



City of Bloomington Common Council

Legislative Packet

Committee of the Whole

14 April 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 – Move April 13th Meeting to April 20th

Legislation for Discussion at the Committee of the Whole on April 14th:

- **Res 10-05 To Approve Application and Authorize Loan from the Business Investment Incentive Fund (Feast Bakery Café, Petitioner)**
 - EDC Res 10-01; Memo from Danise Alano, Director and Adam Wason, Assistant Director of Small Business and Sustainable Development, Department of Economic and Sustainable Development; Application for Loan; Business Proforma; Start-Up Expenses; Estimate for Capital Improvements; Business Plan and Hours of Operation; Business Investment Incentive Fund Guidelines
Contact: Adam Wason at 349-3406 or wasona@bloomington.in.gov or Danise Alano at 349-3406 or alanod@bloomington.in.gov
- **Res 10-04 To Approve Conveyance of the John Waldron Arts Center**
 - Memo to Council from Kevin Robling, Corporation Counsel
Contact: Margie Rice at 349-3426 or ricem@bloomington.in.gov or Kevin Robling at 349-3426 or roblihgk@bloomington.in.gov

Memo

Two Items Ready for Discussion at the Committee of the Whole on April 14th

There are two resolutions ready for discussion at the Committee of the Whole next week. Both are included in this packet and summarized herein.

Items for Discussion at the Committee of the Whole on April 14th

Item One – Res 10-05 - Approving a \$25,000 Bloomington Investment Incentive Fund (BIIF) Loan for the Feast Bakery Café to Purchase and Install Equipment and Furniture for Their Proposed Site at 581 East Hillside Drive

Res 10-05 authorizes a \$25,000 5-year loan at 1.25% from the Bloomington Investment Incentive Fund (BIIF) to the Feast Bakery Café to purchase and install equipment at 581 East Hillside Drive, which is at the northwest corner of Hillside and Henderson in the South Dunn Street PUD.

History of the BIIF Fund, Its Purpose, Application Procedure and Balance

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 Ord 86-04. The guidelines for the program were initially established by Res 86-06 and then significantly amended in 1999 by Res 99-17. These guidelines, which are included in the packet, offer:

Loans for

- the retention, expansion and attraction of businesses throughout the City as well as in the Areas Intended for Annexation (AIFA);
- for-profit and not-for-profit businesses in the downtown development opportunity overlay (DDOO) district;
- business-supported child care facilities;
- businesses forced to relocate due to public projects; and
- businesses disrupted due to City public works projects;

Small Grants for

- not-for-profits located in the downtown development opportunity overlay (DDOO) district.

Applicants apply for these funds with the Director of Economic and Sustainable Development, who then submits eligible and complete applications to the Economic Development Commission for formal approval and then on to the Council.

At present, the fund has a balance of \$645,626.72. Please note that there are two outstanding loans: Bloomington Cooperative Services (Bloomingfoods) and Cha-Cha's.

Project

The Feast (formerly Harvest Lodge Catering) is a “well-known and established catering business” and vendor at various farmers’ markets in the region that is moving its operations to, and establishing a café at, the northwest corner of Hillside and Henderson, in the new brick building constructed by Matt Press. Erika Yochum, with 15 years of experience operating restaurant and catering businesses, and Jennifer Burt, with a background as an artist and business person, are the principals. They will focus on providing local, organic, seasonal foods to discerning, but cost-conscious customers. They expect that the café will offer a good business opportunity that can be initially supported by the catering and market vendor operations. The café will provide “gourmet (items) including bakery, soups, confections, varying entrees and (also offer a) full service coffee/espresso bar” six days a week and will hopefully draw customers from the surrounding neighborhood as well as from further away. The total project costs, including construction costs (some of which will be borne by the property owner), is estimated at \$265,430.

Evaluation of the Application

Feast applied for a loan as a business located in the DDOO District in January and was approved by the Economic Development Commission in March. *See EDC Res 10-01*. The following paragraphs summarize the eligibility and strength of the application based upon the Memo to the Council and background material provided by Danise Alano, Director and Adam Wason, Assistant Director of Small Business and Sustainable Development, Department of Economic and Sustainable Development.

Eligibility

- **The loan must go to a for-profit or not-for-profit business owner or owner of commercial property located in the DDOO who demonstrates a commitment to the economic vitality of the downtown.**

The project is located outside the former DDOO (which has been replaced with a series of overlay zones), but offers a café that demonstrates a commitment to the economic vitality of the area. The memo and resolution

explicitly waive the geographic restrictions of this loan program and note that the Economic Development Commission will be considering, in the near future, amendments to the guidelines that will update and broaden this program to include more of the City.

- **The loan must be used to acquire land, construct, expand, or renovate a building (including the façade), make infrastructure improvements, or purchase equipment.**

The loan will be used to purchase and install restaurant equipment, display cases, and various furniture items including tables and chairs..

- **The amount of the loan is limited to no more than 50% of the first \$100,000 and 20% of the remaining eligible project costs up to a total of \$100,000.**

Eligible project costs are over \$100,000, which more than meets the threshold for this \$25,000 loan. Those costs include approximately \$103,000 in start-up expenses related to purchasing and installing equipment and over \$140,000 in costs associated with installing mechanicals and finishing the interior (some of which will be borne by the owner).

Evaluation Criteria

- **Strength of the business plan or business proposal**

There is a “well crafted plan based upon conservative projections” (which is in this packet) and a history of starting and operating restaurants and catering services that strongly suggests the applicant can “meet the stated minimum projections.”

- **Projected impact on the economic vitality of the downtown**

With the waiver of the geographic restriction, it makes sense that this criteria focus on the projected impact on the vitality of the site and the surrounding area. When designing this PUD, Matt Press worked with the neighborhood residents about uses they desired for the project, which included both restaurants and cafés. This use will now join a salon and spa, interior decorating business, insurance office and an arts and antique shop, and will be within two blocks of Bryan Park, which should complement both the park and this retail center.

The memo notes that “In addition to the three current employees (the two owners and baker), two to four new full-time employees will be hired to open

the café and an additional eight to ten part-time employees will be needed depending on the bookings obtained.”

- **Use of funds to leverage other funds**

The \$25,000 loan is part of a \$265,000 project. Investment in the existing operations, another loan for \$140,000, and sharing some of the cost of installing mechanicals and finishing the interior with the developer complete the financing of this project.

- **Nature and extent of security/guarantees**

Since the Feast Bakery Café does not own the property (see below), the City will use equipment, furniture and fixtures at this location to secure the loan.

- **Credit history**

The Feast has a “solid credit history.”

- **Increases or decreases in the tax base**

The improvements to the real estate along with the payroll for three full-time and eight to ten part-time employees will increase the tax base.

- **Other city or state incentives (e.g. tax abatements)**

The site is located outside of the Bloomington Urban Enterprise Association boundaries, which is the nearest suitable economic incentive district. No tax abatements are associated with this development.

- **Nature and extent of equity participation**

The ownership of the business is investing \$140,000 in the project.

- **Approval of owner of property**

Matt Press is the owner of the property and has signed agreements in this regard.

- **Compatibility with historic character of the downtown**

This project was built in 2007 and the changes do not remove or demolish the façade.

- **Interest Rate**

Aside for business disruption bridge loans, the interest rate shall be the highest interest rate available for other City fund investments at the time

*of application and shall be offered at that rate for a period of 90 days.
The fixed rate of 1.25% satisfies that criteria.*

Waivers – Geographic Restrictions of the Loan Program

As noted above, the resolution waives the geographical restrictions of this loan program which is one of five loan programs and one grant program available under this fund. This program originally applied to businesses within the Downtown Development Opportunity Overlay (DDOO). However, that overlay was replaced by a series of overlays with the adoption of the Unified Development Ordinance in 2007. Staff is working to amend the guidelines to broaden the geographic scope of this program and recommends this waiver because the project is likely to enhance the economic and social qualities of the area.

Item Two – Res 10-04 – Approving Conveyance of the Waldron Arts Center

Res 10-04 gives the Council’s consent to convey the John Waldron Arts Center (JWAC) in accordance with I.C. 36-1-11-3. This statutory provision requires the sale of non-exempted real property with a value of \$50,000 or more to be approved by the Council (appraisals forthcoming). The following summary is drawn from the Memo to the Council from Kevin Robling, Corporation Counsel, and other background material available in the Council Office.

History of Property

As you all know, the City owned the property now known as the John Waldron Arts Center (JWAC) from the early part of the 20th century and used it as our City Hall and the main fire station for many decades. After these uses found new homes and the building sat empty for a few years, the City began exploring whether the property might become a community arts center. With the help of many interested and generous citizens, and through a series of actions by the Common Council and Mayor in the early 1990s, the property was transferred to the Bloomington Area Arts Council (BAAC) in order that it be used as a community arts center and also as home to what is now known as WFHB.

In the last few months, BAAC acknowledged that it was having difficulty continuing to operate the JWAC and the City stepped in when the Mayor convened a study group composed of stake holders to see what could be done with the facility. As a result of the work of that group and extended negotiations with the BAAC, the City acquired the property by quitclaim deed and agreement on March 31st. The

agreement, in part, calls for the BAAC to use the \$150,000 paid by the City for equipment to settle its obligations to third parties.

Proposed Conveyance and Timing

The City took this step with the intent of finding a new owner who would continue to use the JWAC as a community arts center and agree to all deed restrictions necessary to assure its use for that purpose. It has found a prospective purchaser and is close to an agreement that suits the interests of both parties. The timing, in particular, serves the City by limiting the costs we pay to operate the facility (about \$2,750/week) and serves the prospective purchaser by giving it time to ready the facility for its intended uses. However, this has meant that the culminating agreement and quitclaim deed won't be ready until next week.

Key Terms

According to a conversation with Margie Rice, City Attorney, and the Memo to the Council, the agreement will:

- Ensure that the JWAC will continue to be operated as a community arts center with space dedicated for education and performing and visual arts and include a right of reversion in the event the terms are not met;
- Protect WFHB “in a way it has not been before, by way of a formal deed restriction;” and
- Include payment of the \$150,000 for the equipment.

The memo also says it “expects that the operations of the JWAC to continue much as they have in the past.”

Happy Birthday Susan Sandberg – April 10th

NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL COMMITTEE OF THE WHOLE
7:30 P.M., WEDNESDAY, APRIL 14, 2010
COUNCIL CHAMBERS
SHOWERS CENTER, 401 N. MORTON ST.

Chair: Brad Wisler

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

Asked to attend: Adam Wason, Assistant Director of Economic Development for Small Business and Sustainable Development
Danise Alano, Director, Department of Economic and Sustainable Development

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

Asked to attend: Margie Rice, City Attorney
Kevin Robling, Corporation Counsel



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

To: Council Members
From: Council Office
Re: Calendar for the Week of April 12-17, 2010

Happy Birthday Councilmember Susan Sandberg, April 10th!

Monday, April 12, 2010

6:00 pm Community Orchard Project – Winslow Woods Park, McCloskey

Tuesday, April 13, 2010

5:00 pm Utilities Service Board, Board Room, 600 E Miller Dr
5:30 pm Bloomington Public Transportation Corporation, Public Transportation Center, 130 W Grimes Lane
5:30 pm Board of Public Works, Council Chambers
5:30 pm 2010 Neighborhood Improvement Grant – Neighborhood Presentations, Hooker Room
6:00 pm City of Bloomington Commission on Sustainability, McCloskey
6:30 pm Sister Cities International, Dunlap

Wednesday, April 14, 2010

12:00 pm Bloomington Multicultural Expo Meeting, Hooker Room
4:00 pm Board of Housing Quality Appeals, McCloskey
4:15 pm Commission on the Status of Black Males, Hooker Room
4:30 pm Environmental Resources Advisory Council, Lower Cascades, 2851 N Old St Rd 37 – Waterfall Shelter
7:30 pm Common Council Committee of the Whole, Council Chambers

Thursday, April 15, 2010

8:00 am Bloomington Housing Authority, Housing Authority, 1007 N. Summit, Community Room
3:30 pm Bloomington Historic Preservation Commission, McCloskey
3:30 pm Bloomington Municipal Facilities Corporation, Dunlap

Friday, April 16, 2010

12:00 pm Domestic Violence Taskforce, McCloskey

Saturday, April 17, 2010

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

Posted and Distributed: Friday, April 9, 2010



City of Bloomington
Office of the Common Council

MEETING NOTICE

Common Council Rules Committee

The meeting for Tuesday, 13 April 2010

HAS BEEN MOVED TO

Tuesday, 20 April 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 9, 2010

RESOLUTION 10-05

**TO APPROVE APPLICATION AND AUTHORIZE LOAN FROM THE
BUSINESS INVESTMENT INCENTIVE FUND
(Feast Bakery Café, Petitioner)**

WHEREAS, the City of Bloomington Common Council has established the Business Investment Incentive Loan Fund (the "Fund") by Ordinance 86-04 and has approved guidelines and procedures for use of the Fund with the adoption of Resolution 86-06 and Resolution 99-17; and,

WHEREAS, procedures for the Fund require that an application be made to the Economic Development Commission of the City of Bloomington, and following approval by the Economic Development Commission, the application shall be forwarded to the Bloomington Common Council for approval by resolution; and,

WHEREAS, Feast Bakery Café filed an application for a loan through the Fund which has been approved by the Economic Development Commission of the City of Bloomington, EDC Resolution 10-01; and

WHEREAS, Feast Bakery Café intends to move its catering and farmers' market vendor operations to 581 West Hillside Drive and open a café at that location as well; and

WHEREAS, according to the application and materials, Feast Bakery Café intends to use the loan to purchase and install equipment and furniture at this location;

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

SECTION 1. A Business Investment Incentive Loan is awarded in the amount of twenty-five thousand dollars (\$25,000.00) to Feast Bakery Café for a maximum term of five years subject to an interest rate of 1.25% with conditions which will be detailed in an Agreement between the City and Feast Bakery Café. The Controller of the City of Bloomington is hereby authorized to release funds in the amount specified and subject to the specific terms and conditions approved by the Economic Development Commission in EDC Resolution 10-01, together with all terms and conditions contained in Resolution 86-06 and Resolution 99-17.

SECTION 2. The geographic restriction in following provision of the Guidelines for the Business Investment Incentive Fund is waived in connection with the loan to the Feast Bakery Café:

Section II (B)(2) Any qualified for-profit or not-for-profit business owner and/or commercial property owner located within the City of Bloomington's *Downtown Development Opportunity Overlay (DDOO) District* demonstrating a commitment to the economic vitality of Bloomington's *downtown* is eligible to submit a loan application for permissible projects as identified by the application.

SECTION 3. This resolution shall be in full force and effect from the 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 resolution approves and authorizes a loan from the City of Bloomington's Business Investment Incentive Fund (BIIF) to Feast Bakery Café for the purpose of purchasing and installing equipment and furniture at 581 West Hillside Drive. This resolution also waives the requirement that the loan be made to property within the former Downtown Development Opportunity Overlay (DDOO) District. The loan is in the amount of twenty-five thousand dollars (\$25,000) and subject to an interest rate of 1.25%. It is subject to all specific terms and conditions contained in the City of Bloomington's Economic Development Commission resolution approving the loan, as well as, the guidelines and procedures contained in Common Council Resolution 99-17.



CITY OF BLOOMINGTON
economic & sustainable development

MEMORANDUM

To: Members of the City of Bloomington Common Council
CC: Margie Rice, Inge Van der Cruysse, Mike Trexler, Dan Sherman, Regina Moore
From: Danise Alano, Adam Wason
Date: April 1, 2010
Re: Business Investment Incentive Loan Fund: Feast Bakery Café Application

The Business Investment Incentive Loan Fund (“Fund”) has a balance of \$645,626.72 and an investment rate of 1.25% as of March 18, 2010. The Fund’s interest rate is determined through a bid with all local banks and historically has generally exceeded a comparable US Treasury Security by approximately 75 basis points. A five-year loan BIIF loan, as of March 18, 2010, would have a fixed interest rate of 1.25%.

Feast Bakery Café is a for-profit limited liability partnership, seeking a \$25,000 loan towards the opening of a location at 581 East Hillside Dr. unit C104. Run by Jennifer Burt and Erika Yochum, Feast is a well-known and established catering business, a vendor at various farm markets throughout central Indiana, and will become the final tenet at the Matt Press development at Hillside and Henderson. Supporting application documents are attached. Company and personal financial information are available for viewing upon request in the Economic & Sustainable Development Department.

The sections outlined below correspond directly with the approved guidelines regulating the disbursement of funds through the Business Investment Incentive Loan Fund.

Resolution 10-05 Awarding Feast Bakery Café with a \$25,000 Loan from the Business Investment Incentive Fund

STAFF REQUESTS THAT A WAIVER OF THE GEOGRAPHIC REQUIREMENTS BE GRANTED

II.B.2. Businesses within the Downtown Development Opportunity Overlay district:
Any qualified for-profit or not-for-profit business owner and/or commercial property owner located within the City of Bloomington’s Downtown Development Opportunity Overlay (DDOO) district demonstrating a commitment to the economic vitality of Bloomington’s downtown is eligible to submit a loan application for permissible projects as identified by the guidelines.

Due to changes in the City of Bloomington planning and zoning ordinance, the DDOO is now obsolete. The Unified Development Ordinance (UDO) effective December 7, 2009 replaced the DDOO with three new overlays: the Downtown Core Overlay, the Downtown Edges Overlay and the Downtown Gateway Overlay. The location will be within three blocks of the new Downtown Gateway Overlay and this development specifically mentioned the desire to attract a bakery, café, coffeehouse or restaurant, which this business fulfills.

Staff is currently in the process of revising guidelines to the BIIF loan fund that will no longer have geographic restrictions for loan applications within City limits. Staff respectfully requests that a waiver be granted regarding the geographic restrictions of this loan program.

Feast Bakery Café is seeking a \$25,000 loan toward the opening of a location at 581 East Hillside Dr., Unit C104. Feast Bakery Café is a for-profit limited liability partnership, an established catering business, and vendor at various farmer's markets throughout central Indiana, including Bloomington's Farmer's Market. The business looks to become the final commercial tenant at the South Dunn Project development at Hillside and Henderson. As a small café looking to serve a much desired neighborhood need, Feast will provide gourmet foods including bakery, soups, confections, varying entrees and full service coffee/espresso bar.

II.B.2.a. Permissible Use of Funds: *Loan proceeds shall be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of buildings; purchase of equipment; facade improvements; or infrastructure improvements.*

The Feast Bakery Café project involves the purchase and installation of restaurant equipment, display cases, various furniture items including tables, chairs and interior infrastructure. Feast Bakery Café has provided a detailed list of project costs including total construction and equipment costs of \$265,430.00.

II.B.2.b. Evaluation Criteria: *The Guidelines require the consideration of certain factors when evaluating any eligible loan application under this section. These factors shall include but are not limited to the following:*
(the criteria are in italics, with Staff's assessment of applicability following in regular typeface.)

1) Strength of business plan or business proposal. The Feast Bakery Café business plan is a well crafted plan based on conservative projections. Given the quality of the plan and the proprietor's success in operating successful and profitable restaurants, markets and catering businesses in Bloomington, Nashville, Indiana, and Plymouth, Michigan, staff anticipates the company will meet the stated minimum business projections.

2) Overall projected impact on the economic vitality of the downtown. The Café will be an enterprise located within walking distance of Bryan Park. It will fulfill the mixed-use purpose of the neighborhood development at Hillside and Henderson. While planning the development, developer Matt Press worked closely with neighborhood residents who stated restaurant use as high priority among uses they desired to see in the buildings. (Other desired uses were a coffee shop and a dry-cleaning pick-up site. Currently other tenants in the development include a salon and day spa, an interior decorating business, an arts and antiques shop and an insurance office.)

In addition to the three current employees (the two owners and baker), two to four new full-time employees will be hired to open the Café and an additional eight to 10 part-time employees will be needed depending upon bookings obtained.

3) Use of funds to leverage other sources of capital including venture, conventional, and grant funds. Feast Bakery Café has been able to leverage investments of the current business operation as well as a shared cost build out with the developer of the property. Of the total \$265,430.00 project cost, the requested amount will allow for additional investment in the business not otherwise available through any of its other sources.

4) Nature and extent of security/guarantees. Feast Bakery Café does not own the property of this project, therefore other assets have been identified to secure the loan such as the inventory and equipment associated with the project.

5) Credit history. The financial statements and history provided indicate a solid credit history of the principals.

6) Expected tax base increases or decreases as a result of the project. The business will have three full-time employees and eight to ten part-time employees and will contribute significant property improvements.

7) Any proposed tax abatements or other city/state sponsored incentives expected to be received for the proposed project. 581 East Hillside Dr. is not located within any of the City's specifically targeted economic development incentive areas. The boundary of the Bloomington Urban Enterprise Zone is located directly across the street, making those attractive Zone incentives unavailable to this business.

8) Nature and extent of equity participation by principal owner(s). Approximate investment of the ownership group is \$140,000.00.

9) If applicant is not owner of property/building then approval of said owner is required. The building owner approves of this application and has signed agreements of understanding to this extent.

10) Compatibility of façade projects and new construction in the Downtown Development Opportunity Overlay (DDOO) district with the historic character of downtown Bloomington. (Projects involving the demolition or removal of structures listed on the Local Historic register, or eligible for listing on the National Historic Register or that are contributing structures listed within a nationally or locally designated historic district will not be considered.)

There will be no demolition or removal of façade structures. This is new construction built in 2007.

II.B.2.c. Loan amount: *If the business is making an application under this section as a DDOO eligible business, the maximum loan amount is 50% of total project costs at or under \$100,000 and 20% of any remaining project costs over \$100,000 with total loan not to exceed \$100,000.*

The total project cost for the business to move to its location is over \$100,000 which would qualify the business for at least a \$50,000 loan amount under the Guidelines. However, Feast seeks a loan amount of only \$25,000.

III.A. Term: *The maximum term is five years, unless the loan is a business disruption bridge loan made under Section II. B. 5.*

While previous applicants have sought a waiver of this term, the five-year term is suitable to this applicant.

III.B. Rate: *Except for business disruption bridge loans made under Section II. B. 5, the interest rate will be the highest interest rate available for other city fund investments at time of application. The interest rate assigned is good for a period of ninety days from the date of application.*

The interest rate under these Guidelines would then be a fixed 1.25%.

Recommendation:

Staff finds that Feast Bakery Café is eligible and its loan proceeds uses are appropriate and that the business will contribute to the economic vitality of a core downtown neighborhood as well as the city at large. The City of Bloomington Economic Development Commission passed resolution 10-01 on March 26, 2010. Staff seeks the support of the Common Council to approve the resolution 10-05 for the final approval of the Business Investment Incentive Loan Fund in the amount of twenty-five thousand dollars (\$25,000) for Feast Bakery and Café while also granting a waiver from the geographic restrictions of the former Downtown Development Overlay.

**Supporting Documentation for City Council Resolution 10-05:
Approving a Business Investment Incentive Fund Loan for
Feast Bakery Café**

For City of Bloomington Common Council
Consideration April 14, 2010

*Note: The following documents contain sensitive financial information
and may be exempt from the public records disclosure as described in
Indiana Code IC 5-14-3-4*

CONTENTS:

- 1. Economic Development Commission Resolution 10-01**
- 2. BIIF Application**
- 3. Business Proforma**
- 4. List of Start-up Expenses**
- 5. Cost Estimate for Capital Improvements**
- 6. Business Plan and Business Hours of Operation**

**RESOLUTION 10-01
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA**

- WHEREAS, the City of Bloomington Common Council has established the Business Investment Incentive Loan Fund (the "Fund") and has approved guidelines and procedures for use of the Fund; and
- WHEREAS, procedures for the Fund require that an application be made to the Economic Development Commission of the City of Bloomington, and following approval by the Economic Development Commission, the application shall be forwarded to the Bloomington Common Council for approval by resolution; and
- WHEREAS, Feast Bakery Café has filed an application for a loan through the Fund which has been submitted to the Economic Development Council of the City of Bloomington for its approval;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE ECONOMIC DEVELOPMENT COMMISSION THAT:

The Commission does hereby approve the Business Investment Incentive Loan Fund Application in the amount of \$25,000 to Feast Bakery Café for a maximum term of five years subject to an interest rate of 1.25% with collateral;

FURTHER, said approval is a commitment pending the required approval of the City of Bloomington Common Council and the execution of a promissory note, loan agreement, security agreement, and other documents necessary to secure the loan, together with all terms and conditions contained in Common Council Resolution 86-06 creating the Fund and subsequent amendments to the Fund.

CITY OF BLOOMINGTON ECONOMIC DEVELOPMENT COMMISSION



Dick McGarvey, President

Approved this 26 day of March, 2010.



**CITY OF BLOOMINGTON
BUSINESS INVESTMENT INCENTIVE FUND
APPLICATION – Part 1**

Rev. 04/05

Please attach additional sheets if necessary.

APPLICANT AND LOAN/GRANT INFORMATION

Applicant name(s) Jennifer Burt & Erika Yochum

Applicant Phone: 812-320-3372 Applicant Email: Burtstudios@msn.com

Applicant Address: 473 Pine Ridge Rd
Nashville, TN 37448

Total amount requested 25,000 Date Jan 28, 2010

Purpose of loan/grant to buy equipment to open Bakery Cafe and to buy building materials + pay builders to install counters, walls etc.

Total project cost _____

For loan applicants only: List types and fair market value of the collateral or other repayment sources (accounts receivable, guarantees, etc.): _____

Loan/Grant Eligibility – please check one. (Please refer to Business Investment Incentive Loan Fund Program Description for other terms of permissible use of funds and eligibility.)

<input type="checkbox"/>	Business retention, expansion attraction	Loan requires total project cost minimum of \$250,000. Maximum loan amount is \$100,000 or 20% of total project cost, whichever is less.
<input checked="" type="checkbox"/>	Businesses in the Downtown Development Opportunity Overlay	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 maximum is not to exceed \$100,000.
<input type="checkbox"/>	Businesses in the Downtown Development Opportunity Overlay	Non-profit grant provides matching grant funds. Non-profit organization must have retail or commercial activity as its primary purpose. Maximum matching grant is 50% of total qualified project costs. Total grant is not to exceed \$25,000. One grant disbursement allowed every five years per eligible non-profit organization. Grant funds are in lieu of loan funds.
<input type="checkbox"/>	Business-supported child care facility	Loan requires total project cost minimum of \$250,000. Maximum loan amount is \$100,000 or 20% of total project cost, whichever is less.
<input type="checkbox"/>	Public-purpose induced business relocation	Loan requires total project cost minimum of \$250,000. Maximum loan amount is \$100,000 or 20% of total project cost, whichever is less. Maximum loan amount may be waived if dictated by public policy.
<input type="checkbox"/>	Business disruption bridge loan	Loan maximum amount of \$150,000 per public works project, \$35,000 limit for each qualified applicant.



**CITY OF BLOOMINGTON
BUSINESS INVESTMENT INCENTIVE FUND
APPLICATION**

CERTIFICATION

The loan applicant herein certified that:

- To the best of the applicant's knowledge and belief, the data presented in this loan application is true and correct, and is provided for the purpose of obtaining or maintaining credit.
- The purpose described in this application has been duly, and legally authorized by the applicant.
- Upon approval of the funds requested, the applicant is willing and is duly and legally authorized to enter into a legally binding loan commitment and will comply with all of the provisions and conditions of any loan agreement.
- The applicant hereby authorizes the Loan Review Committee, its authorized agent and representatives, to investigate the applicant's credit worthiness, credit capacity, or business affairs.
- The applicant hereby authorizes any person, business, and/or financial institution having information pertaining to the applicant's credit worthiness credit capacity, or business affairs to release the same to the Loan Review Committee, its authorized agents or representatives.
- The applicant agrees to hold harmless the City of Bloomington, its officers, agents, and the City of Bloomington Loan Review Committee members and their respective organizations from liability as a result of actions and outcomes taken during or after the loan review process.
- I further certify that the individual(s) applying for the Business Investment Incentive Loan Fund are not in arrears on any payments, fees, charges, fines or penalties owed to the City of Bloomington, Indiana, including, but not limited to, City of Bloomington Utilities, Bloomington Transit, and any other City of Bloomington departments, boards or commissions.

Feast
Company Name

Erika Yochum
By (Applicant's signature)

Erika Yochum
Printed Name

owner
Title

Jan 28, 2010
Date

Feast
Company Name

Jennifer Burt
By (Co-applicant's signature)

Jennifer Burt
Printed Name

owner
Title

Jan 28, 2010
Date

Please return this completed application along with \$100.00 processing fee (if applicable) and appropriate attachments to:

Office of the Mayor, Economic Development
City of Bloomington
PO Box 100
Bloomington, IN 47402

CREDIT REPORT AUTHORIZATION AND RELEASE

Authorization is hereby granted to the City of Bloomington to obtain a standard factual data credit report through a credit reporting agency chosen by the City of Bloomington.

My signature below authorizes the release to the credit-reporting agency a copy of my credit application and authorizes the credit-reporting agency to obtain information regarding my employment, savings accounts, and outstanding credit accounts (mortgage, auto loans, personal loans, charge cards, credit unions, etc.) Authorization is further granted to the reporting agency to use a photo static reproduction of this authorization if necessary to obtain any information regarding the above-mentioned information.

Any reproduction of this credit report authorized and release made by reliable means (for example, photocopy or facsimile) is considered an original.

1. [Signature] Jan 28, 10
Borrower's signature Date

SSN [Redacted]

2. [Signature] Feb 3, 10
Borrower's signature Date

SSN [Redacted]

AFFIDAVIT OF CHILD SUPPORT PAYMENTS

Comes now, _____, after being first sworn upon his/her oath now deposes and says as follows:

1. I am eighteen (18) years of age, I make the following representations on my personal knowledge and I am competent to give the testimony herein.
2. I am not currently delinquent in child support payments.

I swear or affirm under the penalties for perjury that the above and foregoing statements are true to the best of my knowledge.

1. [Signature] Jan 28, 10
Borrower's signature Date

2. [Signature] Feb 3, 10
Borrower's signature Date

	A	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD
1	Proforma - Feast		115%	115%	115%	115%					115%	115%	115%	115%		
2			Year 2	Year 2	Year 2	Year 2	Year 2				Year 3	Year 3	Year 3	Year 3	Year 3	
3			1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	%			1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	%
4	Income:															
5	Café Sales		29,900	33,580	34,040	33,580	131,100	56%			34,385	38,617	39,146	38,617	150,765	58%
6	Markets		18,323	18,322	18,323	18,322	73,290	31%			19,239	19,239	19,239	19,239	76,956	30%
7	Catering		10,350	5,750	9,775	2,588	28,463	12%			11,903	6,613	11,241	2,976	32,732	13%
8																
9	Total Income		58,573	57,652	62,138	54,490	232,853	100%			65,527	64,469	69,626	60,832	260,453	100%
10																
11	Cost of Goods:															
12																
13	Ingredients		14,643	14413	15534.5	13622.38	58,213									
14																
15	Total Cost of Goods		14,643	14,413	15,535	13,622	58,213	25%			13,761	13,538	14,622	12,775	54,695	21%
16																
17	Expenses:															
18																
19	Lease		3,600	3,600	3,600	3,600	14,400				3,600	3,600	3,600	3,600	14,400	
20	Property Tax		406	406	406	406	1,624				415	415	415	415	1,660	
21	Utilities		1,890	1,890	1,890	1,890	7,560				1985	1985	1985	1985	7,940	
22	Business Ins.		306	306	306	306	1,224				313	313	313	313	1,252	
23	Payroll Expenses		14643.25	14413	15534.5	13622.38	58,213	25%			16381.625	16117.13	17406.56	15207.91	65,113	25%
24	Erika salary		9,240	9,240	9,240	9,240	36,960				10164	10164	10164	10164	40,656	
25	Jennifer salary		2,640	2,640	2,640	2,640	10,560				2904	2904	2904	2904	11,616	
26	Supplies		2,632.00	2,632	2,632	2,632	10,527				2764	2764	2764	2764	11,056	
27	Market Fees & Dues		1,090	1,090	1,090	1,090	4,360				1112	1112	1112	1112	4,448	
28	Advertising		192	192	192	192	768				196	196	196	196	784	
29	Maintenance		200	200	200	200	800				400	400	400	400	1,600	
30	Interest Expenses		125	125	125	125	500				125	125	125	125	500	
31	Web Fees		16	16	16	16	64				17	17	17	17	68	
32	Bank Fees		398	432	433	358	1,621				458	448	498	411	1,815	
33	Entertainment		402	402	402	402	1,608				410	410	410	410	1,640	
34																
35	Total Expenses		37,780	37,584	38,706	36,719	150,789				41,245	40,970	42,310	40,024	164,548	
36																
37	Net Income/(Loss)		6,150	5,655	7,897	4,148	23,850				10,521	9,960	12,695	8,033	41,210	
38	formulas		formulas								formulas					
39	ingredients costs equals 2:		café sales & Catering projected 15% growth								café sales & Catering projected 15% growth					
40	payroll Expenses 20% of sa		market @5% growth								market @5% growth					
41	bank fees(VISA) equals 33%		property tax @ 2% increase								property tax @ 2% increase					
42			Utilities 5%								Utilities 5%					
43			Business INS 2%								Business INS 2%					
44			Erikas salary 10%								Erikas salary 10%					
45			Jennifer 10%								Jennifer 10%					
46			market dues 2%								market dues 2%					
47			supplies 2%								supplies 5%					
48			Fees & Dues 2%								Fees & Dues 2%					
49			Advertising 2%								Advertising 2%					
50			matiance 100%								matiance 100%					
51			web 2%								web 2%					
52			bank 0%								bank 0%					
53			entertainment 2%								entertainment 2%					

FEAST START UP EXPENSES

item	cost	
2 kitchen employee hand sink	700	\$1,400.00
8/10 burner		\$6,000.00
ice maker		\$3,000.00
small frig		\$2,000.00
menu/price boards		\$500.00
countertops		\$6,000.00
tables/chairs		\$6,000.00
lighting		\$4,000.00
sign graphics		\$3,000.00
uniforms		\$1,000.00
toaster oven/warmer		\$500.00
dishes/silverware		\$4,000.00
start-up supplies		\$3,000.00
cater. books/brochures		\$2,000.00
sound system		\$1,000.00
outdoor tables & chairs		\$7,000.00
2 espresso maker	\$10,000.00	
Bean Grinder		\$400.00
Bunn coffee maker		\$600.00
dishwasher		\$6,000.00
refrigerated case		\$7,000.00
bakery case		\$3,000.00
counter ref case		\$3,000.00
3 way sink		\$3,000.00
shelving stainless & hooks		\$3,000.00
10 prep tables	400	\$4,000.00
employee table & chairs		\$600.00
cabinetry		\$4,000.00
panini press		\$1,000.00
paint		\$1,000.00
moldings		\$1,500.00
washer/dryer		\$2,000.00
6 bus tubs	25	\$150.00
cleaning equipment		\$400.00
cooking utensels		\$400.00
pots & pans		\$2,000.00
knives		\$500.00
4 metro racks	220	\$880.00
convection oven		\$6,000.00
hobart mixer		\$5,000.00
6 dry good bins	200	\$1,200.00
2 upright refig		\$5,000.00
1 upright freezer		\$3,000.00
anti fatigue work mats		\$2,000.00
interior decorating		\$5,000.00
catering van		\$20,000.00

FEAST START UP EXPENSES

items	cost
register	\$800.00
visa equipment	\$600.00
paper products	\$2,000.00
labels	\$500.00
lighted open sign	\$500.00
barista tools	\$2,000.00
storage racks	\$4,000.00
total	\$162,430.00
developer costs	
build out	\$50,000.00
arcitech	\$10,000.00
2 stainless signage	\$4,000.00
fire supression system	\$20,000.00
bathroom fixtures	\$4,000.00
window film	\$3,000.00
walk in refig & freezer	\$12,000.00
total	\$103,000.00

Will-Harris Builders, Inc.

5641 West State Road 46 Bloomington, IN 47404

Phone (812) 876-7550 Fax (812) 876-9822

www.will-harrisbuilders.com office@will-harrisbuilders.com

February 15, 2010

Estimate for renovations to 581 East Hillside Dr., Bloomington, IN - Unit 104C

The breakdown below is for purposes of establishing an estimated cost based on information provided by Kirkwood Design Studio. Work to include all materials and labor and as detailed below:

Description	Quantity	\$	Materials	Labor	Subcontr.
<p style="text-align: center;">Estimate for: Feast - The Art of Catering 581 East Hillside Dr. - Unit 104C</p>					
Main Level:	1,050	sf			
Basement:	1,050	sf			
Total under roof:	2,100	sf			
Price per SF for Renovations:	\$47.42	sf			
<p style="text-align: center;">Division 1 General Requirements</p>					
Local County Building Permits	2,100	sf	Monroe County		\$665.99
Water Hook-On Fees					N/A
Sewer Hook-On Fees					N/A
<p style="text-align: center;">Temporary & Permanent Utilities During Construction</p>					
Water Service - Use Owners Existing Utilities					By Owner
Electrical Service - Use Owners Existing Utilities					By Owner
Temporary Heat - Use Owners Existing Utilities					By Owner
Porta Jon - Use Our Facilities @ Lot A					N/A
Dumpster & Disposal	1	ea	400.00	Allowance	\$400.00
Final Clean-Up			\$100.00	16	
General Clean-Up				8	
Project Supervision				120	
Total General Requirements			\$100.00	144	\$1,065.99
<p style="text-align: center;">Division 2 Site Work</p>					
<p style="text-align: center;">Demolition</p>					
Remove Existing Misc. Materials located in unit prior to starting work - Deliver to Matt Press Storage				8	
Remove Drywall Ceiling as required for installation of Mechanicals					
Total Site Work			\$0.00	8	\$0.00

Description	Quantity		\$	Materials	Labor	Subcontr.
Division 6 Carpentry						
Rough Carpentry						
Basement Interior Wall Framing					24	
Concrete Wall Furring						
2x4x10' Treated Furring	53 ea		3.29	\$174.37		
LFT 2x4x9' Interior Walls @ 16" OC						
	77	If				
2x4x16' Treated Bottom Plate	6 ea		5.89	\$35.30		
2x4x16' Top Plates (2)	11 ea		4.20	\$46.15		
2x4x10' Studs (Cut as required)	85 ea		2.49	\$211.65		
Main Level Interior Wall Framing						
LFT 2x4x9' Interior Walls @ 16" OC					24	
	94	If				
2x4x16' Treated Bottom Plate	7 ea		5.89	\$41.01		
2x4x16' (1) Fire Blocking & (2) Top Plates	20 ea		4.20	\$83.99		
2x4x12' Studs (Cut as required)	104 ea		2.85	\$296.40		
Bulkhead Framing						
2x6x16' Bulkhead Framing @ Mech. Chase to conceal range hood ducting					4	
	7 ea		5.89	\$41.23		
Misc. Blocking & Framing Nailers						
2x6x16' Blocking & Nailers					2	
	2 ea		5.89	\$11.78		
Rough Carpentry Fasteners						
Rough Framing Fasteners				\$100.00		Allowance
Total Rough Carpentry				\$1,041.88	54	\$0.00
Division 6 Carpentry						
Finish Carpentry						
INTERIOR FINISH CARPENTRY						
Interior Door Trims						
1x4 Poplar Door Casing S4S					8	
	188	If	0.83	\$156.04		
Base Trims						
1x6 Poplar w/3/8" Chamfer w/Back Relieve (Main Level @ POS, Dining & Restroom Area Only - rubber base @ linoleum areas)					8	
	89	If	1.54	\$137.06		
Misc. Finish Carpentry Materials						
Misc. Trimming Materials - Glue, Shims, etc.				\$30.00		
Interior Joint Sealers				\$18.00		
Finish Carpentry Fasteners				\$25.00		
Total Finish Carpentry				\$366.10	16	\$0.00
Division 7						
Moisture Protection						
Roof Patches @ various penetrations						\$500.00
	5	ea	100.00	Allowance		
Fire Stopping						
				Allowance		\$100.00
Total Moisture Protection				\$0.00	0	\$600.00

Description	Quantity	\$	Materials	Labor	Subcontr.
Division 8					
Windows & Doors					
Aluminum Storefront					
Remove Existing Double Doors & Install storefront windows.	1 ea				By Tenant No Charge
Replace Rusted Entry Handles					
PH, 2P SC Masonite Interior Doors					
3070 Door on 4 3/4" PH Jamb	2 ea	169.99	\$339.98	2	
3068 Door on 4 3/4" PH Jamb (Basement)	3 ea	107.99	\$323.97	3	
Finish Hardware					
Lockset	5 ea	55.00	\$275.00	2	Allowance
Door Stops	5 ea	10.00	\$50.00		Allowance
Total Windows & Doors			\$988.95	7	\$0.00
Division 9					
Finishes					
Gypsum Wallboard					
New 5/8" Type X Drywall All New Framed Walls			Drywall		\$4,735.00
5/8" Drywall Ceiling Patching prior to new 1/2" Drywall Ceilings over existing 5/8" Ceilings			\$150.00	16	Allowance
Painting					
1 Prime & 2 Finish Coats			Painting		\$4,735.00
Floor Covering					
Kitchen & Bathroom - Main Level					
Stairs - Roppe Rubber Treads & Risers					\$2,503.84
Kitchen - Imperial Texture 1/8" VCT & 6" Cove Base					\$2,444.99
Entry & Bath - New Wood Look Porcelain Floor Tile					\$4,132.94
Sealed Concrete in Basement					
Basement - Roppe 4" Covebase					\$466.76
Basement - Sealed Concrete	1 ea	75.00	\$75.00	4	
Subtotal Floor Covering:		\$9,693.78			
Kitchen Alternate: Geostone Ecocycle 12 - R101 Wetlands Porcelain Floor \$6,261.61 in lieu of \$2,444.99 included above.					
Alternate Subtotal Floor Covering:		\$13,510.40			
Total Finishes			\$225.00	20	\$19,018.53

Description	Quantity	\$	Materials	Labor	Subcontr.
Division 10 Specialties					
Toilet Accessories					
Toilet paper dispenser	2 ea		\$350.00	8	Allowance
Paper towel dispenser/disposer					By Tenant
Grab bars x 42" - main level bath only	1 ea				
Grab bars x 36" - main level bath only	1 ea				
Grab bars x 18" - main level bath only	1 ea				
Mirrors 24" x 36"	2 ea				
Robe Hooks	2 ea				
Fire Extinguisher & Cabinet	2 ea	225.00	\$450.00	2	
Misc. Shelving Allowance					By Tenant
Knox Box - Required by Fire Dept.	1 ea	325.00	\$325.00	1	
Knox Box Masonry Fasteners			\$15.00		
Decorative Glass Screen Wall					By Tenant
Total Specialties			\$1,140.00	11	\$0.00
Division 11 Equipment					
Appliances					
Installation of Owner Supplies walk-in Freezer & Refrigerator			All Seasons		\$1,850.00
Owner supplies Materials - Labor to help Tenant install Kitchen Equipment					By Tenant
Total Equipment			\$0.00	0	\$1,850.00
Division 12 Furnishings					
Casework & Tops - Front POS Area					By Tenant
Casework & Tops - Dishwashing Area					By Tenant
Dining Area - Tables, Chairs & Bench Seat					By Tenant
Dining Area - Glass Bar Top					By Tenant
Total Furnishings			\$0.00	0	\$0.00

Description	Quantity	\$	Materials	Labor	Subcontr.
Division 13 Special Construction N/A					
Total Special Construction			\$0.00	0	\$0.00
Division 14 Conveying Systems N/A					
Total Conveying Systems			\$0.00	0	\$0.00
Division 15 Mechanicals Plumbing HVAC HVAC Work Gas Line Class 1 Hood Package w/Trims, Fire Suppression System, Tempered Make up Air Unit. All Installed Test & Balance by NEEB Cert. Contractor State Design Release for Class 1 Hood Subtotal HVAC:		\$11,000.00	Heckman All Seasons Optional >>> Allowance		\$10,705.00 \$9,800.00 \$1,200.00 By Tenant By Tenant By Tenant
Total Mechanicals			\$0.00	0	\$21,705.00
Division 16 Electrical Electrical Work Light Fixture Allowance Upgrade Electrical Service - Due to Additional Load Requirements Additional 200Amp Service - Thru Attic			A1 Allowance		\$20,345.00 \$3,000.00 By Tenant
Total Electrical			\$0.00	0	\$23,345.00

Description	Quantity	\$	Materials	Labor	Subcontr.
Division Subtotals			\$5,925.58	322	\$71,302.14
Sales Tax Labor Rate		7% \$35.00			
Total Materials			\$6,340.37		
Total Labor @ Rate			\$11,270.00		
Total Subcontractors			\$71,302.14		
Total Cost			\$88,912.51		
7 % Overhead Expenses			\$6,223.88		
5 % Gross Profit			\$4,445.63		
Total Estimate			\$99,582.01		

The above estimate has been submitted to establish a general scope of work and associated cost. All work to be completed on a Cost Plus 7% Overhead + 5% Gross Profit basis.

During the course of performance of work, the General Contractor shall submit an invoice to the Owner on or before the 25th of each month, which will indicate costs incurred during that month plus overhead and profit. Payments will be due from the Owner by the 5th of the following month. Any amounts past due will accrue interest at a rate of 1 1/2% per month until paid.

All work to be completed in a workmanlike manner according to standard practices and in full compliance with all applicable codes.

Bradley E. Williams

Bradley E. Williams
Will-Harris Builders, Inc.

February 15, 2010
Date

Acceptance of proposal: The above conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above. Owner agrees to pay all reasonable collection fees, attorney's fees, court costs and any other expenses involved in the collection of any past due amounts according to the terms of this agreement.

Matthew D. Press
Neighborhood Solutions. LLC

Date

Description	Quantity	\$	Materials	Labor	Subcontr.
Division 8 Windows & Doors					
Aluminum Storefront					
Remove Existing Double Doors & Install storefront windows.	1 ea		City Glass		By Tenant \$1,544.00
Replace Rusted Entry Handles					By Owner <i>Maybe 1/2 hr</i>
PH, 2P SC Masonite Interior Doors					
3070 Door on 4 3/4" PH Jamb	2 ea	169.99	By Owner	B/O	
3068 Door on 4 3/4" PH Jamb (Basement)	3 ea	107.99	By Owner	B/O	
Finish Hardware					
Lockset	5 ea	55.00	By Owner	B/O	Allowance
Door Stops	5 ea	10.00	By Owner		Allowance
Total Windows & Doors			\$0.00	0	\$1,544.00
Division 9 Finishes					
Gypsum Wallboard					
New 5/8" Type X Drywall All New Framed Walls			Drywall		By Owner
5/8" Drywall Ceiling Patching prior to new 1/2" Drywall Ceilings over existing 5/8" Ceilings			By Owner	B/O	Allowance
Painting					
1 Prime & 2 Finish Coats			Painting		By Owner
Floor Covering Kitchen & Bathroom - Main Level					
Stairs - Roppe Rubber Treads & Risers					By Owner
Kitchen - Imperial Texture 1/8" VCT & 6" Cove Base					By Owner
Entry & Bath - New Wood Look Porcelain Floor Tile 12"x24" Acero					By Owner
Basement - Roppe 4" Covebase					By Owner
Basement - Sealed Concrete	1 ea	75.00	By Owner	B/O	
Subtotal Floor Covering:	\$9,693.78				
<u>Kitchen Alternate:</u> Geostone Ecocycle 12 - R101 Wetlands Porcelain Floor \$6,261.61 in lieu of \$2,444.99 included above.					
Alternate Subtotal Floor Covering:	\$13,510.40				<i>200 over on the floor</i>
Total Finishes			\$0.00	0	\$0.00

Description	Quantity	\$	Materials	Labor	Subcontr.
Division 10 Specialties					
Toilet Accessories					
Toilet paper dispenser	2 ea		By Owner	B/O	Allowance
Paper towel dispenser/disposer					By Tenant
Grab bars x 42" - main level bath only	1 ea		By Owner		
Grab bars x 36" - main level bath only	1 ea		By Owner		
Grab bars x 18" - main level bath only	1 ea		By Owner		
Mirrors 24" x 36"	2 ea		By Owner		
Robe Hooks	2 ea		By Owner		
Fire Extinguisher & Cabinet	2 ea	225.00	By Owner	B/O	
Misc. Shelving Allowance			\$500.00	16	By Tenant
Knox Box - Required by Fire Dept.					
Knox Box Masonry Fasteners	1 ea	325.00	By Owner	B/O	
Decorative Glass Screen Wall					By Tenant
Total Specialties			\$500.00	16	\$0.00
Division 11 Equipment					
Appliances					
Installation of Owner Supplies walk-in Freezer & Refrigerator			All Seasons		By Owner
Owner supplies Materials - Labor to help Tenant install Kitchen Equipment					By Tenant
Total Equipment			\$0.00	0	\$0.00
Division 12 Furnishings					
Casework & Tops - Front POS Area					
Black Matte Finish Plastic Laminate Base Cabinets Open Face w/Adjustable Shelves (No Doors)			By Tenant		\$2,675.00
Hanstone Group 1 Quartz Tops - Pencil edge, Includes 4" Splashes, Artisan Stainless Steel undermount Sink. (Note: Concrete Tops not recommended for Commercial Kitchen application)			By Tenant		\$4,815.14
<u>Alternate Top</u> - Square Edge Laminate, Includes 4" splashes - \$1,276.59 in lieu of \$4,815.14 as noted and included above.					
Casework & Tops - Dishwashing Area					
Black Matte Finish Plastic Laminate Base Cabinets Open Face w/Adjustable Shelves (No Doors)			By Tenant		\$792.00
Square Edge Laminate, Includes 4" Back Splash			By Tenant		\$335.86
Total Furnishings			\$0.00	0	\$8,618.00

2000 Bathrooms

Provided for Comparison purposes. Based on Quote Received by GC. Tenant may provide there own Material & Labor

yes-Tenant

Description	Quantity	\$	Materials	Labor	Subcontr.
Division 13 Special Construction N/A					
Total Special Construction			\$0.00	0	\$0.00
Division 14 Conveying Systems N/A					
Total Conveying Systems			\$0.00	0	\$0.00
Division 15 Mechanicals Plumbing HVAC HVAC Work Gas Line Class 1 Hood Package w/Trims, Fire Suppression System, Tempered Make up Air Unit . All Installed Test & Balance by NEEB Cert. Contractor State Design Release for Class 1 Hood Tenant Subtotal Hood Package:					
			Heckman All Seasons By Tenant Optional >>> By Tenant		By Owner By Owner By Owner \$17,800.00 \$2,200.00 \$300.00
Total Mechanicals			\$0.00	0	\$20,300.00
Division 16 Electrical Electrical Work Light Fixture Allowance Upgrade Electrical Service - Due to Additional Load Requirements Additional 200Amp Service - Thru Attic Electrical 200Amp Service, In conduit including Meter Set & Panel Roof Penetrations - Flashing/Sealing Relocation of Downspout Fire Stopping Subtotal Thru Attic Upgrade:					
			A1 Allowance Tenant Tenant Tenant Tenant		By Owner By Owner \$6,743.00 \$350.00 \$150.00 \$100.00
Total Electrical			\$0.00	0	\$7,343.00

*Getting New Prices
OPEN*

*FEAST PORTION #3
ADDITIONAL*

Description	Quantity	\$	Materials	Labor	Subcontr.
Division Subtotals			\$500.00	16	\$37,805.00
Sales Tax Labor Rate		7% \$35.00			
Total Materials	\$535.00		
Total Labor @ Rate	\$560.00		
Total Subcontractors	\$37,805.00		
Total Tenant Budget Cost Estimate	\$38,900.00		

* Feast Portion #4
ADDITIONAL

BUSINESS PLAN FOR FEAST BAKERY CAFÉ

March 1, 2010

I

Location: 581 east Hillside Dr. unit C104, Bloomington, IN;
New construction of red brick and large expanses of windows and fully glassed doors.

Products: Gourmet foods including bakery, soups, confections, varying entrees, and full service coffee/espresso bar

Market and Competition: Customers who enjoy local, organic, seasonal, gourmet foods. Currently, Bloomingfoods, The Farm, and Finch's are catering to similar customers. There are also many other high quality food purveyors in Bloomington.

Management Expertise: The Feast team owned and operated a restaurant-Harvest Moon Delicatessen and Juice Bar-in Plymouth, Michigan from 1993 until 2000. After moving to Nashville, IN in 2000 we established Harvest Lodge Catering. The name was changed to Feast in 2009.

Business Goals: Feast wants to be a part of the vibrant Bloomington food scene. We currently participate in the weekly local farm markets but think a permanent retail space in Bloomington will increase our sales and enhance our catering efforts. We think a Bloomington presence will enable us to increase our volume 10% per year.

Financial Needs: We are asking for a Bloomington loan of \$25,000

Earnings, Projections...: See section VII below

II.

Market Analysis: Customers who enjoy local, organic, seasonal, gourmet foods. We will provide entrees and accessory foods for the increasingly busy dual income family who want hand prepared foods but don't have the necessary time to create them. Using our strong farmer's market presence in Bloomington we have learned from our customers that the preference for local, farm raised, organic,

seasonal foods is growing in progressive cities like Bloomington. Currently, Bloomingfoods, The Farm, and Finch's are catering to similar customers.

III.

Products and Services: Our new retail space will offer a full service espresso bar, seating for luncheon choices, and retail/carryout entrees and baked goods of all kinds. We will use our new kitchen to participate in all of the Bloomington open markets, the Indianapolis markets, and to continue catering weddings and other special events. We hold no patents but consider our food offerings to be unique. We do not know of any other Bloomington food purveyor who offers products like ours. For example we offer eleven different tamales served with a green salsa made from our own garden produce.

IV.

Manufacturing Process: We purchase local organic foods whenever possible; local farmers are typical suppliers. When local foods aren't available we still prefer organic products. We use standard small batch cooking and food prep techniques in keeping with all food sanitation regulations.

V.

Marketing Strategy: Our overall strategy has been and will continue to be placing the customer's needs above anything else. Our fifteen years in the food service business have taught us quality, attention to detail, and placing the customer first are the foundations for a marketing strategy. Secondly, our presence at an ever growing list of farmer's markets is a very direct marketing tool as it allows potential customers to see our team in action and to taste our foods either via samples or purchases. And of course last but not least is the very real "word of mouth" advertising that has been so helpful to us.

We are very conscious of the prices we ask our customers to pay for our offerings but we are not creating foods to establish price points. We think quality ingredients and traditional preparation methods will

attract customers who we have found are willing to pay for organic and locally grown foods. Indoor and outdoor farmer's markets, special event catering, and our new storefront retail presence are our current selling and distribution methods.

VI

Management Plan: Feast is a limited liability partnership. The partners are Erika Yochum and Jennifer Burt. The Board of Directors At this time are Stephen and Marilynn Yochum and Patricia Sellers. Erika supplies the culinary expertise and Jennifer is responsible for finances, management, and artistic design.

Resumes:

Erika has been in the food service industry for the last twenty years. At age 17 she began as a food server in Michigan in 1990. This was a personal experiment to find out if a career in food was to be her life path. In short order she found out it was. Determined to start her own restaurant she found a location in Plymouth, Michigan. Harvest Moon Delicatessen & Juice Bar opened in 1993. It remained a thriving lunch and afternoon destination until 2000 when the restaurant was sold to an employee. At that time Erika and her family left the congestion and snarl of the greater Detroit area for the more tranquil and serene environs of Brown County Indiana.

Using the proceeds of the Harvest Moon sale she started Harvest Lodge Catering. Special events comprised the majority of her business until the world of farmer's markets drew her attention. Harvest Lodge continued to grow year after year as more and more people enjoyed its products and services; her small commercial kitchen began to burst at the seams. It became clear that a new space had to be found. The business name was changed to Feast and Erika's sister, Jennifer Burt, added her artistic and business expertise to the growing business. Jennifer found our new location and began the negotiations to make it all possible.

Though this was a very busy time for Erika she was invited to manage the menu and culinary creations at the Trader's Point restaurant in Zionsville, Indiana. The Trader's Point management

learned of Erika's skills as they watched Feast become one of the biggest draws at their weekly farmer's market. After designing a new menu, training the wait staff, and perfecting the served offerings, Erika reluctantly resigned to devote one hundred percent of her attention to Feast.

Jennifer is an artist at heart but has an enviable business sense, which combines to make her a very successful jewelry and art glass artist. She and husband Michael are a mainstay at Nashville's craft and art gallery where their work is always on display. Jennifer has been a professional artist for the last twenty years. Her jewelry and stained glass pieces can be seen in showcases throughout the Midwest.

Even though Jennifer is an artist she has been a part of Harvest Moon, Harvest Lodge, and now is immersed in the new Feast endeavor. Knowing she always wanted to collaborate with Erika, she wanted added experience in food service and worked for Bloomington's Runcible Spoon as a waitress and barista. She often runs one of the weekly farmer's markets as well.

Jennifer is currently responsible for the interior decoration of all aspects of the new Feast space, sign design, advertising, the Feast website, and all artistic aspects of Feast. In addition Jennifer is managing all of Feast's finances, business planning, internal accounting, catering sales, and long range business planning.

Staffing:

Full time: Erika Yochum.....culinary creations and management
Patricia Sellers.....baker
Jennifer Burt.....business and financial management

Part Time: eight-ten employees depending on bookings and markets

Facility Plan: Kirkwood Design Studio; The required capital improvements are being provided by Matt Press of Neighborhood Solutions.

Operating Plan: In addition to our weekly markets and special event catering we plan to be open from 8:00am until 6:00pm, M-F and from 8:00 until 11:00pm on Saturday. Currently we have non-market catering events scheduled through May of this year.

FEAST HOURS & MENU

MONDAY closed

TUESDAY 8-6 lunch 11-2

WEDNESDAY 8-6 lunch 11-2

THURSDAY 8-6 lunch 11-2

FRIDAY 8-8 lunch 11-2 tamale night 5-8

SATURDAY 9-6 specials served all day

SUNDAY 9-2 brunch

ALWAYS AVAILABLE:

baked goods (cookies, cakes, pies, scones, tarts ect.)
coffee drinks (beans supplied by bloomington coffee roasters)
house made teas
smoothies
spinach pies, meat hand pies, egg and cheese breakfast tarts.
Traders Point Ice cream
water & sodas

WEEKDAY LUNCH MENU: AVAILABLE 11-2

2 hot tamales-1 veg 1 meat
1 soup
1 salad
1-2 specials

TAMALE NIGHT: FRIDAY 5-8

5 different hot tamales available with sides: guac., salsa, corn salsa, and sour cream and corn chips

SPECIAL SATURDAY

all day saturday we will have specials going, determined by season and Erika's mood. We see saturday as a busy day , with lots of opportunity for people to try Erika's amazing creations

SUNDAY 9-2

We will offer a special sunday brunch menu of 3-4 items plus our baked goods and coffee drinks.



COMMERCIAL SPACE
RE/MAX
FOR LEASE
OFFICE/RETAIL
2038 SQ. FT.
COMMERCIAL
CALL KATHY QUINN
812-323-1231

NO
TURN
ON
RED

HENDERSON

Commercial Service

0878

103

FOR LEASE
Call
301-735-...



NO
TURN
ON
RED

S HENDERSON 1500

FOR SALE
CALL
812-322-2311

581

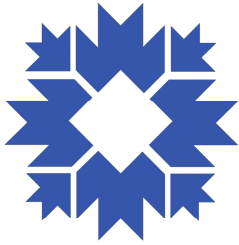
5810



VACTOR
RAMJET

104

GMC



MEMORANDUM

CITY OF BLOOMINGTON
economic & sustainable development

To: City of Bloomington Economic Development Commission
CC: Vickie Renfrow, Margie Rice, Inge VanderCruyssen, Mike Trexler, Dan Sherman
From: Danise Alano, Director
Date: March 19, 2010
Re: Staff Report

Business Incentive Investment Loan Fund (BIILF) Update

Financial Update: As of March 18, 2010 the BIILF has a balance of \$645,626.72 with \$640,000.00 invested in a Money Market Account at 1.25% interest.

Outstanding Loans:

1. Bloomington Cooperative Services dba Bloomingfoods Market & Deli
 - Loan Closed: 4/12/2007
 - Balance: \$85,915.45
 - Interest Rate: 5.42% fixed
 - Term: 15-year
 - Status: Last payment rec'd 03/01/2010 (next due 04/01/2010).

2. Cha Cha Business Disruption Loan
 - Loan Closed: 7/28/2000
 - Balance: \$19,970.12
 - Interest Rate: 2% fixed
 - Term: 3-year
 - Status: 19 of 36 payments of \$1,002.49 remain. Last payment rec'd 4/4/2002.

Cha Cha Business Disruption Loan Update

The dispute between Cha Cha and its insurer is set for a jury trial on April 26, 2010. City Legal counsel and economic development staff maintain the recommendation to wait out the outcome before determining whether collection strategies should be pursued.

CITY OF BLOOMINGTON



Business Investment Incentive Fund

OFFICE OF THE MAYOR
CITY OF BLOOMINGTON
P.O. BOX 100
BLOOMINGTON, IN 47402
812.349.3406 PHONE
812.349.3455 FAX

CONTACT: Danise Alano
EMAIL: alanod@bloomington.in.gov
Director of Economic Development

I. PROGRAM DESCRIPTION

A. Purpose: The Business Investment Incentive Fund is a revolving loan fund created by the City of Bloomington to provide low interest loans to eligible businesses committed to improving the economic vitality of our community. The City of Bloomington offers this economic development tool to promote the retention, expansion, and attraction of a diverse business base. With certain exceptions, loan proceeds can be used for capital improvement projects and the purchase of eligible equipment.

II. ELIGIBILITY

A. Geographical Limitations: Only businesses 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 Business Investment Incentive Loan 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 eligible for annexation, then the applicant (and the property owner, if different) must agree to voluntary annexation. If the applicant is ineligible for annexation at the time the loan is approved, then the property owner must sign and record a waiver of remonstrance against future annexation.

B. Eligible Business Activities and Permissible Use of Funds: As the fund is intended to support and promote a diverse economic base, the following eligible activities have been targeted as the primary beneficiaries of loan proceeds:

1. Business retention, expansion, attraction: Any qualified business under these guidelines demonstrating a commitment to job growth, quality wages and benefits, and the overall economic vitality of the community is eligible to submit a loan application for permissible projects as identified by the guidelines. Eligible businesses range from basic manufacturing to high-tech service firms.

a. Permissible uses of funds: Loan proceeds shall be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of buildings; purchase of equipment; or infrastructure improvements.

b. Evaluation criteria: Certain factors shall be considered when evaluating any eligible loan application under this section. These factors shall include, but are not limited to, the following:

- 1) Strength of business plan or business proposal.
- 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) Use of funds to leverage other sources of capital including venture, conventional, and grant funds.
- 5) Nature and extent of security/guarantees.
- 6) Credit history.

- 7) Expected tax base increases or decreases as a result of the project.
- 8) Any proposed tax abatements or other city/state sponsored incentives expected to be received for the proposed project.
- 9) Nature and extent of equity participation by principal owner(s).
- 10) Compatibility of façade projects and new construction in the Downtown Development Opportunity Overlay (DDOO) district with the historic character of downtown Bloomington. (Projects involving the demolition or removal of structures listed on the Local Historic register, or eligible for listing on the National Historic Register or that are contributing structures listed within a nationally or locally designated historic district will not be considered.)

c. **Loan amounts:** Applicants seeking loan funds under this section for qualified projects are eligible to borrow funds where the total project cost is a minimum of \$250,000. The maximum loan amount is \$100,000 or 20% of the total project cost, whichever is less.

2. **Businesses within the Downtown Development Opportunity Overlay district:** Any qualified for-profit or not-for-profit business owner and/or commercial property owner located within the City of Bloomington's *Downtown Development Opportunity Overlay (DDOO)* district demonstrating a commitment to the economic vitality of Bloomington's downtown is eligible to submit a loan application for permissible projects as identified by the guidelines.

a. **Permissible uses of funds:** Loan proceeds shall be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of buildings; purchase of equipment; facade improvements; or infrastructure improvements.

b. **Evaluation criteria:** Certain factors shall be considered when evaluating any eligible loan application under this section. These factors shall include, but are not limited to the following:

- 1) Strength of business plan or business proposal.
- 2) Overall projected impact on the economic vitality of the downtown.
- 3) Use of funds to leverage other sources of capital including venture, conventional, and grant funds.
- 4) Nature and extent of security/guarantees.
- 5) Credit history.
- 6) Expected tax base increases or decreases as a result of the project.
- 7) Any proposed tax abatements or other city/state sponsored incentives expected to be received for the proposed project.
- 8) Nature and extent of equity participation by principal owner(s).
- 9) If applicant is not owner of property/building then approval of said owner is required.
- 10) Compatibility of façade projects and new construction in the Downtown Development Opportunity Overlay (DDOO) district with the historic character of downtown Bloomington. (Projects involving the demolition or removal of structures listed on the Local Historic register, or eligible for listing on the National Historic Register or that are

contributing structures listed within a nationally or locally designated historic district will not be considered.)

c. Loan amount: If the business is making an application under this section as a DDOO eligible business, the maximum loan amount is 50% of total project costs at or under \$100,000 and 20% of any remaining project costs over \$100,000 with total loan not to exceed \$100,000.

d. Non-profit grant initiative: To encourage capital improvements to facilities owned and/or operated by eligible non-profit organizations within the DDOO district, eligible organizations may obtain matching grant funds for qualified projects. Eligible non-profit organizations are those within the DDOO district that have a retail or commercial activity as its primary purpose including, but not limited to, performance venues, galleries, and retail shops. The maximum matching grant is 50% of total qualified project costs with total grant not to exceed \$25,000. An eligible non-profit organization can only receive one grant disbursement every 5 years. Grant funds are in lieu of loan funds. An eligible non-profit cannot receive both a loan and a grant.

3. Business-supported child care facility: Any qualified business or consortium of businesses can apply for a loan to provide a child care facility for the children of employees of the business or consortium of businesses first and for the general public second. The facility must be at the business site or in near proximity.

a. Permissible uses of funds: Loan proceeds may be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of buildings; purchase of child care equipment; or infrastructure improvements.

b. Evaluation criteria: Certain factors shall be considered when evaluating any eligible loan application under this section. These factors shall include, but are not limited to the following:

- 1) Strength of business plan or business proposal.
- 2) Projected number of employees to be served by the facility.
- 3) Projected number of general public, if any, to be served by the facility.
- 4) Use of funds to leverage other sources of capital including conventional financing and grant funds.
- 5) Collaboration with or impact on existing child care facilities.
- 6) Nature and extent of security/guarantees.
- 7) Credit history.
- 8) Any proposed city/state sponsored incentives expected to be received for the proposed project.
- 9) Nature and extent of equity participation by principal owner(s).
- 10) Compatibility of façade projects and new construction in the Downtown Development Opportunity Overlay (DDOO) district with the historic character of downtown Bloomington. (Projects involving the demolition or removal of structures listed on the Local Historic register, or eligible for listing on the National Historic Register or that are contributing structures listed within a nationally or locally designated historic district will not be considered.)

- c. **Loan amount:** Applicants seeking loan funds under this section for qualified projects are eligible to borrow funds where the total project cost is a minimum of \$250,000. The maximum loan amount is \$100,000 or 20% of the total project cost, whichever is less.

4. Public purpose induced business relocation: Any qualified business that is required to relocate from its business location due to acquisition of the property by the City of Bloomington for a project serving a public purpose is eligible to submit a loan application for permissible projects as identified by the guidelines. “Relocate” as used in this subsection means that the business is required to move its primary business operations from the property.

- a. **Permissible uses of funds:** Loan proceeds may be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of buildings; purchase of eligible equipment; or infrastructure improvements.

- b. **Evaluation criteria:** Certain factors shall be considered when evaluating any eligible loan application under this section. These factors shall include, but are not limited to the following. The Common Council may waive one or more of these requirements if it finds that public policy so dictates.

- 1) Strength of business plan or business proposal.
- 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) Use of funds to leverage other sources of capital including venture, conventional, and grant funds.
- 5) Nature and extent of security/guarantees.
- 6) Credit history.
- 7) Expected tax base increases or decreases as a result of the project.
- 8) Any proposed tax abatements or other city/state sponsored incentives expected to be received for the proposed project.
- 9) Nature and extent of equity participation by principal owner(s).
- 10) Projected public benefit of relocation.
- 11) Compatibility of façade projects and new construction in the Downtown Development Opportunity Overlay (DDOO) district with the historic character of downtown Bloomington. (Projects involving the demolition or removal of structures listed on the Local Historic register, or eligible for listing on the National Historic Register or that are contributing structures listed within a nationally or locally designated historic district will not be considered.)

- c. **Loan amount:** Applicants seeking loan funds under this section for qualified projects are eligible to borrow funds where the total project cost is a minimum of \$250,000. The maximum loan amount is \$100,000 or 20% of the total project cost, whichever is less. If public policy dictates, the maximum loan amount can be waived.

- 5. Business disruption bridge loan:** 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 public works project is eligible to submit a loan application for short-term operating capital costs. 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 public works project. The Review Committee established under this section shall make the determination of the areas that are economically distressed due to City of Bloomington public works projects.
- a. Permissible uses of funds:** Applicants receiving loans under this section shall use the proceeds in order to meet minimum operational expenses, including but not limited to rent or mortgage, utilities, payroll, or other unavoidable expenses necessary to maintain the business at a minimum operational level.
 - b. Loan Review Committee:** Applications received under this section shall be reviewed by a committee composed of the Director of Economic Development, the City Controller, the President of the Common Council, the Common Council member whose district includes the affected business, and the President of the Economic Development Commission, or their designees. The loan committee shall be chaired by the Director of Economic Development.
 - c. Review process:** The committee shall meet as often as is needed, but shall not meet less often than once per calendar year. Loans approved by the loan review committee established under this chapter do not require additional approvals from the Economic Development Commission or the Common Council. The Office of the Mayor will coordinate with the City's Legal Department the preparation of all necessary loan documents and a loan closing date.
 - d. Evaluation criteria:** The loan review committee established under this section shall establish criteria for the acceptance, review and approval of loans, which shall at a minimum include, but not be limited to, the following:
 - 1) 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.
 - 2) Each business shall provide proof of sales figures for the current time period in which the business has experienced economic distress due to the public works project, along with proof of sales figures for the same time period in the prior calendar year.
 - 3) 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.
 - 4) 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 which shall provide for total repayment of the loan no later than one (1) year from the date on which the loan closing occurs.

- e. **Loan amounts and terms:** Loans approved under this section shall be made with the following limitations and terms:
- 1) Subject to the availability of funds, a maximum of \$150,000 in loans may be made under this section.
 - 2) A loan made under this section shall be limited to \$35,000 for each qualified applicant.
 - 3) No interest shall be charged or accrue on loans before the date the public works project ceases causing significant disruption to the business. This date shall be determined by the loan review committee, in conjunction with the city department performing the project. Thereafter, interest on each loan shall accrue on a monthly basis at an annual rate of two percent of the unpaid balance of the loan on the last day of each month.
 - 4) The loan review committee may submit claims for loans from the fund according to the City Controller's standard claim schedule or it may request from the City Controller's office a special warrant for expedited release of moneys from the fund if it determines that the business receiving the loan has demonstrated a reasonable need for the loan proceeds before the date a check would be released pursuant to the standard claim schedule.

III. ADDITIONAL TERMS AND CONDITIONS

- A. **Term:** The maximum term is five years, unless the loan is a business disruption bridge loan made under Section II. B. 5.
- B. **Rate:** Except for business disruption bridge loans made under Section II. B. 5, the interest rate will be the highest interest rate currently available for other city fund investments at time of application. The interest rate assigned is good for a period of ninety days from date of application.
- C. **Payments:** Except for business disruption bridge loans with a different approved payment schedule, 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
- D. **Non-relocation Clause:** Unless specifically approved by the City Council, the borrower may not relocate the funded business activity or a significant part of the business activity. Failure to comply with this section is grounds for default.

- E. Default:** The loan 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:
1. Failure of borrower to disclose any and all facts pertinent to the loan approval or any misrepresentation of information.
 2. Failure of borrower to make timely payments.
 3. Failure of borrower to use loan funds as described in the loan application.
 4. Failure of borrower to maintain mortgaged property, keep it insured and/or pay property taxes on it.
 5. Failure to obtain approval for relocation of business.
 6. 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.
 7. Failure to comply with voluntary annexation agreement or waiver of remonstrance agreement.

IV. APPLICATION PROCEDURE

- A.** The following application procedures apply to all loans except the business disruption bridge loan under Section II.B.5. The applicant will contact the Office of the Mayor for a pre-application meeting. At that meeting, the applicant will receive instruction for submitting a complete application for consideration. Except for those businesses applying under Section II. B. 5, upon completion, the applicant will submit the application, along with a \$100.00 processing fee, to the Office of the Mayor for review. If the application is determined to be complete and eligible, the Office of the Mayor will initiate the formal approval process.
- B.** If the application is submitted for formal approval, the Director of Economic Development shall schedule a meeting of the Economic Development Commission. At this public meeting the applicant will have an opportunity to present his/her proposal. The Economic Development Commission shall review the application based on the guidelines and either approve or deny.
- C.** If a loan is approved as is by the Economic Development Commission, it will be forwarded to the City Council in the form of a resolution for the Council's approval or denial.
- D.** If a loan is approved by the City Council, the borrower will sign all necessary loan documents for the loan. The borrower is responsible for securing all necessary lien documents, insurance documentation and title insurance policies as necessary. The Office of the Mayor will coordinate with the City's Legal Department the preparation of all necessary loan documents and a loan closing date.

V. SECURITY

- A.** 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.
- B.** 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 and 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.

VI. RELEASE OF FUNDS

- A.** Once City Council approval is granted the applicant must secure all supplemental loans, securities, and other conditional documentation or action 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.
- B.** All documentation must be on file with the Office of the Mayor 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. Lien documents for the total loan amount will be signed for each disbursement.
- D.** Claims for the payment of business disruption loan proceeds do not need approval of the Board of Public Works prior to disbursement.

RESOLUTION 10-04

TO APPROVE CONVEYANCE OF THE JOHN WALDRON ARTS CENTER

WHEREAS, on March 31, 2010, the City of Bloomington (“City”) acquired title to the John Waldron Arts Center (“Waldron”), from the Bloomington Area Arts Council who had held, maintained and used the Waldron as a community arts center for the benefit of the public since the early 1990s; and,

WHEREAS, the City accepted title with the intention of promptly identifying a new owner for the Waldron, who would have the financial resources to maintain and operate the facility and who would be willing and able to ensure the Waldron’s long-term use as a community arts center open and available to the public; and,

WHEREAS, IC 36-1-11-3(c) requires that the fiscal body approve the sale of real property having an appraised value of fifty thousand dollars (\$50,000) or more and, though the conveyance of the Waldron, whose value exceeds the above-stated amount, will be by quitclaim deed and agreement rather than by a true sale, the City wishes to secure the approval of the Common Council of the City of Bloomington.

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

The Common Council approves the conveyance of the Waldron, a building whose estimated value exceeds fifty thousand dollars (\$50,000), with the full understanding that the Waldron continue to be used as a community arts center for the benefit of the public.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of April, 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 expresses the Common Council's approval of the conveyance of the John Waldron Arts Center and its desire to ensure that the real property continue to be used as a community arts center.



**CITY OF BLOOMINGTON
LEGAL DEPARTMENT
MEMORANDUM**

TO: Common Council of the City of Bloomington

FROM: Kevin R. Robling, Corporation Counsel

RE: Conveyance of the John Waldron Arts Center

DATE: April 8, 2010

The City of Bloomington requests the Common Council's approval of the conveyance of the John Waldron Arts Center ("JWAC"), pursuant to IC. 36-1-11-3. Below is a history of the property transfers regarding this historic, former City Hall building, along with an outline of the City's expectations regarding the impending property transfer and the future of the JWAC.

A portion of the land on which the building now known as the JWAC stands was originally purchased by the City of Bloomington in 1910. The remainder of the land was purchased in 1917. The City constructed its City Hall on the land and used the building for decades. In 1989, after the building sat vacant for a number of years, the City formally began exploring the possibility of using the building as a community arts center. On August 3, 1990, the City transferred the building to the Bloomington Area Arts Council with the stipulation that the majority be used as a community arts center. County records show the building as being owned – in its entirety – by the Bloomington Area Arts Council ("BAAC") from that date until just recently. On July 1, 1992, the BAAC entered into a long-term lease with WFHB/Bloomington Community Radio ("WFHB"). The lease, which described the intent of an anonymous donation made in the spring of 1991, provided for WFHB to occupy 2,223 square feet of the 6,256 square-foot Unit B and set terms for the rental of the space owned by BAAC. Such arrangement was held until 2010 when the BAAC declared its inability to continue its operation of the JWAC and the maintenance of the former City Hall building. The City agreed to step in, with the intent to assume ownership on a temporary basis and until a suitable owner could be identified. After lengthy negotiations and conversations with stakeholders, the City acquired ownership of the entire former City Hall building by quitclaim deed and agreement on March 31, 2010. The City is now prepared to divest itself of ownership of the JWAC, with confidence that a suitable, potential owner for the JWAC has been identified. The fiscally-sound, potential owner is willing and able to guarantee the continued use of the JWAC for public use as a community arts center and will accept the property will all deed restrictions in place.

Once the general approval required from the Common Council to convey the property is secured, the City is prepared to convey the JWAC, and anticipates doing so by quitclaim deed and agreement. At the time of this memo, the City has nearly completed negotiation of terms of the conveyance, which will ensure that the JWAC continue to be used as community arts center. Space for education and performing and visual arts will be dedicated, and the City expects operations of the JWAC to continue much as they have in the past. The JWAC will also be used by the new owner to fulfill its educational mission and provide lifelong learning opportunities to the citizens of Bloomington and surrounding communities. WFHB will be protected in a way it had not been before, by way of a formal deed restriction. In the event that the new owner fails to comply with the terms, a right of reversion shall apply which will allow the City to take back the JWAC.

The City anticipates complete conveyance of the JWAC as early as April 21, 2010. The quick turnaround time will ensure that City budgets are impacted as minimally as possible by costs associated with the JWAC, which are estimated to be Two Thousand Seven Hundred Fifty Dollars (\$2750) per week. The City respectfully requests the Council's approval and appreciates the consideration given to this important community issue.