purchaser, in whole or in part, in inverse order of maturity if sold to the DWSRF Program or in the order of maturity as determined by the City if sold to any other purchaser, and by lot within a maturity, at face value together with a premium no greater than 2%, plus accrued interest to the date fixed for redemption. The exact redemption dates and premiums shall be established by the Clerk, with the advice of the City's financial advisor, prior to the sale of the Bonds.

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Bonds of the same series maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

Each denomination of Bonds shall be considered a separate bond for purposes of optional and mandatory redemption. If less than an entire maturity of a series of Bonds is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

In either case, notice of redemption shall be given not less than sixty (60) days, if the Bonds are sold to the DWSRF Program, and thirty (30) days if the Bonds are sold to another purchaser, prior to the date fixed for redemption unless such redemption notice is waived by the owner of the Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the City as of the date which is sixty-five (65) days if the Bonds are sold to the DWSRF Program, and forty-five (45) days if the Bonds are sold to another purchaser, prior to such redemption date. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

SECTION VII. Book-Entry Provisions. The City may, upon the advice of its financial advisor, have any series of the Bonds held by a central depository system pursuant to an agreement

between the City and The Depository Trust Company, New York, New York (“DTC”) and have transfers of the Bonds effected by book-entry on the books of the central depository system. In such case, the Bonds shall be issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Bonds, and held in the custody of DTC and the terms and conditions of this provision shall apply.

If the Bonds are held by DTC, a single certificate will be issued and delivered to DTC for each maturity of the Bonds. The actual purchasers of the Bonds (“Beneficial Owners”) will not receive physical delivery of the Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of the Bonds is to receive, hold, or deliver any Bond certificate.

For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee, or other governmental charge that may be imposed in relation thereto. Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner, under the following circumstances:

(i) DTC determines to discontinue providing its service with respect to the Bonds (such a determination may be made at any time by giving 30 days' notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law), or

(ii) the City determines that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners.

The City and the Registrar will recognize DTC or its nominee as the holder of the Bonds for all purposes, including notices and voting. The City and the Registrar covenant and agree, so long as DTC shall continue to serve as securities depository for the Bonds, to meet the requirements of DTC with respect to required notices and other provisions of a Letter of Representations between the City and DTC. If necessary to comply with the terms and provisions of the Letter of Representations, a supplemental ordinance shall be adopted to amend this ordinance as necessary.

The Registrar is authorized to rely conclusively upon a certificate furnished by DTC and corresponding certificates from DTC participants and indirect participants as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owner or Beneficial Owners.

SECTION VIII. Execution of Bonds and BANs; Pledge of Net Revenues to Bonds. The BANs and Bonds shall be signed in the name of the City by the manual or facsimile signature of the Mayor, countersigned by manual or facsimile signature of the Controller, and attested by the manual or facsimile signature of the Clerk, who shall affix the seal of said City to each of said Bonds and BANs manually or shall have the seal imprinted or impressed thereon by facsimile. These officials, by the signing of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on said Bonds and BANs. The Bonds must be authenticated by an authorized officer of the Registrar. In case any officer whose signature or facsimile signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature of such officer shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

The Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the waterworks of the City, on a parity with the Outstanding Bonds. The City shall not be obligated to pay said Bonds or the interest thereon except from the Net Revenues of said works, and said Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.

SECTION IX. Form of Bonds. The form and tenor of the Bonds shall be substantially as set forth on Exhibit B attached hereto and incorporated herein by reference, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof.

SECTION X. Preparation and Sale of BANs and Bonds. The Controller is hereby authorized and directed to have said BANs and Bonds prepared, and the Mayor, the Controller and the Clerk are hereby authorized and directed to execute said BANs and Bonds in the form and manner herein provided. The Controller is hereby authorized and directed to deliver said BANs and Bonds to the respective purchasers thereof after sale made in accordance with the provisions of this ordinance, provided that at the time of said delivery the Controller shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than 99.3% of the face value of said BANs, not less than 100% of the face value of said Bonds if sold to the DWSRF Program, and not less than 98.5% of the face value of said Bonds if sold to another purchaser, as the case may be, plus accrued interest, if any. The City may receive payment for the Bonds and BANs in installments. The Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the Net Revenues of the City's waterworks to be set aside into the Sinking Fund as herein provided. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application on the cost of the Project hereinbefore referred to, the refunding of the BANs, if issued, and the expenses necessarily incurred in connection with the BANs and Bonds. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

SECTION XI. Official Statement; Bond Insurance; Surety Bond. (a) If any series of Bonds is sold to a purchaser other than the DWSRF Program, distribution of an Official Statement (preliminary and final) prepared by Crowe Chizek and Company, LLC, on behalf of the City, is hereby approved and the Mayor, the Controller or the Clerk is hereby authorized and directed to execute such Official Statement on behalf of the City in a form consistent with this ordinance. The Mayor, the Controller or the Clerk is hereby authorized to designate the preliminary Official Statement as "nearly final" for purposes of Rule 15c2-12 as promulgated by the Securities and Exchange Commission and as in effect on the date of issue of the Bonds ("Rule").

(b) If any series of Bonds is sold to the DWSRF Program, the City shall receive an investment letter from the DWSRF Program which satisfies any applicable state and federal securities laws. As an alternative to the preparation and distribution of an Official Statement as set forth in paragraph (a) above, the City may accept from any purchaser of the Bonds an investment letter which satisfies any applicable state and federal securities laws.

(c) In the event the financial advisor to the City certifies to the City that it would be economically advantageous for the City to obtain Bond Insurance for any series of the Bonds, the City hereby authorizes the purchase of such Bond Insurance. In such case, the Mayor, the Controller, the Clerk and the Director of the City of Bloomington Utilities are hereby authorized to execute and deliver all agreements with the provider of the Bond Insurance to the extent necessary to comply with the terms of such Bond Insurance and the commitment to issue such Bond Insurance. The acquisition of Bond Insurance is hereby deemed economically advantageous if the difference between the present value of (i) the total debt service on the Bonds if issued without the Bond Insurance and (ii) the total debt service on the Bonds if issued with the Bond Insurance, is greater than the cost of the premium for the Bond Insurance. The cost of obtaining Bond Insurance shall be considered as a part of the cost of issuance of the Bonds and may be paid out of the proceeds of the Bonds or out of other funds of the waterworks.

(d) A Surety Bond may be purchased by the City to satisfy, in whole or in part, the Debt Service Reserve Account for any series of Bonds issued under this ordinance. The Mayor, the Controller, the Clerk or the Director of the City of Bloomington Utilities is hereby authorized to execute and deliver the necessary agreements with the provider of the Surety Bond providing for, among other matters, the reimbursement to such provider of amounts drawn under the Surety Bond. Each of these officials are hereby authorized and directed to complete, execute and attest any agreement pertaining to such a Surety Bond on behalf of the City so long as its provisions are consistent with this ordinance. In the event the provider of the Surety Bond is not rated in the highest rating category by Standard & Poor's Corporation and Moody's Investors Service, the City shall obtain the consent of the DWSRF Program. The cost of obtaining a Surety Bond shall

be considered as a part of the cost of issuance of the Bonds and may be paid out of the proceeds of the Bonds or out of other funds of the waterworks.

SECTION XII. Bond Sale Notice. If any series of Bonds will be sold at a competitive sale, the Controller shall cause to be published either (i) a notice of such sale in *The Herald-Times*, the only newspaper published in the City, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, or (ii) a notice of intent to sell in *The Herald-Times* and the *Court & Commercial Record*, all in accordance with IC 5-1-11 and IC 5-3-1. A notice of sale may also be published one time in the *Court & Commercial Record*, and a notice or summary notice of sale may also be published in *The Bond Buyer* in New York, New York. The notice shall state the character and amount of the Bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Controller and the attorneys employed by the City shall deem advisable and any summary notice may contain any information deemed so advisable. The notice may provide, among other things, that each bid shall be accompanied by a certified or cashier's check in an amount equal to 1% of the principal amount of the Bonds described in the notice and that in the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default; that bidders for said Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than 98.5% of the face amount of the Bonds will be considered. The opinion of Sommer Barnard Attorneys, PC, bond counsel of Indianapolis, Indiana, approving the legality of said Bonds, will be furnished to the purchaser at the expense of the City.

The Bonds shall be awarded by the Controller to the best bidder who has submitted its bid in accordance with the terms of this ordinance, IC 5-1-11 and the notice. The best bidder will be the one who offers the lowest net interest cost to the City, to be determined by computing the total interest on all of the Bonds to their maturities, adding thereto the discount bid, if any, and deducting the premium bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which provides a higher net interest cost to the City than the best bid received at the time of the advertised sale will be considered.

As an alternative to competitive sale, the Controller may negotiate the sale of any series of the Bonds to the DWSRF Program. The Mayor and the Controller are hereby authorized to (i) submit an application to the DWSRF Program, (ii) execute a purchase agreement with the Indiana Bond Bank with terms conforming to this ordinance and (iii) sell such Bonds upon such terms as are acceptable to the Mayor and the Controller consistent with the terms of this ordinance.

If any series of Bonds is sold to the DWSRF Program, the FAA for such Bonds and the Project shall be executed by the City and the State of Indiana. The substantially final form of FAA attached hereto as Exhibit C and incorporated herein by reference is hereby approved by the Common Council. The Mayor and the Controller are hereby authorized to approve, execute and deliver said FAA, and to approve any such changes in form or substance thereto which are consistent with the terms of this ordinance, such changes to be conclusively evidenced by its execution.

SECTION XIII. Use of Proceeds. The accrued interest received at the time of the delivery of the Bonds and premium, if any, shall be deposited in the Waterworks Sinking Fund ("Sinking Fund"). The remaining proceeds from the sale of the Bonds, to the extent not used to refund BANs, and BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Bloomington, Waterworks Construction Account" ("Construction Account"). All funds deposited to the credit of said Sinking Fund or Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing,

holding, securing or investing of public funds, including particularly IC 5-13, and the acts amendatory thereof and supplemental thereto. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project, refunding the BANs, if issued, or as otherwise required by the Act or for the expenses of issuance of the Bonds or BANs. The cost of obtaining the legal services of Sommer Barnard Attorneys, PC shall be considered as a part of the cost of the Project on account of which the BANs and Bonds are issued.

Any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection with such Project, shall either (1) be paid into the Sinking Fund and used solely for the purposes of said Sinking Fund or (2) be used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented.

With respect to any Bonds sold to the DWSRF Program, to the extent that the total principal amount of the Bonds is not paid by the purchaser or drawn down by the City, the City shall, in consultation with the DWSRF Program, reduce the principal amounts of the Bond maturities to effect such reduction in a manner that will still achieve the level of annual debt service as described in Section 3 hereof.

SECTION XIV. Revenue Fund. There is hereby continued the Waterworks Revenue Fund (“Revenue Fund”). All revenues derived from the operation of the waterworks and from the collection of water rates and charges shall be deposited in the Revenue Fund and segregated and deposited as set forth in this ordinance. Of these revenues, the proper and reasonable expenses of operation and maintenance of the works shall be paid, the requirements of the Sinking Fund shall be met and fiscal agency charges of registrars or paying agents shall be paid, and the costs of replacements, extensions, additions and improvements shall be paid.

SECTION XV. Operation and Maintenance Fund. (a) There is hereby continued a fund known as the Operation and Maintenance Fund consisting of a General Account (“General Account”).

(b) On the last day of each calendar month, revenues of the waterworks shall be transferred from the Revenue Fund to the General Account. The balance maintained in the General Account shall be sufficient to pay the expenses of operation and maintenance of the waterworks for the then next succeeding two (2) calendar months. The moneys credited to the General Account shall be used for the payment of the reasonable and proper operation and maintenance expenses of the waterworks on a day-to-day basis, but none of the moneys in such account shall be used for depreciation, payments in lieu of taxes, replacements, improvements, extensions or additions. Any moneys in the General Account may be transferred to the Waterworks Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the waterworks.

(c) All remaining revenues of the waterworks shall be transferred from time to time to meet the requirements of the Waterworks Sinking Fund. Moneys in excess of those transferred to the Waterworks Sinking Fund may be transferred to the Waterworks Improvement Fund or may be retained in the General Account, in the discretion of the USB, and in a manner consistent with the requirements of this ordinance.

SECTION XVI. Waterworks Sinking Fund. (a) There is hereby continued the special fund designated the Waterworks Sinking Fund (herein, “Waterworks Sinking Fund” or “Sinking Fund”) for the payment of the principal of and interest on all outstanding revenue bonds which by their terms are payable from the Net Revenues of the waterworks, and the payment of any fiscal agency charges in connection with the payment of bonds. There shall be set aside and deposited in the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the waterworks to meet the requirements of the Bond and Interest Account and the Debt Service Reserve Account hereby continued in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Debt Service Reserve Account equal the principal of and interest on all of the then outstanding bonds of the waterworks to their final maturity and provide for payment of all fiscal agency charges.

(b) **Sinking Fund Trust Arrangement.** If any series of Bonds is sold to the DWSRF Program, the Sinking Fund, containing the Bond and Interest Account and Debt Service Reserve

Account, shall be held by a financial institution acceptable to the DWSRF Program, pursuant to terms acceptable to the DWSRF Program. If the Sinking Fund and the accounts therein are held in trust, the City shall transfer the monthly required amounts of Net Revenues to the Bond and Interest Account and the Debt Service Reserve Account in accordance with this Section 16, and the financial institution holding such funds in trust shall be instructed to pay the required payments in accordance with the payment schedules for the City's outstanding bonds. The Mayor and Controller are hereby authorized to execute and deliver an agreement with a financial institution to reflect this trust arrangement for the Sinking Fund. The financial institution selected to serve in this role may also serve as Registrar and Paying Agent for any outstanding bonds of the City.

(c) Bond and Interest Account. There is hereby continued, within said Sinking Fund, the Bond and Interest Account. There shall be credited on the last day of each calendar month to the Bond and Interest Account an amount of the Net Revenues equal to (i) at least one-sixth (1/6) of the interest on all then outstanding bonds payable on the then next succeeding interest payment date and (ii) at least one-sixth (1/6) of the principal of all then outstanding bonds payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding interest and principal payment date shall have been so credited. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying principal and interest on outstanding bonds as the same become payable. The City shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(d) Debt Service Reserve Account. There is hereby continued, within the Sinking Fund, the Debt Service Reserve Account ("Reserve Account"). The City has purchased Surety Bonds to satisfy the reserve requirements for the Outstanding Bonds ("Outstanding Surety Bonds") which Outstanding Surety Bonds are held in the Reserve Account as a reserve for the Outstanding Bonds.

For each series of Bonds issued under this ordinance, the City shall purchase a Surety Bond, use Bond proceeds, unless the Bonds are sold to the DWSRF Program, funds on hand, or a combination thereof, to fund the Reserve Account for said series of Bonds. Upon the issuance of each series of Bonds, the Reserve Account shall contain for said series of Bonds an amount equal to the least of (i) the maximum annual debt service on said series of Bonds, (ii) 125% of average annual debt service on said series of Bonds or (iii) 10% of the proceeds of said series of Bonds; provided, however, that for so long as the DWSRF Program is the owner of any Outstanding Bonds or Bonds, the total balance maintained in the Reserve Account (taking into account the Outstanding Surety Bonds, any other Surety Bonds, and any cash held therein) shall not be less than the maximum annual debt service on the Outstanding Bonds and the Bonds ("Reserve Requirement").

The Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the Bonds and the Outstanding Bonds, and the moneys in the Reserve Account shall only be used to pay current principal and interest on the Bonds and the Outstanding Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. If it becomes necessary to draw upon the Reserve Account to pay the Outstanding Bonds or the Bonds, the City shall first draw down the cash in the Reserve Account, if any, and next initiate draws on any Surety Bonds held therein, including the Outstanding Surety Bonds, on a pro rata basis, to meet such payments when due. Notwithstanding the foregoing sentence, if the Reserve Requirement for the Bonds is funded in whole or in part with cash rather than in whole with a Surety Bond, the City shall, if necessary to pay principal of or interest on the Bonds, use the cash in the Reserve Account to first pay such principal of or interest on the Bonds before such cash is used on the Outstanding Surety Bonds. Any deficiency in the balance maintained in the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. In the event moneys in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on the Outstanding Bonds or Bonds, respectively, then such depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. No moneys shall be held in the Reserve Account in excess of the Reserve Requirement. Any moneys in the Reserve Account in excess of its requirements

shall be transferred to the Waterworks Improvement Fund. The Common Council has determined, based upon the advice of its financial advisor, that the Reserve Account is reasonably required and that the Reserve Requirement is no larger than necessary to market the Bonds. The Common Council further finds that the Reserve Account is directly related to the Project since the Bonds could not be issued to finance the Project without the Reserve Account.

SECTION XVII. Waterworks Improvement Fund. As set forth in Section 15(c), revenues may be transferred or credited from the General Account to the Waterworks Improvement Fund (“Improvement Fund”) hereby continued. The Improvement Fund shall be used for improvements, replacement, additions and extensions of the waterworks, for payment in lieu of taxes, and in the discretion of the USB, for any other lawful purpose related to the waterworks. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on any outstanding bonds of the waterworks or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation and maintenance of the waterworks.

SECTION XVIII. Priority of Payments. All revenues of the waterworks shall be paid in the following order, with the priority as indicated:

- (1) First to pay all expenses of the operation and maintenance of the waterworks;
- (2) Second, on a pari passu (parity) basis, to pay all principal of and interest on the Outstanding Bonds, the Bonds and any bonds hereafter issued which rank on a parity with the Bonds;
- (3) Third, on a pari passu (parity) basis, to replenish any cash drawn from the Reserve Account if the Reserve Requirement for the Bonds is satisfied, in whole or in part, with cash and to replenish any Outstanding Surety Bonds or Surety Bonds in place for either the Outstanding Bonds or the Bonds;
- (4) Fourth, to replenish any other cash drawn, if any, from the Reserve Account;
- (5) Fifth, to pay the costs of improvements, replacements, additions and extensions of the waterworks and for payments in lieu of taxes; and
- (6) All other lawful uses related to the waterworks, including debt service payments on any junior and subordinate bonds.

SECTION XIX. Maintenance of Funds; Investments. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the City. The Operation and Maintenance Fund and the Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the City and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly IC 5-13, as amended or supplemented, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this ordinance.

SECTION XX. Maintenance of Books and Records. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues received on account of the operation of the waterworks, all disbursements made from the waterworks, and all transactions relating to the waterworks. Copies of all such statements and reports shall be kept on file in the office of the Director of the City of Bloomington Utilities. If any series of Bonds or BANs are sold to the DWSRF Program, the City shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the waterworks in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrual basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations and guidance of the State Board of Accounts.

SECTION XXI. Continuing Disclosure Undertaking Agreement. If any series of Bonds is subject to the Rule, the Mayor or the Controller is hereby authorized to complete, execute and attest, on behalf of the City, the substantially final form of Continuing Disclosure Undertaking Agreement (“Disclosure Agreement”) attached hereto as Exhibit D which Undertaking Agreement is hereby approved by the Common Council. Notwithstanding any other provisions of this ordinance, failure of the City to comply with the Disclosure Agreement shall not be considered an event of default under the Bonds or this ordinance.

SECTION XXII. Rate Covenant. The City shall establish, maintain and collect reasonable and just and equitable rates and charges for facilities and services afforded and rendered by the waterworks, which shall to the extent permitted by law produce sufficient revenues at all times to pay all the legal and other necessary expenses incident to the operation of the waterworks, to include maintenance costs, operating charges, upkeep, repairs, interest charges on bonds or other obligations, to provide for the proper Operation and Maintenance (as defined in the ordinances authorizing the Outstanding Bonds) of the waterworks, to provide the sinking fund and debt service reserve for the liquidation of bonds or other evidences of indebtedness, to provide adequate funds to be used as working capital, as well as funds for making extensions, additions, and replacements, and also, for the payment of any taxes that may be assessed against such utility, it being the intent and purpose hereof that such charges shall produce an income sufficient to maintain such utility property in a sound physical and financial condition to render adequate and efficient service. The rates and charges shall be established to the extent permitted by law, to produce Net Revenues sufficient to pay at least 1.20 times the annual debt service on the Outstanding Bonds, the Bonds and any bonds hereafter issued on a parity herewith. For purposes of this Section 22, Net Revenues exclude any outstanding fund balances from prior years. So long as any of the Bonds herein authorized are outstanding, none of the facilities or services afforded or rendered by said system shall be furnished without a reasonable and just charge being made therefore. The City shall pay like charges for any and all services rendered by said utility to the City, and all such payments shall be deemed to be revenues of the utility. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation and maintenance and the requirements of the Sinking Fund.

SECTION XXIII. Defeasance of Bonds. If, when any of the Bonds issued hereunder shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or any portion thereof and coupons then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, including obligations issued or held in book entry form on the books of, the Department of the Treasury of the United States of America, the principal of and the interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's waterworks.

SECTION XXIV. Additional Bond Provisions. The City reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The City reserves the right to authorize and issue additional bonds payable out of the revenues of its waterworks ranking on a parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to the waterworks, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this ordinance, and the interest on and principal of all bonds payable from the Net Revenues of the waterworks shall have been paid in accordance with their terms. The Reserve Account must contain, for all outstanding bonds, upon the issuance of additional parity bonds, (i) the reserve requirement for all outstanding bonds or (ii) reserve insurance must be obtained for all outstanding bonds, and for the additional parity bonds, the Reserve Account must contain, upon the issuance of additional parity bonds, (i) the lesser of (1) maximum annual debt service on the additional parity bonds, (2) 125% of average annual debt service on the additional parity bonds, or (3) 10% of the proceeds of the additional parity bonds; provided, however, that for so long as the DWSRF Program owns any Bonds or Outstanding Bonds, such amount shall be equal to the maximum annual debt service on the additional parity bonds, or (ii) reserve

insurance must be attained for the additional parity bonds. For purposes of this subsection, proceeds of the additional parity bonds shall mean the face amount of the additional parity bonds plus premium, if any, less original issue discount, if any. As long as the Surety Bond for the 2000 Bonds is in effect, only a Qualified Surety Bond (as defined in the ordinance authorizing the 2000 Bonds) may be used as reserve insurance and, for so long as the 2000 Bonds, 2003A Bonds and 2003B Bonds (collectively, "DWSRF Bonds") are outstanding, any Surety Bond for the reserve must be from a company, and in a form, acceptable to the State of Indiana.

(b) The Net Revenues of the waterworks in the calendar year immediately preceding the issuance of any such bonds ranking on a parity with the Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of the parity bonds the water rates and charges shall be increased sufficiently so that the increased rates and charges applied to the previous calendar year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all bonds payable from the revenues of the waterworks, including the parity bonds proposed to be issued. For purposes of this subsection, the records of the waterworks shall be analyzed and all showings prepared by a certified public accountant or nationally recognized financial consultant or consulting engineer employed by the City for that purpose. For purposes of this subsection, Net Revenues shall not include non-recurring revenues of the waterworks as certified by the USB or any outstanding fund balances from prior years.

(c) The interest on the additional parity bonds shall be payable semiannually on the first days of January and July and the principal on, or mandatory sinking fund redemption dates for, the additional parity bonds shall be payable semiannually on the first days of January and July.

(d) If any series of Bonds is sold to the DWSRF Program and so long as the DWSRF Bonds are outstanding, (i) the City obtains the consent of the State of Indiana, (ii) the City has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in this ordinance and the FAA for the DWSRF Bonds and any series of Bonds sold to the DWSRF Program, and (iii) the City is in compliance with its waterworks permits, except for non-compliance for which purpose the parity bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

(e) To the extent required by law, the issuance of additional bonds and any necessary increase in water rates and charges shall be approved by the IURC.

SECTION XXV. Further Covenants. For the purpose of further safeguarding the interests of the holders of the BANs and Bonds, it is specifically provided as follows:

(a) All contracts let by the City in connection with the construction of said Project shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Said Project shall be constructed under the supervision and subject to the approval of such competent engineers as shall be designated by the City. All estimates for work done or material furnished shall first be checked by the engineers and approved by the City.

(c) So long as any of the Bonds herein authorized are outstanding, the City shall at all times maintain its waterworks system in good condition, and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the BANs or Bonds herein authorized are outstanding, the City shall maintain insurance on the insurable parts of the system, of a kind and in an amount such as is usually carried by private corporations engaged in a similar type of business. If the Bonds are

sold to the DWSRF Program and for so long as the DWSRF Bonds are outstanding, the insurance shall be acceptable to the State of Indiana. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana.

All insurance proceeds shall be used either in replacing or restoring the property destroyed or damaged, or shall be deposited in the Sinking Fund.

(e) So long as any of the BANs or Bonds herein authorized are outstanding, the City shall not mortgage, pledge or otherwise encumber the property and plant of its waterworks system, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, excepting only such machinery, equipment or other property as may be replaced, or shall no longer be necessary for use in connection with said utility, and so long as any DWSRF Bonds are outstanding, or if the Bonds shall be sold to the DWSRF Program, the City shall obtain the prior written consent of the State of Indiana.

(f) If the BANs or Bonds are sold to the DWSRF Program and for so long as the DWSRF Bonds are outstanding, the City shall not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the waterworks, other than for normal operating expenditures, without the prior written consent of the State of Indiana if such undertaking would involve, commit or use the revenues of the waterworks.

(g) Except as otherwise specifically provided in Section 24 of this ordinance, so long as any of the Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the waterworks shall be authorized, executed, or issued by the City, except such as shall be made junior and subordinate in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed or defeased coincidentally with the delivery of such additional bonds or other obligations.

(h) The provisions of this ordinance shall constitute a contract by and between the City and the owners of the Bonds and BANs herein authorized, all the terms of which shall be enforceable by any bondholder by any and all appropriate proceedings in law or in equity. After the issuance of the Bonds or BANs, this ordinance shall not be repealed, amended or modified in any respect which will adversely affect the rights of the owners of said Bonds or BANs, nor shall the Common Council or any other body of the City adopt any law, ordinance or resolution in any way adversely affecting the rights of the bondholders so long as any of said Bonds, BANs or the interest thereon, remain outstanding or unpaid. Except in the case of changes described in Section 28 (a)-(f), this ordinance may be amended, however, without the consent of BAN or bondowners, if the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the BANs or Bonds; provided, however, that if the Bonds or BANs are sold to the DWSRF Program, the City shall obtain the prior written consent of the State of Indiana.

(i) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs herein authorized for the uses and purposes herein set forth, and the owners of the Bonds and BANs shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this ordinance and of said governing Act. The provisions of this ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of said fund as in this ordinance set forth. The owners of said Bonds shall have all of the rights, remedies and privileges set forth under Indiana law in the event of default in the payment of the principal of or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this ordinance or the governing Act.

SECTION XXVI. Investment of Funds. The Controller is hereby authorized to invest moneys pursuant to IC 5-1-14-3 and the provisions of this ordinance (subject to applicable requirements of federal law to insure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds and BANs under federal law. The Controller shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts continued or referenced herein. In order to comply with the provisions of the ordinance, the Controller is hereby authorized and directed to employ consultants or attorneys from time to time to advise the City as to requirements of federal

law to preserve the tax exclusion. The Controller may pay any such fees as operating expenses of the waterworks.

SECTION XXVII. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the Bonds or BANs, as the case may be (“Code”) and as an inducement to purchasers of the Bonds and BANs, the City represents, covenants and agrees that:

(a) The waterworks will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity other than the City or another state or local governmental unit will use more than 10% of the proceeds of the Bonds or BANs or property financed by the Bond or BAN proceeds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed by Bond or BAN proceeds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Bonds or BANs, as the case may be. If the City enters into a management contract for the waterworks with a nongovernmental entity, the terms of the contract will comply with IRS Revenue Procedure 97-13, as it may be amended, supplemented or superseded for time to time, so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in aggregate relates to no more than 10% of the proceeds of the Bonds or BANs, as the case may be.

(b) No more than 10% of the principal of or interest on the Bonds or BANs is (under the terms of the Bonds or BANs, this ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the City) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the Bond or BAN proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Bond or BAN proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond or BAN proceeds.

(d) The City reasonably expects, as of the date hereof, that the Bonds and BANs will not meet either the private business use test described in paragraphs (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Bonds or BANs, as the case may be.

(e) No more than 5% of the proceeds of the Bonds or BANs will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The City will not take any action nor fail to take any action with respect to the Bonds or BANs that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds or BANs pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion. The City covenants and agrees not to enter into any contracts or arrangements which would cause the Bonds or BANs to be treated as private activity bonds under Section 141 of the Code.

(g) It shall not be an event of default under this ordinance if the interest on any Bond or BAN is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds or BANs, as the case may be.

(h) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds or BANs, as the case may be.

(i) The City represents that it will rebate any arbitrage profits to the United States of America in accordance with and to the extent required by the Code.

(j) The City represents that:

(1) The Bonds and the BANs are not private activity bonds as defined in Section 141 of the Code;

(2) The City hereby designates the Bonds and the BANs as qualified tax-exempt obligations for purposes of Section 265(b) of the Code;

(3) The reasonably anticipated amount of qualified tax-exempt obligations (including qualified 501 (c)(3) obligations and tax-exempt leases but excluding other private activity bonds) which will be issued by the City, and all entities subordinate to the City during 2005 does not exceed \$10,000,000; and

(4) The City will not designate more than \$10,000,000 of qualified tax-exempt obligations during 2005.

Therefore, the Bonds and the BANs qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations.

SECTION XXVIII. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 25(h), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds issued pursuant to this ordinance and then outstanding shall have the right, from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that if the Bonds or BANs are sold to the DWSRF Program, the City shall obtain the prior written consent of the State of Indiana; and provided, further, that nothing herein contained shall permit or be construed as permitting:

- (a) An extension of the maturity of the principal of or interest on, or any mandatory sinking fund redemption date for, any Bond issued pursuant to this ordinance; or
- (b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of the revenues of the waterworks ranking prior to the pledge thereof created by this ordinance; or
- (d) A preference or priority of any Bond or Bonds issued pursuant to this ordinance over any other Bond or Bonds issued pursuant to the provisions of this ordinance; or
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or
- (f) A reduction in the Reserve Requirement.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk of the City, no owner of any Bond issued pursuant to this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to

question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the City and all owners of Bonds issued pursuant to the provisions of this ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this ordinance, the rights and obligations of the City and of the owners of the Bonds authorized by this ordinance, and the terms and provisions of the Bonds and this ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the Bonds issued pursuant to this ordinance then outstanding.

SECTION XXIX. Issuance of BANs. The City, having satisfied all the statutory requirements for the issuance of its Bonds, may elect to issue its BAN or BANs to a financial institution, the Indiana Bond Bank, the State of Indiana or to any other purchaser, pursuant to a Bond Anticipation Note Purchase Agreement (“BAN Agreement”) to be entered into between the City and the purchaser of the BAN or BANs. If the BANs are sold to the SRF Program, the FAA shall serve as the BAN Agreement. The Common Council hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing Bonds to provide interim financing for the Project until permanent financing becomes available. It shall not be necessary for the City to repeat the procedures for the issuance of its Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs. The Mayor and the Controller are hereby authorized and directed to execute a BAN Agreement or FAA (and any amendments made from time to time) in such form or substance as they shall approve acting upon the advice of counsel. The Mayor, Controller and the Clerk may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith.

SECTION XXX. IURC. The waterworks is subject to the jurisdiction of the IURC for the approval of the issuance of bonds and rates and charges. Prior to the issuance of the Bonds, the City shall obtain the approval of the IURC for the issuance of said Bonds. The City hereby authorizes the Mayor to retain legal counsel and other professional services as may be necessary to obtain said approval from the IURC and to initiate the proceedings necessary for obtaining said approval.

SECTION XXXI. Tax Exemption. Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance (“Tax Sections”) which are designed to preserve the exclusion of interest on the BANs and Bonds from gross income under federal law (“Tax Exemption”) need not be complied with if the City receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

SECTION XXXII. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith, except the ordinances authorizing the Outstanding Bonds, are hereby repealed; provided, however, that this ordinance shall not be construed as adversely affecting the rights of the owners of the Outstanding Bonds.

SECTION XXXIII. Headings. The headings or titles of the several sections shall be solely for convenience or reference and shall not affect the meaning, construction or effect of this ordinance.

SECTION XXXIV. Severability. If any section, sentence, or provision of this ordinance or the application thereof to any person or circumstance shall be declared invalid, such invalidity shall not affect any of the other parts of this ordinance which can be given effect without the invalid part, and to this end the provisions of this ordinance are declared to be severable.

SECTION XXXV. Effective Date. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington, Monroe County, and signing by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2005.

ANDY RUFF, President
Bloomington Common Council

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2005.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2005.

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This ordinance authorizes the issuance of waterworks revenue bonds in an amount not to exceed \$5,320,000.00 for the purpose of providing funds to pay the cost of certain additions, extensions and improvements to the municipal waterworks.

Ordinance 05-12

EXHIBIT A

Description of Project

The project consists of the acquisition of new office space for the City of Bloomington Utilities Department, the construction of improvements to the Monroe Water Treatment Plant and the relocation of the Highway 45/46 water line.

Ordinance 05-12

EXHIBIT B

Form of Bond

[Unless this Bond is presented by an authorized representative of The Depository Trust Company (“DTC”) to the Registrar or its agent for registration or transfer, exchange or payment, and any Bond issued is registered in the name of CEDE & Co. or such other name as requested by an authorized representative of DTC and any payment is made to CEDE & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, CEDE & Co., has an interest herein.]

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF MONROE

CITY OF BLOOMINGTON

WATERWORKS REVENUE BOND OF 200__, SERIES ____

[Maturity Date] [Interest Rate] [Original Date] [Authentication Date] [CUSIP]

Registered Owner:

Principal Sum:

The City of Bloomington, Indiana (“City”), in Monroe County, State of Indiana, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above[, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this Bond, or its assigns,] on [the Maturity Date set forth above] or [January 1 and July 1 on the dates and in the amounts as set forth on Exhibit A attached hereto] (unless this Bond be subject to and shall have been duly called for redemption and payment as provided for herein), and to pay interest hereon until the Principal Sum shall be fully paid at the rate per annum specified above from [the dates of payment made on this Bond] or [the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond unless this Bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this Bond is authenticated on

or before _____ 15, 200_, in which case it shall bear interest from the Original Date,] which interest is payable semiannually on the first days of January and July of each year, beginning on _____ 1, 200_. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

[The principal of this Bond is payable at the principal office of _____ (“Registrar” or “Paying Agent”), in the _____ of _____, Indiana.] All payments of [principal of and] interest on this Bond shall be paid by [check mailed one business day prior to the interest payment date] or [wire transfer for deposit to a financial institution as directed by the State on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date] to the registered owner hereof, as of the fifteenth day of the month preceding such payment, at the address as it appears on the registration books kept by [_____ (“Registrar” or “Paying Agent”) in the _____ of _____, Indiana] or [the Registrar] or at such other address as is provided to the Paying Agent in writing by the registered owner. [If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).] All payments on the Bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

This Bond shall not constitute an indebtedness of the City of Bloomington, Indiana, within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the City shall not be obligated to pay this Bond or the interest hereon except from the special fund provided from the Net Revenues.

This Bond is [the only] one of an authorized issue of Bonds of the City of Bloomington, Indiana, issued in series, [of like tenor and effect, except as to numbering, interest rate, and dates of maturity,] in the total amount of _____ Dollars (\$____) for this series (“Bonds”), numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of additions, extensions and improvements to the City's waterworks, [to refund interim notes issued in anticipation of the Bonds] and to pay incidental expenses, [including a premium for municipal bond insurance and a debt service reserve surety bond] as authorized by an Ordinance adopted by the Common Council of the City of Bloomington, Indiana, on the ___ day of _____, 2005, entitled “An Ordinance concerning the construction of additions, extensions and improvements to the waterworks of the City of Bloomington, Indiana, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said waterworks, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing ordinances inconsistent herewith” (“Ordinance”), and in strict compliance with the provisions of IC 8-1.5-2 and -3, as in effect on the issue date of the Bonds (“Act”).

[Reference is hereby made to the Financial Assistance Agreement between the City and the State of Indiana as to certain terms and covenants pertaining to the waterworks project and this Bond.]

[The bonds shall be initially issued in a book entry system by DTC. The provisions of this Bond and of the Ordinance are subject in all respect to the provisions of the Letter of Representations between the City and DTC, or any substitute agreement effecting such book entry system under DTC.]

Pursuant to the provisions of said Act and said Ordinance, the principal and interest of this Bond and all other Bonds of said issue, and any bonds hereafter issued on a parity therewith, [including the Waterworks Revenue Bonds of 200__, Series __ (“Series __ Bonds”),] are payable solely from the Waterworks Sinking Fund (continued by the Ordinance) to be provided from the Net Revenues (defined as the gross revenues of the waterworks of the City after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the waterworks of the City. The payment of this Bond ranks on a parity with the payment of the Outstanding Bonds (as defined in the Ordinance) [and the Series ____ Bonds].

The City of Bloomington, Indiana irrevocably pledges the entire Net Revenues of said waterworks to the prompt payment of the principal of and interest on the Bonds authorized by said Ordinance, of which this is one, and any bonds ranking on a parity therewith, including the Outstanding Bonds [and the Series ____ Bonds], to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of Operation and Maintenance (as defined in the Ordinance) of said works and for the payment of the sums required to be paid into the Waterworks Sinking Fund under the provisions of the Act and the Ordinance. The rates and charges of the waterworks shall be established, to the extent permitted by law, to produce Net Revenues sufficient to pay at least 1.20 times the annual debt service on the Outstanding Bonds, [the Series ____ Bonds,] the Bonds of this issue and any bonds hereafter issued on a parity herewith. If the City or the proper officers of the City shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Bond, the owner of this Bond shall have all of the rights and remedies provided for under Indiana law, including the provisions of the Act.

[The City of Bloomington, Indiana has designated the Bonds as qualified tax-exempt obligations to qualify for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986 relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.]

The City of Bloomington, Indiana further covenants that it will set aside and pay into its Waterworks Sinking Fund a sufficient amount of the Net Revenues of said works to meet (a) the interest on all bonds which by their terms are payable from the revenues of the waterworks, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the waterworks, as such principal shall fall due, and (d) an additional amount to create and maintain

the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of said works, on a parity with the Outstanding Bonds [and the Series ___ Bonds].

The Bonds of this issue maturing on _____ 1, _____, and thereafter, are redeemable at the option of the City on ___ 1, _____, or any date thereafter, on [thirty (30)][sixty (60)] days' notice, in whole or in part, in [the order of maturity as determined by the City][inverse order of maturity] and by lot within a maturity, at face value together with the following premiums:

- __% if redeemed on ___ 1, _____ or thereafter on or before _____, _____;
- __% if redeemed on ___ 1, _____ or thereafter on or before _____, _____;
- 0% if redeemed on ___ 1, _____, or thereafter prior to maturity;

plus in each case accrued interest to the date fixed for redemption.

[The Bonds maturing on _____ 1, _____ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

| <u>Date</u> | <u>Amount</u> |
|-------------|---------------|
|-------------|---------------|

*Final Maturity]

If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar. [If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.]

Notice of redemption shall be mailed to the address of the registered owner as shown on the registration record of the City, as of the date which is [sixty-five (65)][forty-five (45)] days prior to such redemption date, not less than [sixty (60)][thirty (30)] days prior to the date fixed for redemption. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

If this Bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with its depository bank, an amount sufficient to pay such Bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to

the funds so deposited in trust with said bank for payment and the City shall have no further obligation or liability in respect thereto.

This Bond is transferable or exchangeable only upon the books of the City kept for that purpose at the office of the Registrar, by the registered owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The City, the Registrar and any paying agent for this Bond may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

This Bond is subject to defeasance prior to redemption or payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the Bonds as provided in the Ordinance.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of \$_____ or any integral multiple thereof not exceeding the aggregate principal amount of the Bonds maturing in such year.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and complete execution, issuance and delivery of this Bond have been done and performed in regular and due form as provided by law.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the City of Bloomington, in Monroe County, Indiana, has caused this Bond to be executed in its corporate name by the manual or facsimile signature of its Mayor, countersigned manually or by facsimile by its Controller, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Clerk.

CITY OF BLOOMINGTON, INDIANA

By: _____
MARK KRUZAN, Mayor
City of Bloomington

[SEAL]

COUNTERSIGNED:

By: _____
MARY SUSAN CLARK, Controller
City of Bloomington

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this Bond is one of the Bonds described in the Ordinance.

_____,
as Registrar

By: _____
Authorized Representative

[STATEMENT OF INSURANCE]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____, the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer the within Bond in the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Ordinance 05-12
Exhibit C

STATE OF INDIANA
DRINKING WATER REVOLVING LOAN PROGRAM

FINANCIAL ASSISTANCE AGREEMENT made as of this ___ day of _____ 200_ by and between the State of Indiana (the “State”) acting by and through the State Budget Agency (the “Budget Agency”) and the City of Bloomington, Indiana (the “Qualified Entity”), a political subdivision as defined in I.C. 13-11-2-164, operating its water utility under I.C. 8-1.5-2, witnesseth:

WHEREAS, the State’s Drinking Water Revolving Loan Program (the “Drinking Water SRF Program”) has been established in accordance with the federal Safe Drinking Water Act and any regulations promulgated thereunder, and pursuant to I.C. 13-18-21 (the “Drinking Water SRF Act”), which Drinking Water SRF Act also establishes the drinking water revolving loan fund (the “Drinking Water SRF Fund”); and

WHEREAS, the State is authorized pursuant to the Drinking Water SRF Act to fund the Drinking Water SRF Program with federal capitalization grants, together with required State matching funds, therefor; and

WHEREAS, the Indiana Bond Bank (the “Bond Bank”) has had a longstanding commitment to finance water quality and drinking water projects for qualified entities by issuing its bonds, pursuant to I.C. 5-1.5 (the “Bond Bank Act”) for the purpose of buying securities of such qualified entities; and

WHEREAS, in keeping with its public purpose under the Bond Bank Act, the Bond Bank intends to cooperate with the State in financing the Drinking Water SRF Program, including the required State matching funds, and the political subdivisions’ drinking water projects and, to that end, the State intends to cooperate with the Bond Bank; and

WHEREAS, to finance the Drinking Water SRF Program, including the required State matching funds, the Bond Bank has previously and will issue from time to time one or more series of its State Revolving Fund Program Bonds; and

WHEREAS, the Qualified Entity is a duly existing political subdivision of the State, lawfully empowered to undertake all transactions and execute all documents mentioned or contemplated herein; and

WHEREAS, the Qualified Entity has previously entered into with the State a Financial Assistance Agreement, dated as of April 7, 2000, a Financial Assistance Agreement, dated as of June 23, 2000, an Amended and Restated Financial Assistance Agreement, dated as of June 30, 2000 as amended and restated as December 29, 2000, a Financial Assistance Agreement, dated as of September 4, 2003 and a Financial Assistance Agreement, dated as of April 18, 2003 (each a “Prior Agreement” and collectively the “Prior Agreements”), to borrow money from the Wastewater SRF Program and Drinking Water SRF Program to construct and acquire separate projects (as described and defined in the respective Prior Agreement); and

WHEREAS, the Qualified Entity has determined to undertake a drinking water system project (as more fully described herein, the “Project”) and to borrow money from the Drinking Water SRF Program to construct and acquire the Project, which is separate from the projects described in the Prior Agreements; and

WHEREAS, the State and the Qualified Entity desire to set forth the terms of such financial assistance as hereinafter provided.

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the State and the Qualified Entity agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following terms shall, for all purposes of this Agreement, have the following meaning:

“Agency” shall mean the United States Environmental Protection Agency or its successor.

“Authorizing Instrument(s)” shall mean the separate trust indenture(s) of the Qualified Entity entered into with a corporate trustee or the detailed resolution(s) or ordinance(s) of the governing body of the Qualified Entity pursuant to which the Bonds are issued in accordance with State law.

“Authorized Representative” shall mean the Controller of the Qualified Entity or such other officer, official, or representative of the Qualified Entity duly authorized to act for and on behalf of the Qualified Entity as provided for herein.

“Bond” or **“Bonds”** shall mean the instrument(s) which evidence(s) the Loan, as authorized by the Authorizing Instrument and containing the terms set forth in Section 2.02 of this Agreement.

“Bond Bank Bonds” shall mean any Indiana Bond Bank State Revolving Fund Program Bonds or the Indiana Bond Bank Water Quality Program Bonds issued as a part of the Drinking Water SRF Program.

“Bond Fund” shall mean the separate and segregated fund or account established and created by the Political Subdivision pursuant to the Authorizing Instrument from which payment of the principal of and interest on the Bonds is required to be made by the Qualified Entity.

“Budget Agency” shall mean the State Budget Agency created under I.C. 4-12-1-3 or its successor.

“Business Day” shall mean any day other than a Saturday, Sunday or State legal holiday or any other day on which financial institutions in the State are authorized by law to close and to remain closed.

“Code” shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, together with the regulations related thereto.

“Commission” shall mean the Indiana Utility Regulatory Commission created under I.C. 8-1-1-2 or its successor.

“Department” shall mean the Indiana Department of Environmental Management created under I.C. 13-13-1-1 or its successor.

“Disbursement Request” shall mean a request for a disbursement of the Loan made by an Authorized Representative in the form of Exhibit A to this Agreement, and incorporated herein, with appropriate attachments, or in such other forms as the State may from time to time prescribe.

“Drinking Water SRF Fund” shall mean the drinking water revolving loan fund as established by I.C. 13-18-21-2.

“Drinking Water SRF Indenture” shall mean the First Amended and Restated Drinking Water SRF Trust Indenture, dated as of February 1, 2004 between the State and the Trustee, as amended and supplemented from time to time.

“Drinking Water SRF Program Director” shall mean the person designated by the Department and the Budget Agency as authorized to act as the Drinking Water SRF Program Director for purposes of this Agreement.

“Drinking Water SRF Program Representative” shall mean the person designated by the Department and the Budget Agency as authorized to act as the Drinking Water SRF Program Representative.

“Drinking Water System” shall mean all, or any part of, the system for the provision to the public of water for human consumption through pipes and other constructed conveyances that:

- (1) has at least fifteen (15) service connections; or
- (2) regularly serves at least twenty-five (25) individuals;

and as further defined and described in I.C. 13-11-2-177.3, 85 I.A.C. 2-2-26 and 327 I.A.C. 14-2-28, each as amended and supplemented from time to time.

“Eligible Cost” shall mean and include, whether incurred before or after the date of this Agreement, all costs which have been incurred and qualify for Financial Assistance, including engineering, financing and legal costs related thereto.

“Financial Assistance” shall mean the financial assistance authorized by the Safe Drinking Water Act, including the Loan.

“Loan” shall mean the purchase of the Bonds by the State to finance the planning, designing, constructing, renovating, improving and expanding of the Qualified Entity’s Drinking Water System or refinance an existing debt obligation where such debt was incurred and building of such systems began after July 1, 1993, but does not mean the provision of other Financial Assistance.

“Non-Use Close-out Date” shall mean that date which is the earlier of (a) the first date as of which the full amount of the Loan has been disbursed on a cumulative basis or (b) the date as of which the Qualified Entity binds itself that no further Loan disbursements will be made under this Agreement.

“Non-Use Fee” shall mean a fee in an amount determined by the Budget Agency charged to compensate the State for costs and expenses within the SRF Program. Such amount shall be the greater of (A) the product of the undrawn balance of the Loan on each applicable Non-Use Assessment Date multiplied by one percent (1%) or (B) One Thousand Dollars (\$1,000). Such fee shall apply and be payable under Section 5.09 herein with respect to each Non-Use Assessment Date until the Non-Use Close-out Date shall occur.

“Non-Use Assessment Date” shall mean _____, 20__ and the first day of each sixth (6th) calendar month thereafter unless and until the Non-Use Close-out Date occurs in advance of any such Non-Use Assessment Date.

“Operation and Maintenance” shall mean the activities required to assure the continuing dependable and economic function of the Drinking Water System, including maintaining compliance with primary and secondary drinking water standards, as follows:

- (1) Operation shall mean the control and management of the unit processes and equipment which make up the Drinking Water System, including financial and personnel management, records, reporting, laboratory control, process control, safety and emergency operation planning and operating activities.
- (2) Maintenance shall mean the preservation of the functional integrity and efficiency of equipment and structures by implementing systems of preventive and corrective maintenance.

“Plans and Specifications” shall mean the detailed written descriptions of the work to be done in undertaking and completing the Project, including the written descriptions of the work to be performed and the drawings, cross-sections, profiles and the like which show the location, dimensions and details of the work to be performed.

“Preliminary Engineering Report” shall mean the information submitted by the Qualified Entity that is necessary for the Department to determine the technical, economic and environmental adequacy of the proposed Project.

“Project” shall mean the activities or tasks identified and described in Exhibit B to this Agreement, and incorporated herein, as amended or supplemented by the Qualified Entity and consented to by the State, for which the Qualified Entity may expend the Loan.

“Purchase Account” shall mean the account by that name created by the Drinking Water SRF Indenture and held as part of the Drinking Water SRF Fund.

“Safe Drinking Water Act” shall mean the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq. and other laws supplemental thereto, as amended and supplemented from time to time.

“State” shall mean the State of Indiana, acting through the Department and the Budget Agency.

“Substantial Completion of Construction” shall mean the day on which the Department determines that all but minor components of the Project have been built, all equipment is operational and the Project is capable of functioning as designed.

“Trustee” shall mean J.P. Morgan Trust Company, NA, Indianapolis, Indiana, in its capacity as trustee or its successor under the Drinking Water SRF Indenture.

(End of Article I)

ARTICLE II

PURPOSE OF BORROWING AND LOAN TERMS

Section 2.01. Amount; Purpose. The State agrees to Loan an amount not to exceed _____ Dollars (\$_____) in aggregate principal amount to the Qualified Entity as Financial Assistance to pay for the Eligible Costs, as hereinafter described, of the Project on, and subject to, the terms and conditions contained herein. The Loan shall be used only to pay the following Eligible Costs: (a) eligible planning services for the production of a Preliminary Engineering Report (“Planning”), (b) eligible design services for the production of Plans and Specifications (“Design”) and (c) eligible construction costs, including financing and legal costs (“Construction”). The Loan shall be funded solely from available proceeds of the Bond Bank Bonds contained in the Purchase Account or from other sources the State, in its sole discretion, may designate. The Loan is evidenced by the Bonds executed and delivered by the Qualified Entity contemporaneously herewith. The Bonds shall be in fully registered form, with the Bond Bank registered as the registered owner. Pursuant to certain agreements between the State and the Bond Bank, so long as the Bond Bank is the registered owner, the principal of and redemption premium, if any, and interest on the Bonds shall be paid to the Trustee by a wire transfer referenced as follows: J.P. Morgan Trust Company, National Association, BNF: Corporate Trust Services, 021 00 021 and Account number 507199561, OBI: INDIANA BOND BondK SRF, Attn: SRF Contact Trust Officer (317) 756-1302. The Qualified Entity agrees to undertake and complete the Project and to receive and expend the Loan proceeds in accordance with this Agreement.

Section 2.02. The Bonds.

(a) The Bonds will bear interest¹ at the per annum rate of _____ percent (___%) (calculated on the basis of a 360-day year comprised of twelve 30-day months) until paid, as provided in I.C. 13-18-21-10 and -15. Interest, if any, on the Bonds will be payable on January 1 and July 1 of each year, commencing _____, 200_. The Bonds will be in the aggregate principal amount of { _____ Dollars (\$_____). Subject to Section 2.05 herein, the Bonds will mature semiannually on January 1 and July 1 of each of the years set forth in, and at the principal amount set opposite each such month and year set forth in, the schedule contained in Exhibit C to this Agreement (which is hereby incorporated by reference); provided, however, notwithstanding the foregoing or the terms of the Bonds to the contrary, no maturity of Bonds shall extend beyond the date which is twenty (20) years after Substantial Completion of Construction. If the maturity date for any Bonds is beyond such date, unless otherwise agreed to, such Bonds, together with accrued and unpaid interest thereon, will be due and payable on such date.

(b) The Bonds will be subject to redemption by the Qualified Entity as provided in the Authorizing Instrument.

(c) The form and other terms of the Bonds will be in conformity with the Authorizing Instrument.

Section 2.03. Disbursement Conditions. Each of the following shall be a condition precedent to the disbursement of the Loan or any portion thereof:

(a) (1) With respect to procurement of professional services related to the Project to be paid from Loan proceeds, the Qualified Entity shall have complied with 85 I.A.C. 2-2-26 and 327 I.A.C. 14-10-1. (2) With respect to procurement of all other goods and services related to the Project to be paid from Loan proceeds, the Qualified Entity shall have complied with I.C. 36-1-12.

(b) No representation, warranty or covenant of the Qualified Entity contained in this Agreement or in any paper executed and delivered in connection with the

¹ On October 27, 2003, the State Board of Finance adopted the present interest rate policy for SRF Loans. Subject to changes thereafter adopted, this interest rate will be determined by established criterion as of the date when this Agreement is entered into by the State. (Until set when this Agreement is entered, the SRF interest rates change quarterly. Contact the SRF Program to be informed of the rates currently in effect.)

transactions contemplated by this Agreement shall be false or inaccurate in any material respect.

(c) The Qualified Entity shall undertake and faithfully perform each of its obligations, agreements and covenants contained in this Agreement, the Authorizing Instrument and the Bonds.

(d) There shall be available to the State uncommitted funds in an amount sufficient to satisfy the State's obligations hereunder from the proceeds of Bond Bank Bonds in the Purchase Account.

(e) The Qualified Entity shall have undertaken all actions necessary to comply with and satisfied the conditions and requirements for a Loan secured with money made available from the Drinking Water SRF Fund as set forth in federal and State statutes, rules and regulations, including I.C. 13-18-21, 85 I.A.C. 2, 327 I.A.C. 14, the Safe Drinking Water Act and 40 C.F.R. Part 35.

(f) Prior to making any Loan disbursement to pay any Construction costs, the Project shall have been approved by the State's Historical Preservation Officer in a manner consistent with the policies and practices of the SRF Program (the "Historical Preservation Approval"). Notwithstanding any provision of this Agreement to the contrary, in the event a Historical Preservation Approval has not been given within four (4) months after the date of this Agreement, the State may, in its sole discretion, reduce the aggregate amount of the Loan to the amount then disbursed and outstanding under this Agreement. Upon giving notice to the Qualified Entity of such action, no further Loan disbursement may be made under this Agreement unless consented to by the State.

Section 2.04. Disbursement Procedures. Loan proceeds shall be disbursed to the Qualified Entity by the Trustee for actual Eligible Costs incurred with respect to the Project. The State may, in its discretion, cause Loan disbursements to be made (a) directly to the person or entity identified in the Disbursement Request to whom payment is due, or (b) if advised in writing by the Qualified Entity that I.C. 36-1-12-14 or a similar law applies to the Project, to the Qualified Entity for purposes of collecting retainage, or some combination thereof. Any Loan proceeds in excess of the amount subject to retainage controlled by the Qualified Entity will be immediately remitted to the person or entity to whom payment is due, no later than three (3) Business Days after receipt or the date such Loan proceeds are no longer subject to retainage. Loan disbursements shall not be made more frequently than monthly and shall only be made following the submission of a Disbursement Request to the State. Disbursement Requests shall be approved by the Department and the Drinking Water SRF Program Representative prior to submission to the Trustee for a Loan disbursement. Disbursement Requests shall be numbered sequentially, beginning with the number 1.

Section 2.05. Effect of Disbursements. Loan disbursements made to or for the benefit of the Qualified Entity shall be deemed to be a purchase of the Bonds in such amounts and with such maturities as achieves as level a debt service as practicable, and with no maturity longer than the original maturity schedule; provided that any principal payments originally scheduled under Section 2.02 herein as being due prior to one year after Substantial Completion of Construction shall first be deemed to be a purchase of the Bonds in order of maturity. Interest on the Loan commences on the day that the State approves a Disbursement Request and forwards such Disbursement Request to the Trustee for payment. In the event any Loan disbursement is made in excess of Eligible Costs, such excess disbursements shall be immediately paid by the Qualified Entity to the Trustee and may, subject to the terms and conditions set forth in this Agreement, be borrowed by the Qualified Entity.

Section 2.06. Acknowledgment of Amount of Loan; Final Disbursement. Within 30 days after any request by the State from time to time, the Qualified Entity shall execute and deliver to the State an acknowledgment in the form prescribed by the State which acknowledges the outstanding principal of and interest on the Bonds. Unless the State consents in writing, no Loan disbursement shall be made more than one year after Substantial Completion of Construction. After Substantial Completion of Construction, upon the request of the State, the Qualified Entity shall replace, at its expense, the Bonds with substitutes issued pursuant to the Authorizing Instrument to evidence the outstanding principal under the Loan.

(End of Article II)

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE QUALIFIED ENTITY

Section 3.01. Planning, Design and Construction Covenants. The Qualified Entity hereby covenants and agrees with the State that the Qualified Entity will:

(a) Provide information as requested by the State to determine the need for, or to complete any necessary, environmental review or analysis.

(b) Comply with the procurement procedures and affirmative action requirements contained in 85 I.A.C. 2-10 and 327 I.A.C. 14-10 in the Planning, Design and Construction of the Project to the extent that such are to be paid from Loan proceeds.

(c) With respect to prime and first tier contract awards, report minority and women business enterprise utilization in the Planning, Design and Construction of the Project, to the extent that such are to be paid from Loan proceeds, by executing and delivering Agency Form SF 5700-52 to the Department whenever any agreements or subagreements are awarded. (These reports must be submitted by the 15th day of each January, April, July and October after which such agreement or subagreement is awarded).

(d) Comply with all applicable federal, State and local statutes, rules and regulations relating to the acquisition and construction of the Drinking Water System.

(e) In the event Construction is to be paid from Loan proceeds, prior to an award of any contract for Construction of the Project, obtain a construction permit from the Department and receive the written approval of the Department of the Preliminary Engineering Report.

(f) Obtain the property rights necessary to construct the Drinking Water System and, in procuring any such rights comply with federal and State law.

(g) In the event Construction is to be paid from Loan proceeds, comply with the federal Davis-Bacon Act, codified at 40 U.S.C. 276a-276a-5.

(h) In the event Construction is to be paid from Loan proceeds, execute and deliver to the Department Agency Form 4700-4 ("Pre-award Compliance Review Report for Wastewater Treatment Construction Grants") and Agency Form 5700-49 ("Certification Regarding the Debarment, Suspension, and Other Responsibility Matters").

(i) In the event Construction is to be paid from Loan proceeds, follow guidance issued by the Department in procuring contracts for Construction, including (1) submission to the Department of Project change orders, (2) obtaining approval from the Drinking Water SRF Program Director and the Drinking Water SRF Program Representative of any Project change order which significantly changes the scope or Design of the Project or, when taking into account other change orders and contracts, are reasonably expected to result in expenditures in an amount greater than the Loan, (3) receiving approval from the Drinking Water SRF Program Director prior to the award of any contract for Construction and (4) receiving authorization from the Drinking Water SRF Program Director prior to initiating procurement of Construction of the Project.

(j) In the event Construction is to be paid from Loan proceeds, before awarding Construction contracts, receive approval of the Drinking Water SRF Program Director for any interlocal agreement associated with the Project.

(k) In the event Construction is to be paid from Loan proceeds, cause the Project to be constructed in accordance with the Preliminary Engineering Report and the Plans and Specifications, using approved contract papers.

(l) Permit the State and its agents to inspect from time to time (1) the Project, (2) the Drinking Water System and (3) the books and other financial records of the Drinking Water System, including the inspections described in 85 I.A.C. 2-11-7, 85 I.A.C. 2-12-1, 327 I.A.C. 14-11-7 and 327 I.A.C. 14-12-1. Construction contracts shall provide that the State or its agents will have access to the Project and the work related thereto and that the Qualified Entity's contractor will provide proper facilities for such access and inspection. All files and records pertaining to the Project shall be retained by the Qualified Entity for at least six years after Substantial Completion of Construction.

(m) Upon Substantial Completion of Construction and when requested by the State, provide audited reports to the State to permit the State to determine that the Loan proceeds have been used in compliance with this Agreement.

(n) In the event Construction is to be paid from Loan proceeds, within one year of Substantial Completion of Construction, provide as-built plans for the Project to the Department.

Section 3.02. General Covenants. The Qualified Entity hereby covenants and agrees with the State that the Qualified Entity will:

(a) Comply with all applicable federal, State and local statutes, rules and regulations relating to Operation and Maintenance.

(b) (1) Own, operate and maintain the Project and the Drinking Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Drinking Water System in good condition and operate it in an efficient manner and at a reasonable cost; and (3) not sell, transfer, lease or otherwise encumber the Drinking Water System or any portion thereof or any interest therein without the prior written consent of the State.

(c) Obtain and maintain the property rights necessary to operate and maintain the Drinking Water System, and in procuring any such rights, comply with federal and State law.

(d) Acquire and maintain insurance coverage acceptable to the State, including fidelity bonds, to protect the Drinking Water System and its operations. All insurance shall be placed with responsible insurance companies qualified to do business under State law. Insurance proceeds and condemnation awards shall be used to replace or repair the Drinking Water System unless the State consents to a different use of such proceeds or awards.

(e) Establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the Drinking Water System in accordance with (1) generally accepted governmental accounting principles, as promulgated by the Government Accounting Standards Board and (2) the rules, regulations and guidance of the State Board of Accounts.

(f) Provide to the State such periodic financial and environmental reports as it may request from time to time, including (1) annual operating and capital budgets and (2) such other information requested or required of the State or the Qualified Entity by the Agency.

(g) Provide notice to the Department under the circumstances contemplated, and undertake inspections as required, by 85 I.A.C. 2-11-7 and 327 I.A.C. 14-11-7.

(h) (1) Establish and maintain just and equitable rates and charges for the use of and the service rendered by the Drinking Water System, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Drinking Water System, or that in any way uses or is served by the Drinking Water System, (2) establish, adjust and maintain rates and charges at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the Qualified Entity) to provide for the proper Operation and

Maintenance of the Drinking Water System, to comply with and satisfy all covenants contained herein and to pay all obligations of the Drinking Water System and of the Qualified Entity with respect thereto, and (3) if and to the extent Bonds are payable from property taxes, levy each year a special ad valorem tax upon all property located in the boundaries of the Qualified Entity, to pay all obligations of the Qualified Entity with respect thereto.

(i) If the Bonds are payable from the revenues of the Drinking Water System, not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the Drinking Water System without the prior written consent of the State if such undertaking would involve, commit or use the revenues of the Drinking Water System; provided that the Qualified Entity may authorize and issue additional obligations, payable out of the revenues of its Drinking Water System, ranking on a parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to the Drinking Water System, or to refund obligations of the Drinking Water System, subject to the conditions, if any, in the Authorizing Instrument.

(j) Comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d *et seq.*, the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(k) Undertake all actions necessary to investigate all potential, material claims which the Qualified Entity may have against other persons with respect to the Drinking Water System and the Project and take whatever action is necessary or appropriate to (1) recover on any actionable, material claims related to the Project or the Planning, Design or Construction thereof, (2) meet applicable Project performance standards and (3) otherwise operate the Drinking Water System in accordance with applicable federal, State and local law.

(l) Not modify, alter, amend, add to or rescind any provision of the Authorizing Instrument without the prior written consent of the State.

Section 3.03. Representations and Warranties of the Qualified Entity. After due investigation and inquiry, the Qualified Entity hereby represents and warrants to the State that:

(a) The Qualified Entity is duly organized and existing under state law, and constitutes a “political subdivision” within the meaning of I.C. 13-11-2-164 and a “qualified entity” within the meaning of I.C. 5-1.5-1-8. The Project and the Drinking Water System are subject to I.C. 8-1.5-2.

(b) The Qualified Entity and its Drinking Water System are subject to the jurisdiction of the Commission under I.C. 8-1-2 and the Project and the Bonds are subject to the Commission’s review and approval requirements. If the Qualified Entity or its Drinking Water System is subject to the jurisdiction of the Commission under I.C. 8-1-2 or any other applicable law, the Commission has reviewed and approved the Project and the issuance of the Bonds and no additional approvals or consents are required to be obtained from the Commission related thereto.

(c) The Qualified Entity has full power and authority to adopt the Authorizing Instrument, enter into this Agreement and issue the Bonds and perform its obligations hereunder and thereunder.

(d) By all required action, the Qualified Entity has duly adopted the Authorizing Instrument and authorized the execution and delivery of this Agreement, the Bonds and all other papers delivered in connection herewith.

(e) Neither the execution of, nor the consummation of the transaction contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a

default under, any indenture, mortgage, lease, agreement or instrument to which the Qualified Entity is a party or by which the Qualified Entity or its property, including the Drinking Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(f) There is no litigation pending or, to the knowledge of the Qualified Entity, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Authorizing Instrument or the Bonds or the authority or ability of the Qualified Entity to execute and deliver this Agreement or the Bonds and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Qualified Entity to meet its obligations under this Agreement, the Authorizing Instrument or the Bonds.

(g) The Qualified Entity has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Qualified Entity.

(h) All information furnished by the Qualified Entity to the State or any of the persons representing the State in connection with the Loan or the Project is accurate and complete in all material respects.

(i) The Qualified Entity has taken or will take all proceedings required by law to enable it to issue and sell the Bonds as contemplated by this Agreement.

Each of the foregoing representations and warranties will be deemed to have been made by the Qualified Entity as of the date of this Agreement and as of the date of any disbursement of Loan proceeds. Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the State may have undertaken.

Section 3.04. Covenants Regarding Assignment. The Qualified Entity acknowledges that the State may sell or assign the Bonds or cause the Bonds to be sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 5.02 herein. The Qualified Entity covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the State, the Qualified Entity covenants and agrees with the State that the Qualified Entity will, at its expense, furnish any information, financial or otherwise, with respect to the Qualified Entity, this Agreement, the Authorizing Instrument and the Bonds and the Drinking Water System as the State reasonably requests in writing to facilitate the sale or assignment of the Bonds.

Section 3.05. Nature of Information. All information furnished by the Qualified Entity to the State or any person representing the State in connection with the Loan or the Project may be furnished to any other person the State, in its judgment, deems necessary or desirable in its operation and administration of the Drinking Water SRF Program.

Section 3.06. Tax Covenants. The Qualified Entity hereby covenants that it will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause to permit to be taken by it or by any party under its control, any action that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code. The Qualified Entity further covenants that it will not do any act or thing that would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code or “arbitrage bonds” within the meaning of Section 148 of the Code. In furtherance and not in limitation of the foregoing, the Qualified Entity shall take all action necessary and appropriate to comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable to the Qualified Entity or the Bonds, including accounting for and making provision for the payment of any and all amounts that may be required to be paid to the United States of America from time to time pursuant to Section 148 of the Code.

Section 3.07. Non-Discrimination Covenant. Pursuant to and with the force and effect set forth in I.C. 22-9-1-10, the Qualified Entity hereby covenants that the Qualified Entity, and its contractor and subcontractor for the Project, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to the hire, tenure, terms, conditions or privileges of employment, or any matter directly or

indirectly related to employment, because of race, color, religion, sex, disability, national origin or ancestry.

(End of Article III)

ARTICLE IV

DEFAULTS

Section 4.01. Remedies. The State's obligation to make a disbursement under the Loan to the Qualified Entity hereunder may be terminated at the option of the State, without giving any prior notice to the Qualified Entity, in the event: (a) the Qualified Entity fails to undertake or perform in a timely manner any of its agreements, covenants, terms or conditions set forth herein or in any paper entered into or delivered in connection herewith; or (b) any representation or warranty made by the Qualified Entity as set forth herein or in any paper entered into or delivered in connection herewith is materially false or misleading. Any such event shall constitute an event of default. If an event of default occurs, the State without giving any prior notice, may declare the entire outstanding principal amount of the Loan, together with accrued interest thereon, immediately due and payable.

Section 4.02. Effect of Default. Failure on the part of the State in any instance or under any circumstance to observe or perform fully any obligation assumed by or imposed upon the State by this Agreement or by law shall not make the State liable in damages to the Qualified Entity or relieve the Qualified Entity from paying any Bond or fully performing any other obligation required of it under this Agreement or the Authorizing Instrument; provided, however, that the Qualified Entity may have and pursue any and all other remedies provided by law for compelling performance by the State of such obligation assumed by or imposed upon the State. The obligations of the State hereunder do not create a debt or a liability of the State under the constitution of the State or a pledge of the faith or credit of the State and do not directly, indirectly or contingently, obligate the State to levy any form of taxation for the payment thereof or to make any appropriation for their payment. Neither the State nor any agent, attorney, member or employee of the State shall in any event be liable for damages, if any, for the nonperformance of any obligation or agreement of any kind whatsoever set forth in this Agreement.

Section 4.03. Defaults under other Financial Assistance Agreements. The Qualified Entity and the State agree that any event of default occurring under the Prior Agreements shall constitute an event of default under this Agreement. Similarly, the Qualified Entity and the State agree that any event of default under this Agreement, or under any subsequent financial assistance agreement enter into between the Qualified Entity and the State, shall constitute an event of default under the Prior Agreements and the subsequent financial assistance agreement, if any, as the case may be.

(End of Article IV)

ARTICLE V

MISCELLANEOUS

Section 5.01. Citations. Any reference to a part, provision, section or other reference description of a federal or State statute, rule or regulation contained herein shall include any amendments, replacements or supplements to such statutes, rules or regulation as may be made effective from time to time.

Section 5.02. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Qualified Entity without the prior written consent of the State and any attempt at such an assignment without such consent shall be void. The State may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Authorizing Instrument, and the Bonds to an agency of the State or to a separate body corporate and politic of the State or to a trustee under trust instrument to which the State or any assignee is a beneficiary or party. The State may at its option assign all or a portion of its rights under this Agreement to any person. The Qualified Entity hereby consents to any such assignment by the State. This Agreement shall be binding upon and inure to the benefit of any permitted successor and assign.

Section 5.03. No Waiver. Neither the failure of the State nor the delay of the State to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 5.04. Modifications. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto.

Section 5.05. Entire Agreement. This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Authorizing Instrument and the other papers delivered in connection herewith. In the event there is a conflict between the terms of this Agreement and the Authorizing Instrument, the terms of this Agreement shall control. It is expressly understood and agreed that except as otherwise provided herein this Agreement represents an integration of any and all prior and contemporaneous promises, agreements, conditions, undertakings, warranties and representations between the parties hereto. This Agreement shall not be deemed to be a merger or integration of the existing terms under the Prior Agreements except as expressly set forth in Section 4.03 herein.

Section 5.06. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the State and the Qualified Entity, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 5.07. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Agreement on the part of the State or the Qualified Entity to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Bonds to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 5.08. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the State shall be addressed to:

State of Indiana
SRF Programs
100 North Senate, Room 1275
Indianapolis, Indiana 46204
Attention: Executive Director

or at such other address(es) or number(s) and to the attention of such other person(s) as the State may designate by notice to the Qualified Entity. Notices to the Qualified Entity shall be addressed to:

City of Bloomington
City Hall
P.O. Box 100
Bloomington, Indiana 47402
Attention: Controller

or at such other address(es) or number(s) and to the attention of such other person(s) as the Qualified Entity may designate by notice to the State. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) Business Days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) Business Day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 5.09. Expenses. The Qualified Entity covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Bonds and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses in connection with making and administering the Loan; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys' fees, incurred by the State in connection with the enforcement of this Agreement, the Authorizing Instrument and the Bonds in the event of the breach by the Qualified Entity of or a default under this Agreement, the Authorizing Instrument or the Bonds. Notwithstanding clause (b) above, the Qualified Entity shall not be obligated to pay any of the fees, costs and expenses in connection with administering the Loan except as follows: (1) the State may request and the Qualified Entity shall promptly pay (no later than the date first above written), a closing fee in connection with the Loan in an amount determined by the State, but not exceeding \$1,000, which may not be paid from a Loan disbursement; (2) the State may request and the Qualified Entity shall promptly pay (no later than thirty (30) days after any request), an annual administrative fee in connection with the Loan in an amount determined by the State, but not exceeding \$1,000, which may not be paid from a Loan disbursement; (3) the State may request and the Qualified Entity shall promptly pay (no later than thirty (30) days after any request), a Non-Use Fee in connection with the Loan, which may not be paid from a Loan disbursement; (4) for so long as the State or the Bond Bank is the registered owner of the Bonds, at the direction of the State, the interest rate on the Bonds may be adjusted to lower the interest rate on the Bonds, and the difference between the amount payable as the original rate on the Bonds and the lower rate shall be deemed an additional administrative fee in connection with the Drinking Water SRF Program; and (5) the Qualified Entity shall only be obligated to pay fees, costs and expenses of the State's counsel and financial advisers in connection with making the Loan up to \$5,000, which may be paid from a Loan disbursement.

Section 5.10. Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Indiana.

Section 5.11. Term. This Agreement shall terminate at such time as the Qualified Entity has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Bonds or provision for the payment of the Bonds pursuant to the Authorizing Instrument.

Section 5.12. Non-Collusion. The undersigned attests, subject to the penalties of perjury, that he/she is an authorized officer or representative of the Qualified Entity, that he/she has not, nor has any other officer or representative of the Qualified Entity, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive pay, and that the undersigned has not received or paid any sum of money or other consideration for the execution of this agreement other than that which appears upon the face of the agreement or is a payment to lawyers, accountants and engineers by the Qualified Entity related to customary services rendered in connection with the Loan.

(End of Article V)

[THE REMAINDER OF THIS PAGE HAS
BEEN INTENTIONALLY LEFT BLANK]

EXHIBIT A

STATE OF INDIANA
STATE REVOLVING FUND LOAN PROGRAMS
100 NORTH SENATE AVENUE, ROOM 1275
INDIANAPOLIS, IN 46204
317-234-3080

REQUEST FOR DISBURSEMENT

The undersigned Authorized Representative of the Qualified Entity named in this Request, on behalf of such Qualified Entity, hereby (i) requests that the State make a Disbursement, or cause a Disbursement to be made, according to this Request and (ii) directs that the State mail, or cause to be mailed, the Disbursement to the Qualified Entity or the Contractor named in this Request.

INSTRUCTIONS

1. This request is applicable only to costs associated with the Qualified Entity's wastewater, drinking water or nonpoint source project eligible for financing through the State's Revolving Fund (SRF) Loan Program.
2. A new Disbursement Request Form should be used for each contractor.
3. Combine multiple bills from a single contractor on one request form.
4. Attach a copy of the claim (a bill, invoice or a statement) supporting this Request.
5. Complete the required information and please answer all questions.
6. Indicate on this Request if the Qualified Entity has paid all or part of the Contractor's claim and is seeking reimbursement. Attach evidence that such payment was made and the date on which it was made.
7. Inquiries related to the status of a Disbursement request must be directed to the Qualified Entity. The Qualified Entity can then contact this office for appropriate information. Please contact your contractors about this policy.
8. Requested amounts must be rounded to the nearest whole dollar.
9. The Request must be typed.
10. Please send all Disbursement Requests to the address listed above and to the attention of the SRF Disbursement Coordinator.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or officials, all as of the date first above written.

City of Bloomington, Indiana

"Qualified Entity"

By: _____

Printed: _____

Title: _____

Attest: _____

STATE BUDGET AGENCY

By: _____

James P. McGoff, SRF Program Representative,
for Charles E. Schalliol, State Budget Director *

"Budget Agency"

* Per delegation letter from Charles E. Schalliol, State Budget Director, dated January 10, 2005.

Approved:
Commissioner, Department of Administration

By: _____

Rich Emery, for Charles R. Martindale **

** Per delegation letter from Earl A. Goode, Commissioner of the Department of Administration, dated January 10, 2005.

Approved as to form and legality:

DATE: _____

Stephen Carter
Attorney General of the State of Indiana

SRF - DISBURSEMENT REQUEST INFORMATION

1. Community: _____ 1a. SRF Loan Number: _____
2. Mailing Address: _____ 2a. Request No.: _____
3. Contact Person: _____ 3a. Contact Phone No.: () _____
4. Community's Authorized Representative: _____
5. Authorized Representative's Phone No.: _____
6. Description of work for which claim is being made (services, fees, type of, etc.) _____

| <u>7. Contractor</u> | <u>7a. Address</u> | <u>Amount Requested</u> |
|--|--------------------|---|
| 8. | | \$ _____ (Amount to Contractor) |
| 9. Original Loan Amount..... | | \$ _____ |
| 10. Total Amount of Previous Disbursements..... | | \$ _____ |
| 11. Amount of this Request..... | | \$ _____ (Amount to Contractor plus retainage) |
| 12. Balance Available after this Disbursement..... | | \$ _____ |

13. Is a portion of the claim underlining this Request subject to retainage under IC 36-1-12-14 or a similar law? YES ____ NO ____
14. If yes the retainage amount is\$ _____
(This amount will be sent to the retainage account set forth below and the remainder will be sent directly to the contractor identified above.)

Name of Bank: _____
Retainage Account Number: _____ Routing Number: _____

15. Has the Qualified Entity paid the request and is now seeking reimbursement? YES ____ NO ____
16. Is any part of this claim a result of a change order? YES ____ NO ____
17. Is this the final payment to the contractor? YES ____ NO ____

The undersigned hereby certifies that this request is true and correct, that the claim underlying this Request is legally due (and is payable from the SRF) in accordance with the Community's Financial Assistance Agreement with the State.

18. DATE: _____ 18a. _____
AUTHORIZED REPRESENTATIVE SIGNATURE

STATE AUTHORIZATION

The Department of Environmental Management (DEM) finds \$_____ of the claim underlying this Request to be eligible SRF Project Costs to be disbursed as directed below.

The Program Representative hereby (i) authorizes the trustee to disburse the total amount stated in the preceding sentence and (ii) directs that such amount be mailed to:

\$_____ the Contractor at the address identified on page 1.

\$_____ the Qualified Entity for reimbursement at the address identified on page 1.

\$_____ the 2nd party for escrow retainage at the address identified on page 1.

SRF Staff Review:

PROGRAM REPRESENTATIVE

By:_____

By:_____

Date:_____

Trustee Certification

The undersigned, on behalf of J.P. Morgan Trust Company, NA, as trustee, hereby certifies that a Disbursement in the amount authorized by the State, together with a completed copy of this Request, was mailed on _____, 200_ to the party stated under "State Authorization" above. Further, a copy of this completed Request has been mailed to the Qualified Entity and the Department of Environmental Management.

J.P. Morgan Trust Company, NA,
as Trustee

Date:_____

By:_____

Authorized Officer

EXHIBIT B

[Subject to State's approval, this information is to be supplied by the Department prior to Closing.]

The Project is more fully described in, and shall be in accordance with, the Preliminary Engineering Report and the Plans and Specifications approved by the Department.

EXHIBIT C
Principal Payment Schedule

| <u>Date</u> | <u>Principal Amount</u> |
|--------------|-------------------------|
| 1/1/2006 | |
| 7/1/2006 | |
| 1/1/2007 | |
| 7/1/2007 | |
| 1/1/2008 | |
| 7/1/2008 | |
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| 1/1/2023 | |
| 7/1/2023 | |
| 1/1/2024 | |
| 7/1/2024 | |
| 1/1/2025 | |
| Total | |

[Subject to State's approval, this information is to be supplied by the Qualified Entity's Financial Advisor prior to Closing.]

Ordinance 05-12
Exhibit D

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This CONTINUING DISCLOSURE UNDERTAKING (the “Agreement”) is made as of _____, 2005, by and between the City of Bloomington, Monroe County, Indiana, a municipality organized and existing under the laws of the State of Indiana (the “Obligor”) and _____, Indiana (the “Counterparty”) for the purpose of permitting _____, as underwriter (the “Underwriter”) of the Bonds (as hereinafter defined) to purchase the Bonds in compliance with the Securities and Exchange Commission (the “SEC”) Rule 15c2-12 (“Rule”).

Section 1. Definitions. The words and terms defined in this Agreement shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Those words and terms not expressly defined herein and used herein with initial capitalization where the rules of grammar do not otherwise require capitalization shall have the meanings assigned to them in the Rule.

“Bondholder” or “holder” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, or the holders of beneficial interests in the Bonds.

“Bonds” or “Bond” means the Obligor's Waterworks Revenue Bonds of 2005, Series A, issued in the principal amount of \$_____, dated _____, 2005 and to which this Agreement applies.

“Final Official Statement” means the Official Statement, dated as of _____, 2005, relating to the Bonds, including any document or set of documents included by specific reference to such document or documents previously provided to each NRMSIR and to the SID, or filed with the Municipal Securities Rulemaking Board (the “MSRB”).

“NRMSIR” means, at any point in time, a nationally recognized municipal securities information repository which is then recognized as such by the SEC, initially including but not limited to each of those entities listed on the attached Exhibit A.

“Obligated Person” means any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), for which Annual Information (as defined in Section 4 hereof) is presented in the Official Statement. All Obligated Persons with respect to the Bonds are identified in Section 3 below.

“Ordinance” means the ordinance adopted by the Obligor on _____, 2005 authorizing the issuance of the Bonds.

“SID” means the Indiana state information depository, if any, in existence from time to time.

Section 2. Term. The term of this Agreement is from the date hereof to the earlier of (i) the date of the last payment of principal or redemption price, if any, of, and interest to accrue on the Bonds, (ii) the date the Bonds are defeased under Section 23 of the Ordinance, or (iii) the date of rescission as described in Section 11.

Section 3. Obligated Persons. The Obligor hereby represents and warrants as of the date hereof that it is the only Obligated Person with respect to the Bonds. If the Obligor, at its sole discretion, determines that it is no longer an Obligated Person, this Agreement shall no longer apply to the Obligor.

Section 4. Provision of Annual Information. (a) The Obligor hereby undertakes to provide the following financial information of the Obligor:

- (i) To each NRMSIR and to the SID, when and if available, the audited financial statements of the Obligor as prepared and examined by the State Board of Accounts, or its successor (the “SBA”), for each twelve-month period ending December 31, beginning with the twelve-month period ending December 31, 2005, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the SBA; and
- (ii) To each NRMSIR and to the SID, within one hundred eighty (180) days of each December 31, beginning with the calendar year ending December 31, 2005, unaudited annual financial information for the Obligor for such calendar year including (1) unaudited financial statements of the Obligor if audited financial statements are not available, and (2) operating data of the type included under the following headings in Appendix A to the Final Official Statement (collectively, “Annual Information”):
 - User Connections
 - Large Users

(b) If any Annual Information or audited financial statements relating to the Obligor referred to in paragraph (a) of this Section 4 can no longer be generated because of the operations to which they relate have been materially changed or discontinued, a statement to that effect, provided by the Obligor to each NRMSIR and to the SID, along with any other Annual Information or audited financial statements required to be provided under this Agreement, shall satisfy the undertaking to provide such Annual Information or audited financial statements. To the extent available, the Obligor shall cause to be filed along with the other Annual Information or audited financial statements operating data similar to that which can no longer be provided.

(c) The disclosure of Annual Information pursuant to this Section 4 may be accompanied by a certificate in the form attached hereto as Exhibit B of an authorized representative of the Obligor.

(d) The Obligor agrees to use good faith efforts to obtain the Annual Information; however, the failure to provide audited financial statements or Annual Information because it is not available to the Obligor shall not be deemed to be a breach of this Agreement. Further, the Obligor agrees to supplement the Annual Information filing when such data is available.

(e) Annual Information or audited financial statements required to be provided pursuant to this Section 4 may be provided by a specific reference to such Annual Information or audited financial statements already prepared and previously provided to each NRMSIR and the SID, or filed with the SEC; however, if such document is a final official statement, it must also be available from the MSRB.

Section 5. Accounting Principles. The financial information will be prepared on a cash basis as prescribed by the SBA, as in effect from time to time, as described in the auditor's report and notes accompanying the audited financial statements of the Obligor or those mandated by state law from time to time. The audited financial statements of the Obligor, as described in Section 4(a)(i) hereof, will be prepared in accordance with generally accepted accounting standards and Government Auditing Standards issued by the Comptroller General of the United States.

Section 6. Material Events. The Obligor undertakes to disclose in a timely manner the occurrence of only the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws), to each NRMSIR or to the MSRB, and to the SID, if any:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) modifications to the rights of Bondholders;
- (8) Bond calls (other than scheduled mandatory sinking fund redemptions for which notice is given in accordance with the Ordinance);
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds; and
- (11) rating changes.

The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit C attached hereto. The Obligor may from time to time choose to provide notice of the occurrence of any other event, in addition to those listed above, if, in the judgment of the Obligor, such other event is material with respect to the Bonds and should be disclosed, but the Obligor does not commit to provide any such notice of the occurrence of any material event except those events set forth above.

Section 7. Notice to Counterparty [and _____]. The Obligor hereby agrees to provide to the Counterparty a copy of any Annual Information, audited financial statements, material event notice, or notice of failure to disclose Annual Information which it files or causes to be filed pursuant to Sections 4, 6 and 9 hereof, respectively, concurrently with or prior to such filing. [So long as the financial guaranty insurance policy or surety bond issued by _____ (“_____”) is in effect, any notices under this Agreement shall also be provided to _____.]

Section 8. Use of Agent. The Obligor may, at its sole discretion, utilize an agent (the “Dissemination Agent”) in connection with the dissemination of any information required to be provided by the Obligor pursuant to the terms of this Agreement and the Rule. If such a Dissemination Agent is selected for such purposes, the Obligor shall provide prior written notice thereof (as well as notice of replacement or dismissal of such agent) to the Counterparty and to each NRMSIR, the SID and the MSRB. Further, the Obligor may, at its sole discretion, retain counsel or others with expertise in securities matters for the purpose of assisting the Obligor in making judgments with respect to the scope of its obligations hereunder and in compliance therewith, all in order to further the purposes of this Agreement as set forth in the preamble and Section 10 hereof.

Section 9. Notice of Failure to Disclose. If, for any reason, the Obligor fails to provide the audited financial statements or Annual Information as required by this Agreement, the Obligor shall provide notice of such failure in a timely manner to each NRMSIR or to the MSRB, and to the SID.

Section 10. Remedies. (a) The purpose of this Agreement is to enable the Underwriter to purchase the Bonds by providing for an undertaking by the Obligated Persons in satisfaction of the Rule. This Agreement is solely for the benefit of the Bondholders and creates no new contractual or other rights for the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons or any other third party. The sole remedy against the Obligor for any failure to carry out any provision of this Agreement shall be for specific performance of the Obligor's disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Ordinance or any other agreement to which the Obligor is a party.

(b) Subject to paragraph (e) of this Section 10, in the event the Obligor fails to provide any information required of it by the terms of this Agreement, any Bondholder may pursue the remedy set forth in the preceding paragraph in any court of competent jurisdiction in the county in which the Obligor is located. An affidavit to the effect that such person is a Bondholder supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy.

(c) Subject to paragraph (e) of this Section 10, any challenge to the adequacy of the information provided by the Obligor by the terms of this Agreement may be pursued only by holders of not less than 25% in principal amount of the Bonds then outstanding in any court of competent jurisdiction in the county in which the Obligor is located. An affidavit to the effect that such persons are Bondholders supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue the remedy set forth in the preceding paragraph.

(d) The Counterparty, upon satisfactory indemnification and demand by those persons it reasonably believes to be Bondholders, may also pursue the remedy set forth above in any court of competent jurisdiction in the county in which the Obligor is located. The Counterparty shall have no obligation to pursue any remedial action in the absence of a valid demand from Bondholders and satisfactory indemnification.

(e) Prior to pursuing any remedy under this Agreement, a Bondholder shall give notice to the Obligor, via registered or certified mail, of such breach and its intent to pursue such remedy. Fifteen (15) days after the mailing of such notice, and not before, a Bondholder may pursue such remedy under this Agreement. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Ordinance or any other agreement to which the Obligor is a party.

Section 11. Counterparty's Obligations. The Counterparty hereto shall have no obligation to take any action whatsoever with respect to information provided by the Obligor under this Agreement (or of any Obligated Persons covered hereby), except as set forth in this Section 11 and any obligations arising from the Counterparty serving as a Dissemination Agent, and no implied covenants or obligations shall be read into this Agreement against the Counterparty. Further, except as set forth in this Section 11, the Counterparty hereto shall have no responsibility to ascertain the truth, completeness or accuracy of the information provided as required hereunder by the Obligor or any Obligated Person, nor as to its sufficiency for purposes of compliance with the Rule or the requirements of this Agreement.

The Counterparty may, at its sole discretion, retain counsel or others with expertise in continuing disclosure matters for the purpose of assisting the Counterparty in making judgments with respect to the scope of its obligations hereunder and compliance herewith.

If the Counterparty has not received the Annual Information by the date which is ten (10) days before the date set forth in Section 4(a)(ii) of this Agreement, the Counterparty shall notify the Obligor, via registered or certified mail, that it has not received such Annual Information. However, a failure by the Counterparty to provide (or any delay in providing) any notice required by this paragraph shall not: (i) operate to relieve the Obligor of its obligation to provide the Annual Information in the manner and within the time specified in this Agreement; or (ii) constitute a defense for the Obligor, or the basis for any claim, counterclaim, cross-claim or third-party claim by the Obligor, in any action brought pursuant to Section 10 of this Agreement or otherwise. Nothing contained in this paragraph shall operate to grant any additional rights or remedies to any holder of Bonds.

The Counterparty hereto shall be obligated to, and hereby agrees that it will, on the fifth business day after the date required by Section 4(a)(ii) of this Agreement, forward to those persons or entities scheduled to receive Annual Information a notice substantially in the form of Exhibit D attached hereto in the event that the Counterparty has not received a copy of such Annual Information; provided, however, that the Counterparty shall not give such notices as described in this paragraph and the immediately preceding paragraph if the Obligor has provided the Counterparty with notice that the Obligor has issued notice pursuant to Section 9 hereof.

IN WITNESS WHEREOF, the Obligor and the Counterparty have caused this Agreement to be executed as of the _____ day of _____, 2005.

CITY OF BLOOMINGTON, INDIANA

[Mayor][Controller]
City of Bloomington

as Counterparty

Authorized Officer

EXHIBIT A

Nationally Recognized Municipal Securities Information Repositories (NRMSIRs)

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, New Jersey 08558
Phone: (609)279-3225
Fax: (609)279-5962
Email: Munis@Bloomberg.com

FT Interactive Data
Attn: NRMSIR
100 Williams Street
New York, New York 10038
Phone: (212)771-6999
Fax: (212)771-7390 (Secondary Market Information)
Fax: (212)771-7391 (Primary Market Information)
Email: NRMSIR@FTID.com

Standard & Poor's Securities Evaluations, Inc.
55 Water Street, 45th Floor
New York, New York 10041
Phone: (212)438-4595
Fax: (212)438-3975
Email: nrmsir_repository@sandp.com

DPC Data, Inc.
One Executive Drive
Fort Lee, New Jersey 07024
Phone: (201)346-0701
Fax: (201)947-0107
Email: nrmsir@dpcdata.com

EXHIBIT B

CERTIFICATE OF DISCLOSURE OF ANNUAL INFORMATION

The undersigned, on behalf of the City of Bloomington, Indiana, as the Obligor under the Continuing Disclosure Undertaking Agreement, dated _____, 2005 (“Undertaking Agreement”), between the Obligor and _____, as Counterparty, hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Agreement) which is required to be provided pursuant to Section 4(a)(ii) of the Agreement.

Dated: _____.

CITY OF BLOOMINGTON, INDIANA

By: _____

Printed: _____

Title: _____

EXHIBIT C

CERTIFICATE RE: MATERIAL EVENT DISCLOSURE

The undersigned, on behalf of the City of Bloomington, Indiana, as Obligor under the Continuing Disclosure Undertaking Agreement, dated _____, 2005 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of a material event which is required to be provided pursuant to Section 6 of the Agreement.

Dated: _____

CITY OF BLOOMINGTON, INDIANA

EXHIBIT D

NOTICE TO REPOSITORIES OF FAILURE TO FILE INFORMATION

Notice is hereby given that the City of Bloomington, Indiana (“Obligor”) has not provided to _____, as Counterparty to the Continuing Disclosure Undertaking Agreement, dated _____, 2005 (“Agreement”), between the Obligor and the Counterparty, the Annual Information as required by Section 4(a)(ii) of the Agreement.

Dated this ____ day of _____, 20__.

By: _____

Printed: _____

Title: _____



**CITY OF BLOOMINGTON
LEGAL DEPARTMENT
MEMORANDUM**

TO: City of Bloomington Common Council Members

FROM: Vickie Renfrow, Assistant City Attorney

RE: Ordinance 05-12 authorizing Waterworks Utility bond issuance

DATE: April 1, 2005

Council approval of Ordinance 05-12 is required for the CBU waterworks utility to go forward with issuing bonds to complete several capital construction projects. As the memo from Utilities Director Patrick Murphy explains, most of the requested water rate adjustment will go towards debt service payments for the bonds issued to complete these projects. The projects include completion of ongoing work at the Monroe Water Treatment Plant which will require approximately \$2,450,000 in additional bond financing for which \$288,000 annual revenue is required, relocation of a 20" water main along the Highway 45/46 bypass which is estimated to cost \$1,200,000 and require approximately \$137,000 in annual revenue to cover debt service payments, and an estimated \$1,200,000 for the waterworks portion of the cost of repair, renovation and possible relocation of the CBU headquarters which will require approximately \$140,000 in annual revenue for debt service. Once Ordinance 05-12 is approved by the Council it will go to the IURC along with the rate ordinance for final approval.

The bulk of this lengthy ordinance is dedicated to stating terms and conditions which are required to satisfy the requirements of either the IRS for tax-exempt municipal bonds, the State Revolving Loan Fund for low interest bond issuances, and the bond market generally to assure that the bonds can be sold for the best terms possible to the utility. For example, Exhibit C to the bond ordinance entitled "Form of Financial Assistance Agreement" is required by the State as it contains the terms for obtaining SRF financing, and Exhibit D entitled "'Form of Continuing Disclosure Undertaking Agreement" is required by the IRS to satisfy its requirement for regular reporting of certain financial data. The total bond authorization sought is \$5,320,000 which includes the three projects listed above plus additional funds for contingencies and costs of issuance. The total figure and the terms of the bond ordinance were determined by CBU's financial advisor in consultation with its bond counsel. They had worked closely with CBU to ensure that all legal and fiscal requirements are met and that CBU's petition to the IURC for both the rate adjustment and bond authorization will be favorably received.

If you have any questions regarding Ordinance 05-12 please feel free to contact me by calling City Legal at 349-3426 or e-mailing me at renfrowv@bloomington.in.gov.

ORDINANCE 05-13

**TO AMEND TITLE 8 OF THE BLOOMINGTON MUNICIPAL CODE, ENTITLED
“HISTORIC PRESERVATION AND PROTECTION ”
TO ESTABLISH A HISTORIC DISTRICT
Re: “The Home Laundry Building at
300 East 3rd Street
(Bloomington Historic Preservation Commission, Petitioner)**

WHEREAS, the Common Council adopted Ordinance 95-20 which created a Historic Preservation Commission and established procedures for designating historic districts in the City of Bloomington; and

WHEREAS, the Historic Preservation Commission held a public hearing on February 10th, 2005, for the purpose of allowing discussion and public comment on the proposed historic district designation of “The Home Laundry” at 300 East 3rd Street; and

WHEREAS, at the February 10th, 2005 meeting the Historic Preservation Commission found that the building has historic and architectural significance that merits the protection of the property as a historic district; and

WHEREAS, the Commission has prepared a map and written report which accompanies the map and validates the proposed district by addressing the criteria outlined in BMC 8.08.10; and

WHEREAS, the Commission voted to submit the map and report to the Common Council which recommend local historic designation of “The Home Laundry Building;”

NOW THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA. THAT:

SECTION I. The map setting forth the proposed historic district for the site is hereby approved and said historic district is hereby established. A copy of the map and report submitted by the Historic Preservation Commission is attached to this ordinance and incorporated herein by reference and two copies of the map are on file in the Office of City Clerk for public inspection. The legal description of this property is further described as:

Orchards Addition Part Lots 5 and 6

SECTION II. The Home Laundry Building shall be classified as “outstanding.”

SECTION III. Chapter 8.20 of the Bloomington Municipal Code, entitled “A List of Designated Historic Districts,” is hereby amended to insert a line regarding the “The Home Laundry Building” which shall read as follows:

The Home Laundry Building 300 East 3rd Street

SECTION IV. If any section, sentence, or provision of this ordinance, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION V. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this ____ day of _____, 2005.

ANDY RUFF, President
Bloomington Common Council

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to Mayor of the City of Bloomington, Monroe County, Indiana, upon this ____ day of _____, 2005.

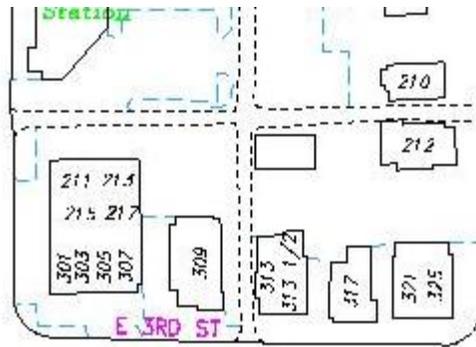
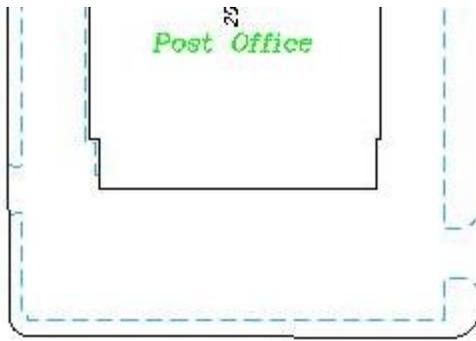
REGINA MOORE, Clerk
City of Bloomington

SIGNED AND APPROVED by me upon this ____ day of _____, 2005.

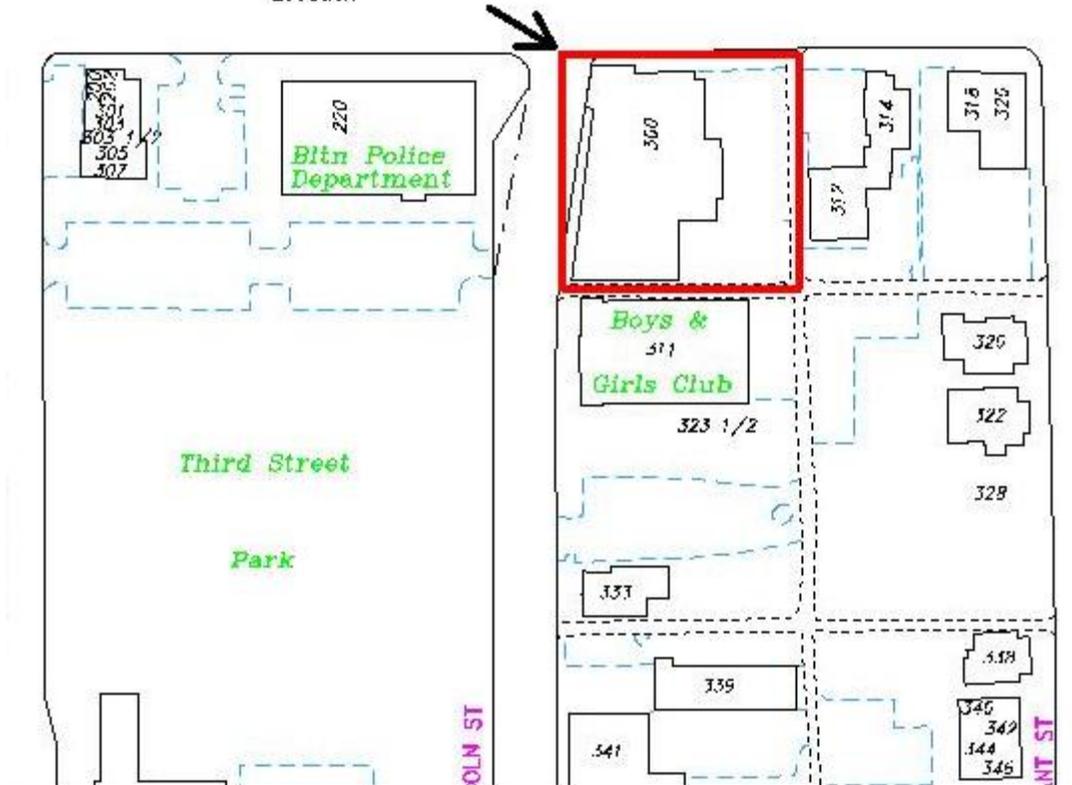
MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This ordinance amends Chapter 8.20 of the Bloomington Municipal Code entitled “The List of Designated Historic Districts” in order to designate the Home Laundry Building at 300 East 3rd Street as a historic district. The Bloomington Historic Preservation Commission sought this designation, after learning of an application to demolish the building and after a public hearing on February 10th, 2005. The Bloomington Historic Preservation Commission recommended it to the Common Council by a vote of 6-1-0, and voted to place interim protection on the building until such time that the Council makes its decision on the historic district. The Home Laundry Building is locally significant for its role in women’s history and is reflective of national trends in Progressive Era history. The building combines vernacular industrial and Moderne styles, and is notable for the rare surviving wooden truss structure on its industrial section. Along with this designation it also recommended that the property be rated as “outstanding” because the Home Laundry Building is listed individually on the National Register of Historic Places. Upon adoption of this ordinance, the property will be regulated by the requirements that apply to all historic and architecturally worthy districts so designated by the Common Council. These regulations preserve and protect the property from demolition and include the review of exterior modification.



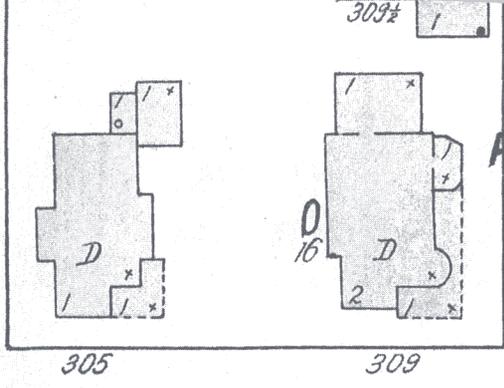
Location



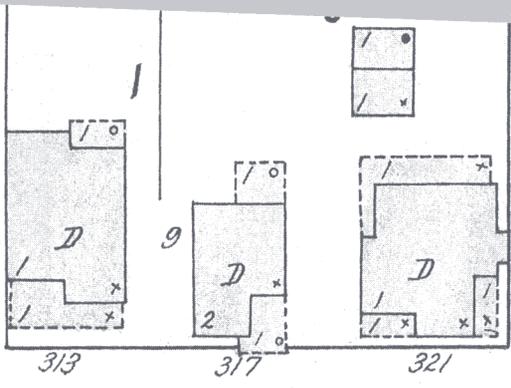
Home Laundry 300 East Third Street

2001 Survey number 105-055-90173

82½'



82½'



4" W. PIPE

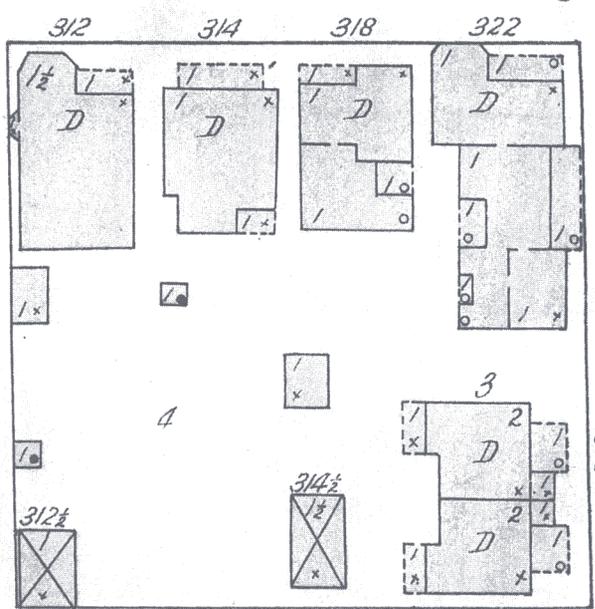
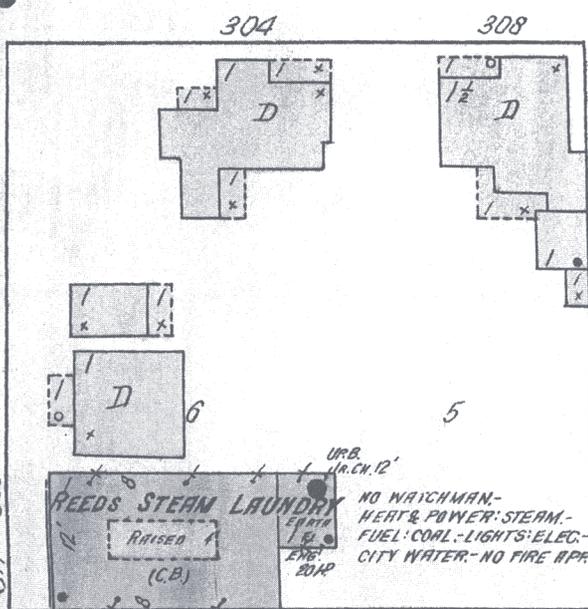
E. 3RD 4" W. PIPE

T.H.

D.H.

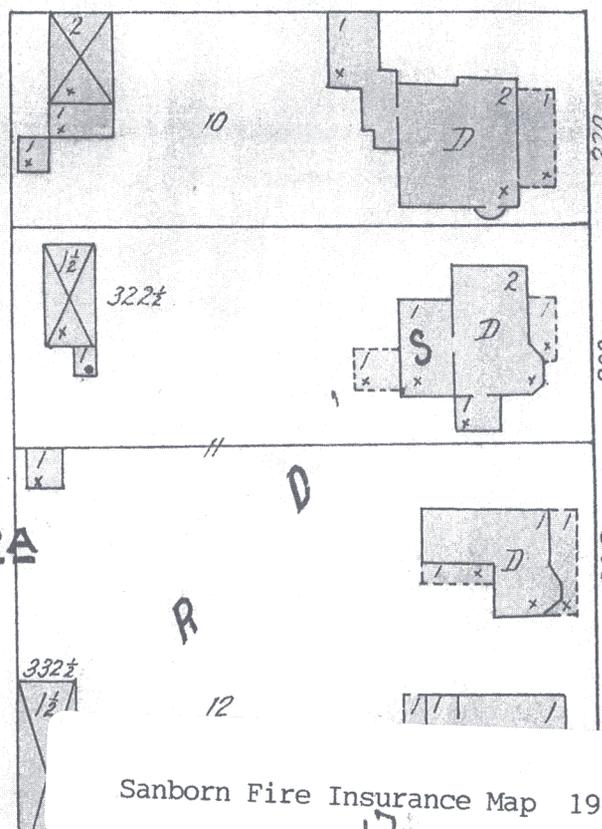
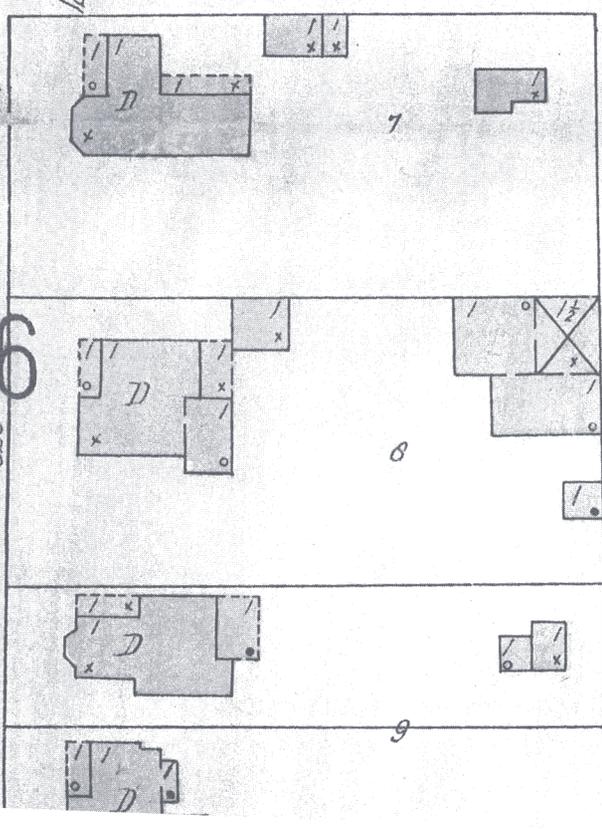
4" W. PIPE

6" W. PIPE

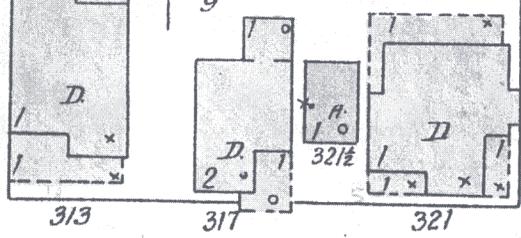
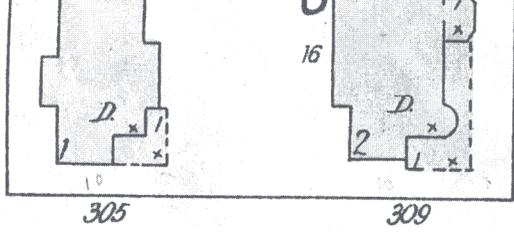


S. LINCOLN 16

S. GRANT 50ft wide

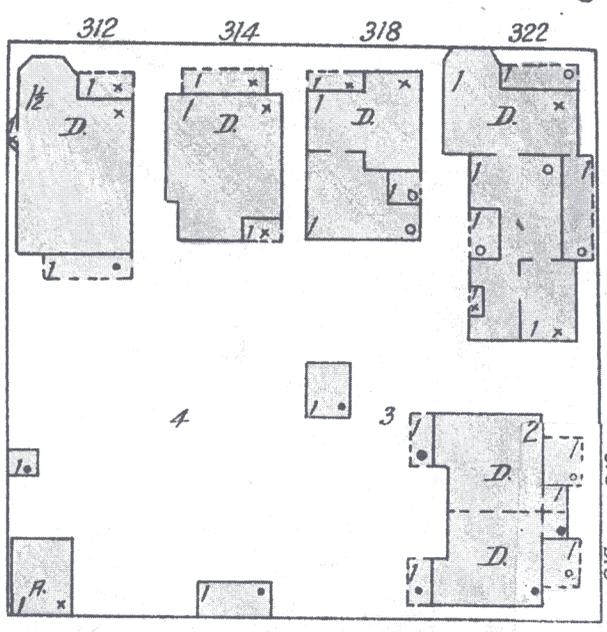
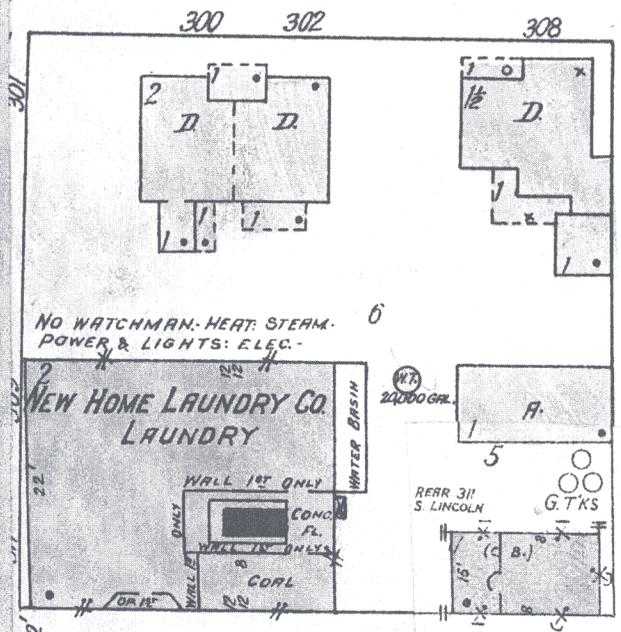


82½'

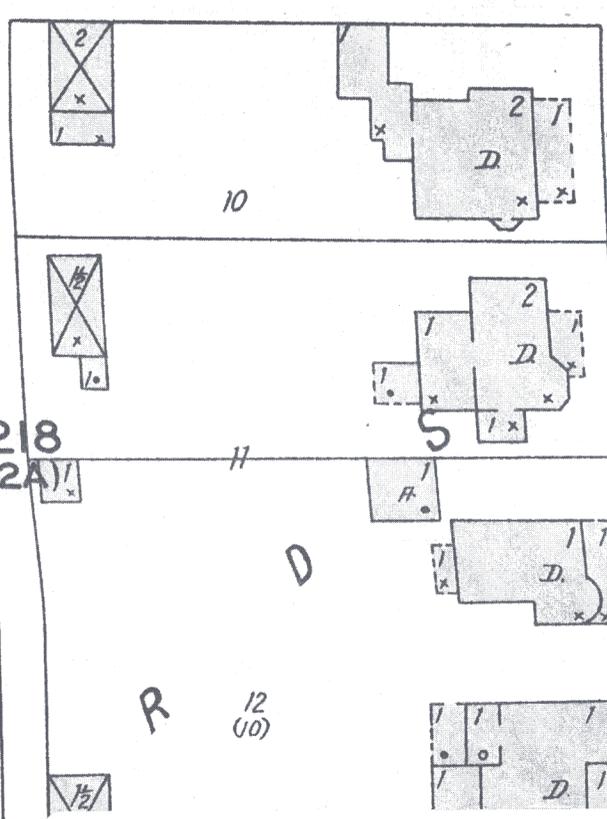
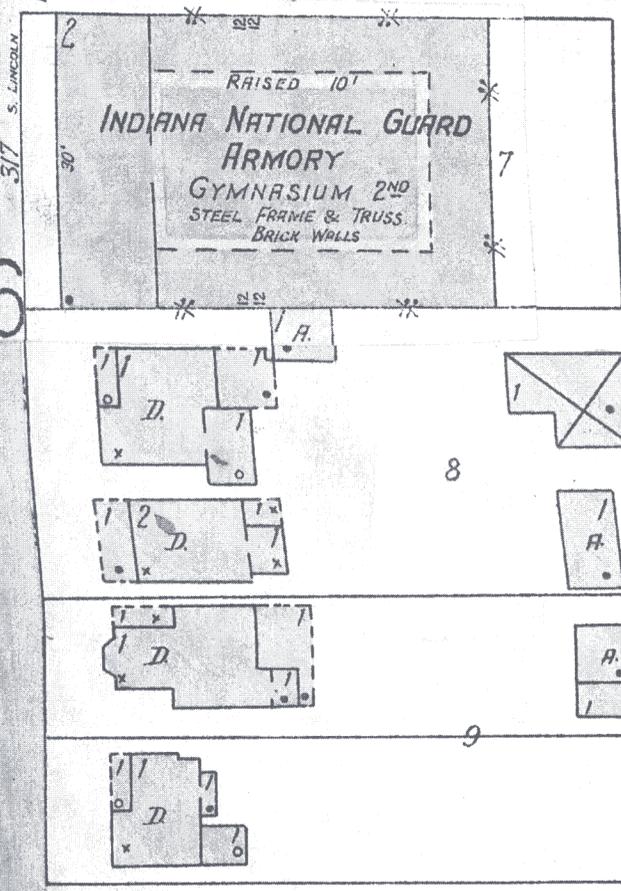


82½'

82½' 4" W PIPE



D.H. 50' 6" W PIPE S. GRANT 312 314 315 313



218 10 5 12 (10) 1 S. GRANT 50 ft wide 322 326 332 323 325

Memo to Council

February 18, 2005

RE: The Home Laundry Building
Nancy Hiestand
Program Manager Historic Preservation

At its February 10th meeting, the Bloomington Historic Preservation Commission voted to recommend historic designation for the Home Laundry Building by a vote of 6-1-0, based upon the following criteria;

- (1) Historic:
 - a. Has significant character, interest, or value as part of the development, heritage, or cultural characteristics of the city, state, or nation; or is associated with a person who played a significant role in local, state, or national history;
 - c. Exemplifies the cultural, political, economic, social, or historic heritage of the community.

- (2) Architecturally worthy:
 - a. Embodies distinguishing characteristics of an architectural or engineering type; or
 - e. Contains any architectural style, detail, or other element in danger of being lost; or
 - g. Exemplifies the built environment in an era of history characterized by a distinctive architectural style.

At the same meeting, the Commission placed Interim Protection on the Home Laundry by a vote of 4-0-2.

The property at 300 East 3rd Street, also known as the “The Home Laundry Company Building,” qualifies for local designation under the following highlighted criteria found in Title 8 of the Municipal Code (1) a. c. (2) a, e, g.

(1) Historic:

- a. Has significant character, interest, or value as part of the development, heritage, or cultural characteristics of the city, state, or nation; or is associated with a person who played a significant role in local, state, or national history; or
- b. Is the site of an historic event; or
- c. Exemplifies the cultural, political, economic, social, or historic heritage of the community.

(2) Architecturally worthy:

- a. Embodies distinguishing characteristics of an architectural or engineering type; or
- b. Is the work of a designer whose individual work has significantly influenced the development of the community; or
- c. Is the work of a designer of such prominence that such work gains its value from the designer's reputation; or
- d. Contains elements of design, detail, materials, or craftsmanship which represent a significant innovation; or
- e. Contains any architectural style, detail, or other element in danger of being lost; or
- f. Owing to its unique location or physical characteristics, represents an established and familiar visual feature of a neighborhood of the city or
- g. Exemplifies the built environment in an era of history characterized by a distinctive architectural style

The Home Laundry Building is individually listed on the National Register (3-15-00) and is classified as “outstanding” in the survey (105-055-90173). It was included in the 2001 survey after its listing on the National Register. All buildings individually listed on the National Register would be classified as outstanding or notable in the local survey. Barbara Leonard, the current owner of the building, requested and paid for the nomination with the intent of creating an incentive for future adaptive reuse with the Rehabilitation Investment Tax Credit. The basis of this report is the nomination form, which is considered to be a very complete compilation of the history and significance of a property. The building’s listing on the National Register means that the building has been recognized at both the state and federal level. The Home Laundry

Building was one of the first National Register applications that the Commission reviewed in September of 1999. It was recommended by the Commission under criteria A:

that are associated with events that have made a significant contribution to the broad patterns of our history; or

and C:

that embody the distinctive characteristics of a type; period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction;

Staff is attempting to acquire the minutes of the State Review Board.

The building is located on the corner of Third and Lincoln Streets and is adjacent to the National Guard Armory, built in 1915. The building has an industrial two-story section and a single story Moderne retail and office addition facing Third Street. The “New Home Laundry Building” replaced the Reed Steam Cleaners Building that stood on the same site in 1922. The Home Laundry business had started at the corner of Smith and Washington Streets.

Historic Criteria

Has significant character, interest, or value as part of the development, heritage, or cultural characteristics of the city, state, or nation; or is associated with a person who played a significant role in local, state, or national history;

In order to better analyze the significance of the building, it is important to establish its place in the continuum of industrial development in Bloomington. During the 1920’s land uses in the area south of Third Street and east of Walnut were dramatically different from uses today. The neighborhood had become a light industrial node, developed after the advent of automobile freight. Therefore, none of the businesses of the 1920’s were served directly by the railroad.

A large number of the businesses in this location were service industries in the infancy of their development, including commercial bakeries, launderers, bottlers, etc. that performed activities previously accomplished in the home. Commercial bakeries and cleaners promised thoroughly sanitized and healthful products that reduced home labor and helped to liberate family members from domestic duties. Citizens, primarily women, were freed from baking and cleaning duties to pursue leisurely recreation or to work outside the home.

In 1927 the landscape south of Third Street reflected a change in how Americans looked at industrialized urban life. On a national level, unregulated industrial growth catalyzed the reform movement, known as the Progressive Era. Social inequity, crowding, disease, and filth were perhaps issues more tied to large cities; however in Bloomington this movement played out in the growth of new businesses that promoted technology to ensure cleanliness and convenience. The City of Bloomington also established its first parks: Cascades opened in 1924 and by 1927 a large concrete public swimming pool was built in Third Street Park, the center of the neighborhood. Sanborn maps provide snapshots of the redevelopment in this area between 1913 and 1927.

1913:

| | |
|---------------------|----------------------|
| Yelch's Cleaning | 401 South Washington |
| Bloomngton Creamery | 407 South Washington |
| Spoke Ware House | 320 South Washington |
| Horse Shed | 310 South Washington |
| Bottling Works | 427 South Washington |
| Reeds Steam Laundry | 309 South Lincoln |

1927:

| | |
|------------------------|----------------------------|
| Indiana National Guard | |
| Armory | 317 South Lincoln |
| New Home Laundry | 305 South Lincoln |
| Auto Sales | 112 East Third |
| Coca-Cola Bottling | 320 South Washington |
| Garage / sheet metal | 316 South Washington |
| Public Swimming Pool | bet Washington and Lincoln |
| Ice Cream | 401 South Washington |
| Bed and Springs | 407 South Washington |

The Home Laundry Building illustrates trends in economic and social history. Historically, women had been responsible for hand laundering as part of their domestic duties. Steam laundering and later dry-cleaning permitted the entry of women into the industrialized workforce. The Home Laundry business employed only women as launderers from 1915 through the 1950's. Characteristic white uniforms and hats were truly corporate advertisements that touted the concern for sanitation that commercial cleaners marketed.

Historic Criteria

Exemplifies the cultural, political, economic, social, or historic heritage of the community

Many of the buildings that tell the story of the Progressive Era in Bloomington are gone or threatened. The public park at Third Street remains but the swimming pool is removed. The Fleener Building, The Home Laundry Company building and the Coca-Cola Bottling Plant are either vacant or seriously underused and under maintained.

This era of industry, as distinct from Bloomington's 19th century industrial history (Showers, Bloomington Basket Company, Seward Foundry, Field Glove Company) is characterized by home delivery, mechanization, and the adoption of women into the labor force and as consumers. Some of these Progressive Era industries thrived only between the two world wars before refrigeration and washing machines returned these services to the home through new technology.

Architectural Criteria:

Embodies distinguishing characteristics of an architectural or engineering type

Architectural Criteria

Contains any architectural style, detail, or other element in danger of being lost;

Exemplifies the built environment in an era of history characterized by a distinctive architectural style

The building also shows significance as an example of a waning building technology. The original Home Laundry Building was one of the last factory buildings to use a wooden truss system in Bloomington. Only a handful of these buildings remain in the city and the workroom space creates a dramatic vista. Unlike modern factories, the 1922 building presents a formal brick face to the public way. Brick, limestone and cement details mask its industrial use from Lincoln Street. The limestone or concrete quoins, plinths and decorative brick detailing found in the Home Laundry Building are more commonly found on office or retail structures in Bloomington. On its south, east and north facades, the 1922 structure is wrapped with utilitarian steel ventilator windows. These elements more clearly identify it as open work room space. Modern factory buildings frequently omit any attempt to create a public or formal face for the pedestrian way.

The one story retail addition (1948) was designed by Cecil Harlos, a local builder and designer who was responsible for several notable apartment buildings and homes in the University Courts area of Bloomington. Harlos designed the addition in the Moderne style and it remains one of two commercial building of this style in the Bloomington survey (Hanson Building 1327 North Walnut). Both are modified or have lost historic details. The Home Laundry Building offices once had freestanding letters affixed to the parapet wall above the steel marquee and still have a course of glass block above the continuous steel awning windows. Currently windows in this part of the building are secured with plywood.

Based upon the criteria in Title 8, this building meets and exceeds the criteria for local designation. It has met federal criteria to be listed individually on the National Register of Historic Places. The building retains sufficient integrity from the time of its listing to remain architecturally and historically eligible.

Staff recommends approval



Home Laundry Building 2005



United States Department of the Interior
National Park Service

FINAL 9/23/99

National Register of Historic Places
Registration Form

This form is for use in nominating or requesting determinations for individual properties and districts. See instruction in *How to Complete the National Register of Historic Places Registration Form* (National Register Bulletin 16A). Complete each item by marking "x" in the appropriate box or by entering the information requested. If an item does not apply to the property being documented, enter "N/A" for "not applicable." For functions, architectural classification, materials, and areas of significance, enter only categories and subcategories for the instructions. Place additional entries and narrative items on continuation sheets (NPS Form 10-900a). Use a typewriter, word processor, or computer, to complete all items.

1. Name of Property

historic name The Home Laundry Company

other names/site number The New Home Laundry Company, 309 S. Lincoln St.

2. Location

street & number 300 East 3rd Street N/A not for publication

city or town Bloomington N/A vicinity

state Indiana code IN county Monroe code 105 zip code 47401

3. State / Federal Agency Certification

As the designated authority under the National Historic Preservation Act, as amended, I hereby certify that this nomination request for determination of eligibility meets the documentation standards for registering properties in the National Register of Historic Places and meets the procedural and professional requirements set forth in 36CFR Part 60. In my opinion, the property meets does not meet the National Register criteria. I recommend that this property be considered significant nationally statewide locally. (See continuation sheet for additional comments.)

Signature of certifying official/Title

Date

Indiana Department of Natural Resources

State or Federal agency and bureau

In my opinion, the property meets does not meet the National Register criteria. (See continuation sheet for additional comments.)

Signature of certifying official/Title

Date

State or Federal agency and bureau

4. National Park Service Certification

I hereby certify that the property is:

Signature of the Keeper

Date of Action

entered in the National Register See continuation sheet.

determined eligible for the National Register See continuation sheet.

determined not eligible for the National Register.

removed from the National Register.

other, (explain:)

5. Classification

Ownership of Property
(Check as many boxes as apply)

- private
- public-local
- public-State
- public-Federal

Category of Property
(Check only one box)

- building(s)
- district
- site
- structure
- object

Number of Resources within Property
(Do not include previously listed resources in the count.)

| Contributing | Noncontributing | |
|--------------|-----------------|------------|
| 1 | 0 | buildings |
| 0 | 0 | sites |
| 0 | 0 | structures |
| 0 | 0 | objects |
| 1 | 0 | Total |

Name of related multiple property listing
(Enter "N/A" if property is not part of a multiple property listing.)
N/A

Number of contributing resources previously listed in the National Register
N/A

6. Function or Use

Historic Functions
(Enter categories from instructions)

COMMERCE/specialty store

Current Functions
(Enter categories from instructions)

COMMERCE/specialty store

7. Description

Architectural Classification
(Enter categories from instructions)

LATE 19th and EARLY 20th CENTURY
AMERICAN MOVEMENTS/ Commercial
Style and Moderne

Materials
(Enter categories from instructions)

foundation STONE/ Limestone
walls BRICK
roof ASPHALT
other aluminum, concrete

Narrative Description

(Describe the historic and current condition of the property on one or more continuation sheets.)

8. Statement of Significance

Applicable National Register Criteria

(Mark "x" in one or more boxes for the criteria qualifying the property for National Register listing.)

- Criteria A, B, C, D with checkboxes and descriptions of property significance.

Areas of Significance

(Enter categories from instructions)

ARCHITECTURE
SOCIAL HISTORY

Period of Significance

1922
1947-48

Significant Dates

1922
1947

Significant Person

(Complete if Criterion B is marked above)

N/A

Cultural Affiliation

N/A

Architect/Builder

1947 - Cecil Harlos

Criteria Considerations

(Mark "x" in all the boxes that apply.)

Property is:

- Criteria A-G with checkboxes and descriptions of property characteristics.

Narrative Statement of Significance

(Explain the significance of the property on one or more continuation sheets.)

9. Major Bibliographic References

Bibliography

(Cite the books, articles, and other sources used in preparing this form on one or more continuation sheets.)

- Criteria for preliminary determination, previous listings, and recording by various agencies.

- Agency checkboxes: State Historic Preservation Office, Other State agency, Federal agency, Local government, University, Other.

Name of Repository:
Monroe County Public Library

10. Geographical Data

Acreege of Property less than one

UTM References

(Place additional UTM references on a continuation sheet.)

1

Zone Easting Northing

2

3

Zone Easting Northing

4

See continuation sheet

Verbal Boundary Description

(Describe the boudaries of the property on a continuation sheet.)

Boundary Justification

(Explain why the boundaries were selected on a continuation sheet.)

11. Form Prepared By

name/title Kristen Brennan

organization PRESERVATION DEVELOPMENT Inc. date June 4, 1999

street & number 400 West 7th Street, Suite 110 telephone (812) 336-2065

city or town Bloomington state Indiana zip code 47404

Additional Documentation

Submit the following items with the completed form:

Continuation Sheets

Maps

A **USGS map** (7.5 or 15 minute series) indicating the property's location.

A **Sketch map** for historic districts and properties having large acreage or numerous resources.

Photographs

Representative **back and white photographs** of the property.

Additional items

(Check with the SHPO or FPO for any additional items)

Property Owner

(Complete this item at the request of SHPO or FPO.)

name Barbara Leonard

street & number 300 East 3rd Street, PO Box 146 telephone (812) 336-6344

city or town Bloomington state Indiana zip code 47402

Paperwork Reduction Act Statement: This information is being collected for application to the National Register of Historic Places to nominate properties for listing or determining eligibility for listing, to list properties and to amend existing listings. Response to this request is required to obtain a benefit in accordance with the National Historic Preservation Act, as amended (16 U.S.C. 470 et seq.)

Estimated Burden Statement: Public reporting burden for this form is estimated to average 18.1 hours per response including time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding this burden estimate or any aspect of this form to the Chief, Administrative Services Division, National Park Service, P.O. Box 37127, Washington, DC 20013-7127; and the Office of Management and Budget, Paperwork Reduction Projects (1024-0018), Washington, DC 20503.

National Register of Historic Places Continuation Sheet

The Home Laundry Company, Monroe County, Indiana

Section 7 Page 1

Physical Description

Exterior:

The structure consists of a two-story principal building nearly square in plan with a one-story addition attached to the north side of the building. Built to the sidewalk, the addition wraps the corner of Lincoln and Third Streets. The original structure was built in 1922, two small owner-built additions were added c.1941, and a design-built, Moderne addition was constructed in 1947-48. The 1948 addition created an alcove on the east side of the building that is covered with a metal roof and serves as a loading and unloading area.

The original Home Laundry Company facade (1922) is composed of variegated, red, grooved brick with raked mortar joints and has a stepped parapet wall with dressed limestone coping. The building has brick bearing walls with steel sash 12-pane ventilator windows and double-hung wood sash windows in the location of the business office on the northwest side of the building. An entrance at this location features two individual wooden doors enclosed by brick and limestone pilasters. The doors indicate separate entrances for the administrative offices and the industrial facilities and were covered with a metal canopy. A 1922 photo also shows a garage door entrance with a three part folding wooden door with 6 lights and two panels each. The triple garage door was quickly changed, however, as a c.1925 photo reveals that only the southern most panel of the original three was retained, while the northern portion of the opening had been bricked in. The second floor of the original facade contains eight windows, asymmetrically arranged with two above the call-office to the north, a blank wall above the paired doors, and six more windows spaced evenly on the southern portion of the building. Windows on the original 1922 Lincoln Street facade feature concrete sills colored to resemble the popular, but more expensive, local limestone. Each lintel is topped with a single brick soldier course bracketed by concrete squares or quoins, also colored to resemble limestone. At an unknown date between 1930 and 1947, two more windows were added to the second floor (without matching lintels) to create a symmetrical fenestration. Centered below the parapet, the original facade featured a painted wood sign that read "New Home Laundry Company" and was surrounded by a miniature version of the imitation limestone corner block and soldier courses of brick.

Other changes made to the original facade between 1948 and 1970 include: replacing each of the original entrance doors with a 4-pane steel window, replacing the wood double-hung windows with steel windows also containing four horizontal panes, removing the iron lintel which spanned the original three part garage door, and the permanent removal of the original cloth window awnings.

National Register of Historic Places

Continuation Sheet

The Home Laundry Company, Monroe County, Indiana

Section 7 Page 2

The south side of the original building along the alley featured a garage door and a ten-bay fenestration. The first floor windows are 9-panel steel ventilator windows, and the second floor windows are 12-panel central pivot steel ventilator windows. All openings on the south facade, with the exception of the garage door, have been filled with concrete blocks.

The north side of the building mirrored the fenestration of the south elevation, with the exception of the garage door and two double-hung wood windows which opened into the call office at the northwestern corner of the building. The second floor window openings on the north elevation were retained but shortened from the 12-pane to a 9-pane version when the one story addition was added below. These windows are extant and functioning.

Historic Additions:

A 1947 photo taken prior to the construction of the main addition shows a one-story addition approximately 30' square to the north of the original building. Featuring a matching brick facade and lintel treatment with a flat roof and tile coping, this addition had a recessed door flanked by two large display windows. The display windows were removed during the construction of the 1948 addition, and the doorway was filled with concrete block. But the entryway which consists of two fluted engaged limestone columns on either side of the glass block door surround remains. With the exception of the Lincoln Street facade, the addition was built of concrete block, and the north side also featured a large single panel display window.

The large, one story corner addition, built in 1948, reflects a Moderne influence. On the street elevations, it echoes the 1922 facade, and the lintel treatments match the design of the original building. The earlier small addition was incorporated into the larger addition, moving the door and display windows further north on Lincoln Street. The 1948 entrances are surrounded by glass prism blocks, and the long bays of metal frame commercial windows are also topped by glass block transoms. Windows are awning style and open from the bottom. Aluminum awnings with the curved corners characteristic of the streamlined Moderne style cover both the Lincoln Street entrance and wrap around the northwest corner of the building, shading the public call-office area. The parapet of the one-story addition is flat and capped with limestone coping on which once sat individual red metal letters with white neon spelling out "Dry Cleaners HOME Launderers."

The 1948 addition is a brick bearing wall structure with steel I-beams supporting a flat asphalt roof. Coming at the end of a 25 year period of constant expansion, the 1948 section was designed to accommodate a future second floor.

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A third addition was added to the rear (east) of the original structure. Built around a new boiler by the owner and a maintenance man around 1941, this portion of the building is one story, stepping up a half story at the rear (east). It is composed of concrete block walls and a wood framed roof. The eastern wall roofline is stepped and capped with limestone coping. The roof is asphalt.

Between the c.1941 rear addition to the original structure and an L-shaped portion of the 1948 addition that extends east on 3rd Street, a bi-level steel truss roof structure has been added to create a covered pick-up and delivery area. The steel trusses rest on the knee wall of the 1948 roof to the west and are supported by steel posts to the east. The roofing material is the original corrugated steel. This roof structure was built immediately after the 1948 addition.

Interior:

Upon entering the Home Laundry Company, the viewer is struck by the overwhelming complexity of the suspended pipes serving the water, steam, gas, and ventilation systems from several eras of laundering equipment. Laundering machinery, representing the various eras of laundering technology over the past 84 years, is still extant in several parts of the plant.

The interior of the original 1922 Home Laundry Building is undivided space with wood framing on the second floor and roof. Ten inch square posts support both the second story principle joists and, in the roof, a system of wood trusses that fall away from the peak (oriented east-west) at a slope of approximately 2/12. The posts are shouldered at the top with a tapered intermediary beam to support the first floor summer beams and the second floor trusses. The trusses are large principal trusses that support a system of wood purlins that are in turn covered by wood roof decking.

The interior walls are painted brick throughout, and the floors are the original poured concrete. The only areas of the plant that feature a decorative floor are the original call-office (public commercial area) where an orange and green mosaic tile floor remains.

The 1948 addition was divided into five areas: three small offices whose windows lined Lincoln Street, the public walk-in area, and a large undivided work space. These spaces are partitioned by 2x4 stud walls that are covered with a narrow, vertical board paneling in the work areas and a 6" wide vertical paneling in the offices.

According to oral histories, the original call office had a slide down which clean laundry was sent when its owner came to retrieve it. Goods were brought to the second story via a staircase or with the aid of a large crane that swung out over the rear entrance of the plant so that dirty

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The Home Laundry Company, Monroe County, Indiana

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laundry from the pick-up and delivery trucks could be transported immediately upstairs. An elevator was installed during the 1940s to expedite movement of laundry between the two floors.

No known changes other than the routine painting, window pane replacement, and carpet changes have been made to the interior since the 1948 addition was constructed. The most significant changes have been the constant evolution of machinery and its supporting mechanical systems.

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Statement of Significance

The Home Laundry Company is located to the southeast of the Bloomington courthouse square in an area of town developed for light industry between 1910 and 1930. During the 1910s and 1920s, twenty-one businesses operated in seventeen different buildings within a two block area bordered by 3rd, 2nd, Walnut, and Grant Streets.

The Home Laundry Company is significant under criteria A and C, and is locally significant as the oldest continuously operated laundry facility in Bloomington, IN. The Home Laundry building houses the only original business still operating in an area developed for light industry during the Progressive Era, between 1910-1930. Of the five extant buildings from this era, the original 1922 building is one of only three buildings that retain architectural integrity from the 1920s, and is an example of two significant commercial styles, a vernacular 1920s style (1922) and the Art Moderne style of the post WWII era (1948 addition).

The Progressive Era was distinguished by the onset of diverse social and political reform movements throughout the United States. The push for reform manifested as a significant response to the social inequities of the late 19th century, brought on, in part, by the rapid and unregulated growth of industrialism in urban centers. The simultaneous migration of rural working populations and mass emigration from Europe and Asia into American cities further aggravated urban social conditions. These conditions were characterized by overcrowded and unsafe housing, poor sanitation and public health, inadequate educational opportunities, as well as dangerous working conditions and low wages, all of which contributed to an increasing economic and social disparity among classes.

The Progressive Era was a response to these adverse urban, and to some extent, rural conditions, and their effects, particularly as it sought to promote better living and working environments as vehicles for the improvement of public health and welfare. The push for reform addressed a wide range of social problems, the solutions for which were equally diverse. Architecture and planning issues were considered crucial to an improved living and working environment in the belief that the quality of one's surroundings actively influenced health and well-being. Urban planning measures sought to zone industrial, residential, and commercial uses, regulating the availability of light and air to promote public health. Tenement reform relieved overcrowding, and sought to insure clean, safe, and well ventilated housing. New parks provided trees, green space, light and air, and recreational opportunities in the search for improved public health. Cities built new sanitation infrastructure, and many adopted the tenets of the City Beautiful Movement, clearing slums and renewing civic spaces. Factories and commercial workplaces were improved, specialized with new technologies, and adapted to the new diversity of workers.

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Whole new industries provided services previously reserved to the private home as a response to changes in the workforce as well as on the domestic front. And an array of new public services arose in response to Progressive ideals. Progressive education, under the tutelage of John Dewey, reformed public education standards. Child welfare laws were passed. Women's suffrage was won. Public housing was constructed. The National Parks system and the U. S. Forest Service were established.

Areas of significance for the Home Laundry Company under Criteria A include: Commerce - exemplifying the rise of a new service industry linked to the ideals of the Progressive Era; Social History - representing Progressive Era ideals and reforms in response to changes in the nature of the nuclear family, the workplace, public health, commerce, and industrialization; Transportation - as a reflection of the evolution in transportation technology which permitted and encouraged the development of this commercial area, and by offering home delivery service as a major marketing tool first with horse drawn wagons, and then delivery trucks; and Industry - responding to new technologies in the clothing industry, new machine technologies and cleaning processes, and by the adoption of women into the labor force and as primary consumers.

The success of the Home Laundry Company paralleled a national interest in public health issues and domesticity which soared in the early 1900s. The business's success was also impacted by technological advances, clothing styles and fabrics, the rise of service industries, and the increasing entry of women into the workplace. The increasing mechanization of home production processes, such as food production and preservation, as well as laundering, created an explosion of small industrial operations in a district to the southeast of the courthouse square in Bloomington, IN. Between 1900 and 1930, the area encompassed by 3rd Street on the north, 2nd Street on the south, Walnut Street on the West, and Grant Street on the east hosted the following businesses:

- | | |
|--|---|
| Martin and Son Creamery and Ice Cream Factory | 407 S. Washington Street (1907) |
| Quality Ice Cream Co. | 401 S. Washington Street (1927) |
| Sunlight Dairy Company | 401 S. Washington Street (1927) |
| Bloomington Creamery Company | 401 S. Washington Street (1927) |
| Bakery | 204 E. 3 rd Street (1907-1913) |
| Bakery | 202 E. 3 rd Street (1927) |
| Coca-Cola Bottling Works | 405 S. Washington Street (1915-1924) |
| Coca-Cola Bottling Works | 318 S. Washington Street (1924) |
| Bloomington Bottling Works | 427 S. Washington Street (1913) |
| Reed's Steam Laundry | 311 S. Lincoln Street (1913) |
| Yelch's Cleaning Company | 401 S. Washington Street (1913) |

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| | | |
|--------------------------|--|-------------|
| Reed's Steam Laundry | 309 S. Lincoln Street | (1913) |
| New Home Laundry Company | 401 S. Washington Street | (1915-1922) |
| | 309 S. Lincoln Street | (1922) |
| Dry Cleaning Company | 423 S. Washington Street | (1927) |
| Auto Repair Shop | 300 Alley between S. Lincoln and Grant Sts | |
| Garages | 316 S. Washington Street | (1927) |
| | 309 S. Walnut Street | (1927) |
| | 308 S. Walnut Street | (1927) |
| | 314 S. Walnut Street | (1927) |
| | 324 S. Walnut Street | (1927) |
| | 326 S. Walnut Street | (1927)* |

*from Bloomington Sanborn Maps and City Business Directories

The four types of businesses represented above, milk processing, bottling, laundering, and automobile repair shops, were among the new services available to men and women in the Progressive Era. With the exception of individual automobiles, the new technologies of refrigeration and machine laundering were at their peak of commercial importance between the two world wars, before the technologies were affordable to individual families as personal refrigerators and washing machines. Automobiles aided these early enterprises in reaching out to families so that, although the processes may have moved out of the home and into a factory, the women of the household could manage them from the home by using the pick-up and delivery services. Advertising from the Home Laundry Company illustrates the importance of the housewife as a consumer of these new services.

Who'll do the Washing? Will you do it, Mrs. Housewife, and have red hands and a backache? Or will you send it to the Home Laundry? The "family washing" department is now the big thing in our laundry. The family washing service of our laundry is as good as the most particular woman can demand. (HT 2/17/19)

While early ads appealed to women to give up the arduous physical work of hand laundering, businesses also capitalized on the role of women as cost-conscious consumers of certain domestic goods and services. The Home Laundry ad below illustrates that businesses recognized women's desire to make economic and efficient use of family resources. A 1927 ad reads:

Laundry Satisfaction with Economy! Isn't it the sensible thing to send your wash where efficient machinery and effective chemicals transform soiled fabrics into, clean clothes? We have the latest improved method in dry cleaning.

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Another from 1919 reads:

The cost is low- so low that no woman can afford to do her own washing if she counts her time of any value. Almost any woman who has tried modern laundry service will tell you this fact.

The history of laundering establishments in the United States began in Troy, New York circa 1835 with a laundry that cleaned removable shirt collars and cuffs. The first dry cleaning process, which developed late in the 19th century, has been attributed to the French, who recognized the cleaning power of the lamp fuel camphene after it accidentally spilled on a dirty cloth. "With the introduction of flammable solvents such as benzole, kerosene, and gasoline dry cleaning was a hazardous business. In 1926, however, the petroleum-based "Stoddard solvent" was produced specifically for dry cleaning. Today, most dry cleaners use perchloroethylene, or "perc" which came into use in the 1930s following brief trials of carbon tetrachloride and trichloroethylene." (International Fabricare Institute web-site). According to oral histories taken from early employees at the Home Laundry Company, B. Frank Leonard was constantly updating his processes with new machinery and chemicals which he learned of from both the numerous industry conferences he attended each year and from traveling salespeople who came to Bloomington.

The growth of the laundry business in Bloomington parallels the national growth and decline of the commercial laundries between 1870 and 1945. Steam power allowed laundries to move away from labor intensive hand washing to a more profitable mechanized processes by 1880, and this technology prevailed until WWI. (#10, p126.) In Bloomington, the first documented laundry appeared prior to 1898 and was located one block from the train station at the northeast corner of S. Morton and 3rd Streets. By 1900, two other laundries are recorded in the city business directory; by 1916 there were nine companies calling themselves "cleaners" or "laundries" serving a population of slightly less than 15,000 people (#1). As one of these nine companies, B.F. Leonard's Home Laundry Company was taking advantage of the concurrent social and technological changes that replaced home production and self-sufficiency with mechanized production and consumerism.

The increase in demand for commercial laundries during this era was also fueled by the proliferation of washable linens available for purchase as ready made clothing, and by an increase in the use of cotton undergarments, nightshirts, petticoats, and chemises (#10, p.134). The Home Laundry Company operated as a steam laundry until 1927 when it added dry cleaning to its services.

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Social reforms of the late nineteenth and early twentieth centuries are intimately tied to the plight of families attempting to negotiate the difficulties of work, home, and health. Fundamental to the Progressive Era, the public health movement, which peaked between 1890 and 1910, connected the ideals of morality and cleanliness. White became a visible symbol of "sanitary awareness" and was popular in personal clothing and public uniforms (#10, p123). At Leonard's Home Laundry Company, photographs show female employees at the original 1915 laundry wearing white smocks and white paper hats. Employees continue to appear all in white until a 1951 photograph.

A dramatic decrease in the national birthrate between 1860-1910 produced changes in the family structure which enabled more women to work outside the home. The average births per woman decreased by thirty percent (25% for foreign-born women) during these four decades, nearly halving the number of a woman's childbearing years (#7, p110). And, because people increasingly lived in nuclear rather than extended families, duties that had been previously shared among the women of the household fell entirely to one woman. Hand laundering was an arduous and time consuming process. Catherine Beecher, an early advocate of domestic efficiency, while encouraging control and minute management over most household chores, encouraged women to hire out the laundering as early as 1841 (#7, p110). The laundry industry as a whole can be evaluated in the context of women's history. Traditionally considered women's work, laundering established itself early on as one of the few industrial jobs where women could obtain respectable employment. The Home Laundry Company in Bloomington employed women exclusively in their work rooms from 1915 through the 1950s. Supporting photographs prove the homogeneity of the wash room labor force.

Alice Kessler-Harris, in her book Out to Work, documents a meteoric rise in the number of commercial laundries between 1870 and 1910. "The number of women employed in these establishments multiplied by fifty to one hundred percent in each decade of those forty years, far outstripping population growth and providing one laundry worker for every 152 people in the population of 1910" (#7, p112).

The Home Laundry Company represents the explosion of small manufacturing and service industries in the early twentieth century under criterion A. A look at the history of the business and its founding family is telling. Benjamin Franklin Leonard was born on a farm in Owensburg, Greene County, in 1879. In 1911, he and his brother Boone Leonard purchased from W. N. Urmay the largest laundry in Bedford, IN, located at 807-809 E. 15th Street, and named it the Home Laundry Company. When B. Frank Leonard moved his family to Bloomington in 1915, he purchased Frank Yelch's New Method Cleaning Company at 401 S. Washington St., opening his own business under the name The New Home Laundry Company.

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In 1922, with investments of \$3,000 from his nephew Leonard George and \$3,000 from Irvin Matthews of Matthews Stone Company (the largest limestone company in Bedford, IN), B. Frank Leonard purchased Reed's Steam Laundry one block away at 309 S. Lincoln Street. Because the building was in poor repair, B.F. Leonard tore down the Reed's laundry building and constructed the current building with the name of the business, "New Home Laundry Company" displayed on the facade.

The Home Laundry Company held contracts with large institutions in Bloomington, including Indiana University. The Home Laundry Company was awarded the Indiana University contract for all laundry from the University Commons and Halls of Residence beginning in 1928 (#6). According to oral histories taken from an early employee, the Home Laundry Co. continued to hold this contract until the university installed its own laundry in 1941. (Robert Nellis, #6). Between 1922 and 1947, a one-story addition was made to the north side of the building to accommodate the ever-expanding business. Robert Leonard joined his father's business in 1940 for one year before joining the Navy during WWII. Having grown up in a laundry family, Robert ran a naval laundry facility at Pearl Harbor, Hawaii. He returned from the Navy in 1945 with many new ideas for the family business. In 1947-48, the family added a streamlined one-story addition designed by builder Cecil Harlos (L. Leonard). B.F. Leonard's other son, Lee, joined the business in 1945. During its greatest level of employment during the 1940-50s, the Home Laundry Company employed 90 people (Nellis). The business has passed through the Leonard family, from the two sons of B. F. Leonard, Robert and Lee, to its current owner Barbara Leonard, Robert's daughter.

Although Benjamin Franklin Leonard's formal education ended at the eighth grade, he went to work dressed in a full suit and tie and was known as "Mr. Leonard" among his workers. This kind of decorous behavior was encouraged at the Home Laundry company, and in retaining some of the Reed's Laundry's former employees, Mr. Leonard was obliged to quell some of the rough and crude behavior. During the first few years of operations, B.F. Leonard established horse drawn wagon pick-up and delivery routes, and, by 1931, each delivery man was outfitted with a uniform and personalized laundry truck. The Home Laundry Company handled all laundry accounts for Indiana University until 1941, an account which helped Mr. Leonard to continue to operate at a profit during the depression years. B. Frank Leonard rose to a position of leadership in the business community during a time when energetic and influential business groups like the Kiwanis and Bloomington Chamber of Commerce were forming.

As defined by criterion C, the Home Laundry Company is architecturally significant as an industrial building type. It is, as well, the only continuously operating business and one of only 5 extant early commercial buildings in an area developed for industry during the first three decades

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of the twentieth century. Of the five extant buildings from this era, the original 1922 building is one of only three buildings that retain architectural integrity from the 1920s, still reflecting the essential form of its long term utility as a laundry. The original 1922 building, together with the 1948 addition, is an example of two significant commercial styles, a vernacular 1920s style and the Art Moderne style of the post WWII era. There are a number of architectural characteristics and methods of construction common to these industrial buildings that distinguish them as a vernacular commercial type prevalent in the early twentieth century.

Early twentieth century domestic industries had in common a need for large open spaces to provide flexible work space, as well as to house machinery, inventory, vehicles, and product. Many also had a small storefront and retail call area for customer service. In southern Indiana, these buildings were typically brick masonry construction with concrete ground level floors and wood floor systems above. The earliest examples, most often pre-1920, are bearing wall with wood and/or steel post and beam interior structures and wood trusses. Steel truss systems, borne on bearing walls and steel interior structures come somewhat later in this geographic area. The increasing use of steel systems often provided greater interior spans and was generally adopted as materials became more available and cost effective. It is common to see a combination of both types of structure within a single building of this period (or its addition), a fact that reflects the transitional nature of construction methods and the demand for more open interior plans. Bearing wall construction coupled with post and beam systems not only provided large unobstructed interior bays, but made possible the use of large window systems, typically steel sash in the work areas, that provided much needed light and ventilation for the work space.

By the late 1910s and early 1920s, all of the prerequisite technologies necessary to construct a small factory were readily available and affordable to small business owners – poured concrete floors to hold heavy machinery, steam driven heating systems for uniform heating of the building, and affordable electricity. In addition, by the mid-1920s, steel trusses were widely used, increasing overhead space, load-bearing capacity for overhead machinery, and fire safety, while decreasing cost, construction time, and maintenance needs. The 1922 Home Laundry Company building was one of the last to use a wooden truss system in Bloomington, IN.

As a type, these early factories represent a transition. On the one hand they often utilize exterior fenestration to present a street facade similar to an office building or other civic form, in part to shield the pedestrian from interior functions, but also to lend an air of commercial importance normally not attributed to blue collar functions. Thus the ornamental brick and concrete quoins, limestone or concrete detailing, smaller window openings (often double hung units), and more ornamental pedestrian entries. On its facade, the Home Laundry Company employs a decorative brickwork pattern common in Bloomington – a pattern that uses a limestone quoin or plinth

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block connected by a soldier course of bricks to frame windows and doors, and to decorate blank sections of a wall.

In work areas it is common for the same building to have larger bays of windows for light and ventilation, as well as garage openings for vehicles and transportation requirements, reflecting the role of the automobile in the location and functional construction of the building. Here, form more closely follows function. In the 1922 Home Laundry Company building the first and second floors are distinguished in this manner, with the exception of one garage bay on the main facade, which was closed early in the building's history.

It was the functional aspect of early factory architecture—large bays, continuous or banded window fenestration, low rise elevations, open floor plans—that served as one of the models for the Modern Movement. However, with the onset of Modernism, most of the architectural play between office building and factory building is lost. There is little or no attempt to have factories look like any thing other than factories. More often, office buildings and residences are built to look like factories. As seen in the 1948 Moderne addition, factories come to be stylistically distinctive, but they have foregone attempts to camouflage their function.

Thus, the Moderne addition displays few of the transitional elements of the original factory building and its 1947 addition. It incorporates a new set of architectural components—steel truss, plate glass and aluminum storefront, glass block, continuous horizontal awning windows, and an aluminum marquee awning to convey a modern, streamlined establishment. Other than the functional similarity, wall height, brick masonry, and flat roof, which make it compatible in massing with the previous 1947 addition, it represents a distinct, but equally significant, architectural type.

Having both the commercial vernacular type of the 1920's and the Moderne addition together as one building is significant of the movement from one industrial typology to another during this period. This is particularly notable in light of the transitional nature of the 1922 factory itself.

Builders:

The architect or builder of the original 1922 building is unknown, although oral histories reveal that it was the same person or firm who designed the Graham Auto Garage at 300 S. College Street.

Cecil Harlos was the designer and builder of the 1948 Moderne addition. Cecil Harlos was born in Lebanon, IN on February 13, 1895. Upon graduating from Indiana University in 1923 after a four year hiatus to serve in the Army during WWI, Harlos went to work for the Fulwider Lumber

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Co. in Bloomington. Subsequently, he worked for Hughes Brothers Lumber Co. until the spring of 1937, when he resigned to establish his own contracting business. In 1943, he purchased the Hughes Brothers business and real estate, renaming the firm "Building Service." Located on W. 4th St. on the east side of the Monon Railroad tracks, Cecil Harlos's business services consisted of all stages of project management, from drafting to contracting. He built many of the homes in the University Courts Historic District and is best known for his colonial revival apartment building at 605 S. Fess Street.

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Oral Histories

Audio tapes held by Preservation Development
400 W. 7th Street
Bloomington, IN 47401

Sally Fulkerson. Interviewed 4/17/99 by Barbara Leonard.

Lee Leonard. Interviewed 4/17/99 by Barbara Leonard.

Robert Nellis. Interviewed 4/13/99 by Kristen Brennan and Barbara Leonard.

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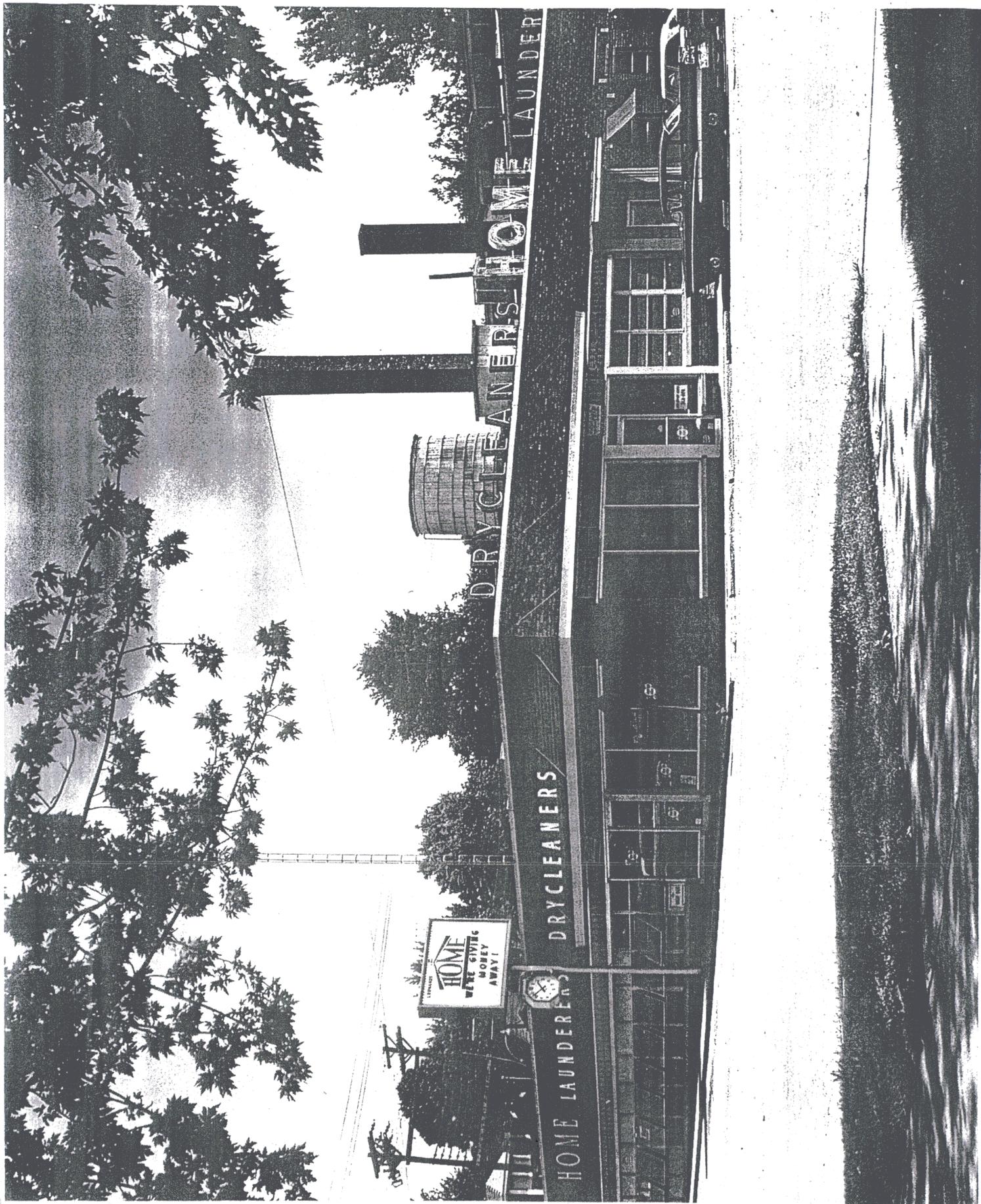
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Verbal Boundary Description

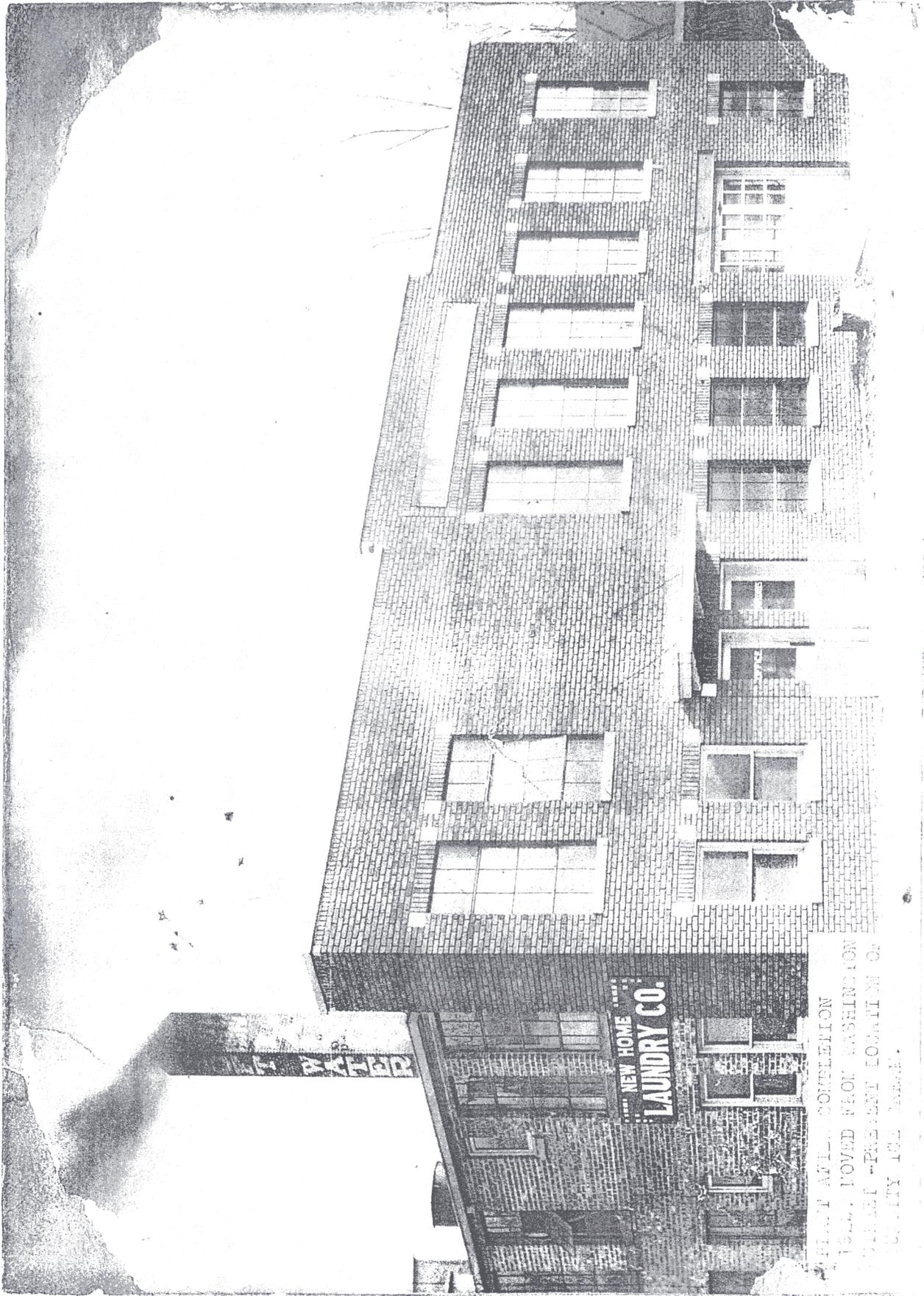
The Home Laundry Company property occupies the southeast corner of E. 3rd and S. Lincoln Streets. The property boundaries are: the south side of E. 3rd Street, the east side of S. Lincoln Street, the alley to the south of the building, and the alley to the east of the building and parking lot. The property encompasses Lots 5 and 6 of the Orchard's Addition Plat.

Boundary Justification

The boundary described above are the current property boundaries, encompasses the original property at 309 S. Lincoln, and represents the boundaries of the Home Laundry Company after the completion of the 1948 streamline Moderne addition.



05



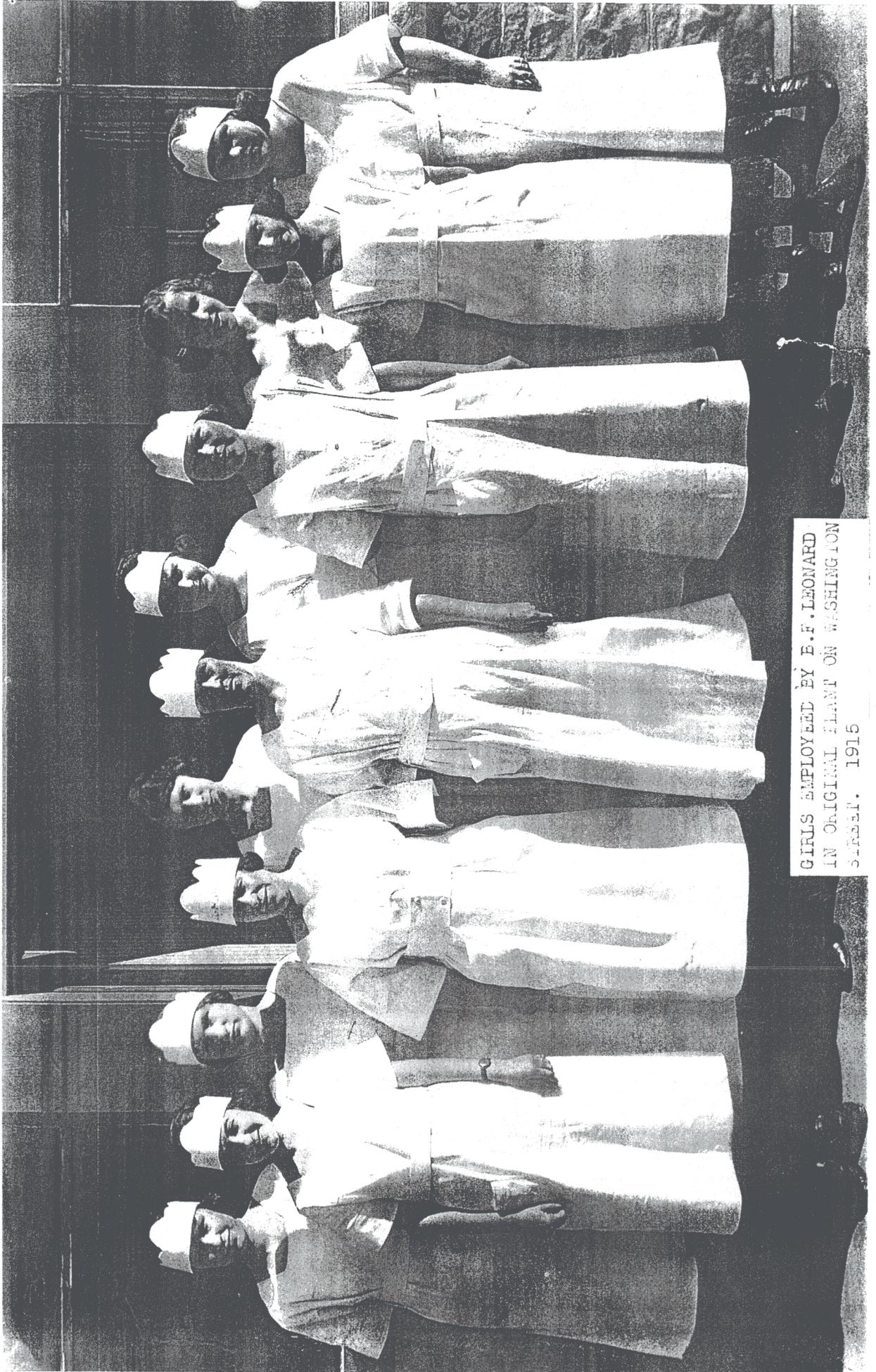
PLANT AFTER COMPLETION
 1922. MOVED FROM WASHINGTON
 STREET - PRESENT LOCATION OF
 UTILITY ICE HOUSE.

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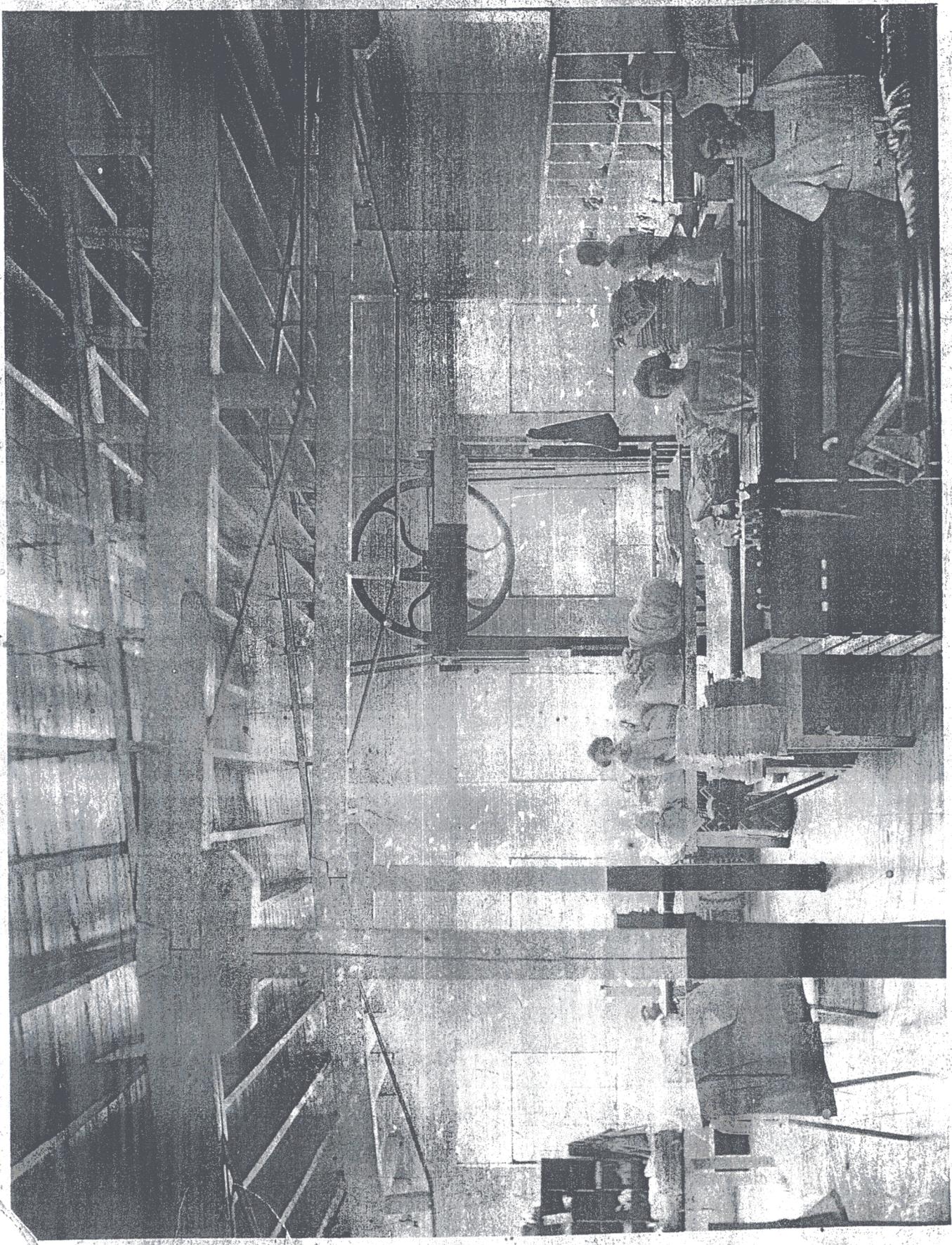
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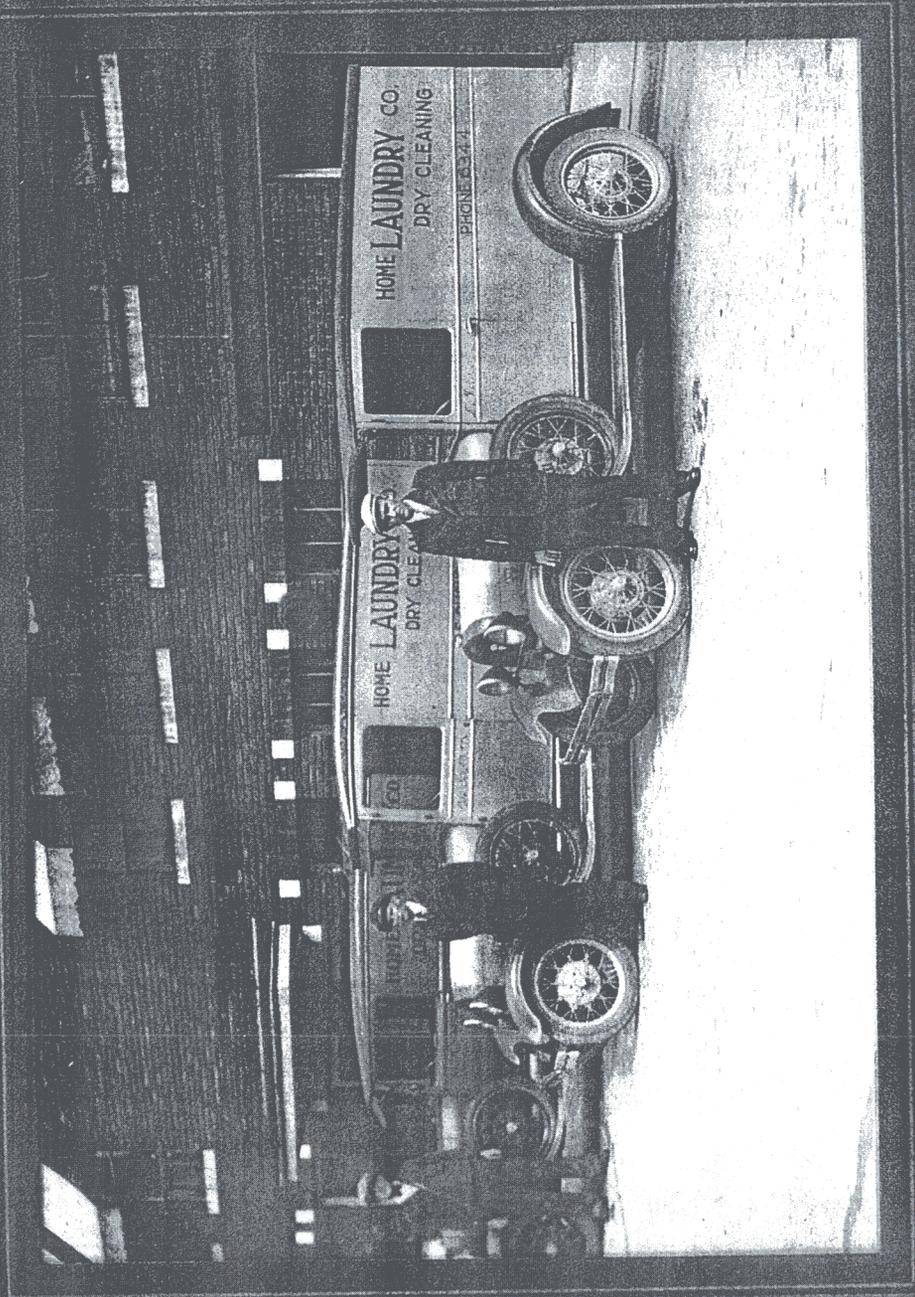
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1915



GIRLS EMPLOYED BY E. F. LEONARD
IN ORIGINAL ELANT ON WASHINGTON
STREET. 1915





W. C. JOHNSON
Photo
DIVISION

In the Council Chambers of the Showers City Hall on Wednesday, March 30, 2005 at 7:30 pm with Council President Andy Ruff presiding over a Special Session of the Common Council.

COMMON COUNCIL
SPECIAL SESSION
March 30, 2005

Roll Call: Banach, Diekhoff, Ruff, Gaal, Rollo, Sturbaum, Volan, Sabbagh
Absent: Mayer

ROLL CALL

Council President Ruff gave the Agenda Summation. Ruff made the announcement that there were currently two openings on the Dr. Martin Luther King, Jr. Commission. He asked interested citizens to apply on line or call the City Clerk's office.

AGENDA SUMMATION

There was no legislation for second reading.

LEGISLATION FOR SECOND
READING

It was moved and seconded that the following legislation be introduced and read by title and synopsis only. Clerk Moore read the legislation by title and synopsis.

LEGISLATION FOR FIRST
READING

Ordinance 05-10

Ordinance 05-10 To Amend Title 4 of the Bloomington Municipal Code Entitled "Business Licenses Generally" (Amending Chapter 4.04.110 Entitled "Lunch Wagon" by Disallowing Lunch Wagons from Operating Near the Farmer's Market When the Market is Open)

The meeting was adjourned at 7:35 pm.

ADJOURNMENT

APPROVE:

ATTEST:

Andy Ruff, PRESIDENT
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington