



Bloomington Urban Enterprise Association Board Meeting

January 15, 2025

11:30 a.m.

In-Person CityHall-1-McCloskey Conference Room

Join Zoom Meeting

<https://bloomington.zoom.us/j/84576005312?pwd=SERpaXRLenV0U0J6dXlCNTVGVMNPOT09>

Meeting ID: 845 7600 5312

Passcode: 953182

- **Roll Call**
 - Approval of minutes - December 2024
- **Financial Report**
 - October & November 2024
- **Director's Report**
 - Grant progress update
 - Organizational Update/housekeeping
 - Open seats
 - Election of officers
- **New Business**
 - RRF Memorandum discussion
- **Unfinished Business**
- **General Discussion**
- **Adjournment**

Auxiliary aids for people with disabilities are available upon request with adequate notice.

Please call 812-349-3429 or e-mail human.rights@bloomington.in.gov.



Bloomington Urban Enterprise Association Board Meeting

December 11, 2024

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- **Roll Call:**

Virginia Githiri - Board member

Andrea de la Rosa - Exec Dir. BUEA,

Kate Rosenberger - Board Member

Jane Kupersmith - Board Member

Philip Amerson - Board Member

Heather Robinson - Board member,

Mary Morgan - Board member

Michael Hover - Board member

Bill Faulkner - DuCharme, McMillan and Associates

Holly Warren, Bloomington Arts Commission - online.

- **Approval of minutes from November 2024.**

- Michael Hover -Motion.
- Virginia Githiri - Second
- Passes unanimously 7-0

- **New Business**

- **Public Hearing: Reading of Resolution 24-01 to waive the late enterprise zone investment deduction applications (Form EZ-2), Catalent, Indiana, LLC.**
 - The board discussed the amended filing for Catalyst 23 Pay 24 EZ. Errors in the initial claim required refiling, but the amended filing was submitted after the deadline. The governing body needs formal written approval to accept the amended filing. This approval is critical for two reasons: (1) to ensure the city receives significant revenue from the corrected filing and (2) to

secure the participation fee that supports ongoing city initiatives. The filing amendment has already been reviewed by the county, but the BUEA must approve the amended filing as the governing body. Notably, the original filing was submitted on time, and only the amended filing requires approval.

- Mr. Faulkner noted that the original filing was timely but included an overlap between assets on the abatement and those subject to the EZ, resulting in a duplicate claim. This issue was identified after the filing was submitted. The correction process caused the amended filing to be late. The matter was resolved with the auditor's office, the assessor, and the county attorney. The corrections ensure no over-claims and that filings are accurate for 23 Pay 24 and 24 Pay 25 cycles. Appreciation was expressed for the assistance in resolving the issue and aligning the filings.
- Mr. Amerson raised concern regarding projections that the corporate community does not anticipate future growth in Monroe County. This concern was based on sessions attended about the county's economic future, which highlighted uncertainties. Particular emphasis was placed on potential impacts on underrepresented populations in the community.
- Ms. Kupersmith countered that the discussion pertains to past investments made by Catalent, which are entitled under state statutes, rather than future investments in the community. While there has been public discussion about Monroe County and Bloomington's growth trajectory, this is unrelated to the current topic. Additionally, publicly available information about Catalent's acquisition by another company was mentioned as exciting but irrelevant to the discussion. It was acknowledged that DuCharm, McMillian, and Associates is not at liberty to discuss future investments. Ms. Kupersmith also referenced the past decade's developments to demonstrate good faith.
- Mr. Amerson expressed concern about the city's lack of significant Black-owned businesses, noting that the oldest such company is a barbershop. While Ms. Kupersmith acknowledged that this was not directly actionable, Mr. Amerson emphasized his deep concern and wanted it noted for the record.
- There were no statements by the public during the hearing.

○ **Approval of Resolution 24-01 to waive the late enterprise zone investment deduction applications (Form EZ-2), Catalent, Indiana, LLC.**

- Michael Hover -Motion.
- Mary Morgan - Second
- Passes 6-0-1
- Philip Amerson - abstains

● **January Meeting Date**

- Discussion was held regarding the January 2025 meeting date. Due to the holidays and the office closure on January 1st, it was suggested that the meeting be postponed from January 8th to January 15th. A motion was made to officially change the meeting date from January 8th to January 15th, aligning with the third Wednesday of the month.

- **Approval of changing the next meeting from 1/8/25 to 1/15/25.**
 - Jane Kupersmith -Motion.
 - Mary Morgan - Second
 - Passes unanimously 7-0
- Calendar invites for the adjusted January 15th meeting and updates to other meeting dates will be sent out. It was clarified that meetings will continue to be held at noon. One member noted they would likely join via Zoom due to a class schedule. It was also mentioned that the electronic meeting policy will be resent to ensure everyone is informed.

- **Unfinished Business**

- **2025 Budget Discussion**

- The meeting focused on discussing the budget and following up on a brief discussion from the previous meeting. Ms. Warren provided information on the arts incubator last time, but other budget areas were not addressed. It was proposed that Mrs. de la Rosa give an overview of the entire budget, allowing the group to later focus on specific areas with changes or additions. The group agreed with this approach. Highlights included:

- **Income:**

- A projected decrease in income (~\$80,000 difference between 2024 and 2025) due to:
 - EZID income reductions as companies phase out of the program.
 - Reduced RF loan interest as loans decrease.
 - Unpredictable refunded AIEZ amounts, with a conservative estimate used for the budget.
 - Projections from the EZID loan program based on loans issued by four financial institutions.

- **Expenditures:**

- **Administrative Costs:**

- Professional services and management: \$50,000 for a renewed staff agreement.
- Insurance: Projected to double to \$7,000.
- Accounting and tax services: Remain at \$1,500.
- Project administration: Increased by \$13,000 for consulting services to expand the EZID program, allowing staff to focus on recruiting smaller businesses.
- Strategic planning: \$10,000 allocated for external support to enhance the program's impact efficiently.

- Marketing and advertising: \$10,000, focusing on promoting the EZID program and other grant initiatives.

- **Grants and Education:**

- MCCSC annual contribution: \$50,000.
- Economic independence scholarship: \$15,000.
- Lemonade Day: \$67,500.
- Ivy Tech annual agreement: \$45,000.
- Economic enhancement scholarship: \$10,000.
- Dimension Mill zone day passes: \$1,000.
- Unbudgeted grants: \$10,000 for flexibility.

- The board discussed potential impacts on DEI (Diversity, Equity, and Inclusion) programming and funding due to changes in the presidential administration. Additionally, there are concerns about longer-term implications for funding and programming in light of administrative changes. It was noted that these changes would ultimately depend on board decisions and future developments.

- **Financial Report**

- Mrs. Gilliland presented the financials for September, covering both income and expenses.

- **Income:**

- Total income for September: \$8,088.79
 - Sources of income: Banking interest, loan late fees, and loan interest.
 - Additional income from CD interest: \$441.70
 - Net income for the month: \$5,735.49

- **Balance Sheet:**

- Total checking and savings balance as of September 30th: \$2,960,683.31
 - Total assets: \$3,115,129.69

- **Budget vs Actual:**

- `Income through September: 32.6% of the budget, totaling \$175,470.62.
 - Expenses: 26.3% of the budgeted amount, totaling \$134,158.93.
 - Net income through September: \$45,554.37

- Mr. Amerson expressed concerns about the institutions holding funds and whether they could be encouraged to adopt more equitable hiring and investment practices. It was noted that while some local banks support the community, four banks holding funds are not locally owned, limiting local influence. It was suggested that these institutions request reports on their investments in minority-owned businesses and consider moving funds to minority- or women-owned banks. There was also a call to explore

diversifying the organization's accounts and investing in interest-earning options. These points were recommended for further discussion as part of the ongoing strategic planning process, with additional conversations to follow after the legislative meeting in January.

- The group discussed the growing funds and the opportunity to activate more resources next year. While there's no immediate need to keep a large sum of money, ensuring it's placed effectively for the organization is essential. Mrs. Gilliland emphasized that the current spending rate is not high and that expenses should increase in the October and November reports to get closer to the budget goal. December expenses should be included in the January meeting. The January meeting is scheduled for the 15th when Q4 data will be available.

- **Approval of the September Financials**

- Michael Hover -Motion.
- Mary Morgan - Second
- Passes unanimously 7-0

- **Unfinished Business**

- **2025 Budget Discussion cont.**
 - Holly Warren presented the following information: The BAC is leasing 10,000 square feet from Secretly Group in Bloomington. This warehouse, across from the community garden, will be transformed into an artist studio, workshop, exhibition, and performance space. The project aims to provide 20-25 individual studios and shared spaces with specialized equipment for artists in ceramics, textiles, printmaking, and more. It will also offer a space for teaching classes and reintroduce resources previously available at Ivy Tech's Waldron Arts Center, such as ceramics kilns. The need for such spaces was confirmed through an artist feasibility study in 2022, as studio space is a top priority for local artists. The project will support artists with workspace and offer exhibition and performance opportunities, especially for non-traditional art forms. The goal is to retain local talent that might otherwise move to cities like Indianapolis, Cincinnati, or Chicago for similar resources.
 - The project has limited funding, enough to start operations in 2025 with a cohort of 10 artists. These artists will also participate in professional development workshops, including grant writing and networking opportunities. Future phases will involve expanding the program, opening the space to the broader community, and enhancing the facility.
 - The group seeks \$100,000 from BUEA to build an ADA-compliant entrance and fund additional space build-out, including permanent studio walls. This funding will also support programming, such as workshops and artist visits. Additionally, they are applying for funding from Ready 2.0, which requires local matching funds. This BUEA contribution would help meet those matching requirements and elevate the project's impact.
 - The discussion continued highlighting the significant wealth gap in Bloomington, which was first flagged in the 2022 Trahan Arts feasibility study. This study revealed a critical lack of affordable studio space for working artists, making it difficult for them to remain in the community. The research conducted by Dee and Matthew this year further emphasized the severity of this gap,

ranking Bloomington among the most egregious in terms of wealth disparity. This gap is contributing to artists leaving the community.

- The arts incubator is expected to enhance the area and become a tourist destination. The vision is for the incubator to be a focal point that naturally directs visitors through the entire city, highlighting key developments like the Trades District and convention center. This approach ensures that people experience the entirety of the town rather than just one part. Given the city's spread-out nature, making these connections will be crucial for creating a more cohesive and accessible urban experience.
- The partnership with Secretly Group is a key factor in the success of the arts incubator, with them offering a discounted rate on the space, which is a huge benefit. They view this as a long-term project, expecting it to last at least 20 years. The initial goal is to establish a dynamic space that attracts attention, but as plans have progressed, it's clear that the current 10,000 square feet won't fully meet the needs of all artists. To address this, there are discussions about connecting with other local resources, such as the Bloomington Creative Glass Center, and potentially expanding the network of artist spaces across the city. The vision is for this incubator to grow strategically, bringing together different types of artist resources currently in isolated spaces and creating a more collaborative environment for the creative community.
- The BAC will prioritize historically underrepresented artists in all initiatives. In the past, certain artists had better access to grants and resources, but they focused on making opportunities more accessible to artists of color. The goal is to ensure that the application process is inclusive and accessible.
- The project budget is still being finalized. It includes building out spaces such as a stage, a formal gallery, offices, and a kitchen. Additionally, funding is being sought for staff and a consultant to work with the initial cohort of artists and community stakeholders to ensure the development meets the artists' most urgent needs. The current estimate is around \$3.5 million, and a more precise number will be available by the end of the week.
- The local match for the project is a 4:1 ratio, with four public to 1 private funding. Since the project is adjacent to Switchyard Park, the city's investments in that space can be counted toward the match. Additionally, staff time and funds from the general and Ed Lit budgets for next year will also contribute.
- Mrs. de la Rosa emphasized that the project aligns with one of the city's economic development goals. Ms. Morgan suggested that for future strategic planning, it would benefit the group to articulate these city goals clearly.
- Ms. Githrir had questions about the residency status of the artist cohort, with concerns about defining the area and verifying residency. The response highlighted that the primary goal is to prioritize local artists, but the project is open to regional collaboration, especially with counties such as Owen, Brown, and Jasper, which have limited access to similar resources. Verifying residency will involve checking addresses using the city's GIS tools to confirm if they fall within the city limits or designated zone. There was also discussion about possibly allowing some non-residents, if needed, to fill spaces to ensure the project's sustainability. The aim is to balance supporting local artists and offering exposure to regional talent.
- The discussion concluded with positive feedback on the proposed arts incubator, acknowledging its potential to anchor the downtown area and contribute to Bloomington's identity as an arts destination. There was strong support for the project's alignment with the city's mission and contribution to the

surrounding community, especially in economic development. The project's role in connecting different districts in the City was also highlighted. Additionally, a suggestion was made to include signage in the space acknowledging BUEA's support, similar to previous projects. Ms. Warren appreciated the feedback and confirmed that the space would be designed with physical accessibility.

- The budget for 2025 has seen an increase in several key areas:
 - **Historic Facade Grant:** Increased by \$10,000 due to higher demand this year, leaving \$260,000 for arts and culture, assuming the incubator is included.
 - **Zone Improvement Grants:** There is a significant increase across nearly every line item within this category, particularly for small business and community support, which provides small dollar grants.
 - **Climate Resiliency Grant (\$20,000)** is a new initiative, with funds being administered by the Sustainability Department and targeting businesses or initiatives benefiting the entire Zone.
 - **Direct Assistance Grants:** Increased to \$25,000, these are for small, quick-turnaround grants (under \$1,000) for emergencies like broken windows or minor repairs. The office will administer these grants without needing Board approval, offering more flexibility in activation.
 - **Other Budget Adjustments:**
 - **Small Business Safety and Security:** Increased to \$35,000.
 - **Business Building Improvement:** Increased by \$5,000, with \$35,000 total allocated.
 - **Business Accessibility Modifications:** \$25,000.
 - **Total Zone Improvement Grants:** Now at \$135,000.
- **Other Program Considerations:** Efforts to explore early childhood education grants are still underway. The goal is to finalize details in late 2025.

The total Grant sponsorship budget is **\$538,500**, but the projected income for 2025 is **\$458,780**, resulting in a **net deficit of \$175,720**. Despite the deficit, the reserves and potential to spend all the allocated funds will make it manageable. The goal is to fully utilize the budget, which could drive long-term improvements for the community.
- The primary challenge highlighted is bandwidth—having enough staff to manage the increase in funds and ensure all the programs are executed appropriately. Expanding administrative capacity is a solution to alleviate this pain point and fully utilize the available budget.
- Ms. Githrir shared challenges with her establishment between historic preservation and accessibility upgrades. For historic buildings, grants require a Certificate of Appropriateness for any improvements. This includes renovations to improve accessibility, such as ramps or entrances, which often require approvals from Historic Preservation if it involves a listed structure.
- Ms. Rosenbarger asked for details about mobile vendors possibly qualifying for grants if they meet residency requirements within the Zone. The board reached a consensus that residency and business address would be qualifying. More exploration into commercial kitchen location is needed as a qualifying factor.
 - **Future Discussions:**
 - Ms. Kupersmith, regarding the RRF Loan Program and its forgiveness aspects, which were

previously mentioned in the last meeting, While significant progress has been made on this program, it is not yet ready for full implementation. Staff expressed their commitment to providing an update on the program in a memo in January. The program's current status, being accounted for as an asset, means it does not fit the current budget. Staff emphasized that the RRF Loan Program remains a priority and will be revisited in future discussions. A memo will be brought to the Board in January to update the status of the **RRF Loan Program** and forgiveness, as it hasn't reached its full implementation yet.

- Overall, the discussion reflected excitement about the new opportunities for small businesses and the arts incubator, with the recognition that more administrative support will be needed to manage these initiatives successfully. The team also acknowledged the challenges of historic preservation regarding accessibility but highlighted the importance of improving.
- **Approval of the 2025 BUEA Budget.**
 - Philip Amerson -Motion.
 - Virginia Githriri - Second
 - Passes unanimously 7-0
- **General Discussion:**
 - There was a discussion about public awareness, with one member sharing their experience as a past business owner unaware of the local resources available to entrepreneurs. The suggestion was to hold public information sessions to inform the community about these opportunities, with the idea that even low participation rates could lead to meaningful impacts. Volunteers were offered to help with these efforts.

In closing, the team acknowledged the hard work being done and the need to bring in additional help to manage the increasing workload. The meeting concluded with gratitude for everyone's contributions and a commitment to continue strategic planning into the new year.

Meeting Adjourned: 12:30 PM

Bloomington Urban Enterprise Association

Profit & Loss

October 2024

	Oct 24
Ordinary Income/Expense	
Income	
Banking Interest	8,188.50
Late Fees - RRF Loans	2.84
RRF Loan Interest	114.86
Total Income	8,306.20
Expense	
Grants	
Facade Grants	30,000.00
Unbudgeted Grants	10,545.00
Zone Arts Grants	1,500.00
Zone Improvement Grants	
Business Building Improvement	5,000.00
Total Zone Improvement Grants	5,000.00
Total Grants	47,045.00
Total Expense	47,045.00
Net Ordinary Income	-38,738.80
Other Income/Expense	
Other Income	
Interest Income	693.50
Total Other Income	693.50
Net Other Income	693.50
Net Income	-38,045.30

Bloomington Urban Enterprise Association

Balance Sheet

As of October 31, 2024

	Oct 31, 24
ASSETS	
Current Assets	
Checking/Savings	
Cash & Cash Equivalents	
First Financial Bank	
FFB - Checking	-19,355.29
FFB - Money Market	2,412,820.11
Total First Financial Bank	2,393,464.82
German American Bank	221,094.17
IU Credit Union	205,044.01
Peoples State Bank	106,264.89
Total Cash & Cash Equivalents	2,925,867.89
Total Checking/Savings	2,925,867.89
Total Current Assets	2,925,867.89
Other Assets	
Notes Receivable - Long Term	
Big Brothers Big Sisters	9,610.16
Big Time Trading	11,242.97
Blooming Pets Alive	4,122.71
BTown Beauty Supply	9,234.33
Gaian Hands	5,594.91
KC Designs	8,135.78
Lash Envy	2,203.05
Michael's Uptown Cafe	3,749.83
My Fin, The Tap	8,251.89
My Sport's Locker	35,827.12
PALS	10,169.94
Red Tire Cab	11,518.92
Sew Secret	3,364.57
Spiral Bodies	7,756.39
Vanishing Aesthetics	20,433.93
Total Notes Receivable - Long Term	151,216.50
Total Other Assets	151,216.50
TOTAL ASSETS	3,077,084.39
LIABILITIES & EQUITY	
Equity	
Opening Balance Equity	1,565,019.23
Unrestricted Net Assets	1,504,556.09
Net Income	7,509.07
Total Equity	3,077,084.39
TOTAL LIABILITIES & EQUITY	3,077,084.39

12:51 PM

01/14/25

Accrual Basis

Bloomington Urban Enterprise Association Profit & Loss Budget vs. Actual

January through October 2024

	Jan - Oct 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
AIEZ Fees Refunded	3,426.46	21,451.00	-18,024.54	16.0%
Banking Interest	79,633.92	84,000.00	-4,366.08	94.8%
Business Zone Loan Interest	0.00	1,500.00	-1,500.00	0.0%
Late Fees - RRF Loans	131.26	0.00	131.26	100.0%
RDC Participation Fee	6,188.01	0.00	6,188.01	100.0%
RRF Loan Interest	1,540.93	2,606.00	-1,065.07	59.1%
Uncategorized Income	0.00	0.00	0.00	0.0%
Zone Membership Fees	92,856.24	429,012.00	-336,155.76	21.6%
Total Income	183,776.82	538,569.00	-354,792.18	34.1%
Expense				
Accounting & Tax Services	0.00	1,500.00	-1,500.00	0.0%
Advertising and Promotion	0.00	1,500.00	-1,500.00	0.0%
Dues & Subscriptions	0.00	0.00	0.00	0.0%
Grants				
City Art Program	0.00	40,000.00	-40,000.00	0.0%
Dimension Mill Zone Day Passes	1,000.00	1,000.00	0.00	100.0%
Facade Grants	30,000.00	50,000.00	-20,000.00	60.0%
Grants-Miscellaneous				
SBDC	0.00	45,000.00	-45,000.00	0.0%
Grants-Miscellaneous - Other	0.00	20,000.00	-20,000.00	0.0%
Total Grants-Miscellaneous	0.00	65,000.00	-65,000.00	0.0%
Lemonade Day	2,500.00	2,500.00	0.00	100.0%
School Grants	50,000.00	50,000.00	0.00	100.0%
Unbudgeted Grants	10,545.00	16,000.00	-5,455.00	65.9%
Zone Arts Grants				
Bloomington Creative Glass	0.00	0.00	0.00	0.0%
The Overlook Community Center	0.00	0.00	0.00	0.0%
Zone Arts Grants - Other	17,500.00	40,000.00	-22,500.00	43.8%
Total Zone Arts Grants	17,500.00	40,000.00	-22,500.00	43.8%
Zone Improvement Grants				
Business Accessibility	0.00	25,000.00	-25,000.00	0.0%
Business Building Improvement	10,000.00	25,000.00	-15,000.00	40.0%
Home Improvement	0.00	30,000.00	-30,000.00	0.0%
Resident Child Care Grant	0.00	30,000.00	-30,000.00	0.0%
Small Business Safety/Security	5,011.94	25,000.00	-19,988.06	20.0%
Total Zone Improvement Grants	15,011.94	135,000.00	-119,988.06	11.1%
Total Grants	126,556.94	399,500.00	-272,943.06	31.7%
Insurance Expense	3,246.00	3,500.00	-254.00	92.7%
Marketing Consultant	0.00	5,000.00	-5,000.00	0.0%
Miscellaneous Expense	69.99	2,500.00	-2,430.01	2.8%
Professional Bonds	0.00	3,500.00	-3,500.00	0.0%
Professional Fees				
Management	47,500.00	47,500.00	0.00	100.0%
Project Administration	0.00	12,000.00	-12,000.00	0.0%
Total Professional Fees	47,500.00	59,500.00	-12,000.00	79.8%
RDC TIF Zone Participation Fee	0.00	0.00	0.00	0.0%
Scholarships				
Business Scholarships	0.00	10,000.00	-10,000.00	0.0%
DEI Training Scholarships	0.00	10,000.00	-10,000.00	0.0%
Resident Scholarships	3,831.00	15,000.00	-11,169.00	25.5%
Total Scholarships	3,831.00	35,000.00	-31,169.00	10.9%
Total Expense	181,203.93	511,500.00	-330,296.07	35.4%
Net Ordinary Income	2,572.89	27,069.00	-24,496.11	9.5%
Other Income/Expense				
Other Income				
Interest Income	4,936.18	0.00	4,936.18	100.0%
Total Other Income	4,936.18	0.00	4,936.18	100.0%
Net Other Income	4,936.18	0.00	4,936.18	100.0%
Net Income	7,509.07	27,069.00	-19,559.93	27.7%

Bloomington Urban Enterprise Association

Profit & Loss

November 2024

	Nov 24
Ordinary Income/Expense	
Income	
Banking Interest	7,554.23
Late Fees - RRF Loans	2.84
RRF Loan Interest	129.70
Total Income	7,686.77
Net Ordinary Income	7,686.77
Other Income/Expense	
Other Income	
Interest Income	375.56
Total Other Income	375.56
Net Other Income	375.56
Net Income	8,062.33

Bloomington Urban Enterprise Association

01/14/25

Balance Sheet

Accrual Basis

As of November 30, 2024

	Nov 30, 24
ASSETS	
Current Assets	
Checking/Savings	
Cash & Cash Equivalents	
First Financial Bank	
FFB - Checking	-19,355.29
FFB - Money Market	2,424,780.73
Total First Financial Bank	2,405,425.44
German American Bank	221,469.73
IU Credit Union	205,044.01
Peoples State Bank	106,264.89
Total Cash & Cash Equivalents	2,938,204.07
Total Checking/Savings	2,938,204.07
Total Current Assets	2,938,204.07
Other Assets	
Notes Receivable - Long Term	
Big Brothers Big Sisters	9,083.79
Big Time Trading	10,719.92
Blooming Pets Alive	3,912.78
BTown Beauty Supply	9,234.33
Gaian Hands	5,594.91
KC Designs	8,135.78
Lash Envy	2,094.61
Michael's Uptown Cafe	3,472.05
My Fin, The Tap	8,251.89
My Sport's Locker	35,827.12
PALS	9,645.37
Red Tire Cab	11,518.92
Sew Secret	3,364.57
Spiral Bodies	7,756.39
Vanishing Aesthetics	18,330.22
Total Notes Receivable - Long Term	146,942.65
Total Other Assets	146,942.65
TOTAL ASSETS	3,085,146.72
LIABILITIES & EQUITY	
Equity	
Opening Balance Equity	1,565,019.23
Unrestricted Net Assets	1,504,556.09
Net Income	15,571.40
Total Equity	3,085,146.72
TOTAL LIABILITIES & EQUITY	3,085,146.72

Bloomington Urban Enterprise Association Profit & Loss Budget vs. Actual

January through November 2024

	Jan - Nov 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
AIEZ Fees Refunded	3,426.46	21,451.00	-18,024.54	16.0%
Banking Interest	87,188.15	84,000.00	3,188.15	103.8%
Business Zone Loan Interest	0.00	1,500.00	-1,500.00	0.0%
Late Fees - RRF Loans	134.10	0.00	134.10	100.0%
RDC Participation Fee	6,188.01	0.00	6,188.01	100.0%
RRF Loan Interest	1,670.63	2,606.00	-935.37	64.1%
Uncategorized Income	0.00	0.00	0.00	0.0%
Zone Membership Fees	92,856.24	429,012.00	-336,155.76	21.6%
Total Income	191,463.59	538,569.00	-347,105.41	35.6%
Expense				
Accounting & Tax Services	0.00	1,500.00	-1,500.00	0.0%
Advertising and Promotion	0.00	1,500.00	-1,500.00	0.0%
Dues & Subscriptions	0.00	0.00	0.00	0.0%
Grants				
City Art Program	0.00	40,000.00	-40,000.00	0.0%
Dimension Mill Zone Day Passes	1,000.00	1,000.00	0.00	100.0%
Facade Grants	30,000.00	50,000.00	-20,000.00	60.0%
Grants-Miscellaneous				
SBDC	0.00	45,000.00	-45,000.00	0.0%
Grants-Miscellaneous - Other	0.00	20,000.00	-20,000.00	0.0%
Total Grants-Miscellaneous	0.00	65,000.00	-65,000.00	0.0%
Lemonade Day	2,500.00	2,500.00	0.00	100.0%
School Grants	50,000.00	50,000.00	0.00	100.0%
Unbudgeted Grants	10,545.00	16,000.00	-5,455.00	65.9%
Zone Arts Grants				
Bloomington Creative Glass	0.00	0.00	0.00	0.0%
The Overlook Community Center	0.00	0.00	0.00	0.0%
Zone Arts Grants - Other	17,500.00	40,000.00	-22,500.00	43.8%
Total Zone Arts Grants	17,500.00	40,000.00	-22,500.00	43.8%
Zone Improvement Grants				
Business Accessibility	0.00	25,000.00	-25,000.00	0.0%
Business Building Improvement	10,000.00	25,000.00	-15,000.00	40.0%
Home Improvement	0.00	30,000.00	-30,000.00	0.0%
Resident Child Care Grant	0.00	30,000.00	-30,000.00	0.0%
Small Business Safety/Security	5,011.94	25,000.00	-19,988.06	20.0%
Total Zone Improvement Grants	15,011.94	135,000.00	-119,988.06	11.1%
Total Grants	126,556.94	399,500.00	-272,943.06	31.7%
Insurance Expense	3,246.00	3,500.00	-254.00	92.7%
Marketing Consultant	0.00	5,000.00	-5,000.00	0.0%
Miscellaneous Expense	69.99	2,500.00	-2,430.01	2.8%
Professional Bonds	0.00	3,500.00	-3,500.00	0.0%
Professional Fees				
Management	47,500.00	47,500.00	0.00	100.0%
Project Administration	0.00	12,000.00	-12,000.00	0.0%
Total Professional Fees	47,500.00	59,500.00	-12,000.00	79.8%
RDC TIF Zone Participation Fee	0.00	0.00	0.00	0.0%
Scholarships				
Business Scholarships	0.00	10,000.00	-10,000.00	0.0%
DEI Training Scholarships	0.00	10,000.00	-10,000.00	0.0%
Resident Scholarships	3,831.00	15,000.00	-11,169.00	25.5%
Total Scholarships	3,831.00	35,000.00	-31,169.00	10.9%
Total Expense	181,203.93	511,500.00	-330,296.07	35.4%
Net Ordinary Income	10,259.66	27,069.00	-16,809.34	37.9%
Other Income/Expense				
Other Income				
Interest Income	5,311.74	0.00	5,311.74	100.0%
Total Other Income	5,311.74	0.00	5,311.74	100.0%
Net Other Income	5,311.74	0.00	5,311.74	100.0%
Net Income	15,571.40	27,069.00	-11,497.60	57.5%

Bloomington Urban Enterprise Association Electronic Meetings Policy

The Bloomington Urban Enterprise Association ("BUEA") adopts the following electronic meeting policy.

Section 1. Electronic Participation and Quorum.

- A. Any board member may participate in a meeting by any electronic means of communication that:
 - 1. allows all participating members of the governing body to simultaneously communicate with each other; and
 - 2. other than a meeting that is an executive session, allows the public to simultaneously attend and observe the meeting.
- B. A board member who participates by an electronic means of communication:
 - 1. shall be considered present for purposes of establishing a quorum; and
 - 2. may participate in final action only if the member can be seen and heard.
- C. All votes taken during a meeting at which at least one (1) member participates by an electronic means of communication must be taken by roll call vote.
- D. Any technological failure in the electronic means of communication that disrupts or prevents:
 - 1. the simultaneous communication between a member who is not physically present at the meeting and the BUEA; or
 - 2. a member of the public who is not present at the meeting from attending and observing the meeting;

does not prevent the BUEA from conducting the meeting or affect the validity of an action taken by the board at the meeting if the sum of the BUEA members physically present at the meeting and the BUEA members participating by electronic communication without technological failure satisfy the quorum and (if a final action is taken) the voting requirements of the BUEA.

Section 2. Minutes.

The memoranda and any minutes prepared for a meeting at which any member participates by electronic means of communication should:

- 1. identify each board member who:
 - a. was physically present at the meeting;
 - b. participated in the meeting by electronic means of communication; and
 - c. was absent; and
- 2. identify the electronic means of communication by which:
 - a. board members participated in the meeting; and
 - b. members of the public attended and observed the meeting.

Section 3. Public Participation and Notice.

Subject to the BUEA's rules on public attendance and participation, members of the public may be able to attend and observe meetings of the BUEA via electronic means. The BUEA may exclude members of the public upon majority vote of the members of the Board. Any meeting notice of the BUEA shall include information about how to access meetings electronically.

Section 4. Staff Participation.

Staff members may participate in meetings of the BUEA via electronic means, provided there is no actual need for a staff member to be physically present at a particular meeting.

Section 5. General Rules for Electronic Participation.

The following rules shall apply to any means of electronic communication that the BUEA may elect to use:

- A. The Executive Director shall be the designated host of the public meeting.
- B. The designated host may designate additional or substitute hosts as necessary.
- C. Once the meeting starts the designated host shall manage any comments coming in on the chat function.
- D. The designated host may answer questions directly or send a chat to the presiding officer or other staff member to get an answer.
- E. Members of the public shall not be permitted to utilize screen share or the general chat functions without prior approval from the meeting chair and designated host.
- F. Members of the public may only chat directly with the designated host.
- G. The Executive Director shall provide the following instructions to participants attending electronically (BUEA members, BUEA staff, public in attendance):
 - 1. Electronic meetings will be recorded with both audio and video;
 - 2. All participants may be asked to wear headphones or earbuds to avoid audio feedback;
 - 3. Board members and staff participating electronically will have the ability to mute themselves, share their screen if needed, and turn on/off their own video;
 - 4. Members of the public will be muted with video disabled until the chair recognizes them at which point they will be asked to give their full name for the record. If there is a time limit they will be told before they begin a comment.
 - 5. The presiding officer chairing the meeting will call on people to speak in the same manner as at meetings conducted in person.
 - 6. When a member of the Board or staff needs assistance during the meeting (to be unmuted, to have video-enabled, help with other technical issues), they shall use the direct chat function to let the designated host know.
 - 7. In the event of technical difficulty that prevents the meeting from beginning or continuing, the designated host may end the electronic meeting, create a new meeting invitation, and issue the invitation via email to each member of the Board, staff and those members of the public invited to the meeting.

Section 6. Severability.

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



MEMORANDUM

To: Bloomington Urban Enterprise Association Board Members
From: Andrea de la Rosa, Executive Director- Bloomington Urban Enterprise Association
Matthew Burns, Data Analyst - O'Neill Fellow
Cc: Jessica McClellan, Controller; Aleksandrina Pratt, Assistant City Attorney
Date: January 15, 2024
RE: Rapid Response Fund—History and Status Update

Executive Summary

The BUEA played a critical role in the City of Bloomington's immediate COVID-19 response for small businesses by issuing microloans to businesses serving the BUEZ but not eligible for the City's Food & Beverage Tax loan program—the Rapid Response Fund. The fund provided low-interest loans to businesses severely and immediately impacted by pandemic shutdowns, especially in the services sector. The RRF was intended as gap funding while borrowers awaited the Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL) support. The BUEA portion of the RRF fund sought to support borrowers not eligible by state statute for the Food & Beverage Tax funds.

In total, \$1.88 million was disbursed to 65 borrowers, of which \$344,170 supporting 16 borrowers was from the BUEA. Loan repayment has had challenges, with 43% of all borrowers past due 60 days or being delinquent. Of Common Council approved Resolution 20-05 on March 25, 2020, \$2 million of Food & Beverage (F&B) Tax funds were allocated to support food and beverage establishments, other tourism-related businesses, and their employees. Additional funding of \$350,000 was contributed by the Bloomington Urban Enterprise Association (BUEA) in April 2020.¹ The BUEA supported an additional \$138,000 in emergency grant funding and \$12,000

Timeline:

- **March 25, 2020:** Council approved Resolution 20-05.
- **March 31, 2020:** ES&R report presented to the Sustainable Development Committee.
- **April 8, 2020:** The BUEA board approved \$500,000 for pandemic response.
- **April 10, 2020:** The RRF application website launched.
- **April 17, 2020:** First loan agreement signed.
- **April 24, 2020:** First loan disbursed.
- **April 27, 2020:** Total loan disbursement reached \$445,770.

The RRF Program has loaned \$1,883,270.00 to 65 borrowers, with an average loan amount of \$29,496. And As of September 2024:

- **F&B Tax Funds:** \$1,539,100.00 loaned; \$ 863,510.60 repaid; \$ 714,231.89 outstanding.
- **BUEA Funds:** \$344,170.00 loaned; \$203,490.34 repaid; \$151,433.97 outstanding.

The ES&R Working Group sought equitable fund distribution. Of the 65 loans:

¹ City of Bloomington Economic Stabilization & Recovery Working Group Rapid Response Recommendations Policy Brief

- **Racial Demographics:**
 - 9.5% - Black-owned businesses
 - 7.9% - Asian-owned businesses
 - 73% - White-owned businesses
 - 7.9% - Hispanic or Latin/x-owned businesses
- **Gender Representation:**
 - 30 women-led businesses
 - Two non-binary or genderqueer-led businesses

Additional borrower demographics include one disabled owner, one immigrant owner, and one veteran.²

The Common Council extended the repayment grace period to June 1, 2022, and loan terms were lengthened from 24 months to 30 months to 48 months to better support borrowers. For example, monthly payments for borrowers on a \$50,000 loan were reduced from \$1,710 to \$1,085.

The Rapid Response Fund (RRF) addressed critical gaps in federal relief programs during the COVID-19 pandemic. Designed as bridge funding, the RRF provided immediate financial assistance to businesses, enabling them to sustain operations while awaiting disbursements from the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) programs. This timely support ensured stability and continuity for businesses navigating an uncertain and challenging economic landscape.

Federal Assistance Programs and Drawbacks

The PPP provided forgivable loans for payroll and expenses but faced access barriers, with 25% of funds going to 1% of primarily white male borrowers. Loans were tied to relationships, not COVID-19 impact, creating inequities and pressuring cities like Bloomington to fill gaps for underrepresented groups.³

EIDL loans offered low-interest, long-term funding but favored established businesses, with newer ones receiving fewer and smaller approvals. Personal services and transportation had the most applicants, but legal services and hotels received larger amounts. Unlike PPP, EIDL loans were not forgivable, adding repayment burdens during revenue declines.

The RRF was designed to provide short-term, gap funding for businesses awaiting federal relief rather than supplementing programs like EIDL and PPP. However, the severity of the crisis meant that many companies needed all available resources, often receiving PPP, EIDL, and retaining their RRF. The RRF helped businesses stabilize operations, retain employees, and navigate an unprecedented economic crisis by offering rapid and flexible financial assistance.

The loan programs mentioned above initially stabilized many businesses that survived the pandemic. However, many could not make typical business investments with this capital and instead used the debt to fund overhead costs that didn't contribute to their long-term stability or growth. If businesses did receive PPP forgiveness, they still often retained debt through the EIDL program, lines of credit, or point-of-sale loans, like the Square loan program. The EIDL program offered larger loans with low interest rates and repayment windows of 20–30 years. These compounded debts were used for businesses to survive the pandemic, and we know locally and anecdotally that this dynamic has contributed to instability and closure.

² ES&R update to the Common Council 4.21.2020

³ https://www.newyorkfed.org/medialibrary/media/smallbusiness/DoubleJeopardy_COVID19andBlackOwnedBusinesses

Economic Downturns, Projection, and Current Status

In times of economic downturn, small businesses often experience more significant declines than their larger counterparts. Before the Great Recession, small businesses accounted for only 45% of employment, but from 2008–2009 they accounted for 62% of job losses.⁴

Businesses that experienced the most significant losses during the Great Recession were not the least productive, did not overexpand before the recession, and were not generally more impacted by housing prices. The most significant job losses were correlated with the highest levels of debt.⁵

The 2023 Small Business Credit Survey (SBCS) highlights the link between regional growth and small businesses' financial challenges. It shows that firms with EIDL debt tend to have higher overall debt and lower profitability. However, it is unclear whether EIDL loans affect financial conditions differently than other types of debt or if they correlate with higher debt levels that impact firms.⁶

The US Small Business Administration issued approximately 4 million loans totaling \$380 billion through the COVID-19 EIDL program. As of late 2023, more than \$300 billion of these loans remained outstanding. Unlike Paycheck Protection Program (PPP) loans provided during the pandemic, EIDL loans are not eligible for forgiveness.⁷

Of all 16 BUEA Rapid Response Fund Borrowers:

- 44% current - 2 animal services; 1 non-profit; 3 personal services; 1 retail
- 31% are delinquent - 2 personal service; 3 retail/specialized retail
- 19% Paid Off - 3 personal services
- 6% are past due less than 30 days - 1 retail

Although the RRF loans are performing better than the SBA's EIDL program proportionally, it is clear that a large portion of the loans are underperforming or have failed. Of the businesses participating in the program, 53 are still operating, yet 38% of those business loans are in poor standing, and half are located in the Urban Enterprise Zone.

A June 2020 McKinsey analysis estimated that 25–36% of U.S. small businesses could permanently close due to early COVID-19 disruptions, with industries like accommodations, food service, and education hit hardest. Even before the pandemic, only 35% of small businesses were financially healthy, and less stable businesses—such as the 40% of restaurants operating at a loss or breaking even—were especially vulnerable to closure during revenue shocks⁸.

A 2024 survey of over 1,000 small businesses identified inflation as the top concern (23%), followed by recruitment and retention challenges (19%). Other issues, such as limited access to capital and cash flow problems (16%), echo the concerns of Bloomington business owners⁹.

Oxford Economics and McKinsey project that if the economic recovery remains sluggish—with limited gains in employment, GDP, and consumer spending—industries like food service and accommodations may not see a

⁴<https://www.brookings.edu/articles/what-the-great-recession-can-tell-us-about-the-covid-19-small-business-crisis/>

⁵<https://academic.oup.com/qje/article-abstract/132/1/271/2724544?redirectedFrom=fulltext>

⁶ From Short-Term Relief to Long-Term Hardship: Some Small Businesses Struggle with Debt Burdens from COVID-19 Economic Injury Disaster Loans, Lucas Misera, Federal Reserve Bank of Cleveland

⁷<https://www.fedsmallbusiness.org/about/media/2024/some-small-businesses-struggle-with-debt-burden-from-covid-19-eidl-loans-20240820>

⁸ "US small-business recovery after the COVID-19 crisis", McKinsey Global Institute July 2020

⁹ <https://www.guidantfinancial.com/small-business-trends/>

significant recovery until early 2025. Additionally, Statista estimates the chances of a recession in the United States to be currently elevated (Dec 2024). Any upcoming slowdown brought on by macroeconomic changes would disproportionately affect an exposed Bloomington small business community.¹⁰

Looking Ahead

Enhancing resilience through flexible loan terms and targeted forgiveness programs better support small businesses during economic downturns. Lessons from successful loan forgiveness programs in Minnesota and Detroit highlight strategies to enhance resilience, including flexible terms and equity-driven initiatives.

The Minnesota Emerging Entrepreneur Loan Program (ELP) supports businesses led by individuals from marginalized groups, including people of color, low-income individuals, women, veterans, and those with disabilities. The program aims to create minority business enterprises, foster economic development, and generate jobs for minority and low-income communities¹¹. If these objectives are achieved, 10% of the loan will be forgiven.¹²

The Accion Opportunity Fund, a nonprofit organization that assists small businesses owned by people of color and women in low-income areas, was crucial in providing relief during the pandemic. From March 2020 to March 2021, the organization deferred 4,213 loan payments totaling \$4.6 million and forgave \$2.6 million in loans for 1,287 borrowers.¹³

ProsperUs, a Detroit-based community Development Financial Institution (CDFI), offers small business loans from \$10,000 to \$50,000. The program forgives 20% of the loan if the business remains current on interest payments and completes an educational curriculum within the first year of receiving the loan proceeds.¹⁴

By easing financial burdens on businesses hardest hit by the pandemic, we can encourage reinvestment, sustain community vitality, and build a more resilient future to endure economic challenges ahead.

¹⁰<https://www.statista.com/statistics/1239080/us-monthly-projected-recession-probability/#:~:text=U.S.%20monthly%20projected%20recession%20probability%202020%2D2025&text=By%20August%202025%2C%20it%20is,fall%20into%20another%20economic%20recession.>

¹¹ <https://mn.gov/deed/business/financing-business/deed-programs/elp/>

¹² [https://www.revisor.mn.gov/statutes/cite/116m.18#:~:text=\(d\)%20The%20minimum%20state%20contribution,%C2%A7](https://www.revisor.mn.gov/statutes/cite/116m.18#:~:text=(d)%20The%20minimum%20state%20contribution,%C2%A7)

¹³ [https://aofund.org/small-business-relief-fund/#:~:text=From%20March%2C%202020%20to%20March,\(c\)3%20nonprofit%20charity.](https://aofund.org/small-business-relief-fund/#:~:text=From%20March%2C%202020%20to%20March,(c)3%20nonprofit%20charity.)

¹⁴ <https://prosperusdetroit.org/prosperus-detroit-introduces-a-microloan-program-with-forgivable-options-in-wayne-county/>