



City of Bloomington Common Council

Legislative Packet

Regular Session

05 May 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:

- **Rules Committee Meetings on Wednesday, 5 May 2010, and Tuesday, 11 May 2010, at noon in the Council Library**

Reports from Committee:

- **Proposed Schedule for Staff/Council Work Sessions for the Remainder of the Year**

Legislation for Final Action:

- **Res 10-07 Waiving Current Payments in Lieu of Taxes by the Bloomington Housing Authority to the City**
 - Memo from Jennifer Osterholt, Director of Bloomington Housing Authority; Payment in Lieu of Taxation (PILOT) Calculations

Contact: Jennifer Osterholt at 339-3491 ext 122 or josterholt@blha.net

Preliminary Material Regarding Enterprise Zone Investment Deductions (EZIDs) for Cook Pharmica (Res 10-06) and Mike Weston (Res 10-09)

- **Memo to Council from Doris Sims, Assistant Director of HAND**
- **Map of Enterprise Zone and Intersecting Tax Incremental Finance (TIF) Districts**
- **TIF Districts Balance Sheet**
- **Table Comparing Tax Abatements with Enterprise Zone Investment Deductions**

- **Res 10-06** To Approve an Enterprise Zone Investment Deduction (EZID) in the Thomson Tax Increment Financing (TIF) District - Re: Cook Pharmica, 1300 and 1400 South Patterson Drive
 - Memo from Doris Sims, Assistant Director of HAND; Map Highlighting Site in Relation to Enterprise Zone and TIF District
Contact: Doris Sims at 349-3510 or simsd@bloomington.in.gov
- **Res 10-09** To Approve An Enterprise Zone Investment Deduction (EZID) in the Thomson Tax Increment Financing (TIF) District - Re: Mike Weston, 1800 S. Walnut Street
 - Memo from Doris Sims, Assistant Director of HAND; Map Highlighting Site in Relation to Enterprise Zone and TIF District
Contact: Doris Sims at 349-3510 or simsd@bloomington.in.gov
- **Res 10-08** To Authorize the Submission of a DR1 Application to the Indiana Office of Community and Rural Affairs and Related Matters
 - Memo from Lisa Abbott, Director of HAND
Contact: Lisa Abbott at 349-3401 or abbottl@bloomington.in.gov
- **Res 10-04** To Approve Conveyance of the John Waldron Arts Center
Contact: Margie Rice at 349-3426 or ricem@bloomington.in.gov or Kevin Robling at 349-3426 or roblingk@bloomington.in.gov

Please the Legislative Packet Issued for the [14 April 2010](#) Committee of the Whole for the Legislation, Supplemental Materials and Summaries Regarding Res 10-04

Legislation and Background Material for First Reading:

None

Minutes from Regular Session:

- **April 21, 2010**

Memo

Five Resolutions are Ready for Final Action and No Ordinances to be Introduced at the Regular Session on May 5th

There are five resolutions ready for final action next Wednesday. Four of those resolutions are included in this packet and summarized herein. The fifth can be found in the packet indicated in the above table. There are no items ready to be introduced, but please recall that the Council is in between two Committees of the Whole dedicated to the Water Rates (Ord 10-06) and Bonds (Ord 10-07). The next Committee of the Whole on those subjects will be May 12th.

Proposed Schedule for Staff/Council Internal Work Sessions

This packet also includes a proposed schedule for Staff/Council Internal Work Sessions for the rest of the year. All except one date – August 27th – would fall before the legislation is due in the Council Office. August 27th falls on the date legislation would go out in the weekly packet. That packet contains the Budget material for the next year and other legislation ready for action during the first legislative cycle in September. It was chosen because Council and staff are either gone or busy ramping up for the fall semester earlier in the month. Please look over the Schedule and let me know if you see any issues with it. Unless, you wish to wait, the Council could vote on it under Committee Reports.

Final Actions

Item One – Res 10-07 - Waiving Payments in Lieu of Taxation (PILOT) from the Bloomington Housing Authority to the City

Res 10-07 is the first of two items ready for final action on May 5th. It is an annual resolution requested by the Bloomington Housing Authority which waives any payment in lieu of taxes (PILOT) we might require of them. I.C. 36-7-18-25 exempts housing authorities from the payment of property taxes, but allows these entities to enter into agreements with political subdivisions to provide a PILOT for the estimated cost of services, improvements, and facilities that are provided by the political subdivisions. In the early 1960s, the Housing Authority agreed to pay the City a PILOT. After acknowledging the services performed by the Housing Authority are services which might be provided by the City and acknowledging the benefits we receive from its other services, this resolution waives that obligation. Jennifer Osterholt has submitted a memo explaining the history of the PILOT obligation and a

calculation sheet using HUD guidelines to estimate the \$20,092.80 that the Housing Authority would otherwise pay the City. She will be present on May 5th to explain and support the resolution.

Item Two and Three- Approving Enterprise Zone Investment Deductions for Cook Pharmica at 1300 and 1400 South Patterson Drive (Res 10-06) and for Mike Weston at 1880 South Walnut Street (Res 10-09)

There are two resolutions coming forward that grant Enterprise Zone Investment Deductions (EZIDs) for two companies. **Res 10-06** grants the deduction for Cook Pharmica at 1300 and 1400 South Patterson Drive and **Res 10-09** grants a deduction for Mike Weston at 1880 South Walnut Street.

EZIDs Available in the Enterprise Zone and Must be Filed by May 15th

These deductions (EZIDs) were created by the State Legislature in 2005 and are available to properties within an Urban Enterprise Zone (Enterprise Zone). The Bloomington Urban Enterprise Association (BUEA) is a private non-profit organization which has contracted with the City's HAND department to administer the Enterprise Zone. For that reason, Doris Sims, Assistant Director of the HAND Department, has requested this action and provided the memos and maps to help with your decision. Please note that it is coming forward now because the tax payer needs to file its application by May 15th. In the event the Council needs a second evening to deliberate on these matters, there are extensions and waivers the applicant may seek.¹

Enterprise Zone Investment Deduction (EZID) – 10 Year, 100% Deduction for Qualified Investments

The EZID is, in some ways, similar and in other ways dissimilar to a tax abatement. On the one hand, both provide a deduction from property taxes for investments in real estate and/or certain personal property that are located in specially designated areas of blight. And, in both cases, the deduction is tied to the assessed value of investments which are made after a base year and may last for as long as 10 years. On the other hand, the eligible investment for the deduction (known as a “qualified investment”) is broader than for an abatement and the deduction itself stays at 100% for the full period of deduction, rather than

¹ I.C. 6-1.1-45-10 provides for the County Auditor to grant as much as a 30 day extension and for the BUEA to waive the failure to file a timely or complete application.

gradually decreasing as it does under an abatement. Also in that regard, the investment is made *before* the deduction application as opposed to *after* the abatement application. The approvals differ as well: the County Auditor and not the City Council approves the EZID deduction except, as is happening here, when the property also lies within a TIF District. This suggests that the Council acts as a fiscal check on the reduction of revenues to the TIF District. Please note that up until 2009, approval of the deductions for properties within the TIF were done by the Redevelopment Commission. Please also see the attached table for a comparison of these tax incentive devices.

Fee Equal to 20% of the Deduction Goes to the Enterprise Zone

One other difference between this deduction and an abatement is that 20% of the deduction is returned to the Enterprise Zone to implement its programs. According to Sims' *Memo*, the Enterprise Zone has received revenue of about \$30,000 from this fee and approximately \$328,000 from a Loan Interest Credit since 2007. Her *Memo* briefly describes the history and activities of the Enterprise Zone. It was created in 1991 and, after two renewals, is set to expire in 2012 unless the Council extends it for another five years.² As mentioned earlier, the HAND department is under contract to staff the Bloomington Urban Enterprise Association, which is the non-profit organization empowered to administer the Enterprise Zone and its programs and activities. These programs and activities are designed to aid in the economic development of the Enterprise Zone by providing education and training, encouraging entrepreneurship, rehabilitating business facilities and improving the aesthetic character of historic buildings within it.

Res 10-06 – Approves a Deduction for Cook Pharmica for Property on South Patterson Drive

Res 10-06 approves a deduction for Cook Pharmica at 1300 and 1400 South Patterson Drive of approximately \$6 million, which amounts to a savings of \$111,940 for the petitioner before the \$22,388 fee to the Enterprise Zone.

Cook Pharmica is a contract pharmaceutical enterprise that was established in 2004 and is expanding its operations in a warehouse vacated by Thomson when it left

² Maria Heslin, Deputy Mayor, anticipates that the City Administration will submit a resolution requesting this last extension some time soon.

town in the 1998.³ The new operation should begin this fall and involves formulating pharmaceuticals that will be placed in vials and syringes and packaged for delivery. The investments have exceeded \$88 million and included renovations and structural improvements to the building that will support a new laboratory, office and manufacturing areas. Once it is up and running, this operation will require an additional “200 full-time positions, including chemists, scientists, engineers, business operation (IT, and Logistics) personnel, and hourly production workers ... (with an annual payroll of) \$11.9 million.”

Estimated Value of the Deduction and Fee

	Assessed Valuation	Value of Taxes / Deductions	Zone Fee
After Investments	\$26,846,700	\$499,241	
Base Year	- \$20,827,100	\$387,301	
Deduction	\$6,019,600	\$111,940	\$22,388

Res 10-09 – Approves Deduction for Mike Weston on South Walnut Street

Res 10-09 approves a deduction for Mike Weston at 1880 South Walnut of approximately \$178,400 which amounts to a savings of \$3,317.52 for the petitioner before the \$663.50 fee to the Enterprise Zone.

The building was purchased in 2006. The 4,000 square feet interior was entirely gutted with 2,200 sf remodeled for the Weston Insurance Agency and the remaining 1,800 sf yet to be refinished and rented. The exterior was stripped and replaced and two entrances were installed. Investment beyond the building included resurfacing the parking lot and adding new landscaping. As a result of this investment, two additional full-time positions were created with two more positions possible in the future.

³ Cook Pharmica also received assistance from the Community Revitalization Enhancement District (CRED) and the related Industrial Development Fund (IDF) in the form of \$500,000 in public improvements (Res 08-12) and \$2 million for private improvements (Res 08-11).

Estimated Value of the Deduction and Fee

	Assessed Valuation	Value of Taxes / Deductions	Zone Fee
After Investments	\$522,900	\$9,723.84	
Base Year	- \$344,500	- \$6,406.32	
Deduction	\$178,400	\$3,317.52	\$663.50

General Fiscal Impact

The granting of these deductions would divert the money - in this case amounting to approximately \$115,250 – from the Thomson TIF. Sims notes that the Thomson TIF had a balance of \$977,003 at the end of March. Please see the attached balance sheet for all of the City’s TIF Districts.

In answer to a question that came up at Friday’s Internal Work Session – Mike Trexler, the Controller, says that while the effect of this deduction within a TIF will not change the tax rate, those deductions outside of the TIF will tend to increase the tax rate by a miniscule amount.

Item Four -- Res 10-08 - To Authorize the Submission of a DR1 Application to the Indiana Office of Community and Rural Affairs and Related Matters

Res 10-08 authorizes the City of Bloomington to apply for \$216,314 in Community Development Block Grant (CDBG) *Disaster Recovery* funding on behalf of the Salvation Army of Monroe County. In 2008, the State of Indiana received \$162 million in federal CDBG *Disaster Recovery* funds as a result of the May and June 2008 flooding. The State passes these funds down to local communities who have experienced flood damage via its Office of Community and Rural Affairs. Funds may be used for public infrastructure restoration, economic revitalization, and other non-housing disaster recovery activities. Only local government units are eligible to apply. With the current application, the City will be acting as a pass-through entity for funds for the Salvation Army.

As made clear in a memo submitted by the Director of the City’s Housing and Neighborhood Department, Lisa Abbott, the City’s Department of Public Works received approximately \$25,000 in these funds and the City of Bloomington Utilities Department received approximately \$6,000 in the funds for work not covered by Federal Emergency Management Agency (FEMA). The City has also

assisted the Town of Ellettsville and Monroe County Highway Department with their *Disaster Recovery* grants.

Salvation Army

With the 2008 flood, the Salvation Army of Monroe County (111 North Rogers Street) sustained substantial damage to its childcare facility and its gymnasium. *Disaster Recovery* funds would be used to treat the mold in the basement of the childcare facility, to correct the north wall and the childcare facility (including water diversion) and to make repairs to the roof and exterior walls of the gymnasium. With the help of the United Way, the Salvation Army will dedicate \$6,200 in matching funds to this effort.

As Abbott points out, the Salvation Army, “provides very valuable services to many low to-moderate-income members of our community, including quality childcare.” Abbott relays that of the \$216,314 requested, more than \$175,000 (82%) will be used to benefit low and moderate-income people. The State scores applications based on the percentage of low-to-moderate income persons served; the importance of the project to post-disaster recovery of the applicant; the financial impact of the project on the applicant; and the relative economic distress of the applicant.

Procedure

The application for Disaster Recovery Funds is due on May 14, 2010 and award announcements will be made on July 2, 2010. The program requires that applicant agencies allow for public comment on any application prior to submission. Toward that end, the HAND department will hold a public meeting at a special meeting of the Redevelopment Commission on May 11, 2010 at Noon in the McCloskey Room to accept public comment.

Administrative Burden

Due to HAND’s current administrative burden, the Department asked the Salvation Army to work with the City on acquiring a grants administrator that will be compensated by the grant funds. The City has acquired the services of Kenna Consulting. The cost of this grant administrator has been built into the request.

For more on Indiana’s CDBG *Disaster Recovery* funds, visit the Office of Community and Rural Development’s Disaster Recovery Site:

<http://www.in.gov/ocra/2429.htm>

HAPPY BIRTHDAY STEPHEN LUCAS, CITY COUNCIL INTERN!

**NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL REGULAR SESSION
7:30 P.M., WEDNESDAY, MAY 5, 2010
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON ST.**

I. ROLL CALL

II. AGENDA SUMMATION

III. APPROVAL OF MINUTES FOR: Regular Session, April 21, 2010

IV. REPORTS FROM:

- 1. Councilmembers**
- 2. The Mayor and City Offices**
- 3. Council Committees**
 - Proposed Schedule for Staff/Council Internal Work Sessions
- 4. Public**

V. APPOINTMENTS TO BOARDS AND COMMISSIONS

VI. LEGISLATION FOR SECOND READING AND RESOLUTIONS

1. Resolution 10-07 Waiving Current Payments in Lieu of Taxes by the Bloomington Housing Authority to the City

Committee Recommendation: N/A

2. Resolution 10-06 To Approve an Enterprise Zone Investment Deduction (EZID) in the Thomson Tax Increment Financing (TIF) District - Re: Cook Pharmica, 1300 and 1400 South Patterson Drive

Committee Recommendation: N/A

3. Resolution 10-09 To Approve An Enterprise Zone Investment Deduction (EZID) in the Thomson Tax Increment Financing (TIF) District - Re: Mike Weston, 1800 S. Walnut Street

Committee Recommendation: N/A

4. Resolution 10-08 To Authorize the Submission of a DR1 Application to the Indiana Office of Community and Rural Affairs and Related Matters

Committee Recommendation: N/A

5. Resolution 10-04 To Approve Conveyance of the John Waldron Arts Center

21 April 2010 Regular Session Action: Postpone Until 5 May 2010 9 - 0

14 April 2010 Committee Recommendation: Do Pass 6 - 0 - 2

VII. LEGISLATION FOR FIRST READING

None

VIII. PRIVILEGE OF THE FLOOR (This section of the agenda will be limited to 25 minutes maximum, with each speaker limited to 5 minutes)

IX. ADJOURNMENT



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

To: Council Members
From: Council Office
Re: Calendar for the Week of May 3-8, 2010

Monday, May 3, 2010

5:00 pm Redevelopment Commission, McCloskey
5:30 pm Bicycle and Pedestrian Safety Commission Work Session, Hooker Room
5:30 pm Community Orchard Project – Winslow Woods Park, McCloskey
5:30 pm “Rethink the State Road 46 Bypass” – A Charrette hosted by Councilmember Steve Volan, Kelly

Tuesday, May 4, 2010

City Holiday: Primary Election Day – Offices Closed.



Wednesday, May 5, 2010

12:00 pm Bloomington Urban Enterprise Association, McCloskey
12:00 pm Council Rules Committee, Council Library
1:00 pm Public Hearing Regarding Waldron Property Transfer, Council Chambers
2:00 pm Hearing Officer, Kelly
5:30 pm Commission on Hispanic and Latino Affairs, McCloskey
7:30 pm Common Council Regular Session, Council Chambers

Thursday, May 6, 2010

4:00 pm Bloomington Digital Underground Advisory Council, McCloskey
5:00 pm Indiana Department of Transportation – State Road 46 By-Pass Open House, Council Chambers
5:30 pm Commission on the Status of Woman, McCloskey

Happy Birthday, Stephen Lucas, Common Council Intern!

Friday, May 7, 2010

No meetings are scheduled for this date.

Saturday, May 8, 2010

8:00 am Bloomington Community Farmers’ Market, Showers Common, 401 N. Morton
8:00 am A Fair of the Arts, Showers Common, 401 N. Morton
10:00 am AsianFest at Farmers’ Market, Showers Common, 401 N. Morton

Posted and Distributed: Friday, April 30, 2010



City of Bloomington
Office of the Common Council

MEETING NOTICE

Common Council Rules Committee

Wednesday, 05 May 2010

&

Tuesday, 11 May 2010

Noon

Council Library

(City Hall, 401 N. Morton, Suite 110)

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 provides notice that this meeting will occur and is open for the public to attend, observe, and record what transpires.

Posted: Friday, April 30, 2010

Committee Reports

Proposed Schedule for Staff/Council Internal Work Sessions for the Remainder of the Year

Internal Work Session	LEGIS CYCLE	DEADLINE FOR ORDINANCES; E-MAILED TO CCL BY NOON	DEADLINE FOR RESOLUTIONS; E-MAILED TO CCL BY NOON	REGULAR SESSION 1 st READING FOR ORDS.	COMMITTEE DISCUSSION	REGULAR SESSION FINAL ACTION
-----------------------	-------------	--	---	---	----------------------	------------------------------

Internal Work Sessions – April – December 2010

	1	Mon. Dec. 21 (2009)	Mon. Dec. 21 (2009)	¹ Jan. 6	¹ Jan. 6	Jan. 20
	2	Mon. Jan. 11	Fri. Jan. 15	Jan. 20	Jan. 27	Feb. 3
	3	Mon. Jan. 25	Mon. Feb. 1	Feb. 3	Feb. 10	Feb. 17
	4	Mon. Feb. 8	Mon. Feb. 15	Feb. 17	Feb. 24	Mar. 3
	5	Mon. Feb. 22	Mon. Mar. 1	Mar. 3	Mar. 10	² Mar. 24
	6	Wed. Mar. 10	Mon. Mar. 22	² Mar. 24	² Mar. 31	Apr. 7
	7	Fri. Mar. 26	Mon. Apr. 5	Apr. 7	Apr. 14	Apr. 21
	8	Mon. Apr. 12	Mon. Apr. 19	Apr. 21	Apr. 28	May 5
4/30	9	Mon. Apr. 26	Mon. May 3	May 5	⁴ May 12	May 19
5/7	10	Mon. May 10	Mon. May 17	May 19	May 26	June 2
5/21	11	Mon. May 24	Fri. May 28	June 2	June 9	June 16
6/4	12	Mon. June 7	Mon. June 14	June 16	June 23	⁵ June 30
6/18	13	Mon. June 21	Mon. June 28	⁵ June 30	⁵ July 7	⁵ July 14
6/25	14	Wed. June 30	Wed. July 14	^{4&5} July 14	^{4&5} July 28	⁶ Aug. 4
AUGUST RECESS						
8/27	15	Wed. Aug. 18	Wed. Aug. 18	⁷ Sep. 1	⁷ Sep. 15	⁷ Sep. 22
9/10	16	Mon. Sep. 13	Mon. Sep. 20	⁷ Sep. 22	⁷ Sep. 29	Oct. 6
9/24	17	Mon. Sep. 27	Mon. Oct. 4	Oct. 6	Oct. 13	Oct. 20
10/8	18	Mon. Oct. 11	Mon. Oct. 18	Oct. 20	Oct. 27	Nov. 3
10/22	19	Mon. Oct. 25	Fri. Oct. 29	Nov. 3	Nov. 10	⁸ Nov. 17
10/29	20	Wed. Nov. 3	Wed. Nov. 3	⁸ Nov. 17	⁸ Nov. 17	Dec. 1
11/12	21	Wed. Nov. 17	Mon. Nov. 29	Dec. 1	Dec. 8	⁶ Dec. 15

YEAR END RECESS

RESOLUTION 10-07

**WAIVING CURRENT PAYMENTS IN LIEU OF TAXES
BY THE BLOOMINGTON HOUSING AUTHORITY TO THE CITY**

- WHEREAS, the Bloomington Housing Authority provides a public service to the Bloomington community by providing sanitary, safe and affordable housing for low income people; and
- WHEREAS, the Bloomington Housing Authority also provides services to its residents which, if not so provided, would be provided by the City of Bloomington at additional expense to the City of Bloomington; and
- WHEREAS, according to I.C. 36-7-18-25, the Bloomington Housing Authority is exempt from all property taxes, but may enter into an agreement with a political subdivision to pay no more than the estimated costs of services, improvements, or facilities provided by that political subdivision; and
- WHEREAS, on May 2, 1961, the Bloomington Housing Authority and City of Bloomington entered into a Cooperation Agreement under which the Bloomington Housing Authority agreed to make annual payments in lieu of taxation based upon the value of services established by Housing and Urban Development guidelines; and
- WHEREAS, the City of Bloomington does not desire for the Bloomington Housing Authority to make these payments in lieu of taxes this year;

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

SECTION I. In consideration for the provision of services to its residents and property by the Bloomington Housing Authority, the City of Bloomington hereby waives its right to any and all payments in lieu of taxes for the year 2009.

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 waives the right of the City of Bloomington to receive payments in lieu of taxes from the Bloomington Housing Authority for the year 2009.



Bloomington Housing Authority

1007 North Summit, Bloomington, Indiana 47404
812-339-3491 fax 812-339-7177

April 14, 2010

Dan Sherman
City of Bloomington
P.O. Box 100
Bloomington, IN 47402

Dear Mr. Sherman:

It is time once again for us to ask the Council to forgive the PILOT (Payment in lieu of Taxes) for Fiscal Year 2009.

I have enclosed the calculation for the PILOT and Memo to the Council. Please put us on the Council's agenda.

Thanks for your help in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Lisa Driver', is written over a faint, larger version of the signature.

Lisa Driver
Financial Manager

Enclosures



Bloomington Housing Authority

1007 North Summit, Bloomington, Indiana 47404
812-339-3491 fax 812-339-7177

April 14, 2010

TO: Common Council

FROM: Jennifer J. Osterholt
Executive Director

RE: Waiver of Payment in Lieu of Taxes (PILOT) for Fiscal Year Ending
09/30/2009

The Housing Authority of the City of Bloomington entered into a Cooperation Agreement with the City of Bloomington, Indiana on May 2, 1961 as allowed by the Department of Housing and Urban Development.

The Cooperation Agreement states "Under the constitution and statutes of the State of Indiana, all Projects are exempt from all real and personal property taxes levied or imposed by the Taxing Body, as long as the projects continues to serve low income citizens this rule applies". The Authority also agreed to pay, as do most housing authorities, a Payment in Lieu of Taxes, following HUD's guidelines, which set forth how that calculation is to be done. Indiana State Statute does allow for the Common Council to forgive the PILOT.

I have attached a copy of our PILOT computation.

Following HUD's prescribed formula the Housing Authority of the City of Bloomington is requesting the Bloomington Common Council to forgive the PILOT for fiscal year ending September 30, 2009.

Equal Opportunity Employer

Computation of Payments in Lieu of Taxes

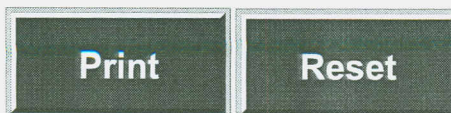
U.S. Department of Housing and Urban Development Office of Public and Indian Housing

For Fiscal Year Ended 2009

OMB Approval No. 2577-0026 (Exp. 10/31/2009)

Public reporting burden for the collection of information is estimated to average .4 hours. This includes the time for collecting, reviewing, and reporting the data. The information will be used for HUD to ascertain compliance with requirements of Section 6(D) of the U.S. Housing Act, which provides for PHA exemptions from real and personal property taxes, and inclusion in the formula data used to determine public housing operating subsidies. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

Name of Local Agency: Bloomington Housing Authority	Location: Bloomington, IN	Contract Number: C-0894	Project Number: IN022
Part I - Computation of Shelter Rent Charged.			
1. Tenant Rental Revenue (FDS Line 703)		\$ 552,471.00	
2. Tenant Revenue Other (FDS Line 704)		86,331.00	
3. Total Rental Charged (Lines 1 & 2)			\$ 638,802.00
4. Utilities Expense (FDS Line 931 - 939)			413,867.00
5. Shelter Rent Charged (Line 3 minus Line 4)			224,935.00
Part II - Computation of Shelter Rent Collected. To be completed only if Cooperation Agreement provides for payment of PILOT on basis of Shelter Rent Collected.)			
1. Shelter Rent Charged (Line 5 of Part I, above)			\$ 224,935.00
2. Add: Accounts Receivable - Tenants (FDS Lines 126, 126.1, & 126.2) at beginning of fiscal year			13,600.00
3. Less: Tenant Bad Debt Expense (FDS Line 964)			20,498.00
4. Less: Accounts Receivable - Tenants (FDS Lines 126, 126.1, & 126.2) at end of fiscal year			17,109.00
5. Shelter Rent Collected (Line 1 plus Line 2 minus Lines 3 & 4)			200,928.00
Part III - Computation of Approximate Full Real Property Taxes.			
(1) Taxing Districts	(2) Assessable Value	(3) Tax Rate	(4) Approximate Full Real Property Taxes
Total			0.00
Part IV - Limitation Based on Annual Contribution. (To be completed if Cooperation Agreement limits PILOT to an amount by which real property taxes exceed 20% of annual contribution.)			
1. Approximate full real property taxes			\$ 0.00
2. Accruing annual contribution for all projects under the contract			\$ _____
3. Prorata share of accruing annual contribution*			_____
4. 20% of accruing annual contribution (20% of Line 3)			0.00
5. Approximate full real property taxes less 20% of accruing annual contribution (Line 1 minus Line 4, if Line 4 exceeds Line 1, enter zero)			\$ _____
Part V - Payments in Lieu of Taxes.			
1. 10% of shelter rent (10% of Line 6 of Part I or 10% of Line 5 of Part II, whichever is applicable)**			\$ 20,092.80
2. Payments in Lieu of Taxes (If Part IV is not applicable, enter the amount shown on Line 1, above, or the total in Part III, whichever is the lower. If Part IV is applicable, enter the amount shown on Line 1, above, or the amount shown on Line 5 of Part IV, whichever is lower.)			\$ _____
* Same as Line 2 if the statement includes all projects under the Annual Contributions Contract. If this statement does not include all projects under the Annual Contributions Contract, enter prorata share based upon the development cost of each project, ** If the percentage specified in the Cooperation Agreement or the Annual Contributions Contract with HUD is lower, such lower percentage shall be used.			
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).			
Prepared By: <i>Lisa Driver</i>	Approved By: <i>Jennifer J Osterholt</i>		
Name: Lisa Driver	Name: Jennifer J. Osterholt		
Title: Financial Manager	Date: 4-14-10	Title: Executive Director	Date: 4-14-10



**Preliminary Material Regarding Enterprise Zone
Investment Deductions (EZIDs) for
Cook Pharmica (Res 10-06) and
Mike Weston (Res 10-09)**

- **Memo to Council from Doris Sims, Assistant Director of HAND**
- **Map of Enterprise Zone and Intersecting Tax Incremental Finance (TIF) Districts**
- **TIF Districts Balance Sheet**
- **Table Comparing Tax Abatements with Enterprise Zone Investment Deductions**

Memo

To: Bloomington City Council
From: Doris Sims, Assistant Director, Housing and Neighborhood Development
CC: Lisa Abbott, Danise Alano
Date: April 30, 2010
Re: Enterprise Zone Investment Deduction (EZID) Council Resolution

Enterprise Zone Investment Deduction

The Enterprise Zone Investment Deduction (EZID) allows a property tax deduction for a qualified investment within an Urban Enterprise Zone (I.C. 6-1.1-45). In most cases, this deduction (i.e., similar to tax abatement) is automatic with the proper and timely application to the County Auditor. However, effective July, 2008, when the investment is in an allocation area defined by IC 12-19-1.5-1, the deduction must be approved by the area's legislative body. Therefore, any EZID in the City's TIF must be approved by the Common Council. In addition, taxpayers receiving the EZID must pay a participation fee to the local enterprise zone board. This fee is paid to the Bloomington Urban Enterprise Association (BUEA) which is 20% of the savings received from the EZID.

Basic information about the EZID is listed below:

- EZID is defined as the property tax deduction available from the increased value of an Enterprise Zone business property due to real and personal property investment by the business.
- The deduction equals the difference between the assessed property value following the qualified investment and the assessed property value of a base year (the year preceding the qualified investment).
- The amount of the deduction (100%) will be the same for each year (is non-graduated).
- The added valuation may be deducted for up to ten years, and can extend past the expiration of the Enterprise Zone (Bloomington's zone designation will expire in March 2012).

- Claimants must pay a 20% participation fee annually to the BUEA on the savings received and 1% to the State of Indiana on any savings over \$1,000.
- Qualified investment within an Enterprise Zone location includes;
 1. purchase of a building, or new manufacturing or production equipment;
 2. costs associated with the repair, rehabilitation, or modernization of an existing building and related improvements;
 3. onsite infrastructure improvements;
 4. construction of a new building; and
 5. costs associated with retooling existing machinery.
- To claim the deduction a taxpayer must fill out Form EZ-2 and file it annually with the County Auditor between March 1 and May 15. The Auditor determines the eligibility of each investment and is required to notify each applicant of his/her determination by August 15. If the Auditor approves the deduction, taxpayers can take it the following year.
- Claimants must also annually file a Form EZB-R with the Indiana Economic Development Corporation and BUEA by June 1.

Bloomington Urban Enterprise Association

Urban Enterprise Zones are established under State Law. Zones are created for a period of ten (10) years, with the ability to apply for two (2) five year renewals, and a final five (5) year extension. The Bloomington Urban Enterprise Zone was originally designated in 1991, and received its second five (5) year renewal in March of 2007. It is currently set to expire in 2012, but is eligible for a final five (5) year extension, bringing the expiration date to 2017 if approved by the local legislative body. The Bloomington Urban Enterprise Association (BUEA) is a private, non-profit organization, which is responsible for the Zone's day-to-day activities. It contracts with the City of Bloomington's Department of Housing and Neighborhood Development (HAND) to provide administrative support in overseeing the programs and activities of the Zone. Over the last five years, the BUEA has utilized HAND staff to operate six regular programs, as well as a number of special projects, all of which are respectively designed to aid in the economic development of the Zone by providing education and training, encouragement of entrepreneurship, rehabilitation of business facilities, and improving the aesthetic character of historic buildings.

Financial Information

The EZID provides a portion of the funds used to support BUEA programs. BUEA revenues for the last three years are shown in Table 1. Table 2 illustrates the current fund balance for the Thomson TIF.

Table 1: BUEA Income for years 2007-2009

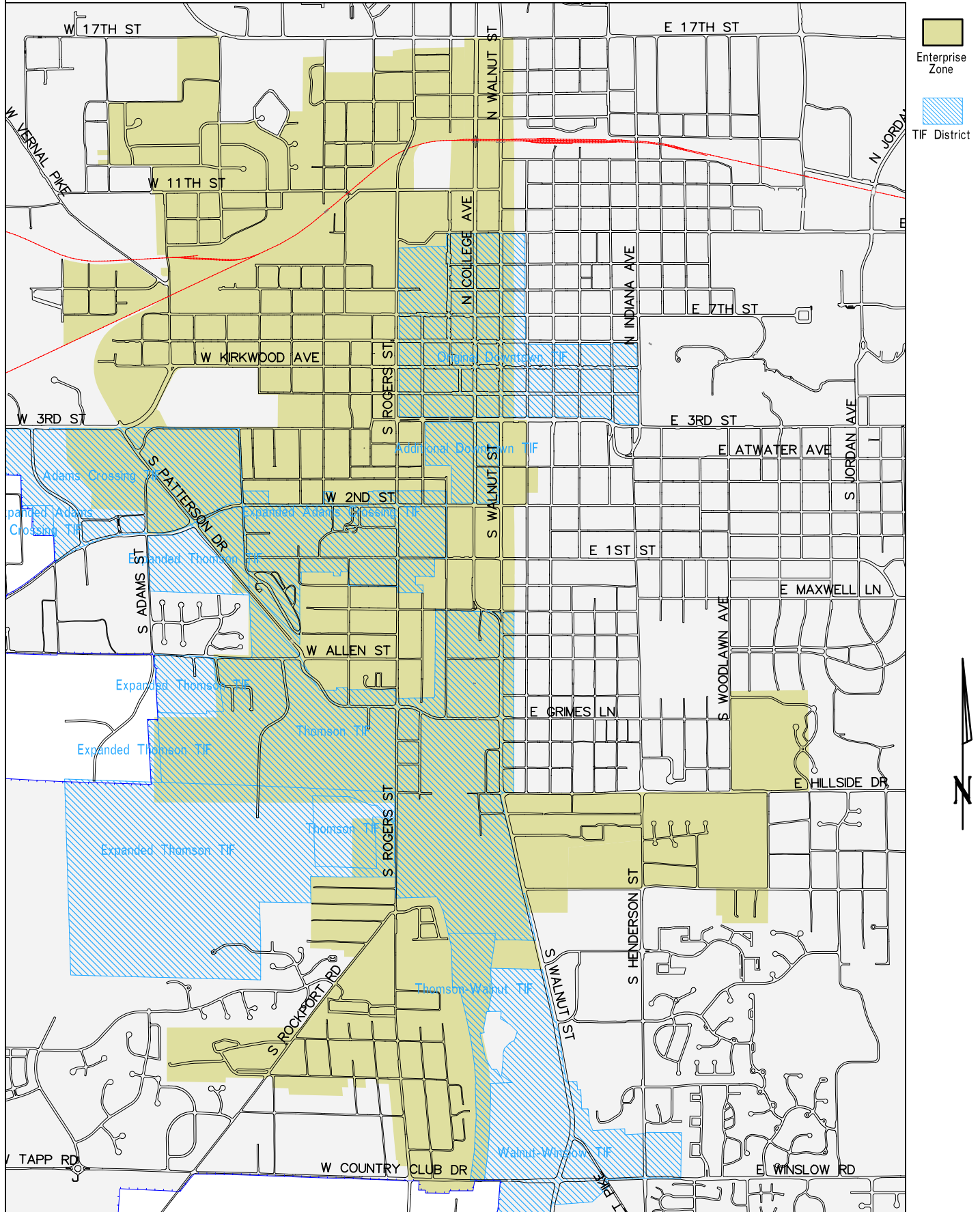
Year	Source	Amount
2007	Investment Deduction	\$1,559
	Loan Interest Credit	\$121,987
2008	Investment Deduction	\$7,815.49
	Loan Interest Credit	\$101,547
2009	Investment Deduction	\$20,746
	Loan Interest Credit	\$105,151

Table 2: Tax Increment Financing (TIF) Fund Balance

Date	TIF District	Amount
3/31/2010	Thomson	\$977,003

Bloomington Urban Enterprise Zone & TIF Districts

Apr 29, 2010



Enterprise Zone
TIF District



City of Bloomington
TIF Fund Summary as of March-10

	<u>Downtown</u>	<u>Tapp Road</u>	<u>Adams Crossing</u>	<u>Kinser-Prow</u>	<u>Whitehall / West Third</u>	<u>Thomson Walnut Winslow</u>	<u>Grand Total</u>
Current Balance as of 03/33/10	<u>\$ 5,988,855</u>	<u>\$ 2,920,109</u>	<u>\$ 1,860,121</u>	<u>\$ 532,971</u>	<u>\$ 3,272,415</u>	<u>\$ 2,646,966</u>	<u>\$ 17,221,436</u>
2009 Actual							
Beginning Balance	\$ 4,138,776	\$ 2,540,582	\$ 1,101,540	\$ 459,549	\$ 3,787,965	\$ 2,050,445	\$ 14,078,857
Revenue							
Property Tax	2,498,673	199,356	552,650	37,179	1,275,959	912,946	5,476,764
Other	433,803	68,611	98,455	18,292	250,905	235,151	1,105,217
Total Revenue	2,932,477	267,967	651,104	55,471	1,526,864	1,148,097	6,581,980
Expense							
Debt Service	784,734	-	-	-	1,360,769	-	2,145,503
Other	471,711	-	174,399	-	13,290	1,340,815	2,000,215
Total Expense	1,256,445	-	174,399	-	1,374,059	1,340,815	4,145,718
Ending Balance	<u>\$ 5,814,807</u>	<u>\$ 2,808,550</u>	<u>\$ 1,578,245</u>	<u>\$ 515,020</u>	<u>\$ 3,940,770</u>	<u>\$ 1,857,728</u>	<u>\$ 16,515,119</u>
2010 Projected							
Beginning Balance	\$ 5,814,807	\$ 2,808,550	\$ 1,578,245	\$ 515,020	\$ 3,940,770	\$ 1,857,728	\$ 16,515,119
Revenue							
Property Tax	2,523,660	201,350	558,176	37,551	1,288,719	922,075	5,531,531
Other	463,528	77,347	106,749	19,959	260,845	237,089	1,165,517
Total Revenue	2,987,188	278,697	664,925	57,510	1,549,564	1,159,165	6,697,048
Expense							
Debt Service	808,978	-	-	-	1,365,406	-	2,174,384
Other *	2,461,211	-	1,737,880	117,188	63,798	1,649,963	6,030,039
Total Expense	3,270,189	-	1,737,880	117,188	1,429,204	1,649,963	8,204,423
Ending Balance	<u>\$ 5,531,806</u>	<u>\$ 3,087,246</u>	<u>\$ 505,290</u>	<u>\$ 455,343</u>	<u>\$ 4,061,130</u>	<u>\$ 1,366,930</u>	<u>\$ 15,007,745</u>
2011 Projected							
Beginning Balance	\$ 5,531,806	\$ 3,087,246	\$ 505,290	\$ 455,343	\$ 4,061,130	\$ 1,366,930	\$ 15,007,745
Revenue							
Property Tax	2,548,897	203,363	563,758	37,927	1,301,606	931,296	5,586,847
Other	472,318	86,785	96,683	20,305	270,704	234,893	1,181,687
Total Revenue	3,021,214	290,148	660,441	58,232	1,572,310	1,166,189	6,768,534
Expense							
Debt Service	810,183	-	-	-	1,370,200	-	2,180,383
Other *	89,000	-	-	-	-	20,000	109,000
Total Expense	899,183	-	-	-	1,370,200	20,000	2,289,383
Ending Balance	<u>\$ 7,653,837</u>	<u>\$ 3,377,394</u>	<u>\$ 1,165,731</u>	<u>\$ 513,574</u>	<u>\$ 4,263,240</u>	<u>\$ 2,513,118</u>	<u>\$ 19,486,895</u>

* Projects and expenses which are under consideration or have already been approved.

**Table Comparing
Tax Abatements with Enterprise Zone Investment Deductions (EZIDS)
(Prepared by Council Office)**

<u>Type of Deduction</u>	<u>Tax Abatement</u> ¹	<u>Enterprise Zone Investment Deduction</u>
Statutory Authority	I.C. 6-1.1-12.1	I.C. 6-1.1-45
Legislative Determination of Blight	Economic Revitalization Area (ERA) Note: Designation must follow an advertised public hearing.	Urban Enterprise Zone
Eligible Investment	Redevelopment or rehabilitation of real property or the acquisition of new manufacturing, research and development, logistical distribution or new information technology equipment.	“Qualified Investment” in real estate as well as machinery and production equipment. This includes buying, constructing, and renovating buildings and infrastructure. It also includes buying and retooling machinery.
Restriction on Land Use	Never allowed for certain uses like hot tub, sun tan, or tennis facilities; but may be allowed for retail and certain residential facilities when the governing body establishes an Economic Development Target Area (EDTA).	None
Time of Approval	Before investment – Unless subject to specific waiver.	After Investment
What Must be Submitted for Approval	An Application and a Statement of Benefits, which sets forth benefits tax payer commits to in the event the abatement is approved.	EZ-2 Form
Basis of Approval	Benefits are reasonably likely to occur and the totality of the benefits justify the deduction. (Note: Localities are authorized to adopt a resolution establishing guidelines for making this determination.)	Investments were “qualified” – which is a determination that is virtually automatic outside the TIF District.

¹ This table does not reflect tax abatements for “residentially distressed” (e.g. unsafe) properties because we have not pursued that program in Bloomington.

Period of Deduction	1 – 10 years	10 Years
Calculation of Deduction	Difference between assessed value before and after the investment.	Same.
Amount of Deduction	Graduated, descending deduction starting at 100%	100% Deduction for 10 Years
Annual Obligation	File CF-1 indicating compliance with Statement of Benefits	File Form EZB-R with Indiana Economic Development Corporation by June 1
Annual Review	Governing Body considers a Tax Abatement Report and may rescind deductions where the tax payer did not substantially comply with the terms of the Statement of Benefits.	Nominal review by County Auditor
Fee	Nominal Application Fee – “sufficient to defray actual processing and administration costs.”	Return 20% of the value of the deduction to the BUEA and 1% on amounts over \$1,000 to the State

RESOLUTION 10-06

**TO APPROVE AN ENTERPRISE ZONE INVESTMENT DEDUCTION (EZID)
IN THE THOMSON TAX INCREMENT FINANCING (TIF) DISTRICT -
Re: Cook Pharmica, 1300 and 1400 South Patterson Drive**

WHEREAS, Recent passage of HEA 1001 has amended Indiana Code with regards to approval authority of Enterprise Zone Investment Deductions (EZID) in Tax Increment Financing Districts (TIF); and

WHEREAS, Authority to approve the EZID in a TIF District now falls to the appropriate legislative body, which in this case means the Bloomington Common Council; and

WHEREAS, Cook Pharmica is applying for approval of the EZID deduction for the property located at 1300 and 1400 South Patterson Drive which is located in the Thomson TIF district; and

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

The Common Council hereby approves the request of Cook Pharmica to receive the Enterprise Zone Investment Deduction.

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

ISABEL PEIDMONT-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 approves an Enterprise Zone Investment Deduction (EZID) for Cook Pharmica located at 1300 and 1400 Patterson Drive. The EZID allows a property tax deduction for a qualified investment within an Urban Enterprise Zone (I.C. 6-1.1-45). In most cases, this deduction (which is similar to tax abatement) is automatic with the proper and timely application to the County Auditor. However, effective July, 2008, when the investment is in an allocation area defined by IC 12-19-1.5-1 (TIF District), the deduction must be approved by the area’s legislative body. Therefore, any EZID in the City’s TIF must be approved by the Common Council.

Basic information about the EZID is listed below:

- EZID is defined as the property tax deduction available from the increased value of an Enterprise Zone business property due to real and personal property investment by the business;
- The deduction equals the difference between the assessed property value following the qualified investment and the assessed property value of a base year (the year preceding the qualified investment);
- The amount of the deduction (100%) will be the same for each year (is non-graduated); and
- The added valuation may be deducted for up to ten years and can extend past the expiration of the Enterprise Zone (Bloomington’s zone designation will expire in March 2012).

Memo

To: Bloomington City Council
From: Doris Sims, Assistant Director, Housing and Neighborhood Development
CC: Lisa Abbott, Danise Alano
Date: April 30, 2010
Re: Impact of Cook Pharmica EZID Resolution

Improvements

The property is located at 1300 and 1400 South Patterson Drive. Cook Pharmica has made renovations and structural improvements to unfinished building infrastructure, adding contract formulation, fill, and finish operations along with other building improvements. These improvements will support new laboratory, office and manufacturing areas. Purchased equipment includes two pharmaceutical filling lines and all necessary ancillary equipment to support the two lines of operation along with other manufacturing equipment. \$88.5 million has been spent in connection with this project, of which 45 million will be for manufacturing equipment. Cook Pharmica has decided to wait until the equipment is received and place into service before requesting the EZID deduction. The project will be placed into service by approximately September, 2010.

Impacts

To support this expansion, Cook Pharmica will add approximately 200 full-time positions, including chemists, scientists, engineers, business operations personnel, IT personnel, logistics personnel, and hourly production workers. The annual payroll for this expansion, including benefits, is anticipated to be \$11.9 million.

The impact of approving this resolution on the Thomson TIF fund for real property improvements only is shown below.

Real Property

Base Year Assessed Value of Property Improvements	\$20,827,100
Assessed Value After Improvements	\$26,846,700

Property Tax Deduction	\$6,019,600
Property Tax Liability Before Deduction (\$26,846,700x 1.8596)	\$499,241
Property Tax Liability After Deduction (\$20,827,100 x 1.8596)	\$387,301
Property Tax Savings	\$111,940
20% Fee to BUEA of Tax Savings	\$22,388

Recommendation

The Bloomington Urban Enterprise Association and the Office of Economic Development and Sustainability support the approval of the request from Cook Pharmica.

RESOLUTION 10-09

**TO APPROVE AN ENTERPRISE ZONE INVESTMENT DEDUCTION (EZID)
IN THE THOMSON TAX INCREMENT FINANCING (TIF) DISTRICT -
Re: Mike Weston, 1800 South Walnut Street**

WHEREAS, Recent passage of HEA 1001 has amended Indiana Code with regards to approval authority of Enterprise Zone Investment Deductions (EZID) in Tax Increment Financing Districts (TIF); and

WHEREAS, Authority to approve the EZID in a TIF District now falls to the appropriate legislative body, which in this case means the Bloomington Common Council; and

WHEREAS, Mike Weston is applying for approval of the EZID deduction for the property located at 1880 South Walnut Street which is located in the Walnut/Winslow TIF district; and

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

The Common Council hereby approves the request of Mike Weston to receive the Enterprise Zone Investment Deduction.

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

ISABEL PEIDMONT-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 approves an Enterprise Zone Investment Deduction (EZID) for the property located at 1800 South Walnut Street owned by Mike Weston. The EZID allows a property tax deduction for a qualified investment within an Urban Enterprise Zone (I.C. 6-1.1-45). In most cases, this deduction (which is similar to tax abatement) is automatic with the proper and timely application to the County Auditor. However, effective July, 2008, when the investment is in an allocation area defined by IC 12-19-1.5-1 (TIF District), the deduction must be approved by the area's legislative body. Therefore, any EZID in the City's TIF must be approved by the Common Council.

Basic information about the EZID is listed below:

- EZID is defined as the property tax deduction available from the increased value of an Enterprise Zone business property due to real and personal property investment by the business;
- The deduction equals the difference between the assessed property value following the qualified investment and the assessed property value of a base year (the year preceding the qualified investment);
- The amount of the deduction (100%) will be the same for each year (is non-graduated); and
- The added valuation may be deducted for up to ten years and can extend past the expiration of the Enterprise Zone (Bloomington's zone designation will expire in March 2012).

Memo

To: Bloomington City Council
 From: Doris Sims, Assistant Director, Housing and Neighborhood Development
 CC: Lisa Abbott, Danise Alano
 Date: April 30, 2010
 Re: Impact of EZID Resolution for 1880 South Walnut Street (Michael Weston)

Improvements

The property is located at 1880 S. Walnut St. The building was purchased in 2006. The interior was gutted and the exterior was stripped. 2200 square feet of the building were remodeled for the Weston Insurance Agency. The remaining 1800 square feet have yet to be finished or rented. New entrances have been installed and the entire exterior of the building has received a stucco finish. The parking lot has been resurfaced, and there has been extensive landscaping.

Impacts

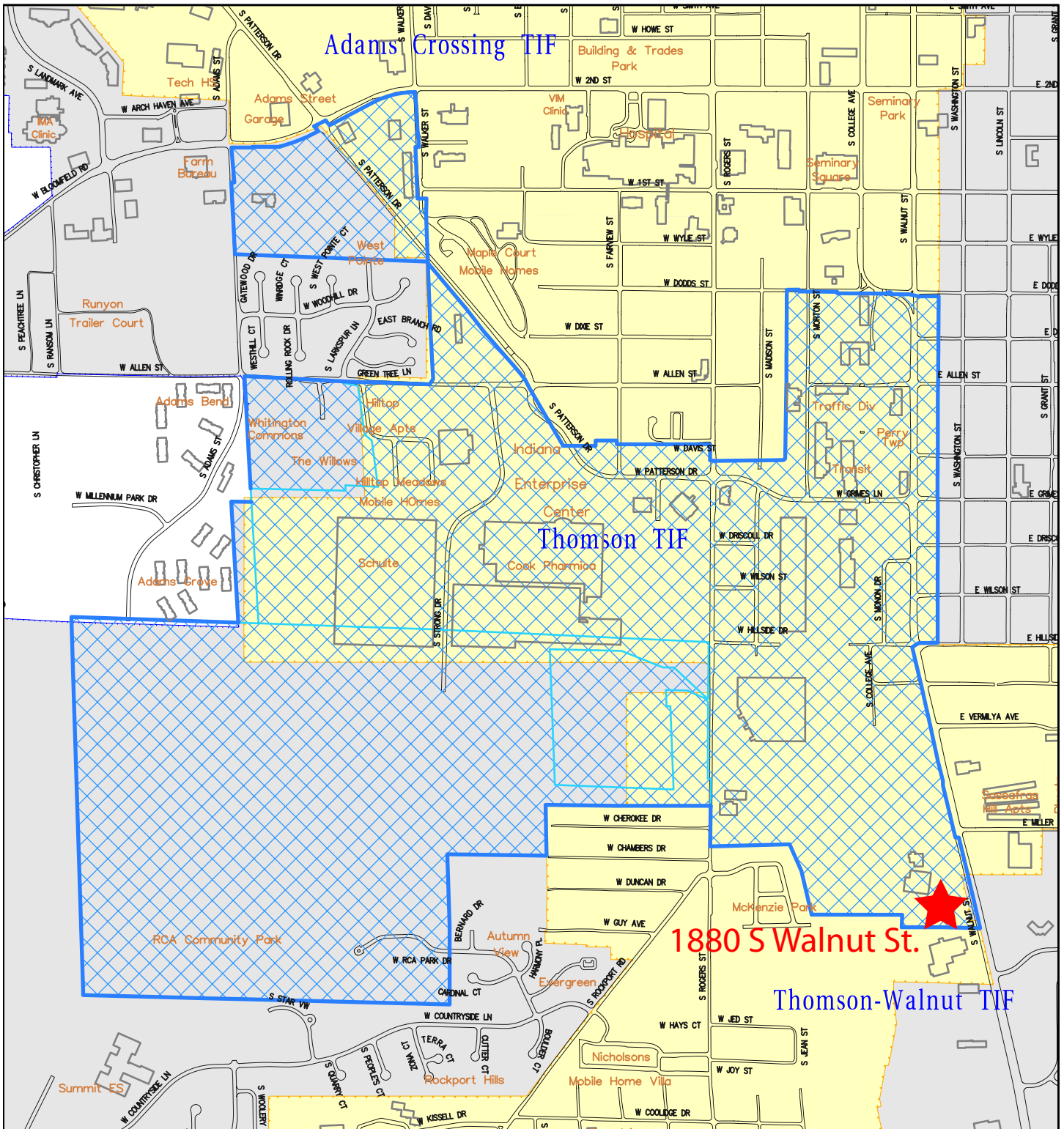
These improvements have resulted in the creation of two additional full-time positions, and may result in an additional two full-time positions in the future. The impact of resolution approval is depicted in the following table:

Base Year Assessed Value	\$344,500
Assessed Value After Improvements	\$522,900
Property Tax Deduction	\$178,400
Property tax Liability Before Deduction (\$522,900 x 1.8596)	\$9,723.84
Property Tax Liability After Deduction (\$344,500 x 1.8596)	\$6,406.32
Property Tax Savings	\$3,317.52
20% Fee to BUEA of Tax Savings	\$663.50

Recommendation

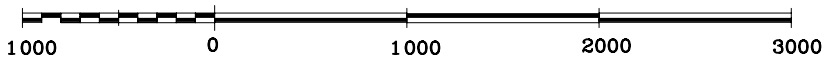
The Bloomington Urban Enterprise Association and the Office of Economic Development and Sustainability support the approval of the request from Michael Weston.

1880 S Walnut Street



Thomson TIF District & Bloomington Urban Enterprise Zone

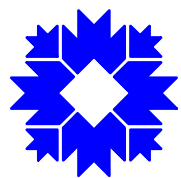
Scale: 1" = 1000'



Apr 22, 2010

For use as map information only, information is NOT warranted.

City of Bloomington
HAND Department



Geographic Information System

TttifuezLP

RESOLUTION 10-08

TO AUTHORIZE THE SUBMISSION OF A DR1 APPLICATION TO THE INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS AND RELATED MATTERS

WHEREAS, the federal Housing and Community Development Act of 1974, as amended, authorizes the Indiana Office of Community and Rural Affairs to provide grants to local units of government to meet the housing and community development needs of low- and moderate-income persons; and

WHEREAS, the City of Bloomington, Indiana, has conducted or will conduct public hearings prior to the submission of an application to the Indiana Office of Community and Rural Affairs; said public hearings to assess-the housing, public facilities and economic needs of its low and moderate income residents;

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

SECTION I. The Mayor of the City of Bloomington is authorized to prepare and submit an application for grant funding to address the rehabilitation of the Salvation Army of Monroe County's daycare and gymnasium located at 111 N. Rogers, Bloomington, Indiana. These facilities sustained damage from the June 2008 flood. The Mayor is also authorized to execute and administer a resultant grant including: general administration, project management, contracts and agreements pursuant to the regulations of the Indiana Office of Community and Rural Affairs and the United States Department of Housing and Urban Development.

SECTION II. The City of Bloomington, Indiana hereby commits the requisite local funds in the amount of \$6,200.00 in the form of: \$5,000 from the Salvation Army of Monroe County's Contingency Fund and \$1,200 from the Monroe County Long-Term Recovery Committee as matching funds for said program. These commitments are contingent upon receipt of DR1 funding from the Indiana Office of Community and Rural Affairs.

SECTION III. This resolution shall be in full force and effect from and after its passage by the Common Council and approval by 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 resolution authorizes the City of Bloomington to apply for \$216,314 in Community Development Block Grant *Disaster Recovery* funding on behalf of the Salvation Army of Monroe County. The State of Indiana received federal disaster recovery funds in response to the floods of 2008 and the State's Office of Community and Rural Affairs is passing these funds down to local communities in need. As only local units of government can apply for funding, the Salvation Army has requested that the City apply for funding to rehabilitate the Salvation Army's daycare facility and gymnasium, which sustained damage in the flooding. This resolution authorizes the Mayor to apply for funding and to execute and administer any resulting grant. The resolution acknowledges that the City will hold a public hearing on the housing, public facilities and economic needs of its low-and moderate- income residents and makes clear that the dedication of matching funds by the Salvation Army is contingent upon receipt of the *Disaster Recovery* funds.

Memo

To: Council Members
From: Lisa Abbott, Director, HAND
CC: Mayor Mark Kruzan & Deputy Mayor Maria Heslin
Date: April 30, 2010
Re: CDBG Disaster Relief application for Salvation Army

The State of Indiana received approximately \$162 million in CDBG funds for the Midwestern disasters including the flood of June 2008. Only local units of government can apply, but the funds can be used for public infrastructure restoration, economic revitalization and other non-housing disaster recovery activities. The City of Bloomington Public Works and Utilities Departments were both successful applications to receive reimbursement funds for work not covered by FEMA.

As part of this recovery effort, the Salvation Army has asked the City of Bloomington to act as the applicant for funding to make necessary repairs caused by the flood to their childcare and gymnasium facilities. The total request is for \$216,314. The Salvation Army, with assistance from United Way, will provide \$6,200 of matching funds. Repairs will include, but not be limited to, mold treatment in the basement of the childcare facility, correction of the north wall and childcare facility (including water diversion), and roofing and exterior wall repairs to gymnasium building.

The Salvation Army provides very valuable services to many low to moderate-income members of our community, including quality childcare. Of the \$216,314 requested, more than \$175,000 (82%) will be used to benefit low and moderate-income persons.

If you approve this Resolution, we will hold a public meeting at a special meeting of the Redevelopment Commission on May 11 at noon in the McCloskey Room to accept public comment after which we will submit an application on behalf of the Salvation Army to the State by May 14.

In the Council Chambers of the Showers City Hall on Wednesday, April 21, 2010 at 7:30 pm with Council President Isabel Piedmont-Smith presiding over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
April 21, 2010

Roll Call: Mayer, Piedmont-Smith, Rollo, Ruff, Sandberg, Satterfield, Sturbaum, Volan, Wisler
Absent: None

ROLL CALL

Council President Piedmont-Smith gave the Agenda Summation

AGENDA SUMMATION

The minutes of October 7, 2009 (Regular Session) and January 6, 2010 (Organizational Meeting) were approved by a voice vote.

APPROVAL OF MINUTES

Tim Mayer mentioned that the next day was the 30th anniversary of Earth Day and remembered that on that day he was honored and pleased to be in Dunn Meadow with Senator Gaylord Nelson of Wisconsin who was the principal founder of Earth Day. He mentioned professors Don Whitehead and Craig Nelson along with students Doug Porter, Mark Sheehan, Hayden Rochester and himself who were involved in the activities of the day. He reflected that issues of concern then are the same issues we struggle with today.

REPORTS:
COUNCILMEMBERS

Chris Sturbaum urged folks to participate in Earth Day activities this week saying that Councilmember Rollo and Nancy Hiller were featured speakers. He said that the Monroe County Community School Corporation had their hands tied with funding cuts. He said that the community should step up with Bloomingfoods to help save the Bradford Woods camp program. He said he would contribute and urged past participants to contribute, too.

Steve Volan said that he was convening a public discussion about the 45/46 bypass project proposals. He said that traffic counts and projected growth rates may not warrant the project. He said that he invited INDOT to have a public meeting in City Hall on May 6th at 6 pm to present their final design of the expansion project. Volan also encouraged citizens to join with him in a "ReThink the Bypass Charrette" on three nights over the following two weeks. He noted dates and times.

Mike Satterfield said that he witnessed road rage on the bypass this week and asked folks to be respectful of each other and not make a difficult drive in that area worse.

Dave Rollo noted that Transition Bloomington was having an event over the next weekend to deal with energy depletion and global warming. He said this group proposed a citizen action to mitigate and prepare for these issues with a program called The Great Unleashing. He urged folks to come to the day long program on Saturday that would prepare a citizen action plan.

Susan Sandberg reported that the Homeward Bound walk over the previous weekend was successful and urged folks to still contribute to the effort in the next thirty days. She thanked the Community and Family Resource Department's Kathy Mayer for her extraordinary leadership with this event.

Andy Ruff said most people in the state didn't understand the state administration priorities prevented the school funding crisis from being addressed. He said that we need a longer term solution to the problem and that the Major Moves Trust Fund was unencumbered by federal restrictions and that the Fund contained billions of dollars that could be

used for addressing the shortages. He encouraged everyone who valued education over new superhighways in southwest Indiana to contact the governor's office to use this money for schools.

Councilmember comments (*cont'd*)

There was no report from the mayor at this meeting.

MAYOR and CITY OFFICES

There were no council committee reports at this meeting.

COUNCIL COMMITTEES

Raymond Robertson, former board member of the Shalom Center, asked for help in making a shelter for homeless since the Interfaith Winter Shelter was now closed for the season. He gave council members a prepared document of plans for this shelter and needs for the council to consider.

PUBLIC INPUT

Gabe Rivera spoke on his activities to end the drug war and thanked the council and public for their compassion for the homeless.

Sandra Ducey spoke about the Deer Task Force. She expressed her concern about a broad range of interests represented, how the task force members would be selected, and how the meetings would be conducted. She had prepared a written document with her concerns that she presented to the council.

Reverend Hal Taylor said the problem of homelessness was immediate. His backyard was the site of tents housing homeless persons at night. He asked for the City's help in the issue of homelessness in the name of a Safe and Civil City.

Travis Combs said he was creating a documentary on the problem of homelessness and would provide the council with a copy of the film. He said he knew the problem personally, and asked the council for help.

James Hart said he would repeatedly return to the council meetings with the faces of the homeless until the problem was solved.

There were no appointments to boards or commissions at this meeting.

BOARD AND COMMISSION APPOINTMENTS

It was moved and seconded that Resolution 10-05 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 8-0-0. It was moved and seconded that Resolution 10-05 be adopted.

LEGISLATION FOR SECOND READING

Resolution 10-05 To Approve Application and Authorize Loan from the Business Investment Incentive Fund (Feast Bakery Café, Petitioner)

Adam Wason, Assistant Director of Economic Development for Small Business and Sustainable Development, asked for approval of the resolution. He gave a brief history of the creation of the BIIF and added that the current balance was \$645,626 with two outstanding loans to Bloomingfoods and ChaCha.

He said that the residents in the neighborhood wanted such a business in their area, and Wason said this would fit perfectly with their desires.

He added that a waiver of the geographic requirements of the loan fund was necessary as the Café address was not in the boundaries of the Downtown Opportunity Overlay District. He said that staff and economic development commission supported these actions.

Piedmont-Smith said most questions had been answered in the Committee meeting the previous week, and asked if the petitioners present in the audience would like to make any statement. They declined.

Mayer, Sturbaum, Satterfield wished the Feast Bakery Café luck in their endeavor. Satterfield said he looked forward to walking down the street to get coffee.

Resolution 10-05 (cont'd)

Rollo stated he would submit his comments from the Committee of the Whole meeting for the record:

"I remember I was on the plan commission at the time and the first petition that was offered for this site was very unimaginative and was opposed by the neighborhood and was defeated by the slimmest of margins. Fortunately the neighborhood turned out and Matt Press stood up and formed charrettes and I think its one of the best examples in the city of a sustainable neighborhood with efficient homes built of quality materials. You won't see a single snout house in the development, meaning that you have front porches where people can gather and interact, they know their neighbors, and this is a perfect fit. It's walkable for residents, the neighbors listed a restaurant as one of their desired outcomes, so this has really exceeded my expectations of that petition and am very happy that it was approved by the plan commission and the city council five or six years ago. So I'll be voting yes"

He said this was an ideal model for a sustainable neighborhood and wished the Feast Bakery Café well.

Piedmont-Smith said that she thought the trend of buying locally was a good one and appreciated that aspect of the business. She wished them luck, also.

Resolution 10-05 received a roll call vote of Ayes: 9, Nays: 0.

It was moved and seconded that Resolution 10-04 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 6-0-2.

Resolution 10-04 To Approve Conveyance of the John Waldron Arts Center

It was moved and seconded that Resolution 10-04 be adopted.

It was moved and seconded that the council postpone the consideration of Resolution 10-04 until the regular session meeting of May 5, 2010.

Volan, sponsor of the motion to postpone said that he had previously expressed his concern about the conveyance of this building, and after extensive discussion in the past week it was found that there were sufficient reasons to delay the final action on this conveyance for two weeks. He noted that WFHB, Ivy Tech and the City had all agreed on this and hoped that that fact was sufficient to garner support for postponement from the council.

Satterfield asked Volan to describe the items of concern.

Volan said the agreement outlined terms of WFHB and Ivy Tech in terms of rent and studio space. He said that if, in the future, there was a disagreement between these two parties, WFHB could conceivably move, but that their antenna or translator for 98.1FM could not move. He said that the FCC licenses translators for one location only and any move would result in the discontinuance of the license for that frequency with a whole new application process that might take years to be approved. He said there were rare openings on the FM frequency for reapplication. He said he hoped that the document could have a separate consideration for the movement of the transmitter. He said "Transmitters don't move easily and translators don't move at all."

Satterfield asked for a statement by someone connected to WFHB.

Mark Need, President of the board of directors of WHFB, said he appreciated Volan's statements. Need said he was a lawyer and taught at the Maurer School of Law at Indiana University. He said he

appreciated the discussion of particular fine points of the conveyance, but that the agreement had come to him just the day before and enumerated what WFHB 'shall' do. He said he hadn't had enough time to review this; WFHB had not seen the agreement, had not been a party to that agreement or had discussed it as a board of directors. He said he'd been in close discussions with the principals, but would like more time to review the relationships in the conveyance, its effect on the WFHB 501(c)3 not-for-profit status, and supported suspending the council's action on the conveyance for two weeks.

Ruff asked Volan if these were the kind of issues that he was concerned about at the last committee of the whole meeting when he stated there had not been enough time to read and study the conveyance documents. Volan said it was.

Rollo asked Need if this was a time frame that worked for him. Need said he could not predict this, but said he had spoken to the others involved and was committed to moving this item along.

Volan said he agreed with Need's assessment, and believed that two weeks was a sufficient time if all parties were at the table and that the concerns of each party was taken into consideration.

Ruff said that Volan's concerns expressed at the last meeting were actually right on the spot, and that it was now evident that more time was needed to finalize the conveyance. He said that it was also the position of some members of the council.

Piedmont-Smith said she appreciated due diligence by Volan and agreed that more time to work out details in this conveyance was needed.

Sturbaum said that he supported the delay.

The motion to postpone consideration of Resolution 10-04 to May 5, 2009 received a roll call vote of Ayes: 9, Nays: 0.

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

LEGISLATION FOR FIRST READING

Ordinance 10-06 To Amend Title 9 of the Bloomington Municipal Code Entitled "Water" (Rate Adjustment)

Ordinance 10-06

Ordinance 10-07 An Ordinance Concerning the Construction of Additions, Extensions and Improvements to the Waterworks of the City of Bloomington, Indiana, the Issuance of Revenue Bonds to Provide the Cost Thereof, the Collection, Segregation and Distribution of the Revenues of said Waterworks, the Safeguarding of the Interests of the Owners of said Revenue Bonds, Other Matters Connected Therewith, Including the Issuance of Notes in Anticipation of Bonds, and Repealing Ordinances Inconsistent Herewith

Ordinance 10-07

It was moved and seconded that Ordinance 10-06 (Water Rates) and Ordinance 10-07 (Water Bonds) be considered according to the following schedule: Discussions at the two consecutive Committees of the Whole – April 28th and May 12th; and Second Reading at a Special Session on Monday, May 17th. After further discussion that evening, the Council may continue discussion and consider final action at the Regular Session on June 16th.

MOTION ON SCHEDULE FOR THE ABOVE TWO ORDINANCES

MOTION on schedule (cont'd)

Rollo said there was some sentiment in postponing this legislation but that even another committee meeting could be scheduled on this item if needed. He said his proposal above allowed sufficient time and opportunity for discussion and adjustments on these two items. He said that in the future he would hope that all information needed for the discussion be provided in the council packet before the first reading of the legislation. He said that the answers to some questions were provided by Patrick Murphy, Utilities Director, that afternoon.

Volan and Rollo discussed the meanings of the words final action and second reading and the dates proposed. Volan suggested if a third committee meeting was needed, it be done on May 12th. Rollo said he was willing to amend the motion, and did so as reflected above. Volan noted he was concerned about a Monday meeting as it was outside the regular sessions of the council. Piedmont-Smith noted that changes could be made at a later date.

Piedmont-Smith said that she was disappointed in reading the packet issued the previous Friday to find that the many questions that council members had asked about rate increases were not addressed. She noted that this was a complex and important issue for the city and rate payers. She said that in March 2010 many complex questions were asked about the utilities issue and expected those to be answered in the packet, and that since they were not, she would have preferred to not have the above two ordinances read at this meeting. She said that the long response that was received that afternoon was not timely in upholding and respecting the council schedule. She said that she expected complete packets before first readings. Piedmont-Smith further said that the Utilities Service Board had made the recommendation of a 54% rate increase and yet the recommendation in Ordinance 10-6 was a 47% increase. She said she would like to know why there was a discrepancy in this number.

Volan said he concurred with the statements of the chair.

Ruff said he also agreed with Piedmont-Smith's concerns and emphasis.

ACTION: The motion in regards to the schedule of consideration of the above ordinances received a roll call vote of Ayes: 8, Nays: 1 (Satterfield).

There was no public comment at this section of the meeting.

PUBLIC INPUT

The meeting was adjourned 8:54 pm.

ADJOURNMENT

APPROVE:

ATTEST:

Isabel Piedmont-Smith PRESIDENT
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington