



City of Bloomington Common Council

Legislative Packet

Special Session

immediately followed by

Committee of the Whole Discussion

17 November 2010

Office of the Common Council
P.O. Box 100
401 North Morton Street
Bloomington, Indiana 47402

812.349.3409

council@bloomington.in.gov
<http://www.bloomington.in.gov/council>



Packet Related Material

Memo

Agenda

Calendar

Notices and Agendas:

- **Council Sidewalk Committee** on Wednesday, November 17th at Noon in the Council Chambers

Legislation for Final Action at Special Session on November 17th:

- **App Ord 10-04** To Specially Appropriate from the General Fund Expenditures Not Otherwise Appropriated (Appropriating Grants and Donations to Be Used for Maintenance and Consulting Services Related to the Animal Shelter)

- Contact:

Laurie Ringquist at 349-3492 or ringquil@bloomington.in.gov

Please see the Council Legislative Packet prepared for the [3 November 2010](#) meeting for legislation, memo and summary.

- **Res 10-16** Approving the Enlargement of the Downtown Economic Development Tax Allocation Area

- Contact:

Lisa Abbott at 349-3401 or abbottl@bloomington.in.gov

Danise Alano-Martin at 349-3418 or alanod@bloomington.in.gov

Please see the Council Legislative Packet prepared for the [11 November 2010](#) meeting for legislation, memo and summary.

Legislation and Background Material for First Reading at the Special Session and Discussion at the Committee of the Whole on November 17th:

- **Res 10-17** To Approve the Interlocal Agreement Between Monroe County, Town of Ellettsville, and the City of Bloomington for Animal Shelter Operation for the Year 2011
 - Memo from Laurie Ringquist, Director of the Animal Care and Control Department; Interlocal Agreement; Calculation of Payment Amount; And, Source of Animals Received by the Shelter

Contact: Laurie Ringquist at 349-3870 or ringquil@bloomington.in.gov

- **Ord 10-16** To Amend Title 7 of the Bloomington Municipal Code Entitled “Animals” (Adding Chapter 7.54 “Miscellaneous Fees”)
 - Memorandum from Laurie Ringquist, Director of Animal Care and Control.

Contact: Laurie Ringquist at 349-3870 or ringquil@bloomington.in.gov

Introductory Materials for Ord 10-18 and Ord 10-19

- Memo from Karl R. Sturbaum, Bond Counsel

- **Ord 10-18** Authorizing the City of Bloomington, Indiana, To Issue Its Economic Development Recovery Zone Facility Revenue Bonds, Series 2010 ("Bloomington Dyslexia Center LLC") in the Principal Amount Not in Excess of Two Million One Hundred Thousand Dollars (\$2,100,000), and Approving and Authorizing Other Actions in Respect Thereto
 - Memo to Council from the Economic and Sustainable Development Department
 - Economic Development Commission Res 10-08 with Report and Findings of Fact;
 - Site Plan
 - Financing Documents including the Indenture (with Form of Bond as Exhibit A), Loan Agreement, and Promissory Note *are available in substantially final form in the Clerk/Council Office and can be viewed online.*
 - *Contact:*
Adam Wason at 349-3418, wasona@bloomington.in.gov
Denise Lessow, Representative of Petitioner, 812-339-8141
Karl Sturbaum, Bond Counsel, at ksturbaum@boselaw.com

- **Ord 10-19** Authorizing the City of Bloomington, Indiana, to Issue its Economic Development Recovery Zone Facility Revenue Bonds, Series 2010 ("1302 S. Rogers LLC") in the Principal Amount Not in Excess of Two Million Three Hundred Thousand Dollars (\$2,300,000), and Approving and Authorizing Other Actions in Respect Thereto
 - Memo to Council from the Economic and Sustainable Development Department
 - Economic Development Commission Res 10-07 with Report and Findings of Fact;
 - Photo of Building
 - Financing Documents including the Indenture (with Form of Bond as Exhibit A), Loan Agreement, and Promissory Note *are available in substantially final form in the Clerk/Council Office and can be viewed online.*
 - *Contact:*
 Adam Wason at 349-3418, wasona@bloomington.in.gov
 Randy Lloyd, Representative of Petitioner, 812-330-0077
 Karl Sturbaum, Bond Counsel, ksturbaum@boselaw.com

- **Res 10-17** To Amend the Guidelines for and Rename the Business Incentive Loan Fund (BIIF) Program
 - EDC Res 10-09; Memo from Economic and Sustainable Development Staff; History of Enabling Legislation; Proposed Guidelines; Table Comparing the Current and Proposed Guidelines
 - Contact: Adam Wason at 349-3418 or wasona@bloomington.in.gov*

Minutes from Regular Session:

None

Memo

Two Items Ready for Final Action at Special Session and Four Items for Discussion at the Committee of the Whole on Wednesday, November 17th

As a result of a vote at the last Regular Session, the Council will hold a Special Session instead of a Regular Session on November 17th. This decision was made in order to save time on an evening where the Council will hold two meetings. The first will now be a Special Session where two items are ready for final action and three items are ready to be introduced. The second meeting is a Committee of the Whole where the three just introduced items and two resolutions will be ready for discussion.

Information regarding the items ready for final action can be found in the two previous packets (see online link above) and information regarding the items for discussion can be found in this packet and are summarized herein.

Items for Discussion at the November 17th Committee of the Whole

Item One - Res 10-17 Approving the Animal Control Interlocal Agreement Between the City, Town of Ellettsville and County for 2011

Res 10-17 approves the execution of the *Interlocal Agreement* between the City, the Town of Ellettsville, and Monroe County regarding the funding for Animal Shelter operations in 2011. Under the terms of the *Agreement*, the County will pay a total of \$250,000 and the Town of Ellettsville will pay a total of \$3,581 to the City for work we do on their behalf next year. This work includes the services done by the City in sheltering animals coming from the County and otherwise assisting in County operations (i.e., dispatching runs and giving information to callers), but is distinct from the City's animal control field operations, education program and volunteer program. The amount of payment is based upon a formula that takes into account the cost of shelter operations (which is about half the City's Animal Control budget), offsetting revenues and the percentage of shelter operations attributable to animals coming from these jurisdictions during the previous year. Please note that the payment from the County (including the Town of Ellettsville) will go up by down by \$4,847 and the number of animals handled by the shelter has gone down (which is part of trend for the last few years).

The formula works as follows:

| | |
|---|---|
| Projected Budget for Animal Shelter Operations for 2011 (including increases in budgeted expenses and offset by adoption revenues - \$112,187) | \$603,765 (<i>up \$51,022 from last year</i>) |
|---|---|

| | |
|---|---|
| Percentage of Shelter Operations Attributable to County (Based upon percentage of animals arriving from the County – 1,894 out of 4,561) Please note that the number of animals handled by the Shelter has gone down by about 255 between 2008 and 2009. | <u>x 42 %</u> (<i>down 3% from last year</i>) |
|---|---|

| | |
|--------------|--|
| TOTAL | \$ 253,581 (<i>up \$4,847 from last year</i>) |
|--------------|--|

Item Two– Ord 10-16 (To Amend Title 7 of the Bloomington Municipal Code Entitled “Animals” [Adding Chapter 7.54 “Miscellaneous Fees”])

Item Two – Ord 10-16 –This legislation amends Title 7 “Animals” of the Bloomington Municipal Code to add Chapter 7.54, entitled, “Miscellaneous Fees.” Chapter 7.54 creates two new fees: one for the surrender of animals from non-Monroe County residents and one for the use of the City of Bloomington Animal Shelter incinerator. While the addition of the incinerator fee is a housekeeping change to the Code to codify current practice, the assessment of a “surrender fee” is new.

At present, the Bloomington Animal shelter is an “open admission” shelter. This means that the Shelter accepts all animals regardless of their origin, health, temperament and space constraints. This open admission policy results in a substantive number of animals surrendered by residents outside of Monroe County. In 2008 and 2009, approximately 20% of all Shelter intakes were from non Monroe-County residents – 977 of 4,816 total in 2008 and 906 of 4,561 total in 2009. These animals came from Brown, Green, Lawrence, Morgan and Owen counties.

As spelled out in the attached memo from Laurie Ringquist, Director of Animal Care and Control (ACC), residents from surrounding areas bring animals to the Bloomington Animal Shelter for a number of reasons:

- All surrounding-county shelters have significantly more limited resources (funding, staffing and facilities) than the Bloomington Shelter. Shelters in these counties are all private humane society shelters – none of these counties have a municipal shelter;
- These counties have limited financial resources for spay/ neuter assistance;
- These counties don’t have many animal-related regulations; those who do have regulations, have little staff to enforce them;
- All shelters in these counties restrict admission to surrenders from residents of their own counties;

- Shelters in some of these counties identify themselves as “no kill” which means that when their shelter is full, they stop accepting animals until space becomes available; and
- Shelters in some of these counties are also selective about admission, oftentimes refusing animals with health or behavioral problems.

These conditions oftentimes mean that surrounding counties routinely refer their residents to the Bloomington Shelter for shelter care. For example, in 2009 Owen County took in 174 dogs, but the Bloomington Animal Shelter took in 198 dogs from Owen County residents.

The reliance of surrounding counties on the Bloomington Animal Shelter translates into significant cost, space, animal health and population control concerns.

Cost

While Monroe County pays the City of Bloomington via an interlocal agreement to pay for animals coming to the Shelter from outside the City limits, there are no analogous agreements with surrounding counties. Since the City does not receive any compensation from other counties, this means that Bloomington taxpayers subsidize the care of animals from outside Monroe County.

Population Control

Ringquist points out that while Bloomington and Monroe County have strong animal care and control laws and a robust practice of providing affordable spay and neuter services, other communities do not. As a result, intake from Bloomington and Monroe County has been decreasing, while intake from surrounding areas has been increasing. (For intake trends, please *see* table provided in Ringquist’s Memo).

Space

Every year, the Shelter takes in more animals than it adopts out. A trend of increasing intakes from surrounding counties means that the Shelter euthanizes animals. It also results in overcrowding. Overcrowding leads to upper respiratory infections which spread and call for increased medical expenses and increased euthanasia.

In the interest of serving and protecting animals in need, reducing euthanasia and overcrowding, and providing a governmental service that is fair to taxpayers, the

ACC proposes to implement a “surrender fee” for residents of counties outside Monroe and the City of Bloomington. Bloomington and Monroe County residents will not be charged a fee for surrendering an animal to the Shelter.

SURRENDER FEE

In thinking through possible remedies to its problem of ever-increasing out-of-County surrenders, the Animal Care and Control Commission contemplated eight options as outlined in Ringquist’s memo, including, but not limited to, measures such as: accepting only City and Monroe County resident surrenders; accepting only surrenders from counties who enter into an interlocal agreement with the City; restrict Shelter admission to City and Monroe County residents only. (*See* memo for a complete list of options considered.)

In July, the Commission agreed that the best course of action is to restrict admission to City of Bloomington and Monroe County residents but offer other county residents the following options: a) be placed on a waiting list and be notified when space becomes available or b) pay a surrender fee if they wish to surrender an animal immediately – regardless of space availability.

Ordinance 10-16 outlines the following schedule for surrender fees for residents outside of Monroe County. The proposed fee schedule is as follows:

| | |
|---|---------|
| Dogs and cats over 6 months of age | \$20.00 |
| Litters of puppies or kittens with 5 or fewer animals, all of which are younger than 6 months of age | \$25.00 |
| Litters of puppies or kittens with more than 5 animals, all of which are younger than 6 months of age | \$35.00 |
| Animals other than dogs and cats | \$10.00 |
| If an animal over 6 months of age is surrendered with a litter, both the \$20.00 adult fee and the litter fee shall be charged. | |

To put the proposed changes in context: many municipal shelters do not accept animals outside of their jurisdiction at all; those who do commonly charge a surrender fee. Many private shelters charge a surrender fee for *all* incoming animals.

Waiver.

The ordinance provides that the Director of ACC or her/his designee may waive the surrender fee in circumstances where such waiver is deemed in the best interest of the animal. According to Ringquist, ACC might consider waiving the fee if someone threatens to harm the animal if the Shelter does not accept it or if ACC

sees that the animal is in bad shape and really needs food, medical care, etc. that ACC feels the person will not provide.

Effective Date

If passed by the Council, the above-fees would be effective January 1, 2011.

Revenue.

Revenue generated by the out-of-county surrender fees will go into the general fund. The Animal Care and Control Commission encouraged the City to use funds generated by this new fee for medical expenses.

Notification to Surrounding Counties

Upon passage by the Council, ACC will notify elected officials in Owen, Morgan, Brown, Green and Lawrence Counties of the ensuing change in procedure.

Ringquist points out that because of the Bloomington Shelter's "open admission" policy, many of the surrounding counties have not been called upon to take steps to address overpopulation in their own counties. Ringquist writes, "[t]o some degree, we are enabling them to continue their current practices of not enacting tougher ordinances and of not adequately funding their shelters."

Ringquist makes clear that, ACC wants to serve *all* animals in need, regardless of their county of origin. However, the Shelter's current "open admission" leads to a competition for resources. More restrictive admission, will help alleviate overcrowding, illness and euthanasia.

Incinerator Fee

This ordinance also makes a housekeeping change to codify the Shelter's current practice of charging veterinarians and other shelters a fee for use of its incinerator to dispose of animal remains. Historically, the Shelter has charged \$.10/lb for use. Based on current fuel prices, ACC recommends codifying this fee at \$.15/lb.

**Item Three and Four - Ord 10-18 and Ord 10-19
Issuing Tax Exempt American Recovery and Reinvestment Act (ARRA)
Economic Development Recovery Zone Facility Bonds for
Pinnacle School (Ord 10-18 – Not to Exceed \$2.1 Million) and
First Capital’s Southern Indiana Medical Group Project
(Ord 10-19 – Not to Exceed \$2.3 Million)**

Two ordinances in this packet authorize issuance of tax exempt bonds for two local projects under the American Recovery and Reinvestment Act of 2009.¹ Among many other provisions, this act, better known as the Stimulus or Recovery Act, provided funds to the States to be allocated to large municipalities (over 100,000) and counties for Economic Development Recovery Zone Facility bonds based upon declines in employment during 2008.

Actions of the County

Monroe County has received authority to issue \$15 million in these bonds and has allocated \$2.1 million for Pinnacle School and \$2.3 million for the Southern Indiana Medical Group project at 1302 South Rogers, which lie within the City. The City had the choice of serving as the issuer or allowing the County to serve in that capacity and chose the former which should allow the issuance to occur a little sooner than otherwise. Please note in issuing these bonds the City incurs no liability or debt obligation.

Actions of the Economic Development Commission

The City’s Economic Development Commission has taken a series of steps to bring the ordinances forward to the Council. In brief, these steps include:

- Acknowledging that the County Commissioners has allocated the stated amount of the County’s Recovery Zone Facility Revenue Bond allocation under Section 1400 of American Recovery Act of 2009 for each project;
- Considering each project and the purpose of the bonds;
- Holding a hearing on the financing in accordance with IC 36-7-12-24, under which it finds that financing will create opportunities for gainful employment and, therefore, be of benefit to the health or general welfare of the unit issuing the bonds and that it complies with IC 36-7-12;

¹ This summary is based upon the packet material provided by the Department of Economic and Sustainable Development and Bond Counsel.

- Finding that each company has no competitors within the City and County, and that the project will not have an adverse competitive effect on similar facilities already in these jurisdictions;
- Authorizing all actions necessary to issue the bonds; and
- Approving the issuance of bonds and the forms of the Financing Documents; and directing its Secretary to transmit its resolution to the Council.

The Ordinances

The ordinances:

- Find that the financing of these projects, the loan of the net proceeds to these companies to complete these projects, and the repayment of the loans by these companies will be of a benefit to the health and general welfare of the City and its citizens and complies with IC 36-7-12 (Economic and Pollution Control);
- Approve the Financing Documents², two copies of which must be kept by the City Clerk for public inspection, and allow the Mayor and City Clerk to revise them after consultation with City Legal and as necessary to issue the bonds;
- Authorize issuance of bonds in the amount mentioned above to procure funds to loan the companies³, which are payable by the company pursuant to the Note and other Financing Documents, and establish that the bonds never constitute a general obligation, debt or charge against the general credit of the City (as issuer);
- Authorize the City Clerk to sell the bonds to the bond purchaser at price equal to the principal amount plus accrued interest at an interest rate set forth in the Financing Documents;
- Authorize Mayor and City Clerk to execute documents necessary to consummate the transaction and to approve any revisions as long as they do not effect terms set forth in IC 36-7-12-27(a)(1)-(11)(e.g. term, date, maximum interest rate, etc); authorize the City Clerk to arrange for the delivery of the bonds to the purchaser and to receive payments pursuant to the Financing

² The Financing Documents are instruments signed by one or more of the following parties: the issuer (City), company (owner of the project), corporate trustee (as yet to be selected) and bond purchaser. These instruments include: 1) Indenture (including the Trust Indenture and Mortgage between City (as issuer) and Corporate Trustee (yet to be selected); 2) Loan Agreement (between the Issuer and the Company); 3) Promissory Note (between issuer and purchaser where issuer signs over rights to purchaser under loan agreement and indenture leaving no recourse against the issuer); and , 4) Form of Bond (which is Exhibit A of the Indenture). Copies of these documents are available in the Council Office.

³ The companies are the owners of the project (i.e. Bloomington Dyslexia Center, LLC and 1302 S. Rogers, LLC.

Documents; and limit the date for closing the transaction at no more than 90 days after the legislation is adopted; and

- Establish that the legislation and Financing Documents are a binding contract between the City (as issuer) and the bond purchaser, and prohibit the City from amending or repealing the legislation in any way that adversely affects the bond holder(s) as long as the bonds or the interest on them remains unpaid; and
- Declare that the legislation is in full force and effect once adopted pursuant to the statute regarding adoption of ordinances by city legislative bodies (I.C. 36-4-6-14).

Ordinance 10-18 – Relocation of Pinnacle School - \$2.1 Million in Bonds

Pinnacle School (the De Paul Reading and Learning Association, Inc.) is seeking \$2.1 million to refinance the relocation and expansion of their campus in 2009. Pinnacle School has been “serving families with dyslexia and related learning differences since 1981” and moved from West Second to 1502/1505 West Arlington Road in November, 2009. In September of that year, they received a Conditional Use approval to expand their three-building campus to add sewer and water lines, extend the driveway, add a 12,000 s.f. classroom building and a 5,600 s.f. multipurpose gym and improve their outdoors with landscaping, a courtyard, and meeting areas at a cost of about \$2.4 million. They estimate the new campus will create 5 – 7 new full-time teacher positions and at least 3 part-time tutors.

Ordinance 10-19 – First Capital’s Southern Indiana Medical Group Project - \$2.3 Million in Bonds

1302 S. Rogers, LLC (First Capital’s Southern Indiana Medical Group Project) is seeking \$2.3 million to be reimbursed for the construction of a 12,000 s.f. primary care, medical office facility for Bloomington Hospital. Total cost of the project, including issuance of the bonds, is about \$2.7 million. They estimate the new facility will create 23 new jobs in the next two years.

Item Five – Res 10-17 – Renaming Business Investment Incentive Fund Program and Amending Its Guidelines

Res 10-17 renames the Business Investment Incentive Fund Program (now Bloomington Investment Incentive Fund Program) and amends its guidelines.

History of the Program Legislation

The fund was established in 1986 with a \$400,000 allocation from the Special Non-Reverting Fund – which received monies from certain west side industries in exchange for not being annexed by the City. Perhaps because of the source of the initial contribution, the Industrial Incentive Loan Fund began as a revolving fund that provided the manufacturing and industrial employers in our community with low interest loans for construction and expansion of buildings, the purchase of capital equipment, and the installation of infrastructure improvements.

From 1986 until 1997, the enterprises covered by the fund were expanded to include business-supported child care facilities and, as a consequence of our acquisition of the Showers/Mayflower parcel, businesses which were dislocated by the City’s purchase of their property.

In 1997, the Council approved comprehensive amendments to the program and changed its name to focus on business rather than industry. Those amendments:

- Raised the cap on overall loans from \$400,000 to the balance of the fund;
- Provided a new format that remains largely intact with the new guidelines; and
- Broadened the purpose of the fund to assist any business within the loan area and to include two downtown capital investment programs - a loan program for businesses and a small grant program for non-profits.

Lastly, in 2000, businesses adversely affected by the “Big Dig” project on Kirkwood were covered under a Business Disruption Bridge Loan Program.

Status of the Fund

The fund has a balance of \$630,000. There are three loans outstanding with a total amount of \$135,000. Since its inception 24 years ago, the fund has provided approximately \$1.7 million in loans and \$172,000 in grants.

Proposed Changes in 2010

Under Mayor Kruzan, the City has established an Economic and Sustainable Development Department and broadened the concept of “economic development” to include arts, entertainment and sustainable development. The creation of the new department, the change in focus, and a desire to streamline the process all permeate the new guidelines. Rather than detail all of the changes – which can be found in a table at the end of the legislative materials that compares the current and proposed guidelines – the remainder of this summary highlight key differences.

Shifts Authority

The resolution and guidelines propose shifting authority from the Council in two ways. First, the guidelines allow a new BIIF Review Committee (BRC) and Economic Development Commission (EDC) to authorize loans under \$75,000 and all grants, without further approval by the Council. This will take about a month off what has been a five-month approval process. Please note that Business Disruption Loans are already handled in that manner. Second, the resolution authorizes the Economic Development Commission to amend the guidelines without further review by the Council. As I understand it, this will give the staff and Commission the room to address unforeseen issues quickly and effectively.

Realigns Purpose to Coincide with New Departmental Goals

The proposed guidelines declare a new statement of purpose which uses “gap-financing” to promote sustainable development by expanding economic opportunities, protecting the health of the environment, providing for social equity of local citizenry. By targeting diverse, healthy companies with excellent potential for growth and a prospect of increased employment in the City, the goals of the program are to:

- Financially assist eligible enterprises;
- Support social enterprises and non-profits promoting the economic vitality of the community; and
- Further Bloomington Entertainment and Arts District strategic plan and the sustainable development policies of the City.

Reconfigures Loan and Grant Programs

Here is a table that is intended to help describe the change in loan and grant programs under the proposed guidelines:

Current Programs

Proposed Programs

Loan Programs

Individual Programs

(with varying evaluation criteria and loan amounts, but same permissible uses and interest rates)

General Revolving Fund Loan Programs

(with one set of evaluation criteria (which favor sustainable and arts initiatives), permissible uses, loan amounts, and interest rates)

Business Retention, Expansion and Attraction

Retained

Public Purpose Induced Relocation

Retained

Initiative with Sustainability or Arts Related Focus (New)-

an initiative undertaken by an organization supporting sustainability or arts goals or policies. The organization need not have an arts- or sustainability-related mission.

~~**Business Supported Child Care Facility**~~

Removed – applicants may apply under other programs.

~~**Downtown Development Opportunity Overlay**~~

Removed – district no longer exists and programs are now available to applicants throughout the community

Business Disruption Loan Fund

(with separate evaluation criteria, permissible uses, loan amounts, and interest rates)

Business Disruption Bridge Loan Program

- No more than \$150,000 per project;
- No more than \$35,000 per loan;
- For necessary operational expenses upon proof of need; and
- Interest set at 2%

Retained –

- Sets interest rate at 1% less than highest rate being exacted on outstanding loans.

Grant Program

Non-Profit Grant Initiative - Downtown District –

- up to \$25,000 grant with 50% match;
- to non-profits with a retail or commercial activity;
- in the downtown;
- with no more than one grant every 5 years.

Non-Profit Matching Grant Fund –

- expands to entire City,
- retains commercial activity component,
- adds an alternative sustainability component (where social or environmental goal must be at least of equal importance to traditional business goals of the organization); and
- limits annual amount of grants to no more than \$50,000.

Broadens Permissible Use of Funds to Cover the Purchase of Inventory and Workforce Development

The current guidelines restrict use of all but the Business Disruption Bridge Loan program funds to capital investments. The proposed guidelines expand the uses to include the purchase of inventory and toward workforce development (in combination with capital expenditures but not exceeding 20% of the loan amount).

Changes Parameters on Amount of Loans – Keeping Maximum Amounts, Eliminating Project Size and Limiting Loans to 20% of Fund Balance

The current guidelines set the maximum amount of the most loans at \$100,000 with the exception of \$35,000 for Business Disruption Loan. In one program, the guidelines require projects to be worth at least \$250,000 and, in all but the Business Disruption Loan program, they tie the loan amount to a minimum percentage of the project cost. While still tying the loan to a minimum percentage of the value of the project, the proposed guidelines remove the requirement that the project be of a certain size. Small projects, therefore, can be worthy ones (like, for example, the new possibility of using loans to purchase inventory). The proposed guidelines also limit the amount of the loan to no more than 20% of the balance of the fund.

Other Miscellaneous Changes

Among many other changes, the proposed guidelines also:

- increase the maximum term of the loans from five year to a range of 5 – 15 years (note that the 5-year maximum term has been waived in the past); and
- Include a confidentiality provision to protect sensitive applicant submissions.

**NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL
SPECIAL SESSION & COMMITTEE OF THE WHOLE
7:30 P.M., WEDNESDAY, NOVEMBER 17, 2010
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON ST.**

I. ROLL CALL

II. AGENDA SUMMATION

III. APPOINTMENTS TO BOARDS AND COMMISSIONS / SCHEDULES

IV. LEGISLATION FOR SECOND READING AND RESOLUTIONS

1. Appropriation Ordinance 10-04 To Specially Appropriate from the General Fund Expenditures Not Otherwise Appropriated (Appropriating Grants and Donations to Be Used for Maintenance and Consulting Services Related to the Animal Shelter)

Committee Recommendation: Do Pass 8 – 0 – 0

2. Resolution 10-16 Approving the Enlargement of the Downtown Economic Development Tax Allocation Area

Committee Recommendation: Do Pass 8 – 0 – 1

V. LEGISLATION FOR FIRST READING

1. Ordinance 10-16 To Amend Title 7 of the Bloomington Municipal Code Entitled “Animals” (Adding Chapter 7.54 “Miscellaneous Fees”)
2. Ordinance 10-18 Authorizing the City of Bloomington, Indiana to Issue Its Economic Development Recovery Zone Facility Revenue Bonds, Series 2010 (“Bloomington Dyslexia Center LLC”) in the Principal Amount not in Excess of Two Million One Hundred Thousand Dollars (\$2,100,000), and Approving and Authorizing Other Actions in Respect Thereto
3. Ordinance 10-19 Authorizing the City of Bloomington, Indiana to Issue Its Economic Development Recovery Zone Facility Revenue Bonds, Series 2010 (“1302 S. Rogers LLC”) in the Principal Amount not in Excess of Two Million Three Hundred Thousand Dollars (\$2,300,000), and Approving and Authorizing Other Actions in Respect Thereto

VI. COUNCIL SCHEDULE

VII. ADJOURNMENT

(and immediately reconvene for)

(Over)

COMMITTEE OF THE WHOLE

Chair: Chris Sturbaum

1. Resolution 10-17 To Approve the Interlocal Agreement Between Monroe County, the Town of Ellettsville and the City of Bloomington for Animal Shelter Operation for the Year 2011

Asked to Attend: Laurie Ringquist, Director of Animal Care and Control

2. Ordinance 10-16 To Amend Title 7 of the Bloomington Municipal Code Entitled “Animals” (Adding Chapter 7.54 “Miscellaneous Fees”)

Asked to Attend: Laurie Ringquist, Director of Animal Care and Control

3. Ordinance 10-18 Authorizing the City of Bloomington, Indiana to Issue Its Economic Development Recovery Zone Facility Revenue Bonds, Series 2010 (“Bloomington Dyslexia Center LLC”) in the Principal Amount not in Excess of Two Million One Hundred Thousand Dollars (\$2,100,000), and Approving and Authorizing Other Actions in Respect Thereto

Asked to Attend: Adam Wason, Assistant Director of Economic Development for Small Business and Sustainable Development
Representative of the Petitioner
Bond Counsel, Karl R. Sturbaum

4. Ordinance 10-19 Authorizing the City of Bloomington, Indiana to Issue Its Economic Development Recovery Zone Facility Revenue Bonds, Series 2010 (“1302 S. Rogers LLC”) in the Principal Amount not in Excess of Two Million Three Hundred Thousand Dollars (\$2,300,000), and Approving and Authorizing Other Actions in Respect Thereto

Asked to Attend: Adam Wason, Assistant Director of Economic Development for Small Business and Sustainable Development
Representative of the Petitioner
Bond Counsel, Karl R. Sturbaum

5. Resolution 10-18 To Amend Guidelines for and Rename the Business Investment Incentive Fund (BIIF) Program

Asked to Attend: Adam Wason, Assistant Director of Economic Development for Small Business and Sustainable Development



**City of Bloomington
Office of the Common Council**

To: Council Members
From: Council Office
Re: Calendar for the Week of 15-20 November 2010

Monday, 15 November 2010

12:00 noon Bloomington Entertainment and Arts District Advisory Committee, McCloskey
5:30 pm Bicycle and Pedestrian Safety Commission, Hooker Room
7:00 pm Arts Alliance of Greater Bloomington Steering Committee, McCloskey

Tuesday, 16 November 2010

9:00 am Pre-Bid Meeting – Headley Road, McCloskey
11:30 am US Green Building Council Chapter Meeting, Hooker Room
4:00 pm Board of Park Commissioners, Council Chambers
4:00 pm Board of Public Safety, McCloskey
4:30 pm Community and Family Resources Commission, Hooker Room
5:30 pm Animal Control Commission, McCloskey

Wednesday, 17 November 2010

9:30 am Tree Commission, Rose Hill Cemetery Office, 930 W 4th Street
12:00 noon Common Council Sidewalk Committee, Council Chambers
3:30 pm Monroe County Long-Term Recovery Committee, Council Chambers
4:00 pm Dr. Martin Luther King, Jr. Birthday Commission, McCloskey
5:30 pm Bloomington Community Arts Commission, Hooker Room
7:00 pm Council of Neighborhood Associations, Hooker Room
7:30 pm Common Council Special Session *immediately followed by a* Committee of the Whole

Thursday, 18 November 2010

8:00 am Bloomington Housing Authority, Housing Authority, 1007 N Summit, Community Room
12:00 noon Housing Network, McCloskey
12:00 noon Bloomington Platinum Biking Task Force, Council Chambers
12:00 noon Monroe County Suicide Prevention Coalition, Hooker Room
4:00 pm Bloomington Historic Preservation Commission, McCloskey
5:30 pm Board of Zoning Appeals, Council Chambers
7:00 pm Environmental Commission, McCloskey

Friday, 19 November 2010

12:00 noon Domestic Violence Task Force, McCloskey
12:00 noon Economic Development Commission, Hooker Room
5:30 pm Food Policy Council, Council Chambers

Saturday, 20 November 2010

8:00 am Bloomington Community Farmers' Market, Showers Common, 401 N. Morton

Posted and Distributed: Friday, 12 November 2010



City of Bloomington
Office of the Common Council

MEETING NOTICE

Common Council Sidewalk Committee Meeting

The Common Council Sidewalk Committee will meet at 12:00 p.m., Wednesday, November 17, 2010 in the Council Chambers of City Hall (401 N. Morton Street, Suite 110) to begin deliberations on sidewalk projects for 2011.

Because a quorum of the Common Council may be present, this meeting may constitute a meeting of the Council as well as of this committee under Indiana Open Door Law. Therefore, this statement provides notice that this meeting will occur and is open for the public to attend, observe, and record what transpires.

Posted: November 12, 2010

RESOLUTION 10-17

**TO APPROVE THE INTERLOCAL AGREEMENT
BETWEEN MONROE COUNTY, THE TOWN OF ELLETTSVILLE
AND THE CITY OF BLOOMINGTON FOR
ANIMAL SHELTER OPERATION FOR THE YEAR 2011**

WHEREAS, the Common Council of the City of Bloomington desires to contract with Monroe County and the Town of Ellettsville, through the authority of I.C. § 36-1-7-2, to provide services and facilities to Monroe County and the Town of Ellettsville for animal care and control in consideration of payment therefore; and,

WHEREAS, an agreement has been reached between the City of Bloomington, Monroe County and the Town of Ellettsville to provide said services and facilities for 2011;

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

Section 1. The Common Council hereby approves the Animal Shelter Interlocal Agreement for Fiscal Year 2011 and authorizes the Mayor, the Director of the Animal Shelter and the Clerk of the City of Bloomington to execute the Agreement.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2010.

ISABEL PIEDMONT-SMITH, 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 _____, 2010.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2010.

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This resolution authorizes execution, by the Mayor and Director of Animal Care and Control, of the Animal Shelter Interlocal Agreement for Fiscal Year 2011 between the City of Bloomington, Monroe County and Town of Ellettsville. The agreement provides that Monroe County shall pay the City of Bloomington the sum of \$250,000.00 for 2011 in return for the space the City provides to the County and services it renders on the County's behalf. The agreement further provides that the Town of Ellettsville shall provide the City of Bloomington the sum of \$3,581.00 for 2011 in return for the space the City provides the Town of Ellettsville and services it renders on the Town of Ellettsville's behalf.

MEMORANDUM

To: City Council

From: Laurie Ringquist

Date: October 27, 2010

Re: Resolution 10-17: Interlocal Agreement between Monroe County and the Town of Ellettsville for Animal Shelter Operations in the Year 2011

Indiana Code § 36-1-7 empowers the City of Bloomington to contract with Monroe County and the Town of Ellettsville to provide services and facilities to the County for animal care and control in return for payment.

This resolution is to authorize the Mayor and Director of Animal Care & Control to execute an interlocal agreement with Monroe County and Ellettsville regarding Animal Shelter operations for 2011. The City provides services and use of the Animal Shelter facilities to the County and Ellettsville. In return, the County and Ellettsville pay to the City a portion of the Animal Shelter operating costs each year. The County and Ellettsville do not pay any costs associated with the volunteer program or the education program. The amount to be paid is calculated based on the percentage of animals from Monroe County sources the previous year times the projected Animal Shelter operations budget. The attached sheet shows the calculation for FY 2011 with a Monroe County share of \$250,000 and an Ellettsville share of 3,581.

ANIMAL SHELTER INTERLOCAL AGREEMENT FOR FISCAL YEAR 2011

WHEREAS, the City of Bloomington Animal Control Department operates the Animal Shelter for the care and control of animals; and,

WHEREAS, the City of Bloomington Animal Control Department enforces licensing, animal care and animal control ordinances within the corporate boundaries of the municipality, including impoundment, adoptions and euthanizing of animals of the Animal Shelter; and,

WHEREAS, the County Animal Management Officers exercise similar functions within the County, but utilize the Shelter premises and staff for impoundment, adoptions and euthanasia; and,

WHEREAS, the County Animal Management Officers exercise similar functions within the town limits of the Town of Ellettsville, but utilize the Shelter premises and staff for impoundment, adoptions and euthanasia; and,

WHEREAS, the City of Bloomington, Town of Ellettsville, and Monroe County are empowered pursuant to Indiana Code § 36-1-7 to contract together on the basis of mutual advantage to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local government;

NOW, THEREFORE, in consideration of the mutual terms, covenants, and conditions herein agreed, the parties agree as follows:

1. The duration of the Agreement shall be for one (1) year, commencing January 1, 2011 and ending on December 31, 2011.
2. The City of Bloomington ("City") agrees to provide the Town of Ellettsville ("Town") and Monroe County ("County") the following:
 - a. The impoundment, general animal care, adoption and euthanasia for the Town of Ellettsville and Monroe County.
 - b. Use of supplies and equipment in the City Animal Shelter by the County Animal Management personnel;
 - c. assistance to the Town of Ellettsville and Monroe County in answering phone calls, dispatching service calls and explaining the Monroe County animal management laws to callers; and
3. Monroe County shall administer and enforce Monroe County Animal Management Laws, including relevant kennel regulations, within the Corporate limits of the Town of Ellettsville in the same manner as it does the rest of the County.
4. The County agrees to pay the City the sum of \$250,000.
5. The Town agrees to pay the City the sum of \$3,581.
6. The level of cooperation recited in this Agreement is intended to exist for the purpose of efficient and effective delivery of governmental services to the

citizens of the City, Town, and County; however, the parties recognize that modifications may be required, either to the Agreement itself, or to the practices and procedures that bring the recitals contained within this document to fruition.

- 7. The City, Town, and County departments affected by the terms of this Agreement will continue to communicate and cooperate together to assure that the purposes of this Agreement are achieved on behalf of and to the benefit of the citizens of the respective political subdivisions.
- 8. Payments shall be made semi-annually to the Controller of the City of Bloomington, upon the timely submission by the City of a claim. Such claims should be submitted to the Monroe County Board of Commissioners, Room 322, Courthouse, Bloomington, Indiana 47404 and the Town Council of Ellettsville, 211 N. Sale Street, Ellettsville, Indiana, 47429.

THE PARTIES, intending to be bound, have executed this *ANIMAL SHELTER INTERLOCAL AGREEMENT FOR FISCAL YEAR 2011* on this _____ day of _____, 2010.

TOWN OF ELLETTSVILLE, INDIANA

Phillip Smith, President
Ellettsville Town Council

DATE: _____

ATTEST:

SANDRA HASH, Clerk/Treasurer

DATE: _____

CITY OF BLOOMINGTON

MONROE COUNTY COMMISSIONERS

MARK KRUZAN, MAYOR

PATRICK STOFFERS, PRESIDENT

DATE: _____

DATE: _____

LAURIE RINGQUIST, ANIMAL
CONTROL DIRECTOR

IRIS KIESLING, VICE PRESIDENT

DATE: _____

DATE: _____

MARK STOOPS, MEMBER

DATE: _____

ATTEST:

ATTEST:

REGINA MOORE, CLERK

AMY GERSTMAN, COUNTY AUDITOR

DATE: _____

DATE: _____

**CITY OF BLOOMINGTON/MONROE COUNTY
INTERLOCAL AGREEMENT FOR ANIMAL CONTROL
FY 2011 PROJECTED COSTS**

There are four components to the Animal Control Department budget:

- Animal Shelter Operations
- Animal Control Field Operations
- Education Program
- Volunteer Program

Monroe County pays the City of Bloomington a percentage of the Animal Shelter Operations program. The percentage is calculated as the percentage of animals Monroe County generated of the total number of animals handled the previous year.

ANIMAL SHELTER OPERATIONS PROGRAM PROJECTED 2011 BUDGET = \$603,765
(This includes requested budget increases and projected salary increases. Total is reduced by \$112,187 to reflect 2009 adoption revenues.)

2009 PERCENTAGE OF ANIMALS FROM MONROE COUNTY SOURCES

- Picked up by AMO's 209
- Strays brought in by county residents 833
- Animals relinquished by Monroe County residents 852

Total number of Monroe County Animals 1,894

Total number of animals handled by Shelter in 2009 4,561

Percentage of animals from Monroe County sources 42%

ANIMAL SHELTER OPERATIONS PROGRAM BUDGET X 42% = 2011 INTERLOCAL AMOUNT

$$\$603,765 \times 42\% = \$253,581$$

2011 PROJECTED MONROE COUNTY ANIMAL SHELTER COSTS \$253,581

2009 Stats by Jurisdiction

| | <u>Owner Rel</u> | <u>Stray Rel</u> | <u>Stray Impound</u> | <u>Wildlife</u> | <u>Total</u> |
|----------------|------------------|------------------|----------------------|-----------------|--------------|
| City | 709 | 595 | 146 | 16 | 1466 |
| City Field | 28 | 1 | 252 | 14 | 295 |
| County | 788 | 771 | 5 | 5 | 1569 |
| County Field | 6 | 3 | 168 | 14 | 191 |
| Ellettsville | 64 | 57 | 13 | 0 | 134 |
| Brown | 11 | 5 | 0 | 1 | 17 |
| Greene | 161 | 67 | 0 | 2 | 230 |
| Lawrence | 50 | 26 | 0 | 0 | 76 |
| Morgan | 23 | 13 | 0 | 0 | 36 |
| Owen | 278 | 149 | 0 | 0 | 427 |
| Other Counties | 84 | 35 | 0 | 1 | 120 |
| | | | | | <u>4561</u> |

| <u>Subtotals</u> | <u># Animals</u> | <u>% of Total</u> |
|------------------|------------------|-------------------|
| City | 1761 | 39% |
| County | 1760 | 39% |
| Ellettsville | 134 | 3% |
| Other | 906 | 20% |
| | <u>4561</u> | <u>100%</u> |

ORDINANCE 10-16

**TO AMEND TITLE 7 OF THE BLOOMINGTON MUNICIPAL CODE ENTITLED “ANIMALS”
(Adding Chapter 7.54 “Miscellaneous Fees”)**

WHEREAS, the City of Bloomington Animal Care and Control Department has seen an increase in the number of animals surrendered to the City of Bloomington Animal Shelter by individuals who are not residents of Monroe County; and

WHEREAS, the increase in the number of animals being surrendered to the City of Bloomington Animal Shelter by individuals who are not residents of Monroe County is putting a financial strain on the operations of the City of Bloomington Animal Shelter; and

WHEREAS, the City of Bloomington Animal Care and Control Department believes assessing a surrender fee to non-Monroe County residents will lessen the financial strain currently being experienced by the City of Bloomington Animal Shelter; and

WHEREAS, the City of Bloomington Animal Care and Control Department regularly receives requests from individuals to utilize the City of Bloomington Animal Shelter incinerator; and

WHEREAS, the City of Bloomington Animal Care and Control Department believes assessing a fee for the use of the City of Bloomington Animal Shelter incinerator will provide much-needed revenue for the Animal Shelter;

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

SECTION I. Title 7 of the Bloomington Municipal Code entitled “Animals” shall be amended to add Chapter 7.54 “Miscellaneous Fees.” This Chapter shall appear in the table of contents for the Title 7.

SECTION II. Chapter 7.54 shall contain the following sections:

- 7.54.010 Surrender Fees
- 7.54.020 Incinerator Fee

SECTION III. Section 7.54.010 shall read as follows:

7.54.010 Surrender Fees

(a) The fee charged to a resident of any county other than Monroe County who surrenders an animal(s) to the City of Bloomington Animal Shelter shall be as listed in the table below.

| | |
|---|---------|
| Dogs and cats over 6 months of age | \$20.00 |
| Litters of puppies or kittens with 5 or fewer animals, all of which are younger than 6 months of age | \$25.00 |
| Litters of puppies or kittens with more than 5 animals, all of which are younger than 6 months of age | \$35.00 |
| Animals other than dogs and cats | \$10.00 |

(b) If an animal over 6 months of age is surrendered with a litter, both the \$20.00 adult fee and the litter fee shall be charged.

(c) Surrender fees may be waived at the discretion of the Director of the Animal Care and Control Department, or his/her designee(s), provided the Director believes waiver of the surrender fee is in the best interests of the animal(s) being surrendered.

SECTION IV. Section 7.54.020 shall read as follows:

7.54.020 Incinerator Fee

The fee to use the City of Bloomington Animal Shelter incinerator shall be \$.15/lb. The Monroe County Highway Department is exempt from paying this fee.

SECTION V. 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 VI: This ordinance shall be in full force and effect from 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 _____, 2010.

ISABEL PIEDMONT-SMITH, 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 _____, 2010.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2010.

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This ordinance amends Title 7 “Animals” of the Bloomington Municipal Code to add Chapter 7.54, entitled, “Miscellaneous Fees.” Chapter 7.54 creates two new fees: one for the surrender of animals from non-Monroe County residents and one for the use of the City of Bloomington Animal Shelter incinerator. The surrender fees range from \$10-\$35 depending on the species, age and quantity of the animal(s) surrendered. The incinerator fee is set at \$.15/lb; the Monroe County Highway Department shall be exempt from this fee requirement.

Memo
City of Bloomington
Animal Care and Control Department

Date: October 27, 2010

To: Common Council Members

From: Laurie Ringquist, Director of Animal Care & Control

Re: Options for Handling Intake from Other Counties

Attached is background information on the recommendation to implement a surrender fee for the intake of animals from other counties.

PROBLEM STATEMENT

The City of Bloomington Animal Shelter takes in animals from other counties for which it receives no compensation and which frequently results in overcrowding.

BACKGROUND

The Bloomington Animal Shelter currently operates as an open-admissions shelter, which means that all animals that need a place to go are accepted regardless of their location of origin, their health or their temperament and regardless of the space constraints at the shelter. Animals arrive here as strays brought in by Animal Control Officers, strays brought in by citizens and by their owners who surrender them for various reasons. When the shelter is full, customers who are surrendering their own animals are asked if they could keep their animals for a short time until space becomes available but no animals are refused if the customer can not comply.

When the shelter becomes full, which is a regular occurrence, there are a number of options available to create space including foster homes, rescue groups, transports to other shelters and, as a last resort, euthanasia.

The following table shows total statistics for the shelter from 2002 to 2009.

| | Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Incoming | | | | | | | | | |
| | Dogs | 2,401 | 2,630 | 2,640 | 2,527 | 2,418 | 2,408 | 2,371 | 2,076 |
| | Cats | 2,268 | 2,373 | 2,960 | 2,441 | 2,567 | 2,188 | 2,277 | 2,264 |
| | Other | 320 | 210 | 352 | 265 | 271 | 253 | 197 | 251 |
| | <i>Total</i> | <i>4,989</i> | <i>5,213</i> | <i>5,952</i> | <i>5,233</i> | <i>5,256</i> | <i>4,849</i> | <i>4,845</i> | <i>4,591</i> |
| Adoptions | | | | | | | | | |
| | Dogs | 811 | 948 | 864 | 813 | 736 | 817 | 910 | 957 |
| | Cats | 513 | 729 | 884 | 929 | 868 | 873 | 830 | 814 |
| | Other | 128 | 88 | 129 | 124 | 122 | 135 | 109 | 122 |
| | <i>Total</i> | <i>1,452</i> | <i>1,776</i> | <i>1,877</i> | <i>1,866</i> | <i>1,726</i> | <i>1,825</i> | <i>1,849</i> | <i>1,893</i> |
| | <i>%</i> | <i>29.1%</i> | <i>34.1%</i> | <i>31.5%</i> | <i>35.7%</i> | <i>32.8%</i> | <i>37.6%</i> | <i>38.2%</i> | <i>41.2%</i> |
| Euthanized | | | | | | | | | |
| | Dogs | 1,044 | 515 | 523 | 565 | 551 | 585 | 512 | 376 |
| | Cats | 1,590 | 1,454 | 1,603 | 1,119 | 1,256 | 1,118 | 1,189 | 1,217 |
| | Other | 124 | 67 | 36 | 31 | 44 | 50 | 20 | 19 |
| | <i>Total</i> | <i>2,758</i> | <i>2,055</i> | <i>2,162</i> | <i>1,715</i> | <i>1,851</i> | <i>1,753</i> | <i>1,721</i> | <i>1,612</i> |
| | <i>%</i> | <i>55.3%</i> | <i>39.4%</i> | <i>36.3%</i> | <i>32.8%</i> | <i>35.2%</i> | <i>36.2%</i> | <i>35.5%</i> | <i>35.1%</i> |
| Return to Owner | | | | | | | | | |
| | Dogs | 456 | 475 | 493 | 442 | 467 | 444 | 453 | 373 |
| | Cats | 60 | 51 | 61 | 70 | 80 | 64 | 88 | 74 |
| | Other | 9 | 4 | 4 | 32 | 7 | 15 | 3 | 5 |
| | | <i>525</i> | <i>530</i> | <i>558</i> | <i>544</i> | <i>554</i> | <i>523</i> | <i>544</i> | <i>452</i> |
| Rescue/Transport | | | | | | | | | |
| | Dogs | | 504 | 511 | 494 | 510 | 475 | 396 | 230 |
| | Cats | | | 76 | 156 | 135 | 44 | 31 | 30 |
| | Other | | | 5 | 20 | 12 | 20 | 4 | 15 |
| | | <i>15</i> | <i>522</i> | <i>592</i> | <i>670</i> | <i>657</i> | <i>539</i> | <i>431</i> | <i>275</i> |

The following table shows the number of animals accepted from other counties, as compared to the number coming from the City of Bloomington and Monroe County.

Incoming Animals from Other Counties

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---------------------|-------|-------|-------|-------|-------|-------|
| Brown County | 19 | 7 | 5 | 23 | 9 | 17 |
| Green County | 124 | 138 | 169 | 155 | 244 | 230 |
| Lawrence County | 92 | 50 | 50 | 69 | 98 | 76 |
| Morgan County | * | * | 13 | 17 | 43 | 36 |
| Owen County | 492 | 348 | 292 | 334 | 428 | 427 |
| Other Counties | 140 | 148 | 168 | 118 | 155 | 120 |
| | 867 | 691 | 697 | 716 | 977 | 906 |
| City of Bloomington | 1,953 | 1,961 | 1,830 | 1,682 | 1,664 | 1,761 |
| Monroe County | 3,131 | 2,653 | 2,729 | 2,418 | 2,175 | 1,894 |
| Total | 5,951 | 5,305 | 5,256 | 4,816 | 4,816 | 4,561 |

* In 2004 and 2005, Morgan Counties intake numbers were included in the totals for "Other Counties."

On average, 60% of the incoming animals from these counties are dogs and 40% are cats. In 2009, of the 906 animals that came in from other counties, approximately 544 were dogs and 362 were cats.

Each of these counties has varying degrees of resources, in terms of funding, staffing and facilities, all of which are much less than what is available to us. None of these counties have a municipal shelter. The shelters in these counties are private, humane society shelters with varying types of contracts and varying amounts of financial support from their city and county governments. These counties have limited financial resources to provide spay/neuter assistance to their residents. They also have very few animal related ordinances or the staffing that would give them the ability to enforce ordinances. The shelters in all of these counties restrict admissions to residents of their own counties. Further, the shelters in some of these counties identify themselves as “no-kill.” From an operations standpoint, this means that when they become full, they simply stop taking in any more animals until space becomes available. They are also selective about which animals to take and often refuse those with health or behavior issues. Those shelters regularly refer their citizens to the Bloomington Animal Shelter. For example, in 2009, the Owen County Humane Society took in 174 dogs. In 2009, the City of Bloomington Animal Shelter took in 198 dogs from Owen County residents.

ANALYSIS

There are a number of issues and concerns raised by our current practice of accepting all animals regardless of location, including funding, euthanasia and health concerns.

Currently, Monroe County pays the City via an interlocal agreement based on the percentage of animals coming to the shelter from outside the city limits. However, the City currently receives no compensation from other counties which means that City of Bloomington taxpayers are subsidizing the cost of caring for animals from outside of Monroe County. While we are providing a great service by taking all animals, we are providing that service to many people who are not taxpayers of our community. This means that animals brought to us by residents of our own community are more at risk of euthanasia because of the number of animals we are taking from outside of our community.

From a population control standpoint, the City of Bloomington and Monroe County have made great strides in enacting strong animal control ordinances and in providing affordable spay/neuter services to residents of our community. Unfortunately, most of the surrounding counties have not. The trend demonstrated by the table above shows that intake from the City of Bloomington and Monroe County residents has been gradually decreasing, while intake from other counties has been increasing. Because the City of Bloomington Animal Shelter is providing this service to out of county residents, there has not been an outcry in those communities and to those elected officials to take the steps necessary to address the problem. To some degree, we are enabling them to continue their current practices of not enacting tougher ordinances and of not adequately funding their shelters and animal control.

Because we are an open admission shelter, we take in more animals than we can adopt out, despite all of our proactive efforts to increase adoptions and market shelter animals. This means that animals are euthanized here. If we took in 544 fewer dogs and 362 fewer cats, our euthanasia rates would be much lower. In addition, taking in this many fewer animals would reduce the overcrowding we experience. Overcrowding leads to upper respiratory infections that can spread, resulting in increased medical expenses and increased euthanasia.

From a philosophical standpoint, we want to serve all animals in need, regardless of where they originate. However, this leads to a competition for resources. It is better for the animals already here at the shelter to restrict admissions in order to avoid overcrowding, illness and euthanasia. This makes more resources available to help those animals find a new home and to treat a wider variety of illnesses and injuries. However, for all animals in the community, it is important that they have a place to go if needed. If animals are turned away, those animals are more at risk of being dumped, abused, or neglected. If they are dumped in our community, they could create an additional expense for us to pick up as strays.

In summary, there are several goals we are seeking to achieve in reviewing this issue. They are:

- To serve and protect animals in need;
- To reduce euthanasia by having more control over kennel space and by being able to devote more resources to provide medical care for more animals with treatable illnesses and injuries;
- To reduce overcrowding which impacts both animal health and staff morale; and
- To provide a government service that is fair and adequate to the taxpayers who are funding the service.

OPTIONS

We have reviewed and considered a number of options including the following:

1. Continue the current practice of accepting all animals regardless of location.
2. Restrict admissions to City of Bloomington and Monroe County residents.
3. Accept animals from other counties but charge a surrender fee for strays and/or owner surrenders.
4. Accept animals from other counties whose city or county governments enter into an interlocal agreement and agree to make a financial contribution to the City of Bloomington.
5. Restrict admissions to City of Bloomington and Monroe County residents but enter into agreements with surrounding communities' shelters to "pull" animals from their shelters into ours as space permits.
6. Restrict admissions to City of Bloomington and Monroe County residents but accept animals at no charge from residents of other counties from a wait list as space permits.
7. Restrict admissions to City of Bloomington and Monroe County residents but accept animals from residents of other counties from a wait list as space permits and charge a surrender fee.
8. Restrict admissions to City of Bloomington and Monroe County residents but offer residents from other counties the following options: (a) to be placed on a waiting list to be called when space is available at which time they would not pay a surrender fee; or (b) if they wish to surrender the animals immediately, regardless of our space availability, they would be charged a surrender fee.

RECOMMENDATION

The Animal Control Commission (ACC) reviewed and discussed this document at their July, 2010 meeting and felt that Option 8 maximized the ability to achieve the goals listed above. They also recommended, however, sending a letter to the elected officials of the surrounding counties to inform them of our change in policy, should we decided to do so, and to encourage them to devote more resources to the issue in their own community. They also encouraged the City to consider setting aside funds generated by a new surrender fee to be used for medical expenses.

Staff and the Mayor's Office concur with the recommendation of the Animal Control Commission and recommend implementation of Option 8 effective January 1, 2011. Attached is the ordinance language setting the surrender fee as follows:

- 1) Dogs or Cats six months or older \$20 per animal
- 2) Litters of puppies or kittens younger than six months with five or fewer animals in the litter \$25
- 3) Litter of puppies or kittens younger than six months with more than five animals in the litter \$35
- 4) If an adult animal is brought in with a litter both fees shall be charged.
- 5) Animals other than Dogs or Cats \$10

Under certain situations deemed to be in the best interest of the animal, these fees may be waived at the discretion of the Director or designee.

Option 8 seems to be a good first step at managing admissions from other counties. It gives residents from other counties the option to take the animal back home with them and wait until we have space available. If they do this, they would not be charged a surrender fee at the time of intake. However, if they are unwilling or unable to do that and would still like to leave the animal with us, they would have to pay a surrender fee.

Upon approval by the City Council and prior to January 1, 2011, letters will be sent to the elected officials and shelters of Owen, Morgan, Brown, Green, and Lawrence Counties to notify them of the upcoming change in procedure.

Incinerator Fee

The attached ordinance change also contains a housekeeping item. It has been the practice of the shelter to charge veterinarians and other shelters a \$.10/lb fee for use of our incinerator to dispose of animal remains. This fee needs to be set by ordinance and based on current fuel prices, we recommend increasing the fee to \$.15/lb.

Ordinance 10-18 and Ordinance 10-19

**Recovery Zone Facility Bonds for 1302 South Rogers
LLC and Bloomington Dyslexia Center LLC**

Introductory Material

Memo from Karl R. Sturbaum, Bond Counsel

TO: Dan Sherman, Council Administrator/Attorney

FROM: Karl R. Sturbaum

DATE: November 12, 2010

RE: Recovery Zone Facility Bonds for 1302 South Rogers LLC and Bloomington Dyslexia Center LLC

Section 1400U of the American Recovery and Reinvestment Act of 2009 (the “Stimulus Act”) created a new type of tax exempt bond which may be used to finance a broader range of projects than under prior law. It also removed many of the restrictions on tax exempt financings for private projects. This new type of bond is a Recovery Zone Facility Bond (“RZFB”). The amount of the RZFBs which may be issued was limited by the Stimulus Act. The U.S. Treasury allocated \$15,061,000 of RZFB volume to Monroe County. On July 16, 2010, the County Commissioners allocated \$2,300,000 of bonding authority to 1302 South Rogers LLC (“South Rogers”) and \$2,100,000 to the Pinnacle School (“Pinnacle”). The RZFB program expires on December 31, 2010, so Bonds must be issued prior to that date.

South Rogers and Pinnacle have requested the City to issue economic development Bonds in the amounts allocated by the Commissioners pursuant to IC 36-7-12 (the “Act”). Under IC 36-7-12-23, the Bloomington Economic Development Commission (the “EDC”) has prepared a report and made certain findings of fact with respect to each project and has submitted the reports to the Plan Commission as required by IC 36-7-12-23(b). On October 22, 2010, the EDC conducted public hearings and adopted resolutions approving each of the projects. These resolutions were transmitted to the City Council as required by IC 36-7-12-24(b)(2).

The Bonds will be issued by the City in accordance with IC 36-7-12-25, and the financing documents, which have been provided to the City Council by Bond Counsel, comply with IC 36-7-12-26-28. The Bonds, if and when issued, will be sold directly to banks or other financial institutions by negotiation. While the financings will not have been finalized prior to the first and second readings of the Bond Ordinance on November 17, it is anticipated that details of the financings will be available prior to final adoption of the Bond Ordinance by the City Council on December 8, 2010. Some modifications to the financing documents may be necessary to reflect the final terms of the financings.

The Bonds are payable solely from revenues generated by the projects, and are not a debt of the City, Monroe County or the State. They will not impact the City’s credit rating or debt capacity. The financing documents provide indemnification to the City for any liability arising with respect to either the Bonds or the Projects.

Please don’t hesitate to contact me if you have additional questions.

ORDINANCE 10-18

**AUTHORIZING THE CITY OF BLOOMINGTON, INDIANA,
TO ISSUE ITS ECONOMIC DEVELOPMENT RECOVERY ZONE FACILITY
REVENUE BONDS, SERIES 2010 ("BLOOMINGTON DYSLEXIA CENTER LLC")
IN THE PRINCIPAL AMOUNT NOT IN EXCESS OF TWO MILLION ONE HUNDRED
THOUSAND DOLLARS (\$2,100,000), AND
APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO**

- WHEREAS, Indiana Code, Title 36, Article 7, Chapter 12 (the "Act"), has been enacted by the General Assembly of Indiana; and
- WHEREAS, the Act declares that the financing and refinancing of economic development facilities constitutes a public purpose; and
- WHEREAS, the Act provides that an issuer may, pursuant to the Act, issue revenue bonds and lend the proceeds thereof to a corporation, partnership or individual for the purpose of financing costs of acquisition or construction of economic development facilities, including real and personal property; and
- WHEREAS, the Act provides that such bonds may be secured by a trust indenture between the Issuer and a corporate trustee; and
- WHEREAS, the Board of Commissioners of Monroe County, Indiana, on October 9, 2009, adopted Resolution No. 2009-29, establishing all of Monroe County, Indiana as a "recovery zone" within the meaning of §1400 of the American Recovery and Reinvestment Act of 2009 (the "Stimulus Act"); and
- WHEREAS, on July 16, 2010, the Board of County Commissioners adopted Resolution No. 2010-25 allocating \$2,100,000 of the County's allocation of recovery zone facility bonds to The Pinnacle School, through Bloomington Dyslexia Center LLC, an Indiana Limited Liability Company ("Company"), and The DePaul Reading and Learning Association, Inc., and Indiana not-for-profit corporation; and
- WHEREAS, the City of Bloomington, Indiana (the "Issuer") intends to issue its Economic Development Recovery Zone Facility Revenue Bonds, Series 2010 ("Bloomington Dyslexia Center LLC Project") in the principal amount not to exceed Two Million One Hundred Thousand Dollars (\$2,100,000) (the "Bond") pursuant to a Trust Indenture and Mortgage dated as of November 1, 2010 (the "Indenture") between the Issuer, and a corporate trustee to be selected, in order to obtain funds to lend to the Company pursuant to the Loan Agreement (the "Loan Agreement") between the Issuer and the Company dated as of December 1, 2010 (the "Loan Agreement"); and pursuant to a Purchase Agreement to be dated the date of closing among the Issuer, the Company and a financial institution or other entity purchasing the Bonds (the "Bond Purchaser"), (the "Purchase Agreement"); for the purpose of paying the costs of developing a 6.3 acre campus for the Pinnacle School, serving families with dyslexia and related learning differences (the "Project"); and
- WHEREAS, the Loan Agreement provides for the repayment by the Company of the loan of the proceeds of the Bonds and further provides for the Company's repayment obligation to be evidenced by the Company's Promissory Note (the "Note") in the principal amount equal to the principal amount of the Bonds; and
- WHEREAS, pursuant to the Indenture, the Issuer will endorse the Note without recourse and assign to the Bond Purchaser certain of its rights under the Loan Agreement as security for the Bond which is payable solely and only out of the payments to be made by the Company with respect to the Note; and
- WHEREAS, the City of Bloomington Economic Development Commission on November 22, 2010 adopted a Resolution which has been previously transmitted hereto, finding that the financing of the Project complies with the purposes and provisions of the

Act and that such financing will be of benefit to the health or general welfare of the Issuer and its citizens; and

WHEREAS, the City of Bloomington Economic Development Commission has approved the final forms of the 1) Indenture; 2) Loan Agreement; 3) the Note; and 4) the form of the Bonds (hereinafter referred to collectively as the "(Financing Documents)") by Resolution adopted November __, 2010, which Resolution has been transmitted hereto;

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

SECTION 1. It is hereby found that the financing of the economic development facilities referred to in the Financing Documents consisting of the Project previously approved by the City of Bloomington Economic Development Commission now presented to this Common Council, the issuance and sale of the Bonds, the loan of the net proceeds thereof to the Company for the purposes of completion of the Project, and the repayment of said loan by the Company will be of benefit to the health or general welfare of the Issuer and its citizens and does comply with the purposes and provisions of the Act.

SECTION 2. The forms of the Financing Documents approved by the City of Bloomington Economic Development Commission are hereby approved, and all such documents shall be kept on file by the City Clerk. Two (2) copies of the Financing Documents are on file in the office of the City Clerk for public inspection. The Mayor of the City of Bloomington and the City Clerk, in consultation with the attorneys for the City, are hereby authorized to approve any revisions to the Financing Documents which may be necessary to effect the issuance of the Bond, and such approval shall be evidenced by the execution of such documents.

SECTION 3. The Issuer shall issue its Bonds in the principal amount not to exceed Two Million One Hundred Thousand Dollars (\$2,100,000) for the purpose of procuring funds to loan to the Company in order to complete the Project, which Bonds will be payable as to principal, premium, if any, and interest solely from the payments made by the Company on its Note in the principal amount equal to the principal amount of the Bonds which will be executed and delivered by the Company to evidence and secure said loan and as otherwise provided in the above described Financing Documents. The Bonds shall never constitute a general obligation of, an indebtedness of, or charge against the general credit of the Issuer.

SECTION 4. The City Clerk is authorized and directed to sell such Bonds to the Bond Purchaser at a price equal to 100% of the principal amount thereof, plus accrued interest, if any, and at a stated per-annum rate of interest as set forth in the Financing Documents.

SECTION 5. The Mayor and the Clerk of the City of Bloomington are authorized and directed to execute those Financing Documents approved herein which require their signatures and any other document which may be necessary or desirable to consummate the transaction, and their execution is hereby confirmed on behalf of the Issuer. The City Clerk is authorized to arrange for the delivery of the Bonds to the Bond Purchaser and to receive payment therefore in the manner set forth in the Financing Documents. The Bonds shall be dated the date of closing of this transaction, such date to be no later than ninety (90) days from the date of adoption by this Common Council of this Ordinance. The Mayor and City Clerk may, by their execution of the Financing Documents requiring their signatures and by the execution of Bonds, approve changes therein and also in those Financing Documents which do not require their signatures without further approval of the Common Council or the City of Bloomington Economic Development Commission if such changes do not affect terms set forth in IC 36-7-12-27(a)(1) through (a)(11).

SECTION 6. The provisions of this Ordinance and the Financing Documents shall constitute a contract binding between the Issuer and the Bond Purchaser, and after the issuance of said Bonds, this ordinance shall not be repealed or amended in any respect which would adversely affect the right of any holder or holders of the Bonds so long as said Bonds or the interest thereon remains unpaid.

SECTION 7. This ordinance shall be in full force and effect upon adoption and compliance with IC 36-4-6-14.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2010.

ISABEL PIEDMONT-SMITH, President
City of 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 _____, 2010.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2010.

MARK KRUZAN, Mayor
City of Bloomington

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

I, Regina Moore, Clerk of the City of Bloomington, Indiana, do hereby certify the above and foregoing is a full, true, and complete copy of Ordinance 10-18, passed by the Common Council on the 1st day of December, 2010, by a vote of _____ YEAS and _____ NAYS, which was signed by the Mayor of the City of Bloomington, Indiana, on the _____ day of December, 2010, and now remains on file and on record in my office.

WITNESS my hand and official seal of the City of Bloomington, Indiana, this _____ day of December, 2010.

[SEAL]

Regina Moore, Clerk
City of Bloomington, Indiana

Synopsis

This ordinance authorizes the issuance of up to \$2.1 million in tax exempt, Economic Development Recovery Zone Facility bonds for the Pinnacle School campus project at 1503/1505 West Arlington Road.



CITY OF BLOOMINGTON
economic & sustainable development

MEMORANDUM

To: City of Bloomington Common Council
From: Department of Economic & Sustainable Development Staff
Date: October 26, 2010
Re: Economic Development Recovery Zone Facility Bonds – Pinnacle School

Staff from the Department of Economic and Sustainable Development (“E&SD”) has been working with representatives of the Pinnacle School in obtaining American Recovery and Reinvestment Act (ARRA) Economic Development Recovery Zone Facility Bonds for financing of a major capital project within City limits.

The Economic Development Commission (EDC) unanimously supported this bond application with resolution 10-8. E&SD staff seeks the support of the Common Council in passing ordinance 10-16.

ARRA Economic Development Recovery Zone Facility Bonds

This past July, The County Commissioners had a \$15 million allocation for stimulus-backed Economic Development Recovery Zone Facility bonds. Four projects were approved to receive the funds and at this time, two of these projects are moving forward and require action by the City of Bloomington Economic Development Commission and the City of Bloomington Common Council.

The two projects are 1302 S. Rogers (First Capital's Southern Indiana Medical Group project - a reimbursement bond of \$2.3 million) and Pinnacle School (\$2.1 million). Both projects are within the City limits.

As with other Economic Development Revenue bonds, the City would be simply a pass-through and this would have no impact on our bond rating, nor would it be an obligation of the City or our taxpayers.

Although the County would be able to issue these bonds, the City Council would need to grant permission to move it through the County process. With the projects located within City limits, we determined that the proper bodies of City government should approve the projects.

The role of the EDC in the process is to make findings of fact regarding both projects and to approve a resolution of recommendation to the City of Bloomington Common Council for the approval of each bond, both of which are included in the packet. The Common Council will then take final action as the local legislative body with the passage of an ordinance approving the bond.

Below is general information on the project and the local economic development impact.

Pinnacle School Project

The DePaul Reading and Learning Association, Inc. is an Indiana not-for-profit corporation with plans for the development of a school campus located on 4.2 acre parcel 1503 W Arlington Road and an adjacent 2.1 acre parcel at 1505 W. A

Arlington Road for use as a school serving families with dyslexia and related learning differences. The Project will facilitate the relocation of the Pinnacle School from its current location at 2427 E. 2nd Street.

The total cost of the Project is approximately \$2,100,000, including incidental costs of issuance of the Economic Development Revenue Bonds. The Project is expected to be funded from the proceeds of the Economic Development Revenue Bonds.

The Project is expected to provide for the employment of five to seven new full-time teachers and up to three part-time tutors within the next two years.

The Monroe County Board of Commissioners has allocated \$2,100,000 of the County's Recovery Zone Facility Bond volume allocation under the American Recovery and Revitalization Act to the Pinnacle School to assist in the financing of the Project.

**REPORT OF THE CITY OF BLOOMINGTON, INDIANA
ECONOMIC DEVELOPMENT COMMISSION
CONCERNING THE PROPOSED FINANCING OF AN ECONOMIC
DEVELOPMENT FACILITY**

The City of Bloomington, Indiana Economic Development Commission, proposes to recommend to the Common Council of the City of Bloomington, Indiana, that it loan the proceeds of an Economic Development Recovery Zone Facility Revenue Bond financing to The DePaul Reading and Learning Association, Inc., an Indiana not-for-profit corporation (the "Company") for the purpose of financing the development of a school campus located on 4.2 acre parcel 1503 W Arlington Road and an adjacent 2.1 acre parcel at 1505 W. Arlington Road for use as a school serving families with dyslexia and related learning differences (the "Project") and to reimburse the Applicant for expenditures in relation to the Project and the issuance of the Bonds. The Project will facilitate the relocation of the Pinnacle School from its current location at 2427 E. 2nd Street. The total cost of the Project is approximately \$2,100,000, including incidental costs of issuance of the Economic Development Revenue Bonds. The Project is expected to be funded from the proceeds of the Economic Development Revenue Bonds. The Project is expected to provide for the employment of five to seven new full-time teachers and up to three part-time tutors within the next two years.

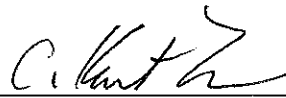
No additional public facilities will be necessary or desirable on account of the proposed Project.

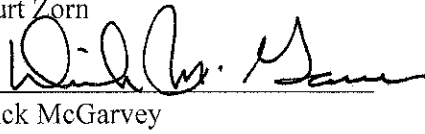
The Monroe County Board of Commissioners has allocated \$2,100,000 of the County's Recovery Zone Facility Bond volume allocation under the American Recovery and Revitalization Act to the Pinnacle School to assist in the financing of the Project

The construction of the Project will not have an adverse competitive effect on any similar facility or facilities already constructed or operating in the City of Bloomington or Monroe County, Indiana, for the reasons set forth in the Findings of Fact attached hereto and made a part hereof and will be of benefit to the health and general welfare of the City of Bloomington and Monroe County.

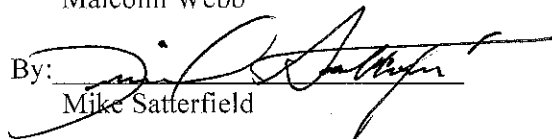
ADOPTED this 22nd day of October, 2010.

CITY OF BLOOMINGTON, INDIANA
ECONOMIC DEVELOPMENT COMMISSION

By: 
Kurt Zorn

By: 
Dick McGarvey

By: _____
Malcolm Webb

By: 
Mike Satterfield

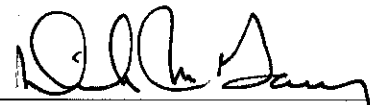
By: _____
Amanda Nickey

**FINDINGS OF FACT REGARDING COMPETITIVE
IMPACT OF PROJECT OF PINNACLE SCHOOL**

Based on a careful consideration of evidence submitted to the City of Bloomington Economic Development Commission, the Commission hereby makes the following findings of fact with respect to the competitive impact on similar facilities already constructed or operating in the City of Bloomington and Monroe County, Indiana, as result of an economic development project by The DePaul Reading and Learning Association, Inc. (the "Company"):

1. The project consists of a 6.1 acre campus for the relocation of the existing Pinnacle School, which serves families with dyslexia and related learning differences, which is expected to provide for the employment of five to seven full-time teachers and three part-time tutors within the next two years (the "Project").
2. The total cost of the Project is approximately \$2,100,000, including incidental costs in connection with the issuance of the Bonds. The Project is expected to be funded from the proceeds of the Bonds.
3. The Project will be of benefit to the health and general welfare of the City of Bloomington and Monroe County, Indiana, and complies with the purposes provisions of IC 36-7-11.9 and IC 36-7-12.
4. The Company has no competitors located in the City of Bloomington and Monroe County, Indiana.
5. The Project will not have an adverse competitive effect on similar facilities already constructed or operating in the City of Bloomington and Monroe County, Indiana.
6. The County Commissioners have allocated \$2,100,000 of the County's Recovery Zone Facility Bond volume allocation under the American Recovery and Revitalization Act of 2009 to the Applicant to provide financing for the Project

CITY OF BLOOMINGTON ECONOMIC DEVELOPMENT COMMISSION



Dick McGarvey, President

**RESOLUTION 10-8
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA**

WHEREAS, the City of Bloomington, Indiana Economic Development Commission (the "Commission"), has considered an economic development project consisting of a 6.3 acre campus located at 1503/1505 W. Arlington Road, Bloomington, Indiana ("the Project"), and has prepared and has submitted the report to the Plan Commission as required by IC 36-12-7-23; and

WHEREAS, the Monroe County Commissioners have allocated Two Million Three Hundred Thousand Dollars of the County's Recovery Zone Facility Bond allocation under Section 1401 of the American Recovery Act of 2009 to Bloomington Dyslexia Center LLC, operating as the Pinnacle School (the "Company"); and

WHEREAS, the Commission now desires to authorize all actions required by I.C. 36-7-12 (the "Act") to provide for the issuance and sale of revenue bonds by the City of Bloomington, Indiana (the "Issuer"), in an amount not to exceed Two Million One Hundred Thousand Dollars (\$2,100,000) to provide funds to be loaned to the Company; and

WHEREAS, the purpose of the issuance of the bonds will be to loan the proceeds thereof to the Company for the purposes of paying the costs of developing the Project (a detailed description of the Project is attached hereto as **Exhibit A**); and

WHEREAS, a hearing on such financing was held on proper notice, pursuant to I.C. 36-7-12-24; and

WHEREAS, the Commission now finds that the financing will create opportunities for gainful employment and will therefore be of benefit to the health and general welfare of the City of Bloomington and Monroe County, Indiana; and

WHEREAS, the Commission now finds that the financing, as described above, complies with the Act.

NOW, THEREFORE, BE IT RESOLVED, by the City of Bloomington Economic Development Commission:

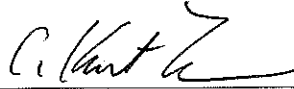
1. That the issuance by the City of Bloomington, Indiana, of its Economic Development Recovery Zone Facility Revenue Bonds, Series 2010 (Recovery Zone Facility Bonds) ("Bonds"), in the amount not in excess of Two Million One Hundred Thousand Dollars (\$2,100,000), for the purposes set forth in the above clauses, be, and is hereby, approved.

2. That the forms of Bond, Note, Loan Agreement, and Trust Indenture, to be executed in connection with the financing, have been presented to the Commission, and are hereby approved.

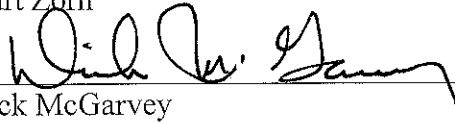
3. That the Secretary of the Commission is hereby authorized and directed to transmit this Resolution to the Common Council of the City of Bloomington, Indiana, pursuant to I.C. 36-7-12-24.

ADOPTED this 22 day of October, 2010.

CITY OF BLOOMINGTON, INDIANA
ECONOMIC DEVELOPMENT COMMISSION

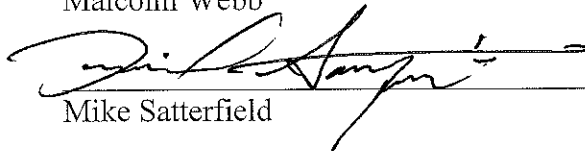


Kurt Zorn



Dick McGarvey

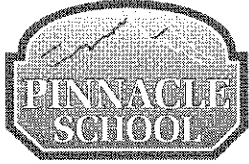
Malcolm Webb



Mike Satterfield

Amanda Nickey

"EXHIBIT A"
ECONOMIC DEVELOPMENT COMMISSION
CITY OF BLOOMINGTON, INDIANA



www.pinnacleschool.org
1503 Arlington Road
Bloomington, IN 47404
(812) 339-8141

**To: Monroe County Economic Development Commission
County Courthouse, Room 220
100 West Kirkwood
Bloomington, IN 47404**

**From: The De Paul Reading and Learning Association, Inc.
dba Pinnacle School**

Re: Application for Economic Development Recovery Zone Financing

Date: March 1, 2010

1. Complete description of your project, including detailed maps.

The De Paul Reading and Learning Association, Inc. (dba Pinnacle School) moved our operations to our new campus at 1503/1505 W. Arlington Road on November 20, 2009. The three existing buildings on the properties consisted of a commercial/manufacturing facility, the home of the previous business owner, and a detached four-car commercial garage. We have remodeled each structure, two extensively, investing a total of \$210,000 to create classroom spaces, improve building infrastructure, upgrade electrical, plumbing and HVAC to meet local and state building codes, add fire safety and monitoring equipment, and make buildings ADA accessible.

Pinnacle School has been serving families with dyslexia and related learning differences since 1981. We are a nonprofit, independent school, and serve students in grades K-12. Our students are bright learners who experience varying degrees of difficulty processing reading, writing, spelling, and sequencing. We use a structured linguistics approach to reading and writing and utilize multiple technologies geared to the strengths of our learners. We also have after-school tutoring programs for those who are not full-time students, summer school, and a new part-time flexible high school program offered in conjunction with IU High School for struggling learners and those who need to make up credits.

Need for the Project: The Arlington Road property allowed us to continue our school operations and to have specialized rooms designed for science activities, technology, and the visual arts. The residential structure (about 4800 square feet) became our **Administration Center (Map #1)**. It houses our administrative offices, a modest Dyslexia Resource Center, and our community tutoring, testing and academic counseling services. The existing commercial building (4100 square feet) was extensively remodeled to create **The School Building (Map #2)**, with classroom space, a modest staff lounge, and a small computer lab. The 4-car garage was converted into our **Art Studio and Engineering Lab (Map #3)**. It has two class spaces with some modest auxiliary storage. The campus includes significant green space, and will benefit our growing environmental science program, including our NSTA Toyota Tapestry grant to build a mini-prairie later this spring.

The plans we developed optimize the space, and the current configuration is workable on a short-term basis. Even with our low teacher to student ratios, most of the classrooms are small. We use a lot of hands-on materials as a necessary part of our programming. Many of these items are in a storage room, and must be retrieved as needed, which is inconvenient for our teachers. While we have our two computer labs, we do not have the space to have additional computers in several of the classrooms. In addition, the driveway and parking facilities are inadequate, and we no longer have a large multi-purpose room or gathering space. Physical education for our students is weather-dependent. We have learning partnerships with many community organizations, and current space limitations are making some of these projects very difficult.

As part of our approved conditional use BZA application in September 2009, we indicated the immediate need for more space, including:

1. Adding the necessary sewer and water lines; extending the driveway, and adding paved parking lots with the required number of spaces as indicated on the map.
2. Constructing a new 12,000 square foot classroom building (**Map #4**)
3. Constructing a new 5,600 square foot multi-purpose gym with stage (**Map #5**)
4. Additional Master Plan amenities to support the school functions include:
 - Landscaped zones for the environmental science program
 - Courtyard zone for dining, music, and art
 - Nature trails
 - Outdoor area for adult and student lecture, meetings and events
 - Extensive landscaping

(From Studio Three Design Pinnacle School Master Plan, November 2009)

Attachments:

1. Aerial map (GIS) of property location – circled
 2. Photo of Administration Center
 3. Photo of School Building
 4. Map of Pinnacle School Master Plan
-
2. **List the number, type, duration, payroll, and employee benefits of jobs created by this project:**

We anticipate hiring between 5 to 7 additional full-time teachers, along with at least 3 part-time tutors. Full-time teachers receive full health insurance coverage with a minimal (currently \$46) co-pay. Total estimated value: \$246,000 - \$276,000

3. Estimated Assessed Value before and after start of project:

\$561,000 original county assessment + \$210,000 already invested
+ Projected Project Cost: \$2,412,798 = **\$3,193,798**

4. List any capital improvements required of the County:

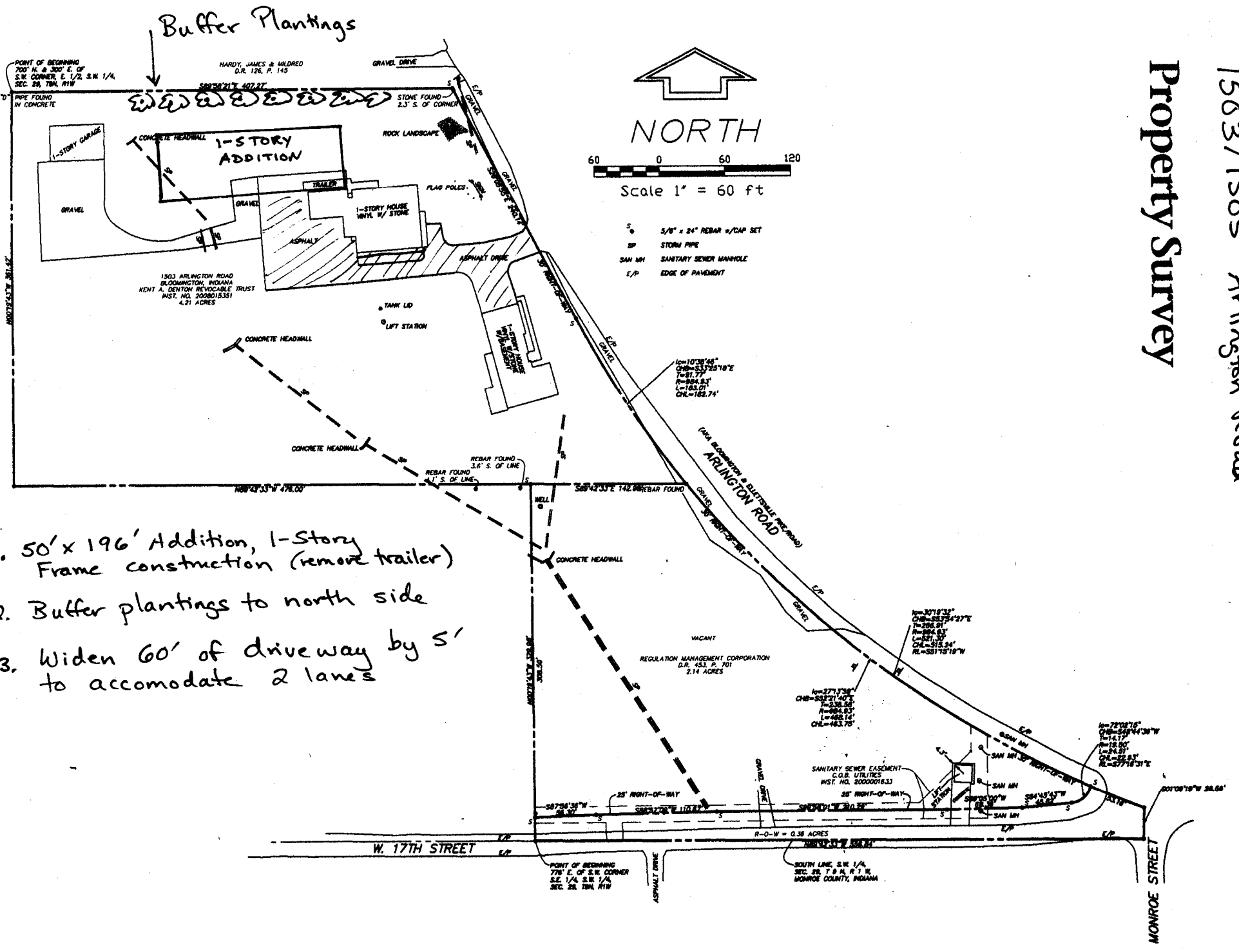
None known.

5. State the extent to which Monroe County and Monroe County contractor's labor will be utilized during the construction phase of this project.

Most of the renovations completed to date were performed by local contractors and labor. (The general contractors were local, but one used a sub from a neighboring county.) We will have a fair bidding process for the project, which will be supervised by our staff and board.

1503/1505 Arlington Road

Property Survey



1. 50' x 196' Addition, 1-Story Frame construction (remove trailer)
2. Buffer plantings to north side
3. Widen 60' of driveway by 5' to accommodate 2 lanes

ORDINANCE 10-18

**AUTHORIZING
THE CITY OF BLOOMINGTON, INDIANA,
TO ISSUE ITS ECONOMIC DEVELOPMENT RECOVERY
ZONE FACILITY REVENUE BONDS, SERIES 2010
("BLOOMINGTON DYSLEXIA CENTER LLC")
IN THE PRINCIPAL AMOUNT NOT IN EXCESS OF TWO
MILLION ONE HUNDRED THOUSAND DOLLARS
(\$2,100,000), AND
APPROVING AND AUTHORIZING OTHER ACTIONS IN
RESPECT THERETO**

Materials In the Council Office

The Financing Documents are available in substantially final form in the Clerk/Council Office and can be viewed online.

These documents include:

- Indenture (with Form of Bond as Exhibit A),
- Loan Agreement, and
- Promissory Note

ORDINANCE 10-19

**AUTHORIZING THE CITY OF BLOOMINGTON, INDIANA,
TO ISSUE ITS ECONOMIC DEVELOPMENT RECOVERY ZONE FACILITY
REVENUE BONDS, SERIES 2010 ("1302 S. ROGERS LLC")
IN THE PRINCIPAL AMOUNT NOT IN EXCESS OF
TWO MILLION THREE HUNDRED THOUSAND DOLLARS (\$2,300,000),
AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO**

- WHEREAS, Indiana Code, Title 36, Article 7, Chapter 12 (the "Act"), has been enacted by the General Assembly of Indiana; and
- WHEREAS, the Act declares that the financing and refinancing of economic development facilities constitutes a public purpose; and
- WHEREAS, the Act provides that an issuer may, pursuant to the Act, issue revenue bonds and lend the proceeds thereof to a corporation, partnership or individual for the purpose of financing costs of acquisition or construction of economic development facilities, including real and personal property; and
- WHEREAS, the Act provides that such bonds may be secured by a trust indenture between the Issuer and a corporate trustee; and
- WHEREAS, the Board of Commissioners of Monroe County, Indiana, on October 9, 2009, adopted Resolution No. 2009-29, establishing all of Monroe County, Indiana as a "recovery zone" within the meaning of §1400 of the American Recovery and Reinvestment Act of 2009 (the "Stimulus Act"); and
- WHEREAS, on July 16, 2010, the Board of County Commissioners adopted Resolution No. 2010-25 allocating \$2,300,000 of the County's allocation of recovery zone facility bonds to 1302 S. Rogers, LLC, an Indiana Limited Liability Company ("Company"); and
- WHEREAS, the City of Bloomington, Indiana (the "Issuer") intends to issue its Economic Development Recovery Zone Facility Revenue Bonds, Series 2010 ("1302 S. Rogers LLC Project") in the principal amount not to exceed Two Million Three Hundred Thousand Dollars (\$2,300,000) (the "Bond") pursuant to a Trust Indenture and Mortgage dated as of November 1, 2010 (the "Indenture") between the Issuer, and a corporate trustee to be selected, in order to obtain funds to lend to 1302 S. Rogers LLC (the "Company"); pursuant to the Loan Agreement (the "Loan Agreement") between the Issuer and the Company dated as of November 1, 2010 (the "Loan Agreement"); and pursuant to a Purchase Agreement to be dated the date of closing among the Issuer, the Company and a financial institution or other funding entity (the "Bond Purchaser"), (the "Purchase Agreement"); for the purpose of reimbursing the costs of constructing a medical office building facility to be leased by the Company to Southern Indiana Medical Group (the "Project"); and
- WHEREAS, the Loan Agreement provides for the repayment by the Company of the loan of the proceeds of the Bonds and further provides for the Company's repayment obligation to be evidenced by the Company's Promissory Note (the "Note") in the principal amount equal to the principal amount of the Bonds; and
- WHEREAS, pursuant to the Indenture, the Issuer will endorse the Note without recourse and assign to the Bond Purchaser certain of its rights under the Loan Agreement as security for the Bond which is payable solely and only out of the payments to be made by the Company with respect to the Note; and
- WHEREAS, the City of Bloomington Economic Development Commission on November 22, 2010 adopted a Resolution which has been previously transmitted hereto, finding that the financing of the Project which will be initially owned and operated by the Company and leased to Southern Indiana Medical Group complies with the

purposes and provisions of the Act and that such financing will be of benefit to the health or general welfare of the Issuer and its citizens; and

WHEREAS, the City of Bloomington Economic Development Commission has approved the final forms of the 1) Indenture; 2) Loan Agreement; 3) the Note; and 4) the form of the Bonds (hereinafter referred to collectively as the "(Financing Documents)") by Resolution adopted prior in time to this date, which Resolution has been transmitted hereto;

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

SECTION 1. It is hereby found that the financing of the economic development facilities referred to in the Financing Documents consisting of the Project previously approved by the City of Bloomington Economic Development Commission now presented to this Common Council, the issuance and sale of the Bonds, the loan of the net proceeds thereof to the Company for the purposes of completion of the Project, and the repayment of said loan by the Company will be of benefit to the health or general welfare of the Issuer and its citizens and does comply with the purposes and provisions of the Act.

SECTION 2. The forms of the Financing Documents approved by the City of Bloomington Economic Development Commission are hereby approved, and all such documents shall be kept on file by the Clerk of the City. Two (2) copies of the Financing Documents are on file in the office of the Clerk for public inspection. The Mayor of the City of Bloomington and the City Clerk, in consultation with the Attorneys for the City, are hereby authorized to approve any revisions to the Financing Documents which may be necessary to effect the issuance of the Bond, and such approval shall be evidenced by the execution of such documents.

SECTION 3. The Issuer shall issue its Bonds in the principal amount not to exceed Two Million Three Hundred Thousand Dollars (\$2,300,000) for the purpose of procuring funds to loan to the Company in order to complete the Project, which Bonds will be payable as to principal, premium, if any, and interest solely from the payments made by the Company on its Note in the principal amount equal to the principal amount of the Bonds which will be executed and delivered by the Company to evidence and secure said loan and as otherwise provided in the above described Financing Documents. The Bonds shall never constitute a general obligation of, an indebtedness of, or charge against the general credit of the Issuer.

SECTION 4. The City Clerk is authorized and directed to sell such Bonds to the Bond Purchaser at a price equal to 100% of the principal amount thereof, plus accrued interest, if any, and at a stated per-annum rate of interest as set forth in the Financing Documents.

SECTION 5. The Mayor and the Clerk of the City of Bloomington are authorized and directed to execute those Financing Documents approved herein which require their signatures and any other document which may be necessary or desirable to consummate the transaction, and their execution is hereby confirmed on behalf of the Issuer. The City Clerk is authorized to arrange for the delivery of the Bonds to the Bond Purchaser and to receive payment therefore in the manner set forth in the Financing Documents. The Bonds shall be dated the date of closing of this transaction, such date to be no later than ninety (90) days from the date of adoption by this Common Council of this Ordinance. The Mayor and City Clerk may, by their execution of the Financing Documents requiring their signatures and by the execution of Bonds, approve changes therein and also in those Financing Documents which do not require their signatures without further approval of the Common Council or the City of Bloomington Economic Development Commission if such changes do not affect terms set forth in IC 36-7-12-27(a)(1) through (a)(11).

SECTION 6. The provisions of this Ordinance and the Financing Documents shall constitute a contract binding between the Issuer and the Bond Purchaser, and after the issuance of said Bonds, this ordinance shall not be repealed or amended in any respect which would adversely affect the right of any holder or holders of the Bonds so long as said Bonds or the interest thereon remains unpaid.

SECTION 7. This ordinance shall be in full force and effect upon adoption and compliance with IC 36-4-6-14.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2010.

ISABEL PIEDMONT-SMITH, President
City of 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 _____, 2010.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2010.

MARK KRUZAN, Mayor
City of Bloomington

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

I, Regina Moore, Clerk of the City of Bloomington, Indiana, do hereby certify the above and foregoing is a full, true, and complete copy of Ordinance 10-18, passed by the Common Council on the 1st day of December, 2010, by a vote of _____ YEAS and _____ NAYS, which was signed by the Mayor of the City of Bloomington, Indiana, on the _____ day of December, 2010, and now remains on file and on record in my office.

WITNESS my hand and official seal of the City of Bloomington, Indiana, this _____ day of December, 2010.

[SEAL]

REGINA MOORE, Clerk
City of Bloomington, Indiana

Synopsis

This ordinance authorizes the issuance of up to \$2.3 million in tax exempt, Economic Development Recovery Zone Facility bonds to reimburse 1302 S. Rogers, LLC for the cost of constructing a facility at that address which is being used by Bloomington Hospital for provide primary care services.



CITY OF BLOOMINGTON
economic & sustainable development

MEMORANDUM

To: City of Bloomington Common Council
From: Department of Economic & Sustainable Development Staff
Date: October 26, 2010
Re: Economic Development Recovery Zone Facility Bonds

Staff from the Department of Economic and Sustainable Development (“E&SD”) has been working with representatives of First Capital Group in obtaining American Recovery and Reinvestment Act (ARRA) Economic Development Recovery Zone Facility Bonds for financing of a major capital project within City limits.

The Economic Development Commission (EDC) unanimously supported the bond application with resolution 10-7. E&SD staff seeks the support of the Common Council in passing ordinance 10-17 approving the bond.

ARRA Economic Development Recovery Zone Facility Bonds

This past July, The County Commissioners had a \$15 million allocation for stimulus-backed Economic Development Recovery Zone Facility bonds. Four projects are approved to receive the funds and at this time, two of these projects are moving forward and require action by the City of Bloomington Economic Development Commission and the City of Bloomington Common Council.

The two projects are 1302 S. Rogers (First Capital's Southern Indiana Medical Group project - a reimbursement bond of \$2.3 million) and Pinnacle School (\$2.1 million). Both projects are within the City limits.

As with other Economic Development Revenue bonds, the City would be simply a pass-through and this would have no impact on our bond rating, nor would it be an obligation of the City or our taxpayers.

Although the County would be able to issue these bonds, the City Council would need to grant permission to move it through the County process. With the projects located within City limits, we determined that the proper bodies of City government should approve the projects.

The role of the EDC in the process is to make findings of fact regarding both projects and to approve a resolution of recommendation to the City of Bloomington Common Council for the approval of each bond, both of which are included in the packet. The Common Council will then take final action as the local legislative body with the passage of an ordinance approving the bond.

Below is general information on the project and the local economic development impact.

1302 S. Rogers Project

1302 S. Rogers LLC, is an Indiana limited liability corporation formed for the purpose of financing a 12,000 square foot medical office building facility serving as a primary care facility for Bloomington Hospital.

The total cost of the Project is approximately \$2,700,000, including incidental costs of issuance of the Economic Development Revenue Bonds.

The Project is expected to be funded from the proceeds of the Economic Development Revenue Bonds. The Project is expected to provide twenty-three jobs within the next two years.

The Monroe County Board of Commissioners has allocated \$2,300,000 of the County's Recovery Zone Facility Bond volume allocation under the American recovery and Revitalization Act to the Applicant to assist in the financing of the Project.

**REPORT OF THE CITY OF BLOOMINGTON, INDIANA
ECONOMIC DEVELOPMENT COMMISSION
CONCERNING THE PROPOSED FINANCING OF AN ECONOMIC
DEVELOPMENT FACILITY**

The City of Bloomington, Indiana Economic Development Commission, proposes to recommend to the Common Council of the City of Bloomington, Indiana, that it loan the proceeds of an Economic Development Revenue Bond financing to 1302 S. Rogers LLC, an Indiana limited liability corporation formed for the purpose of financing a 12,000 square foot medical office building facility (the "Project") and to reimburse the Applicant for expenditures in relation to the Project. The total cost of the Project is approximately \$2,700,000, including incidental costs of issuance of the Economic Development Revenue Bonds. The Project is expected to be funded from the proceeds of the Economic Development Revenue Bonds. The Project is expected to provide twenty three jobs within the next two years.


No additional public facilities will be necessary or desirable on account of the proposed Project.

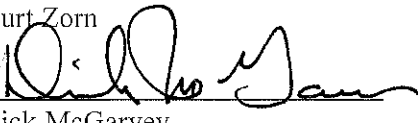
The Monroe County Board of Commissioners has allocated \$2,300,000 of the County's Recovery Zone Facility Bond volume allocation under the American recovery and Revitalization Act to the Applicant to assist in the financing of the Project

The construction of the Project will not have an adverse competitive effect on any similar facility or facilities already constructed or operating in the City of Bloomington or Monroe County, Indiana, for the reasons set forth in the Findings of Fact attached hereto and made a part hereof and will be of benefit to the health and general welfare of the City of Bloomington and Monroe County.

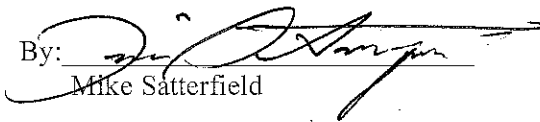
ADOPTED this 21st day of October, 2010.

CITY OF BLOOMINGTON, INDIANA
ECONOMIC DEVELOPMENT COMMISSION

By: 
Kurt Zorn

By: 
Dick McGarvey

By: _____
Malcolm Webb

By: 
Mike Satterfield


By: _____
Amanda Nickey

**FINDINGS OF FACT REGARDING COMPETITIVE
IMPACT OF PROJECT OF 1302 S. ROGERS, LLC**

Based on a careful consideration of evidence submitted to the City of Bloomington Economic Development Commission, the Commission hereby makes the following findings of fact with respect to the competitive impact on similar facilities already constructed or operating in the City of Bloomington and Monroe County, Indiana, as result of an economic development project by 1302 S. Rogers, LLC (the "Company"):

1. The project consists of a new medical office building facility which is expected to provide twenty-three new jobs within the next two years (the "Project");
2. The total cost of the Project is approximately \$2,700,000, including incidental costs in connection with the issuance of the Bonds. Approximately 85% of the Project is expected to be funded from the proceeds of the Bonds.
3. The Project will be of benefit to the health and general welfare of the City of Bloomington and Monroe County, Indiana, and complies with the purposes provisions of IC 36-7-11.9 and IC 36-7-12.
4. The Company has no competitors located in the City of Bloomington and Monroe County, Indiana.
5. The Project will not have an adverse competitive effect on similar facilities already constructed or operating in the City of Bloomington and Monroe County, Indiana.
6. The County Commissioners have allocated \$2,300,000 of the County's Recovery Zone Facility Bond volume allocation under the American Recovery and Revitalization Act of 2009 to the Applicant to provide financing for the Project

CITY OF BLOOMINGTON ECONOMIC DEVELOPMENT COMMISSION



Dick McGarvey, President

**RESOLUTION 10-7
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA**

WHEREAS, the City of Bloomington, Indiana Economic Development Commission (the "Commission"), has considered an economic development project consisting of a medical office building facility located at 1302 South Rogers Street, Bloomington, Indiana ("the Project"), and has prepared and has submitted the report to the Plan Commission as required by IC 36-12-7-23; and

WHEREAS, the Monroe County Commissioners have allocated Two Million Three Hundred Thousand Dollars of the County's Recovery Zone Facility Bond allocation under Section 1401 of the American Recovery Act of 2009 to 1302 S. Rogers LLC (the "Company"); and

WHEREAS, the Commission now desires to authorize all actions required by I.C. 36-7-12 (the "Act") to provide for the issuance and sale of revenue bonds by the City of Bloomington, Indiana (the "Issuer"), in an amount not to exceed Two Million Three Hundred Thousand Dollars (\$2,300,000) to provide funds to be loaned to the Company; and

WHEREAS, the purpose of the issuance of the bonds will be to loan the proceeds thereof to the Company for the purposes of reimbursing the costs of constructing a medical office building facility to be leased by the Company to Southern Indiana Medical Group, a for-profit subsidiary of Bloomington Hospital ("Lessee"); and

WHEREAS, a hearing on such financing was held on proper notice, pursuant to I.C. 36-7-12-24; and

WHEREAS, the Commission now finds that the financing will create opportunities for gainful employment and will therefore be of benefit to the health and general welfare of the City of Bloomington and Monroe County, Indiana; and

WHEREAS, the Commission now finds that the financing, as described above, complies with the Act.

NOW, THEREFORE, BE IT RESOLVED, by the City of Bloomington Economic Development Commission:

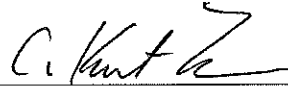
1. That the issuance by the City of Bloomington, Indiana, of its Economic Development First Mortgage Revenue Bonds, Series 2010 (Recovery Zone Facility Bonds) ("Bonds"), in the amount not in excess of Two Million Three Hundred Thousand Dollars (\$2,300,000), for the purposes set forth in the above clauses, be, and is hereby, approved.

2. That the forms of Bond, Note, Loan Agreement, and Trust Indenture, to be executed in connection with the financing, have been presented to the Commission, and are hereby approved.

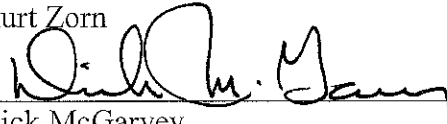
3. That the Secretary of the Commission is hereby authorized and directed to transmit this Resolution to the Common Council of the City of Bloomington, Indiana, pursuant to I.C. 36-7-12-24.

ADOPTED this 22 day of October, 2010.

CITY OF BLOOMINGTON, INDIANA
ECONOMIC DEVELOPMENT COMMISSION

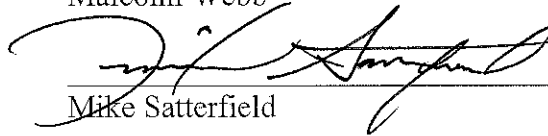


Kurt Zorn



Dick McGarvey

Malcolm Webb



Mike Satterfield

Amanda Nickey



Dan Sherman <shermand@bloomington.in.gov>

First Capital Picture

1 message

Adam Wason <wasona@bloomington.in.gov>
To: Dan Sherman <shermand@bloomington.in.gov>

Fri, Nov 12, 2010 at 10:02 AM



Adam Wason
Assistant Director - Small Business
Economic and Sustainable Development
City of Bloomington, Indiana
812.349.3419

ORDINANCE 10-19

**AUTHORIZING
THE CITY OF BLOOMINGTON, INDIANA,
TO ISSUE ITS ECONOMIC DEVELOPMENT
RECOVERY ZONE FACILITY REVENUE BONDS,
SERIES 2010 ("1302 S. ROGERS LLC")
IN THE PRINCIPAL AMOUNT NOT IN EXCESS OF
TWO MILLION THREE HUNDRED THOUSAND
DOLLARS (\$2,300,000),
AND APPROVING AND AUTHORIZING OTHER
ACTIONS IN RESPECT THERETO**

Materials In the Council Office

The Financing Documents are available in substantially final form in the Clerk/Council Office and can be viewed online.

These documents include:

- Indenture (with Form of Bond as Exhibit A),
- Loan Agreement, and
- Promissory Note

RESOLUTION 10-18

TO AMEND GUIDELINES FOR AND RENAME THE BUSINESS INVESTMENT INCENTIVE FUND (BIIF) PROGRAM

- WHEREAS, the Common Council of the City of Bloomington (“Council”) in Ordinance 86-04 established the Industrial Incentive Loan Fund with an initial allocation of \$400,000 from the City’s Special Non-Reverting Improvement Fund; and
- WHEREAS, the ordinance provided for a revolving loan program from which loans would be made under procedures and criteria established by Resolution 86-06, which established guidelines for the administration of the Fund; and
- WHEREAS, the Council subsequently adopted Resolution 99-17, which broadened the purpose of the program, changed the program name from the Industrial Incentive Loan Fund program to the Business Investment Incentive Fund (“BIIF”) program, lifted the \$400,000 lending cap, and made other amendments to the guidelines and procedures; and
- WHEREAS, the Economic Development Commission, a statutory commission established by the Council pursuant to IC 36-7-12-5 and Bloomington Municipal Code Section 2.30 which oversees the administration of the BIIF, recently adopted additional amendments to the guidelines and procedures and recommends that the Common Council enact those amendments, which are included in “Exhibit A”, which is entitled “City of Bloomington Investment Incentive Fund Operating Policies and Guidelines” and is attached hereto and incorporated herein; and
- WHEREAS, the City of Bloomington Economic and Sustainable Development (“ESD”) Department has worked, with a concentrated effort, to align the Departmental goals and objectives to go beyond the traditional assumption that job creation equals economic development. Consistent with the Council’s efforts to redefine prosperity in Bloomington, the ESD staff strives to develop programs and structure incentives that prove that quality of life can enhance economic development and that the budding areas of sustainable development, arts-based economic development, social entrepreneurship and enterprises, and economic growth through the non-profit sector are important areas for sustainable job creation in Bloomington; and,
- WHEREAS, Given the focus on goals and objectives beyond traditional business and job creation, the Economic Development Commission hereby recommends amending the program name, to delete the term “Business” and simply replace with “Bloomington”, thus entitling the program the Bloomington Investment Incentive Fund Program. This change will more precisely state that sectors, other than the traditional business sector can equate to strong economic development in the unique Bloomington community.

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

SECTION 1. The Common Council approves the attached document entitled the “City of Bloomington Investment Incentive Fund Operating Policies and Guidelines” in its entirety as an amendment to the guidelines and procedures for administration of the Fund, and hereby approves subsequent amendments to this document made from time to time by the Economic Development Commission.

SECTION 2. The Common Council renames the program the Bloomington Investment Incentive Fund.

SECTION 3. This resolution shall be effective from and after passage and execution by the Mayor and until rescinded by the Council.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2010.

ISABEL PIEDMONT-SMITH, 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 _____, 2010.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2010.

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This resolution amends the Business Investment Incentive Fund program, formerly known as the Industrial Incentive Loan Fund program, and renames it the Bloomington Investment Incentive Fund. Based upon the recommendation of the City's Economic Development Commission, this resolution amends the Fund's Operating Policies and Guidelines and allows for subsequent amendments by the Economic Development Commission. Prior resolutions, involving this Fund, include Resolution 99-17 and Resolution 86-04.

**RESOLUTION 10-09
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA**

WHEREAS, the Economic Development Commission of the City of Bloomington, Indiana, recognizes the need to stimulate growth and to maintain a sound economy within the corporate limits of the City of Bloomington, Indiana; and

WHEREAS, the Common Council in Ordinance 86-04 established the Industrial Incentive Loan Fund (Fund) with an initial allocation of \$400,000 from the City's Special Non-Reverting Improvement Fund and with council resolution 99-17 the fund guidelines were most recently updated; and

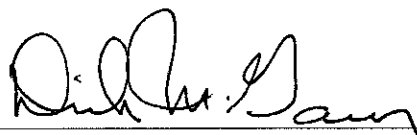
WHEREAS, the ordinance provided that the repayment of loans "including principle and interest, together with interest income accrued on investment of idle funds within the Industrial Incentive Loan Fund, shall constitute a revolving loan fund from which subsequent loans may be made under the procedures and criteria established by Resolution 86-06"; and

WHEREAS, the guidelines as proposed will rename the Industrial Incentive Loan Fund to the City of Bloomington Investment Incentive Fund and will also create Loan Review Committee for application review in order to more efficiently review loan applications and make the loan fund more readily accessible to the community; and

WHEREAS, the Economic Development Commission wishes to appropriately reflect the economic climate and represent the priorities and policies of the City of Bloomington, Indiana, to more actively assist in job growth and economic revitalization;

NOW, THEREFORE, BE IT RESOLVED that the Economic Development Commission of the City of Bloomington, Indiana, does hereby recommend to the Common Council that it approve changes to the program and guidelines adopted under Common Council Resolution 99-17 . These changes are attached hereto and made a part hereof.

CITY OF BLOOMINGTON ECONOMIC DEVELOPMENT COMMISSION



Dick McGarvey, President

Approved this 22 day of October, 2010



CITY OF BLOOMINGTON
economic & sustainable development

MEMORANDUM

To: City of Bloomington Common Council
From: Department of Economic & Sustainable Development Staff
Date: October 26, 2010
Re: Bloomington Investment Incentive Fund Legislation

With the unanimous support from the City of Bloomington Economic Development Commission (“EDC”), the Department of Economic and Sustainable Development (“E&SD”) is asking for the support of the Common Council in updating the guidelines to the City of Bloomington Business Investment Incentive Fund (“BIIF”).

For several months, and with the consultation of leaders from the economic development, financial institution and business community, the EDC and ES&D staff have reviewed the current guidelines with an eye toward updating them.

By passing its Resolution 10-09 on October 22, 2010 the EDC capped off its work with E&SD staff to bring forth updated program guidelines that will more effectively and efficiently serve to increase employment opportunities for the Bloomington community.

History of the Business Investment Incentive Fund

The BIIF was created in 1986 with some of the money (\$400,000) paid by certain west side industries in lieu of their annexation into the City pursuant to Ordinance 86-04. The guidelines for the program were initially established by Resolution 86-06 and then significantly amended in 1999 by Resolution 99-17. At present the fund has a balance of \$630,000, with three loans in the amount of \$135,000 outstanding. The fund has provided more than \$172,000 in grants to not-for-profit enterprises, and has loaned more than \$1.7 million since 1986.

The Revisions

Two overriding themes are prevalent in these updated guidelines: first, alignment of the goals and objectives to more actively reflect the stated economic development goals of the Administration; and second, streamlining the loan application process and procedures to more efficiently and effectively stimulate economic growth.

Discussed below are the changes to the guidelines through an outline of the goals and objectives of the program, a description of eligible programs and projects, an explanation of the loan application review process and a description of the other changes made to the guidelines.

Goals and Objectives

The goals and objectives extend beyond the traditional assumption that economic development equates simply to job creation. Quality of life enhances economic development. Budding economic growth areas of sustainable development, arts-based economic development, social entrepreneurship and enterprises, and non-profit sector opportunities are important areas for sustainable job creation in Bloomington.

The City seeks to work with healthy companies that have excellent potential for growth, will provide increased employment in the city and will help diversify the economic base. Specifically, the BIIF seeks to:

- Retain and attract enterprises that provide permanent jobs.
- Provide financial assistance to eligible enterprises.
- Support social enterprises and not-for-profits in contributing to the economic vitality of the community.
- Further the Bloomington Entertainment and Arts District Strategic Plan and the sustainable development policies of the City.

In light of this more inclusive set of goals and objectives a renaming of the “Business Investment Incentive Fund” to the “Bloomington Investment Incentive Fund” is proposed. This subtle change more precisely reflects that sectors not necessarily traditionally thought of as the business sector also lead to strong economic development in the Bloomington community.

Eligible Projects and Programs

Based on these goals and objectives the following projects and programs are eligible for funding through the Bloomington Investment Incentive Fund:

General Revolving Loan Fund Program for:

- **Business retention, expansion, attraction:** Business demonstrating a commitment to job growth, quality wages and benefits, and the overall economic vitality of the community.
- **Public-purpose induced business relocation:** Business that is required to relocate due to acquisition of the property by the City of Bloomington for a project serving a public purpose. “Relocate” as used in this subsection means that the business is required to move its primary business operations from the property.
- **Initiative with sustainability or arts related focus:** An initiative undertaken by a business or non-profit organization whose purpose may or may not be sustainability- or arts-related that will support the City’s sustainability or arts policies or goals.

Business Disruption Bridge Loan Program:

- A qualified business that suffers significant loss of sales and revenues in an area determined to be economically distressed due to disruptions caused by a City of Bloomington project is eligible to submit a loan application for short-term operating capital costs.

Grant Fund Program for non-profit organizations:

- The non-profit grant fund is intended to encourage capital improvements to facilities owned and/or operated by eligible non-profit organizations. Under this section eligible non-profits are defined as follows:
 - Organizations that have a retail or commercial activity as a primary purpose including, but not limited to: performance venues, galleries, or retail shops.
 - Operate a social enterprise, in which at least one social or environmental goal is considered to be of equal importance to traditional commercial or other business goals.

Streamlined Application Process

Recent history has shown that from the initial contact with a prospective loan applicant to the time of dispersal of funds for the successful applicant, a minimum of five months passes. In order to shorten this timeline and thereby expedite economic impact, the following changes are proposed:

The BIIF Review Committee is created, composed of staff from the Economic & Sustainable Development Department, a representative from the financial lending community, a representative from the City's Legal Department, and the President or his/her designee of the Economic Development Commission.

Any grants and all loans less than \$75,000 which are recommended for approval by the BRC will be forwarded to the EDC for final approval. Loans more than \$75,000 that are recommended for approval by the BRC will require both EDC and Common Council approval.

Other Guideline Changes

Other changes to the guidelines include a revised loan amount for the General Revolving Loan: this will limit loan amounts to a maximum of 20% of total fund balance, which will ensure that the availability of funds is considered when approving loans. Also, the updated guidelines eliminate the minimum total project cost of \$250,000 which will allow the fund to support projects of impact which may be smaller projects. The maximum loan amount per project is still \$100,000.

The updated guidelines also eliminate the eligibility of enterprises in Bloomington's Downtown Development Opportunity Overlay (DDOO) district as this district no longer exists. The new guidelines make not-for-profits eligible within the same geographical

areas as other enterprises. Previously, not-for-profits solely within the DDOO were eligible.

The updated guidelines have also capped the annual total amount of grants at \$50,000 per year. EDC members, although supportive of the spirit of the grant component of the program, have expressed concern about its long-term viability without a strategy to recapitalize the fund.

In regards to the Business Disruption Bridge Loan, staff further defined an “eligible project” as any Parks and Recreation, Public Works, or Utilities Department project lasting more than ninety (90) days. Previously the EDC was required to identify each eligible project on a case-by-case basis.

Other minor changes to the BIIF guidelines include:

- Changes interest rate for Business Disruption Bridge Loan from 2% of the unpaid balance of the loan to 1% less than the highest interest rate currently of the unpaid balance of the loan. This will allow the interest rate to remain attractive while reflecting current rate environments.
- Increases term length from 5 years to a range of 5-15 years, to allow for case-by-case discretion
- Includes building acquisition, purchase of eligible inventory, and workforce development as permissible uses of funds for the General Revolving Loan, and includes building acquisition and purchase of eligible inventory as permissible uses of funds for the Non-profit Matching Grant. These are common points of need for starting and expanding enterprises and the revision ensures that BIIF can support those needs.

Summary

Overall, staff has worked cooperatively with the EDC, members of local economic development organizations and the financial lending community to bring forth updated guidelines to BIIF.

The updated BIIF guidelines feature newly stated goals and objectives, eligible projects and programs, a streamlined application process and other minor changes.

Most importantly staff believes that the updated guidelines and streamlined implementation will more efficiently and effectively assist the private and not-for-profit sector as they themselves invest in the community and create sustainable employment. In doing so, these new guidelines more strategically and expediently address the City’s economic development goals.

Staff seeks and greatly appreciates your support and approval of the updated guidelines to the Bloomington Investment Incentive Fund.



CITY OF BLOOMINGTON
economic & sustainable development

MEMORANDUM

To: City of Bloomington Common Council
From: Department of Economic & Sustainable Development Staff
Date: October 27, 2010
Re: Historical Review of Business Investment Incentive Fund Legislation

Brief Historical Review of City of Bloomington BIIF Program

86-06:

- Established the City of Bloomington Incentive Loan Fund program
- *Note: Program was renamed as “Business Investment Incentive Fund” by Resolution 99-17.*

86-31:

- Added guideline that the total amount of outstanding loans to any applicant must be the lesser of \$100,000 or 25% of authorized funds for loans.
- Amended location guideline in Part IV, Section E. to add language requiring applicant to execute the waiver of remonstrance in the event of relocation during the life of the loan.

91-05:

- Added “Allowable Child Care Activities” as an eligible activity.

93-14:

- Added “Relocated Businesses” as an eligible activity.
- Resolution 93-14 states that it is adding exactly the same guideline that was already added in 86-31 regarding the total amount of outstanding loans.
- There is language added into Amount section stating: “Where the business seeking the loan is being relocated due to a public project, the minimum project cost, new job, and maximum loan amount requirements may be waived by the Redevelopment Commission and City Council.”
- Increased the application fee from \$50 to \$100.

99-17:

- Changed name from “Industrial Incentive Loan Fund” to “Bloomington Business Investment Incentive Fund” program.
- Eliminated funding cap of \$400,000 lending limit allowing the entire fund balance to be made available for the lending program and any funds in excess of \$400,000 are to be eligible for a grant initiative.
- Provided new guidelines.
 - Eliminated History section
 - Additional details to Geographical Limitation section

City of Bloomington Investment Incentive Fund Operating Policies and Guidelines

I. BLOOMINGTON INVESTMENT INCENTIVE FUND (BIIF) DESCRIPTION

- A. Statement of Purpose:** The City of Bloomington seeks to expand economic opportunities while protecting the health of our environment and providing for the social equity of our citizenry. Working within this guiding framework of sustainable development, it is the intent of the City of Bloomington to assist in stimulating the economy and improving the quality of life in the community. One means of accomplishing this is by providing gap financing from the Fund to both new and expanding businesses and not-for-profit enterprises. This fund makes loans to eligible private businesses or not-for-profit organizations and makes grants to eligible not-for-profit organizations with the intention that such loans or grants will be instrumental in the creation and/or retention of jobs within new and existing enterprises, and that the projects funded will enhance the quality of life in the community. The loan or grant is not the primary source of financing for a project, however, the combination of public and private financing lessens the risk for the primary lender or investor and yields an overall lower cost of money for the borrower.
- B. Goals and Objectives:** The City of Bloomington seeks to work with healthy companies that have excellent potential for growth, will provide increased employment in the city and will help diversify the economic base. Further the **BIIF** seeks to:
1. Retain and attract enterprises that provide permanent jobs.
 2. Provide financial assistance to eligible enterprises.
 3. Support social enterprises and not-for-profits in contributing to the economic vitality of the community.
 4. Further the Bloomington Entertainment and Arts District Strategic Plan and the sustainable development policies of the City.
- C. Programs:** The Bloomington Investment Incentive Fund is the funding source for the following programs:
1. General Revolving Loan Fund Program for:
 - a. **Business retention, expansion, attraction:** Business demonstrating a commitment to job growth, quality wages and benefits, and the overall economic vitality of the community.
 - b. **Public-purpose induced business relocation:** Business that is required to relocate due to acquisition of the property by the City of Bloomington for a project serving a public purpose. “Relocate” as used in this subsection means that the business is required to move its primary business operations from the property.

c. Initiative with sustainability or arts related focus: An initiative undertaken by a business or non-profit organization whose purpose may or may not be sustainability- or arts-related that will support the City’s sustainability or arts policies or goals.

2. Business Disruption Bridge Loan Program
3. Grant Fund for non-profit organizations

D. Geographical Limitation: Only applicants within or contiguous to the City of Bloomington’s corporate boundaries or within an “Area Intended for Annexation” (AIFA) are eligible to seek assistance from the Bloomington Investment Incentive Fund. The area must be properly zoned and have or plan to have access to adequate infrastructure, including water, sewer, roads, and telecommunications. If the business is located within the AIFA or contiguous to the City’s corporate boundary and is eligible for annexation, then the applicant (and property owner, if different) must agree to voluntary annexation. If the applicant is ineligible for annexation at the time the loan or grant is approved, then the property owner must sign and record a waiver of remonstrance against future annexation.

E. Ineligible Activities: With exceptions as noted in the Business Disruption Bridge Loan, payroll and operational expenses (not including inventory), debt-service, liens, judgments are ineligible for funding by the BIIF.

F. Evaluation criteria: Certain factors shall be considered when evaluating an eligible loan or grant application. The Common Council and/or Economic Development Commission may choose to waive one or more of the requirements if it finds that public policy so dictates, or if requirement(s) do not apply. These criteria do not apply to the Business Disruption Bridge Loan. Evaluation criteria shall include, but are not limited to the following:

1. Strength of business plan or proposal, including:
 - a. Extent to which sustainability goals are equal to traditional business goals and/or
 - b. Extent to which proposal enhances Bloomington as an arts and cultural destination
2. Projected new jobs to be created as a result of the project.
3. Overall projected impact on the economic vitality of the community.
4. Priority will be given to applicants:
 - a. Retain and attract enterprises that provide permanent jobs.
 - b. Support social enterprises and not-for-profits in contributing to the economic vitality of the community.
 - c. Further the Bloomington Entertainment and Arts District Strategic Plan and the sustainable development policies of the City.
5. Nature and extent of equity participation by principal owner(s).
6. Use of funds to leverage other sources of capital including venture, conventional, and grant funds.
7. Nature and extent of security/guarantees.
8. Credit history.
9. Expected tax base increases or decreases as a result of the project. (Loan Fund Only)
10. Any proposed tax abatements or other city/state-sponsored incentives expected to be received for the proposed project.

11. Compliance and compatibility with the City of Bloomington Unified Development Ordinance and the policies of the Historic Preservation Commission.
12. Projected public benefit of relocation.

II. PROGRAM ELIGIBILITY, USE OF FUNDS AND LOAN TERMS

A. General Revolving Loan Fund

1. **Eligible Businesses & Activities:** Any qualified business or not-for-profit enterprise is eligible to submit a loan application for permissible projects as identified by the guidelines. The following eligible activities have been targeted as the primary beneficiaries of loan proceeds to promote a diverse economic base.
 - a. **Business retention, expansion, attraction**
 - b. **Public-purpose induced business relocation**
 - c. **Initiative with sustainability or arts related focus**
2. **Permissible Uses of Funds:** Loan proceeds shall be applied to qualified capital improvement costs associated with a qualified project including land acquisition; building acquisition; construction, expansion, or renovation of buildings; purchase of eligible equipment or inventory; infrastructure improvements; or workforce development in combination with capital expenditures with no more than 20% of the loan amount being used for Workforce Development purposes.
3. **Loan amount:** Loan maximum amount is 50% of total project cost for projects with total cost at or under \$100,000, and 20% of any remaining project costs over \$100,000. Total loan amount is not to exceed \$100,000 and no loan shall be granted that equals more than 20% of the total fund balance.
4. **Interest Rate:** The interest rate will be the highest rate currently generated by other City fund investments at the time of application. The interest rate assigned is valid for a period of 90 days from the receipt of both completed application and application fee.

B. Business Disruption Bridge Loan Fund:

1. **Eligible Businesses & Activities:** A qualified business that suffers significant loss of sales and revenues in an area determined to be economically distressed due to disruptions caused by a City of Bloomington project is eligible to submit a loan application for short-term operating capital costs. For the purposes of this program, a City of Bloomington project is defined as any project lasting more than ninety (90) days that is initiated by the Parks and Recreation, Public Works or Utilities departments. Businesses applying for loans under this section must have been in operation at their affected site for at least 12 months prior to the start of construction of the project.
2. **Permissible Use of Funds:** Loan proceeds shall be applied to rent or mortgage, utilities, payroll, or other unavoidable expenses necessary to maintain the business at a minimum operational level.
3. **Loan amount:**

- a. Subject to the availability of funds, a maximum of \$150,000 in loans per project may be given out under this section unless the Common Council appropriates additional funds for this specific program.
 - b. Maximum loan per qualified applicant is \$35,000.
 - c. The Committee may request a special warrant from the City Controller's office for expedited release of moneys from the fund if it determines that the business receiving the loan has demonstrated reasonable need for loan proceeds prior to schedule.
4. **Interest Rate:** No interest shall be charged or accrued on loans before the date the City of Bloomington project is complete. This date shall be determined by the BIIF Review Committee, in conjunction with the city department performing the project. Thereafter, interest on each loan shall accrue at the end of each month with an annual rate equal to one percent less than the highest interest rate currently of the unpaid balance of the loan.
5. **Evaluation Criteria:** The loan BIIF Review Committee shall establish criteria for the acceptance, review and approval of Bridge Disruption loans, which shall at a minimum include, but not be limited to, the following:
- a. Each business must demonstrate financial need for the loan in order to meet minimum operation expenses, including but not limited to rent or mortgage, utilities, payroll, or other unavoidable expenses necessary to maintaining the business at a minimum operational level.
 - b. Each business shall provide sales figures for the current time period in which the business has experienced economic distress due to the project, along with sales figures for the same time period in the prior calendar year.
 - c. Each business shall provide proof of similar expense levels required to generate the same level of sales in the current time period, compared to the sales levels for the same time period in the preceding calendar year.
 - d. Each business shall provide a plan that describes how the business will use loan proceeds; forecasted expenses and revenues for the period beginning with the first day of the month in which the loan is granted through the last day of the month preceding the month in which the loan is granted of the following year; and a proposed repayment schedule of the total loan amount shall be provided no later than one (1) year from the date on which the loan closing occurs.

C. Non-profit Matching Grant Fund:

1. **Eligible Organizations & Activities:** The non-profit grant fund is intended to encourage capital improvements to facilities owned and/or operated by eligible non-profit organizations. Under this section eligible non-profits are defined as follows:
- a. Organizations that have a retail or commercial activity as a primary purpose including, but not limited to: performance venues, galleries, or retail shops.
 - b. Operate a social enterprise, in which at least one social or environmental goal is considered to be of equal importance to traditional commercial or other business goals.
2. **Permissible uses of funds:** Grant proceeds may be applied to qualified capital improvement costs including building and/or land acquisition; construction, expansion, or renovation of buildings; purchase of eligible equipment or inventory; or infrastructure improvements.

3. Grant amount and Terms:

- a. Subject to the availability of funds, a maximum of \$50,000 in grants may be given out under this section in any calendar year.
- b. Maximum grant per qualified applicant is 50% of total project not to exceed \$25,000.
- c. Grant disbursements are limited to one every 5 years per organization.
- d. Grant funds are in lieu of loan funds.

III. ADDITIONAL TERMS AND CONDITIONS

- A. Term:** The term will range between five and fifteen years. It will be defined based on the project at hand and is subject to approval.
- B. Confidentiality of financial and proprietary documents:** Financial and proprietary information provided to the City of Bloomington for the purpose of the Bloomington Investment Incentive Fund application process will be held confidential to the extent allowed by law. Economic and Sustainable Development Department staff will advise applicants on a case by case basis regarding the submittal of financial and proprietary information including, but not limited to, products, services, systems and concepts to protect the proprietary nature of said information.
- B. Payments on Loan Funds:** Principal and interest payments are to be made monthly. All payments are due on the first day of each month. Payments received after the tenth of the month will be assessed a 5% late fee.

Loan payments are to be mailed to:
City of Bloomington
Controller's Office
P.O. Box 100
Bloomington, IN 47402

- C. Security for Loans:** Acceptable collateral includes a mortgage against real estate with at least 20% equity remaining after total project financing is secured, a lien against the cash value of life insurance, a lien against a Certificate of Deposit Account, a lien against qualified equipment, and/or any other acceptable and approved form of security.

Loans will be secured to the extent that such security is feasible and does not impair the ability of the borrower to conduct its activities. Loans may be subordinated to other financing, to and including a subordinated position on personal guarantees, as long as the city's loan is adequately secured.

D. Default and Noncompliance

1. If a **grant** agreement is violated, it may be declared in noncompliance and become due and payable within 30 days of written notice to the non-profit organization.
2. **Loans** under the BIIF program may be declared in default and become due and payable within 30 days of written notice to the borrower for any of the following reasons:
 - a. Failure of borrower to disclose any and all facts pertinent to the loan approval or any

- misrepresentation of information.
- b. Failure of borrower to make timely payments.
- c. Failure of borrower to use loan funds as described in the BIIF application.
- d. Failure of borrower to maintain mortgaged property, keep it insured and/or pay property taxes on it.
- e. Relocation of funded business activity or a significant part of the business activity without receiving specific approval from the Common Council.
- f. Failure to comply with any material terms of the loan documents, including but not limited to, the loan agreement, mortgage, financing statement, and personal guaranty.
- g. Failure to comply with voluntary annexation agreement or waiver of remonstrance agreement.

IV. APPLICATION FEE AND APPROVAL PROCESSES

All applications are first reviewed by the BIIF Review Committee. **BIIF Review Committee Membership:** The committee will be composed of staff from the Economic & Sustainable Development Department, a representative from the financial lending community, a representative from the City's Legal Department, and the President or his/her designee of the Economic Development Commission. The BIIF Review Committee shall be chaired by the Director of Economic & Sustainable Development. The Committee shall meet as often as needed.

A. The following procedures apply to the General Revolving Loan Fund and the Non-profit Grant Fund:

1. Upon receipt of a completed application and a \$100.00 processing fee, the Director of Economic & Sustainable Development shall schedule a meeting of the BIIF Review Committee ("BRC").
2. Loans less than \$75,000 and any grants recommended for approval by the BRC will be forwarded to the Economic Development Commission for final approval.
3. Loans more than \$75,000 that are recommended for approval by the BRC will require both Economic Development Commission and Common Council approval.
4. Upon final approval, the Department of Economic & Sustainable Development shall coordinate with the City's Legal and Controller's Department to prepare all necessary grant agreements or loan documents and a loan closing date. The borrower or grant recipient shall sign all necessary documents and agreements.

B. The following procedures apply to the Business Disruption Bridge Loan Fund.

1. Upon receipt of a completed application, the Director of the Department of Economic & Sustainable Development shall schedule a BRC meeting. The processing fee for the Business Disruption Bridge Loan fund shall be waived.
2. The BIIF Review Committee shall make final determination for all Business Disruption Bridge Loans.
3. Upon final approval, the Department of Economic & Sustainable Development shall coordinate with the City's Legal and Controller's Department to prepare all necessary

loan documents and a loan closing date. The award recipient shall sign all necessary documents and agreements.

C. Applications and other materials.

1. The Department of Economic & Sustainable Development shall devise all application procedures and documents as necessary to fulfill these guidelines.

V. RELEASE OF FUNDS

- A. All supplemental matching funds, securities, lien documents, insurance documentation, title insurance policies, and other conditional documentation or action applicable must be secured within 90 days. Failure to comply with any terms, conditions, or other requirements within this time period may result in nullification of the approved loan or grant.
- B. All documentation must be on file with the Department of Economic & Sustainable Development and approved by the City of Bloomington's Legal Department prior to any release of funds.
- C. Loan funds may be disbursed in full at time of closing or in two disbursements within the first year following approval.
- D. Claims for the payment of Business Disruption Bridge Loan proceeds do not need approval of the Board of Public Works prior to disbursement. The Department of Economic & Sustainable Development will submit claims according to the City Controller's standard claim schedule.

Table Comparing Provisions of Current and Proposed Business Investment Incentive Fund Program

| Provision | Current Guidelines | Proposed Guidelines |
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| Name | Business Investment Incentive Fund | Bloomington Investment Incentive Fund |
| Purpose | <p>Program Description: Provides low interest loans from revolving loan fund to eligible businesses committed to the economic vitality of the community. Such loans may be used for capital improvement projects and the purchase of eligible equipment that will promote the retention, expansion, and attraction of a diverse business base.</p> | <p>Statement of Purpose: Promotes sustainable development by expanding economic opportunities, protecting the health of the environment, providing for social equity of local citizenry. Through loans to new or expanding for-profits and either loans or grants to non-profits, this program provides “gap financing” to help create or retain jobs (in regard to the former) or improve the quality of life in the community (in regard to the latter). Gap financing is a secondary source of financing that lessens risk to the primary lender or investor and lowers the cost of money for the borrower.</p> |
| | | <p>Goals and Objectives: Seeks healthy companies with excellent potential for growth and a prospect of increased employment in the City who will diversify the economic base. In addition, the program seeks to:</p> <ul style="list-style-type: none"> • Retain and attract enterprises that provide permanent jobs; • Financially assist eligible enterprises; • Support social enterprises and non-profits promoting the economic vitality of the community; and • Further Bloomington Entertainment and Arts District strategic plan and the sustainable development policies of the City. |

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| Types of Expenditure | <ul style="list-style-type: none"> • Low interest loan from revolving loan fund; and • Small grants for non-profits in the downtown area | Same |
| Geographic Restrictions | <ul style="list-style-type: none"> • Areas within or contiguous to the City or within the AIFA, which are appropriately zoned and either have or plan to have access to adequate infrastructure • If outside the City a voluntary annexation or waiver or remonstrance against annexation is required. | Same (<i>but see elimination of the Downtown Development Opportunity Overlay Program</i>) |
| GENERAL REVOLVING LOAN FUND PROGRAMS | | |
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| | Business Retention, Expansion, and Attraction. Businesses demonstrating a commitment to job growth, quality wages and benefits and overall vitality of the community. | Similar statement of purpose |
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| | Public Purpose Induced Business Relocation Business that is required to relocate due to acquisition of the property by the City for a project serving a public purpose. | Same statement of purpose |
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| | None | New – Initiative with Sustainability or Arts Related Focus An initiative undertaken by a business or non-profit |

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| | | organization that supports the City’s sustainability or arts policies or goals. The organization need not have the purpose that is directly related to sustainability or the arts. |
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| | <p>Business Supported Child Care Facility A business or consortium of businesses may seek a loan to provide a child care facility for the children of employees of the business or consortium of businesses</p> | <i>Removed - Subsumed Under Business Retention, Expansion and Attraction.</i> |
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| | <p>Businesses within the Downtown Development Opportunity Overlay District. For-profit and non-profit business owners or commercial property owners demonstrating a commitment to the economic vitality of the City’s downtown may apply.</p> | <i>Removed – Rationale: The City no longer has a Downtown Development Opportunity Overlay District and the EDC wanted to open the program up to enterprises in the entire community and not merely in the downtown.</i> |
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| Evaluation Criteria | <p>Each program has its own evaluation criteria. Here are examples of what they contain:</p> <ul style="list-style-type: none"> • Strength of business plan; • Projected new jobs; • Projected impact on the economic vitality of the community; • Priority to: <ul style="list-style-type: none"> ○ Retaining and attracting enterprises that provide permanent jobs; ○ Supporting social enterprises and non-profits contributing to economic vitality of the community; and | <p>General Evaluation Criteria (<i>not applied to Business Disruption Loan Program</i>):</p> <ul style="list-style-type: none"> • Similar, plus • May be waived; • Strength of business plan includes the extent to which sustainability goals are equal to traditional business goals and the extent to which proposal enhances Bloomington as an arts and cultural destination; • Priority to: <ul style="list-style-type: none"> ○ Retaining and attracting enterprises that provide permanent jobs; ○ Supporting social enterprises and non-profits |

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| | <ul style="list-style-type: none"> ○ Furthering BEAD strategic plan and sustainable development policies; ● Equity participation of owners; ● Use of funds to leverage other sources of funds; ● Security and guarantees; ● Credit history; ● Increase or decrease in tax base (for loans); ● Use of any other City/State tax incentives; and ● Compliance and compatibility with UDO and historic designation policies. | <p>contributing to economic vitality of the community; and</p> <ul style="list-style-type: none"> ○ Furthering BEAD strategic plan and sustainable development policies. |
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| Permissible Use of Funds | Land acquisition, construction, expansion or renovations of buildings; purchase of equipment; or infrastructure improvements | <ul style="list-style-type: none"> ● Same as current; ● Plus, purchase of inventory, and ● Workforce development in combination with capital expenditures, but limited to 20% Draft of loan amount. |
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| Maximum Loan Amount | <p>Current Guidelines provide for two different loan maximums for non-Business Disruption Loans:</p> <ul style="list-style-type: none"> ● Loans under the Business Retention, Expansion and Attraction, Business Supported Child Care Facility, and Public Purpose Induced Relocation are limited to projects worth at least \$250,000 and were further limited to the lesser of \$100,000 or 20% of project cost; ● DDOO Loans are for a maximum of 50% of | <p>Loans for the all but the Business Disruption Loan Program:</p> <ul style="list-style-type: none"> ● Have no minimum project cost (because there are worthy small project like providing loans for inventory); ● Allow a maximum of \$100,000 as long as the loan amount is no more than 50% of the cost of projects at or under \$100,000 and 20% of the costs in excess of \$100,000; and ● Further limit the amount to no more than 20% of the balance of the fund. |

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| | project costs of up to \$100,000 and 20% of those costs in excess of \$100,000. | |
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| Interest Rate | Set at the highest rate currently available in the City and is good for 90 days from the date of the application. | Essentially the same. |
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| BUSINESS DISRUPTION BRIDGE LOAN PROGRAM | A business that suffers a significant loss of sales and revenues in an area determined to be economically distressed due to disruptions caused by a City public works project. Such businesses must have been in operation at the affected site for at least 12 months prior to start of the project. | Keeps program, but clarifies public works project as a project initiated by the Parks and Recreation, Public Works or Utilities departments lasting more than 90 days. |
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| Evaluation Criteria | <ul style="list-style-type: none"> • Demonstration of financial need; • Proof of sales and expenses over relevant period in the current and previous year; • Plan for use of funds; and • Repayment schedule with repayment completed within one year of closing. | Same |
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| Permissible Use of Funds | Operational expenses including rent or mortgage, utilities, payroll, or other unavoidable expenses necessary to maintain the business at a minimum operational level. | Essentially the same. |
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| Maximum Amount | <ul style="list-style-type: none"> • A maximum of \$150,000 in loans may be issued per project, subject to the availability of funds; • No more than \$35,000 per applicant. | Same except allows for higher amount if Council appropriates the funds. |
| Interest Rate | <ul style="list-style-type: none"> • Interest rate accrues once project is completed as determined by the Loan Review Committee and department implementing the project; • Annual rate is 2% of the unpaid balance, which accrues on the last day of the month; • Loan Review Committee may submit claims per Controller's schedule or seek expedited payment if borrower demonstrates reasonable need for early funds. | Similar except maximum rate is one percent less than the highest interest rate currently exacted on unpaid balance of the fund. |
| GRANT PROGRAM | | |
| Grant Fund for Non-Profit Organizations | <ul style="list-style-type: none"> • Non-profit in CD zone which has a retail or commercial activity as primary purpose may pursue as a much as a \$25,000 matching grant. | <ul style="list-style-type: none"> • Now applies throughout the City; • Otherwise similar, plus elaborates on eligible activities to include: performance venues, galleries, or retail shops; • (Adds) Non-profit operating a social enterprise where at least one social or environmental goal is considered to be of equal importance to traditional business purposes. |
| Evaluation Criteria | Same as for Evaluation Criteria for Non-Business Disruption Loans. | Similar - See general evaluation criteria |

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| Permitted Uses of the Fund | <ul style="list-style-type: none"> • Land acquisition, construction, expansion or renovations of buildings; purchase of equipment; or infrastructure improvements | <ul style="list-style-type: none"> • Same as current; plus, purchase of inventory |
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| Amount of Grant | <ul style="list-style-type: none"> • Maximum of 50% of project costs and not to exceed \$25,000 | Same, plus \$50,000 annual limitation on use of the fund for grants. |
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| Other Restrictions | <ul style="list-style-type: none"> • Excludes opportunity for another grant for a period of 5 years. | Same |
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| ADDITIONAL TERMS AND CONDITIONS | | |
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| Maximum Term of Loan | Five years (waivable) | Five to fifteen years. |
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| Confidentiality | No provision | Financial and proprietary information provided to the City as part of the application process will be held confidential to the extend allowed by law. Staff of the department will advise applicants regarding submittal of documents. |
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| Security | Acceptable collateral includes mortgage against real estate with at least 20% equity remaining after total project financing is secured, a lien against cash value of life insurance, Certificate of Deposit Account or qualified equipment, or | Same |

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| | any other acceptable security. Security should be feasible and not impair the ability of the borrower to conduct their activities and may be subordinated. | |
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| Schedule of Payments | All payments, except for Business Disruption Loans where a different schedule has been agreed upon, are due on the first of each month. Payments made after the 10 th of the month will be assessed a 5% fee. | Payment schedule applies to all loans. |
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| Default and Non-Relocation Clause | | |
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| Violation of Grant | No provision | Repayment of grant is due 30 days after written notice of violation to non-profit organization. |
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| Violation of Loan – Payment due 30 days after written notice to borrower | <ul style="list-style-type: none"> • Misrepresentation of, or failure to, disclose all relevant facts; • Failure to make timely payments; • Failure to use funds as described in application; • Failure to maintain property, keep it insured, or pay property taxes on it; • Failure to obtain approval before relocating business; • Failure to comply with any material terms of the loan documents; and | Same |

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| | <ul style="list-style-type: none"> • Failure to comply with annexation agreements. | |
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| APPLICATION PROCEDURE – FOR ALL BUT BUSINESS DISRUPTION LOAN PROGRAM | <ul style="list-style-type: none"> • Applicant arranges a pre-application meeting with the Office of the Mayor to learn about the program and its requirements and then submits application and a \$100 filing fee; • Formal approval process begins once application is complete and determined to be eligible. Director of Economic Development schedules meeting of Commission to approve or deny the application based upon the criteria; • Approved applications are forwarded to the Council for final determination; • If approved by the Council, the borrower signs necessary loan documents and secures necessary assurances and City Legal prepares all necessary loan documents by closing date set up by Office of the Mayor. | <ul style="list-style-type: none"> • Applications are reviewed by a BIIF Review Committee composed of: Staff from the ESD department (and chaired by the Director); a representative from the lending community; a representative from City Legal; and the President or designee from the Economic Development Commission; • Upon submission of an application and \$100 filing fee, the Director of ESD convenes a meeting of the BIIF Review Committee; • All grants and those loans worth less than \$70,000 recommended for approval by the BIIF Review Committee are submitted to the EDC for final decision; • All loans worth \$70,000 or more recommended for approval by the BIIF Review Committee are submitted to the EDC for recommendation to the Council; • Upon final approval, the Director of ESD coordinates with the Controller and City Legal to prepare necessary documents for applicant’s signature at closing. |
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| Application Procedure – Business Disruption Loan Program | <ul style="list-style-type: none"> • Loan Review Committee composed of the Director of ESD (chair), President of Common Council, Council District Representative for site of business, and President of the Commission , or their designees, review applications (which have no filing fee); | <ul style="list-style-type: none"> • BIIF Review Committee convenes at request of the Director of ESD; • Same authority to make final decision on loan; and • ESD (rather than Office of the Mayor) coordinates closing. |

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| | <ul style="list-style-type: none"> • Loan Review Committee must meet at least once each year and decision on loans do not require additional approval by the EDC or Common Council; and • The Office of the Mayor coordinates with City Legal and Controller regarding necessary documents and closing date. | |
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| Preparation of Application and Other Materials | Unstated – but implied authority to prepare documents. | ESD devises all application procedures and documents necessary to fulfill guidelines. |
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| RELEASE OF FUNDS | All supplemental matching funds, securities, and other conditional documentation or action must be secured within 90 days. Failure to do so nullifies the loan or grant. | Essentially the same. |
| | Documentation must be on file in the Office of the Mayor and approved by City Legal before funds are released. | Same except the documents will be on file in the Economic and Sustainable Development Department |
| | Disbursement of funds may occur at closing or twice during the first year after approval. | Same |
| | The Board of Public Works is not required to approve claims under the Business Disruption Loan. | Similar. Economic and Sustainable development Department will submit claims according to Controller’s standard schedule. |