



City of Bloomington Common Council

Informational Packet

Containing materials related to:

Wednesday, 12 February 2025
Deliberation Session at 6:30pm



CITY OF BLOOMINGTON COMMON COUNCIL

**AGENDA AND NOTICE:
DELIBERATION SESSION
WEDNESDAY | 6:30 PM
12 February 2025**

*Council Chambers (#115), Showers Building, 401 N. Morton Street
The meeting may also be accessed at the following link:*

<https://bloomington.zoom.us/j/89992191412?pwd=QrruEGtAFDBhsO3u9UJUXmyaJ0q6w1.1>

I. ROLL CALL

II. AGENDA SUMMATION

III. ORDER OF CONVERSATION

A. Collective Bargaining: Council's Rights and Responsibilities

B. Council Finance Committee v. Budget Task Force

C. Proposed Expansion of Convention Center

a. Building Plans and Construction Information

i. Presentation by Schmidt

ii. Questions and Answers

b. Discussion of Lease Terms and Related Legal Matters

i. Presentation by Corporation Counsel and Special Counsel

ii. Questions and Answers

IV. PUBLIC COMMENT

V. ADJOURNMENT

To: Members of the City Council

From: Council President Hopi Stosberg

Date: February 6, 2025

Regarding: February 12 deliberation session

There will be four presentations this evening, each followed by a period of question and answer.

First, Council Attorney Lehner will clarify the rights and responsibilities we have, as Council, regarding collective bargaining. We will need to consider how we want to move forward.

Second, I have developed a draft proposal for a Budget Task Force and a Finance Committee. I have outlined the primary roles and responsibilities for each of those bodies below using information received from the Council at the January 15 deliberative session and intervening conversations with the administration and individual council members. I am seeking feedback at the meeting with regard to these specific proposals. Additionally, if you are interested in membership to one or both of these, please contact me individually by Sunday, February 16.

Third, Schmidt Architects will present the most up to date plans for the Convention Center project. This will be followed by a period of question and answer.

Fourth, Corporation and Special Counsel will share information on the lease and various other legal matters related to the convention center. This will be followed by a period of question and answer.

Fiscal Committee:

Creation of a Committee: There are two ways for a Council Committee to be created. First, a standing committee can be created by resolution of the council. Second, either any three (3) council members or the Council President can create a Special Committee for a specific purpose. As President, it is my intention to create a Special Fiscal Committee at the regular session meeting on February 19. I have decided this is both the most expedient way to create a Fiscal Committee and also will allow the committee purpose and mission to develop over the next year before its consideration as a standing committee. Initially the Fiscal Committee will:

- Consist of four councilmembers, with 1 member also serving on the Budget Task Force
- Meet at least quarterly.
- Work Closely with the Controller to:
 - o Create a timeline and activity framework for the yearly budgeting calendar
 - o Track progress of the yearly budget and report back to the whole council.
 - o Track fund balances (esp. TIF, CRED, Bonds, etc.)
 - o Recommend scheduling of specific budget related discussions, presentations, and education for the full council.
- Be responsible for supporting Council Staff with the 2026 Council Budget and presentation of that budget.
- Continue the work started by the Ad-Hoc Salary Committee to fine-tune the Elected Salary Framework. The Special Fiscal Committee will be responsible for bringing forward the Elected Salary Ordinance for FY2026.
- Explore and recommend improvements to the budgeting process.

Budget Task Force

On June 5, 2024 Bloomington City Council adopted Resolution 2024-12 to implement outcome based budgeted. Part of this resolution stated:

Section 1: The Council will work with the Office of the Mayor to establish a Task Force on the Budgeting Process, consisting of council members and city staff. This Task Force will be charged with exploring and recommending improvements to Bloomington's budgeting process, ensuring that the city employs the most effective, transparent, and community-aligned budgeting practices available.

Section 2: The Council will work with the Office of the Mayor and City Controller to develop a framework for implementing the recommendations of the Task Force on Budgeting Processes, including the possibility of implementing outcome-based budgeting or a hybrid approach within the City of Bloomington by the time the budget is being developed for budget year 2026.

The Budget Task Force needs to be established. The Task Force will have the following membership, roles, and responsibilities:

- Four (4) member Task Force, consisting of Deputy Mayor Gretchen Knapp, City Controller Jessica McClellan, and 2 City Council Members (1 of whom also serves on the Finance Committee)
- Applicable city staff will be pulled in, as needed, for specific information/tasks.
- This task force will be a short term transition to an improved budgeting process.
- Outcome based budgeting is based on a shared understanding of what the desired outcomes are. This Task Force will work on identifying and documenting those big picture goals. Documented goals will need to be approved by the full City Council and Office of the Mayor.
- This group will develop a framework for how the different departmental responsibilities can be aligned with the desired outcomes.
- The group will make recommendations to process and budget formats for FY2026.



MEMO FROM CONTROLLER MCCLELLAN:

To: Members of the Common Council

From: Controller Jessica McClellan

Date: 2/3/2023

Re: Worksession on Convention Center Lease and Bonds Approvals

This council work session is to provide information about the Monroe County Convention Center Expansion Project, "Project", and the debt issued on behalf of the city by the third party City Building Corporation, "Lease", in advance of the regular meeting on March 5th.

On March 5th, the common council will be asked to consider the following requests:

1. To approve preliminary plans and specifications and cost estimates for the Project;
2. To conduct a public hearing on the Lease; and
3. To adopt a resolution authorizing the execution of the Lease, pledging Food and Beverage tax and LIT revenues to the payment of the lease rentals, approving of issuance of bonds by the Building Corporation, approving the appraisal of the Project site, and approving substantially final forms of financing documents.

The following presentations will be given at the February 12 work session:

1. A description of preliminary plans and specifications and cost estimates of the Project; and
2. A description of the form of the bonds, the process of bonding and the legal requirements of the Project

Presenters will include:

Partners from Schmidt Associates LLP, architects for the Project

Partners from Krohn Associates LLP, financial advisors for the Project

CIB Controller Jeff Underwood, CPA; Deb Kunce, JS Held

Partners from Faegre, Drinker, Biddle & Reath LLP, special counsel for the Project

City Corporation Counsel Rice and Controller McClellan

Documents included in the council packet are:

1. Project Timeline Draft as of 2/3/2024, subject to change
2. Project preliminary drawings, planning, design and construction timelines
3. Project estimated costs
4. F&B Revenue and Lease Rental Payments estimate
5. Bond Lease Financing Introduction
6. Draft lease agreement
7. Food and Beverage Tax Fund statement

**PRELIMINARY TIMETABLE AND CHECKLIST
CITY OF BLOOMINGTON, INDIANA
CONVENTION CENTER EXPANSION PROJECT (LEASE FINANCING)**

(Italicized date indicates completion of action.)

<u>Date*</u>	<u>Action</u>
<i>December 12, 2024 to January 13, 2025</i>	- Circulation of petition for signature by at least fifty (50) taxpayers of the City of Bloomington, Indiana (the "City") requesting that the City enter into a Lease for the financing of the convention center expansion project (the "Project"). (Petition counterparts are to be submitted to the Monroe County Auditor for verification and execution of certificate regarding such verification.)
<i>December 30, 2024 (Monday)</i>	- Target date for selection of members of not-for-profit Building Corporation to issue bonds.
<i>January 22, 2025 (Wednesday)</i>	- Meeting of the Common Council (the "Common Council") of the City to authorize/ratify taxpayer petition, and to adopt resolution determining, after investigation, that the Project is needed, authorizing publication of notice of public hearing on the proposed Lease, and requesting the appointment of appraisers for sale of Project site to the Building Corporation.
<i>January 31, 2025 (Friday)</i>	- Articles of Incorporation of the Building Corporation are filed with the Indiana Secretary of State.
<i>[February] ____, 2025 (____day)</i>	- Notice of special (organizational) meeting of the Board of Directors of the Building Corporation (the "Board of Directors") posted and provided to media (at least forty-eight (48) hours prior to meeting).

Date***Action**

[February] ____, 2025
(____day)

-

Organizational meeting of the Board of Directors to adopt resolution adopting bylaws, elect officers, authorize filing of federal and state exemption applications, appoint a depository, designate officers to sign checks and contracts, approve of Lease with the City, approve preliminary plans and specifications and costs estimates, authorize the reimbursement of expenditures made prior to the issuance of the bonds, and authorize execution of the Lease.

February 12, 2025
(Wednesday)

-

Work Session with Common Council to:

- (a) Describe preliminary plans and specifications and cost estimates for the Project; and
- (b) Describe process for bonding, form of bonds, and legal pathway of the Project.

February 14, 2025
(Friday)

-

Notice of public hearing on the Lease (required by Indiana Code 36-1-10-13(a)) is delivered to the Bloomington Herald Times, for publication one (1) time on Friday, February 21, 2024.

February 21, 2025
(Friday)

-

Publication of notice of public hearing on the Lease in the Bloomington Herald Times. (Notice must be published at least ten (10) days prior to the public hearing.)

February 21, 2025
(Friday)

-

File Form 1024 with Internal Revenue Service for 501(c)(4) exemption (state form filed with Indiana Department of Revenue upon receipt of federal determination letter).

Week of March 3

-

Initial draft of Preliminary Official Statement circulated to working group for review.

Date*

Action

March 5, 2025
(Wednesday)

- Meeting of the Common Council to:
 - (a) Approve preliminary plans and specifications and cost estimates for the Project;
 - (b) Conduct public hearing on the Lease; and
 - (c) Adopt resolution authorizing the execution of the Lease, pledging Food and Beverage tax and LIT revenues to the payment of the lease rentals, approving of issuance of bonds by the Building Corporation, approving the appraisal of the Project site (if necessary), and approving substantially final forms of financing documents.

March 6, 2025
(Thursday)

- Execution of the Lease by the City and the Building Corporation. Notice of execution of the Lease is delivered to the Bloomington Herald Times, for publication one (1) time on Wednesday, March 10, 2025. (Notice to be delivered the day after adoption of final Council resolution.)

Week of March 10

- Send financing documents to rating agency.

March 12, 2025
(Wednesday)

- Notice of execution of the Lease is published in the Bloomington Herald Times.

[March] __, 2025
(__day)

- Notice of special meeting of the Board of Directors posted and provided to media (at least forty-eight (48) hours prior to meeting).

[March] __, 2025
(__day)

- Special meeting of the Board of Directors to adopt resolution approving of issuance of bonds, the method of sale of the bonds (*i.e.*, public bidding or negotiated sale), and approving substantially final forms of trust indenture and related documents.

Last week of March

- City, underwriter call with rating agency.

April __, 2025
(__day)

- Target date for printing of Preliminary Official Statement.

Date***Action**

April 14, 2025
(Monday)

-

Last day an action may be brought contesting the validity of the Lease or enjoining performance of the Lease. (This timetable assumes no such challenge.)

April , 2025
(____day)

-

Pricing of bonds.

April 29, 2025
(Tuesday)

-

Closing on bonds.

* Dates are estimates only and depend on factors such as regularly scheduled meeting dates, newspaper publication dates, public approvals and other similar factors. This timetable assumes a private, negotiated sale of the bonds; bond sale procedures will be revised if public sale method is chosen.

** This timetable assumes that the lease rentals are not payable from a property tax levy. Additional procedures are required for lease rentals payable from a property tax levy.



Monroe Convention Center Expansion Common Council Update

February 12, 2025



walter
p moore



IMEG

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TIKUR
Solutions
Diverse Representation at Its Best



JS|HELD

AGENDA

- ☐ Project Goals & Public Input
- ☐ Project Schedule
- ☐ Site Plan Development
- ☐ Building Plan Development
- ☐ Exhibit Hall Layouts
- ☐ Exterior Design Concepts
- ☐ Interior Design Concepts
- ☐ Next Steps

PROJECT GOALS

Expand Space

Achieving functionality, flexibility, and a technology-rich environment

Create Inspiring Architecture

Creating memorable experiences through design

Showcase Uniqueness and Amenities

Reflecting Bloomington's culture through space, branding, art, activation, and refreshments

Enhance Connectivity

Enhancing our community's connectedness

Achieve Sustainability

Recognizing and continuing our community's commitments to sustainability.

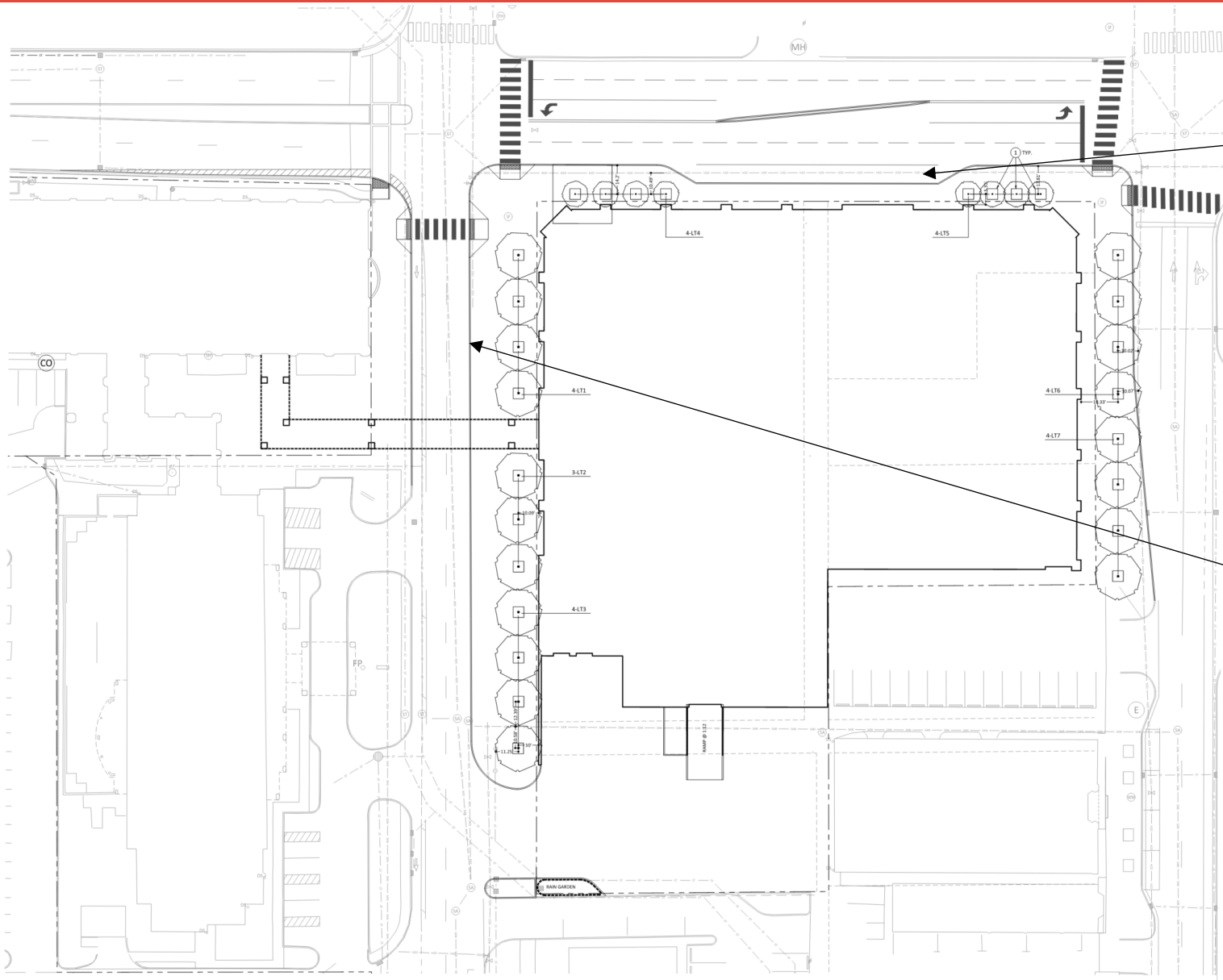
- Incorporate Limestone
- Elevate Public Art
- Address Pedestrian Scale
- Connect with Nature – Roof Garden
- Engaging Architecture
- Contextual with Bloomington Downtown
- “Instagrammable” and “Authentic”

Final Design	Feb 2025
Construction Documents	Jul 2025
Bidding	Mar – Aug 2025
Construction Start	Jun 2025
Expansion Construction Complete	Jan-Feb 2027

DESIGN SCHEDULE – FINAL DESIGN APPROVALS

Dec 19, 2024	BZA Pre-Submittal Meeting
Dec 20	Special Meeting with Director Hittel to discuss bus pull-off lane
Dec 27	BZA Filing Deadline
Dec 30	Plan Commission Final Revision Deadline for First Hearing
Jan 09, 2025	BZA Final Revision Deadline
Jan 13	Plan Commission – First Hearing
Jan 23	BZA Hearing
Jan 27	Plan Commission Final Revision Deadline for Second Hearing
Feb 04	Board of Public Works Filing Deadline
Feb 10	Plan Commission Second Hearing
Feb 11	Board of Public Works Meeting

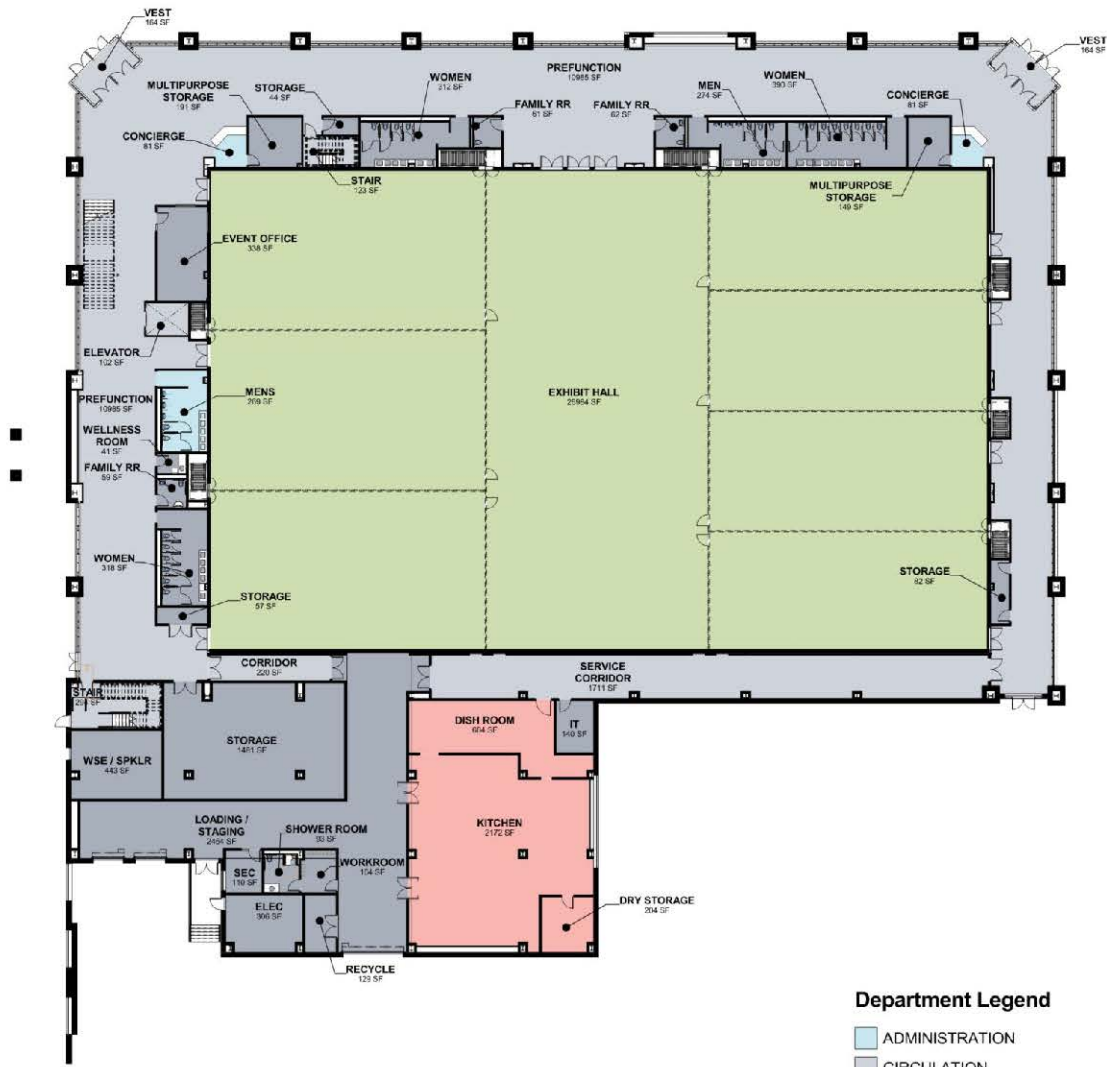
DESIGN CONCEPT – SITE PLAN DEVELOPMENT – OPTION 2



MODIFIED BUS DROP
OFF FOR 2-3 BUSES

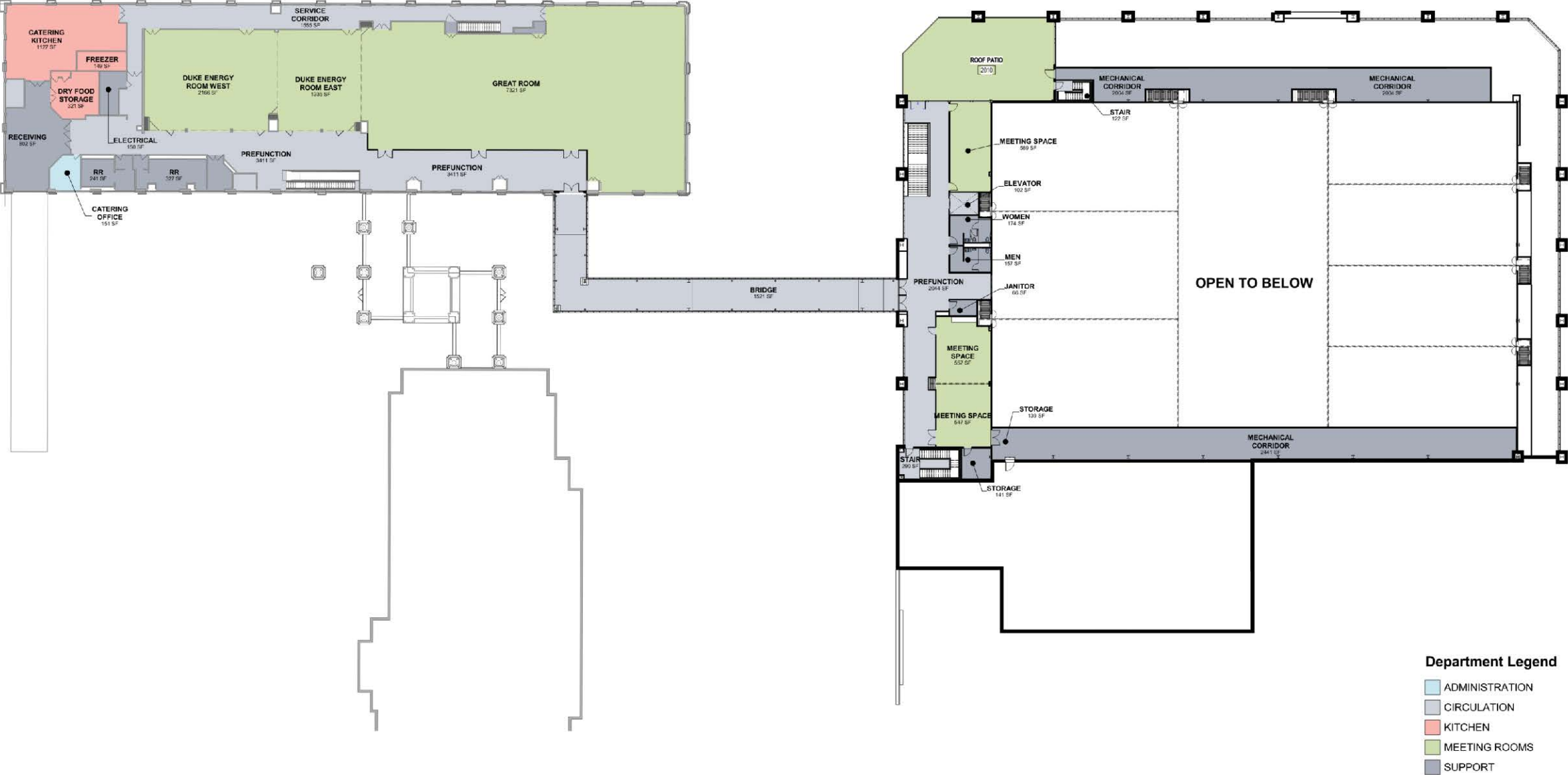
COLLEGE AVE.
PARKING REMOVED

DESIGN CONCEPT – FIRST FLOOR PLAN

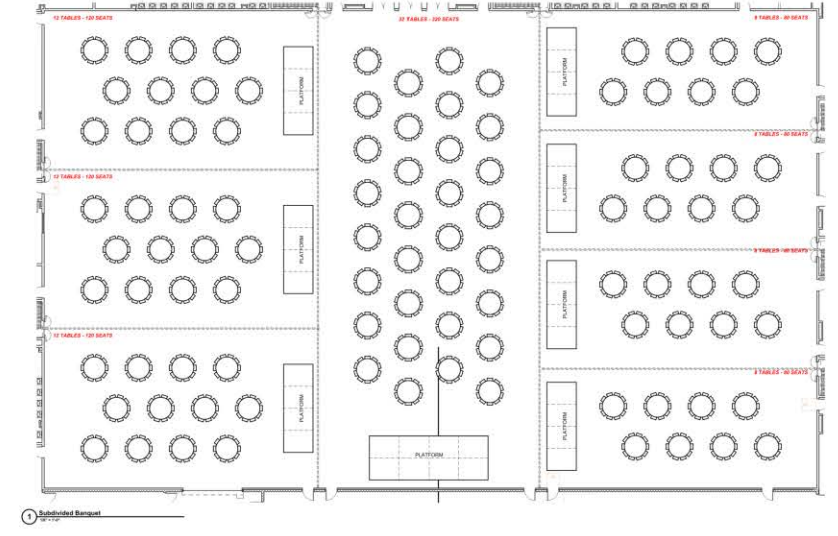
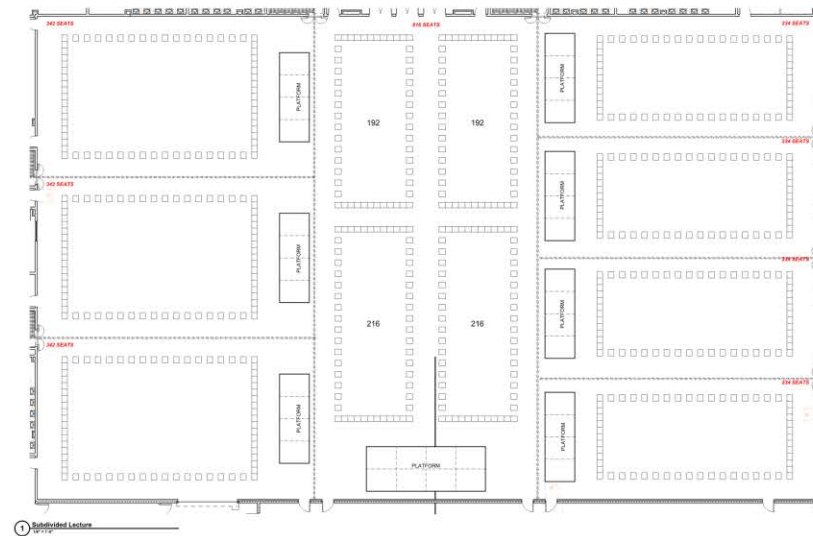
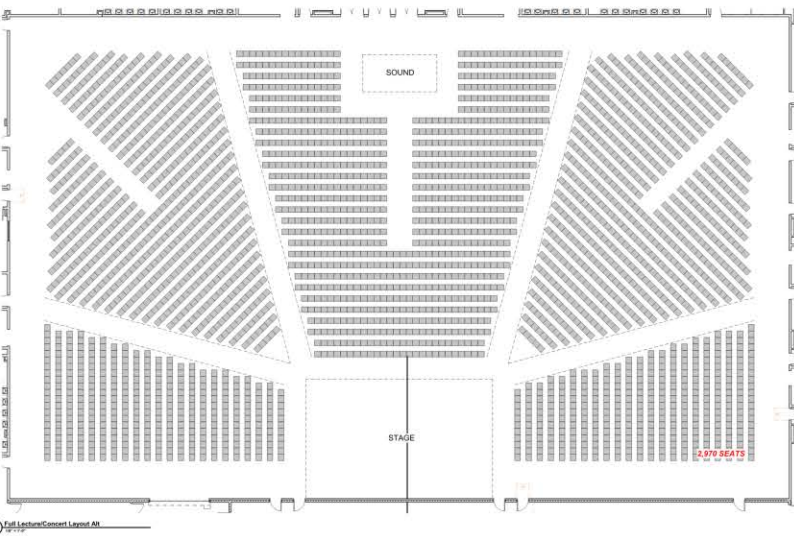
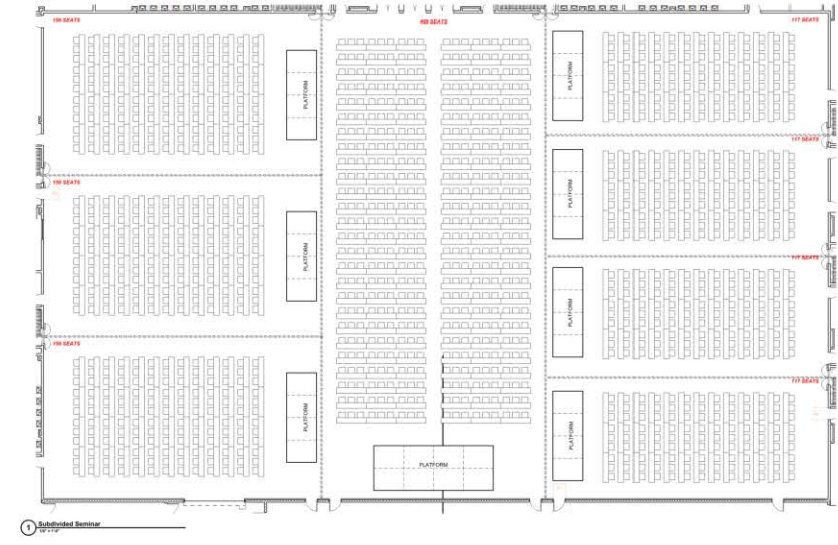
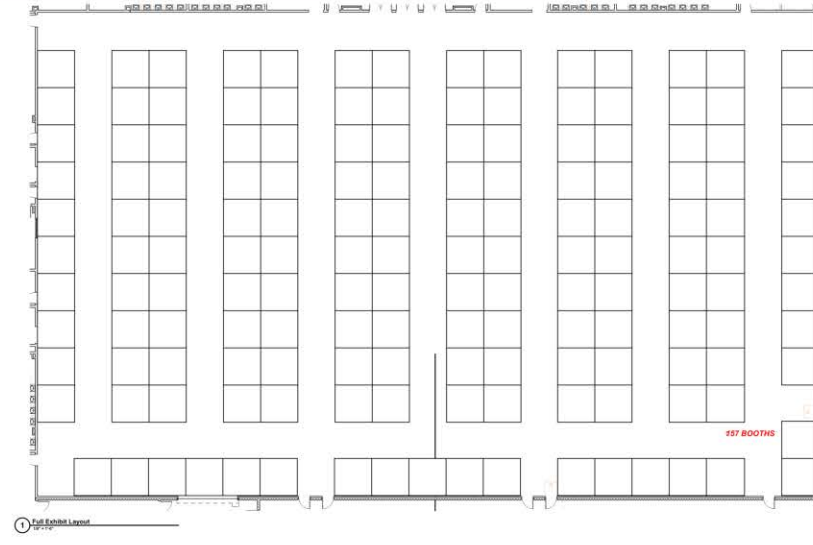
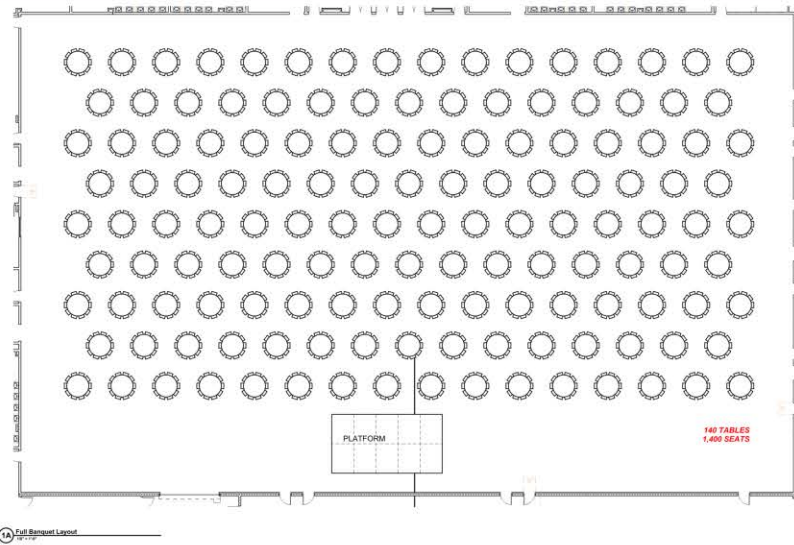


- Department Legend**
- ADMINISTRATION
 - CIRCULATION
 - KITCHEN
 - MEETING ROOMS
 - SUPPORT

DESIGN CONCEPT – SECOND FLOOR



020



DESIGN CONCEPT – EXTERIOR ELEVATIONS



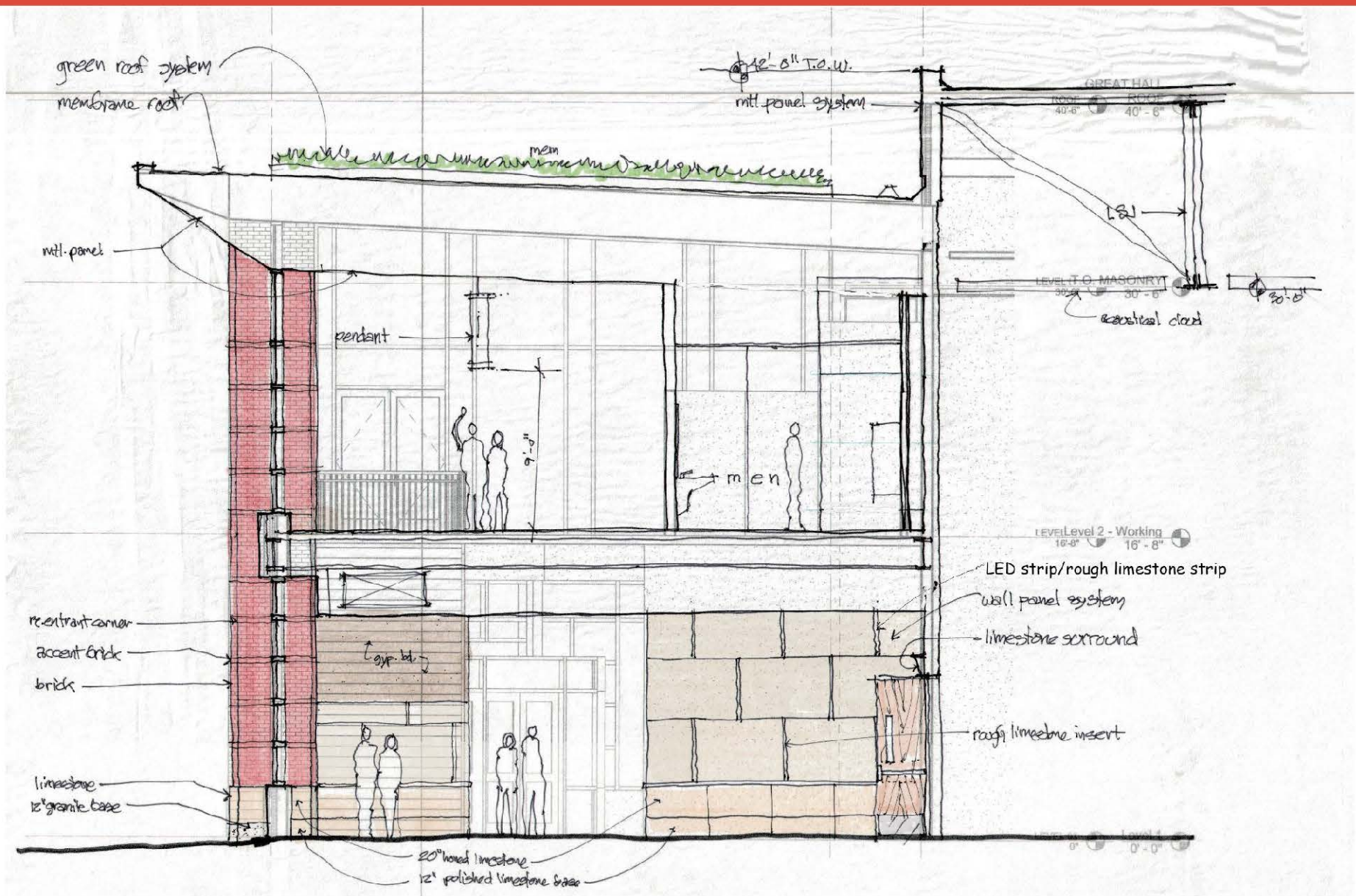
DESIGN CONCEPT – ACTIVE STREETScape



DESIGN CONCEPT – ACTIVE STREETScape



DESIGN CONCEPT – INTERIOR CONCEPTS



DESIGN CONCEPT – INTERIOR CONCEPTS



- Continue Site Submittal Process
- BZA and Plan Commission Reviews
- Coordination with Weddle on Final Design Estimate and Bid Alternates

QUESTIONS AND DISCUSSION

Base Bid Project Scope

- Convention Center Expansion New Construction and associated site and utility work
- Overhead bridge new construction connecting the new convention center to the existing convention center and all associated site and utility work.
- Existing Convention Center
 - Replace windows
 - Separate fire and water service
 - Add warming kitchen equipment
 - Masonry repointing (25% of exterior surface min) and cleaning (100% of exterior)
- As funding allows, additional considerations will be given to including this work:
 - Existing Convention Center: replace HVAC units, renovation warming kitchen, and other existing building deficiencies
 - New Convention Center: increase green roof or other necessary and/or required work to complete the Center

WEDDLE BROTHERS ESTIMATED CONSTRUCTION COST:(includes 7.5% construction contingency)



Construction Subtotal	\$44,513,511
General Conditions	\$540,000
CMc (Personnel, Permit, Office, Bonds, etc)	\$1,938,235
Contingency	\$4,047,746
CMc Fee	\$960,508

TOTAL \$52,000,000

OTHER COSTS
(through 12/31/2027)

Direct Costs
(environ, comms, security, art. signs, relo, FFE)
Architect/Engineering Fee
Contingency
Commissioning Agent
Owner's Rep
CIB (Legal, Controller, Other)

\$11,030,000
\$ 4,399,850
\$ 1,200,000
\$ 300,000
\$ 1,006,100
\$ 828,902

*Excludes all bond related expenses, fees, interest, closing costs, etc
**\$936,100 has been expended through 12/31/24

TOTAL PROJECT BUDGET

\$70,764,852**

KROHN
ASSOCIATES



CITY OF BLOOMINGTON

**Bloomington/Monroe County
Convention Center Project**
Financial Projection Updates
February 12, 2025



848 Logan Street Suite 300
Noblesville, IN 46060

P 317.867.5888
F 317.867.5898

www.owkcpa.com

Convention Center

Executive Summary

- **Total Project Costs Amount to Approximately \$70M**
- **Proposing to Utilize Existing F&B Cash on Hand \$20M**
- **Proposing to Issue Lease-Rental Bonds (with *LIT Pledge*) \$50M**
- **Estimated Debt Coverage is Over 110% (*Includes Interest Income*)**
- **LIT Pledge Will Never Be Utilized – Credit Enhancement Only**
- **20 Yr Bond Term with Lease Pmts During 2.5 yr Const. Period**
- **Funding \$3.8M Revenue Stabilization Fund Up-Front**
- **Assumed 3.5% Interest Income on Fund Balances**
- **Final Bond Payment Made from Revenue Stabilization Funds**
- **F&B Collections “Sunset” in 2045**

Convention Center

City F&B Collections

CITY OF BLOOMINGTON, INDIANA - HISTORY OF F&B COLLECTIONS

			COVID IMPACTED F&B					
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	
JANUARY	\$ -	\$ 252,739	\$ 263,496	\$ 188,052	\$ 276,019	\$ 328,548	\$ 330,005	
FEBRUARY		222,555	222,975	181,569	272,963	369,130	301,891	
MARCH	80,807	239,641	240,853	221,662	288,875	341,840	335,258	
APRIL	203,177	262,002	185,506	241,495	307,009	355,293	356,543	
MAY	276,587	303,961	144,850	293,977	337,563	387,262	392,863	
JUNE	189,760	240,385	139,438	279,493	318,300	315,836	321,938	
JULY	240,582	256,955	180,397	248,406	308,133	295,134	299,084	
AUGUST	228,196	197,887	172,820	248,827	286,829	289,347	299,774	
SEPTEMBER	209,493	234,875	236,525	301,543	305,831	324,379	344,512	
OCTOBER	356,656	303,099	213,795	327,656	357,837	403,358	396,376	
NOVEMBER	245,816	260,202	216,562	319,891	367,054	371,021	415,975	
DECEMBER	215,963	287,978	229,966	331,340	345,768	326,239	377,028	
TOTALS	\$ 2,247,037	\$ 3,062,279	\$ 2,447,183	\$ 3,183,911	\$ 3,772,181	\$ 4,107,387	\$ 4,171,247	
032					2 YR AVG		4,139,000	

EXCEPT FOR DURING COVID, ANNUAL F&B COLLECTIONS HAVE INCREASED EVERY YEAR.

USING AVERAGE COLLECTIONS OVER 2023 & 2024 TO SIZE PROPOSED LEASE-RENTAL BONDS

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CPAS AND CONSULTANTS

Convention Center

CONSTRUCTION CASH FLOW REQUIREMENTS

		2024 Payable				
USES OF FUNDS - PROJECT COSTS:		2025	2025	2026	2027	Total
Construction	Weddle	\$ 16,250	\$ 19,035,264	\$ 23,981,912	\$ 8,966,574	\$ 52,000,000
Direct Costs						
	Utility Connections	-	100,000	-	-	100,000
	Environmental	-	170,000	130,000	-	300,000
	Communications	-	-	350,000	150,000	500,000
	Security	-	-	350,000	350,000	700,000
	Art	-	-	260,000	260,000	520,000
	Graphics & Signage	-	-	520,000	520,000	1,040,000
	Relocation Services	-	-	35,000	35,000	70,000
	Furniture, Fixtures & Equipment	-	-	3,900,000	3,900,000	7,800,000
	Contingency	-	400,000	400,000	400,000	1,200,000
Architectural						
	Direct	791,308	2,443,515	681,385	-	3,916,208
	Subconsultants	-	166,950	-	-	166,950
Commissioning Agent		-	60,000	200,000	40,000	300,000
Owner's Rep		15,689	320,000	250,000	131,100	716,789
CIB						
	Legal	3,268	144,900	144,900	144,900	437,968
	Controller	1,531	71,500	71,500	71,500	216,031
	Other	47,371	3,000	3,000	3,000	56,371
Lease-Rental Payments			2,216,667	3,800,000	3,800,000	9,816,667
Revenue Stablization Fund (1 Yr P&I) *			3,800,000			3,800,000
<i>Revenue Stablization Fund to Make Final Lease Pmt</i>						
Total Project Costs		\$ 875,417	\$ 28,931,796	\$ 35,077,697	\$ 18,772,074	\$ 83,656,984

ALL-IN CONSTRUCTION
COSTS AMOUNT TO \$70M

LEASE-RENTAL PMTS
DURING CONSTRUCTION
AMOUNT TO \$10M

ESTABLISHING REVENUE
STABILIZATION FUND WILL
REQUIRE \$3.8M

TOTAL CASH REQUIRED
DURING CONSTRUCTION
PERIOD AMOUNTS TO \$84M

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&
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CPAS AND CONSULTANTS

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ESTIMATED SOURCES OF FUNDS

ESTIMATED SOURCES OF FUNDS:		2024 Payable			
Includes F&B Revenues / Interest Earnings & Cash on Hand		2025	2026	2027	Total
Cash on Hand	\$ 20,742,712				
Interest Income - Construction	3.5%	817,000	490,000	50,000	1,357,000
Interest Income - (3.8M) Rate Stabilization Fund		133,000	133,000	133,000	399,000
Food & Beverage Collections		4,139,000	4,139,000	4,139,000	12,417,000
Bond Proceeds (Net)	Bond Premium to Cover Issuance Costs	50,000,000	-	-	50,000,000
Total Revenues - Includes Cash on Hand	\$ 20,742,712	\$ 55,089,000	\$ 4,762,000	\$ 4,322,000	\$ 84,915,712
Net Cash Requirements - Projected Cash Balances *	\$ 19,867,295	\$ 46,024,499	\$ 15,708,802	\$ 1,258,728	\$ 1,258,728
* \$3.8M Revenue Stabilization Fund is Not Included in Assumed Ending Construction Fund Balance					
Future City Net Cash Flows - Post Construction:					
\$3,800,000	Plus Interest Income on \$3.8M Revenue Stabilization Fund -- To Be Used for Final Lease-Rental Payment				
\$4,746,000	Projected Annual Bond Coverage Going Forward - Total over 17 Yrs Amounts to \$339K / Yr				
\$3,598,000	Estimated Interest Income on Total Cumulative Cash Flows				
\$8,344,000	Total Projected Net Cash Balance in 20 Yrs - Available for Future Replacements & Improvements				

Convention Center

Projected Bond Coverage

LEASE-RENTAL BOND SIZE & TERM ASSUMPTIONS		
		<u>20 YR BONDS</u>
PROPOSED BONDS	\$	50,000,000
ASSUMED N.I.C.		4.25%
TERM (YRS)		20
ANNUAL LEASE-RENTAL PAYMENTS		\$3,800,000
TOTAL PMTS	\$	76,000,000
TOTAL INTEREST COST	\$	26,000,000
TOTAL REVENUES AVAILABLE FOR LEASE-RENTAL PAYMENT	\$	4,139,000
ASSUMED INTEREST ON REVENUE STABILIZATION FUND	\$	133,000
TOTAL REVENUES AVAILABLE FOR LEASE-RENTAL PAYMENT	\$	4,272,000
COMPUTED BOND COVERAGE		
COMPUTED BOND COVERAGE		112.4%

Bloomington / Monroe County Convention Center



CITY OF BLOOMINGTON

- Thank You
- Questions



KROHN
ASSOCIATES
CPAS AND CONSULTANTS

Bond Lease Financing

- Lease financing in Indiana is frequently available to finance projects that a political subdivision would ordinarily finance with general obligation bonds.
- Lease financing enables the political subdivision to avoid the 2% constitutional debt limit and is therefore commonly used by municipalities and school corporations for larger projects that could not be financed through a traditional bond structure due to debt limit concerns.
- Indiana courts have established a “leasing exception” to the constitutional debt limit (lease does not constitute “debt”).
- There are several lease financing statutes in Indiana, including IC 36-1-10, that are designed to meet the leasing exception.

Indiana Code 36-1-10 Lease Financings



- IC 36-1-10 permits political subdivisions and their agencies to acquire “structures,” “transportation projects,” or “systems” by lease or lease-purchase.
- Under IC 36-1-10, typically, a separate nonprofit “building” corporation is established to act as the lessor under the lease. The nonprofit corporation will be the issuer of the bonds that will be payable from the lease rentals due under the lease.
- In general, the central steps required under an Indiana Code 36-1-10 lease (that is not payable from property taxes) are the following:
 - (a) Receipt by governmental unit of petition signed by at least 50 taxpayers
 - (b) Adoption of resolution by fiscal body determining that project is needed
 - (c) Adoption of resolution by nonprofit corporation lessor approving lease
 - (d) Conducting of public hearing (after proper public notice of hearing) on lease
 - (e) Adoption of resolution by governmental unit approving execution of lease
 - (f) Publication of notice of execution of lease
 - (g) Adoption of resolution by nonprofit corporation lessor authorizing issuance of bonds to be payable from lease rentals due under lease
- The City’s food and beverage tax revenues may be pledged and used to pay lease rentals under a lease to finance the project. In addition, a county, city or town may pledge and use local income tax revenues to pay lease rentals under any statute for a capital project.

LEASE

between

[BLOOMINGTON BUILDING CORPORATION]
as Lessor

and

CITY OF BLOOMINGTON, INDIANA,
as Lessee

DATED AS OF _____ 1, 2025

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LEASE

THIS CONTRACT OF LEASE, made and entered into as of this 1st day of _____, 2025 (the "Lease"), by and between the [Bloomington Building Corporation], an Indiana nonprofit corporation (hereinafter with its successors and assigns as provided by this Lease called the "Lessor"), and the City of Bloomington, Indiana (hereinafter called the "Lessee"),

W I T N E S S E T H:

In consideration of the mutual covenants herein contained, it is agreed that:

Section 1. Premises, Term and Warranty. The Lessor does hereby lease, demise and let to the Lessee the real estate in Monroe County, Indiana, more particularly described in Exhibit A-1 attached hereto and made a part hereof, and the expansion to the Monroe Convention Center and other improvements to be made thereon, to be constructed and equipped according to plans and specifications prepared for the Lessor by the project architects engaged by or on behalf of the Lessee (the "Project").

The above-mentioned plans and specifications may be changed, additional construction work may be performed and equipment may be purchased by the Lessor, but only with the approval of the Lessee, and only if such changes or modifications, additional construction or equipment do not alter the character of the Project or reduce the value thereof. Any such additional construction or additional equipment shall be part of the property covered by this Lease. The above-mentioned plans and specifications have been filed with and approved by the Lessee.

TO HAVE AND TO HOLD the same with all rights, privileges, easements and appurtenances thereunto belonging, unto the Lessee, for a term of _____ (__) years,

beginning on the date the Project is completed and ready for occupancy and ending on the day prior to such date _____ (__) years thereafter. However, the term of this Lease shall terminate at the earlier of (a) the exercise of the option to purchase by the Lessee and payment of the option price, or (b) the payment or defeasance of all obligations of the Lessor incurred (i) to finance the cost of the leased property, (ii) to refund such obligations, (iii) to refund such refunding obligations, or (iv) to improve the leased property. The date the Project is completed and ready for occupancy shall be endorsed on this Lease at the end hereof by the parties hereto as soon as the same can be done after such completion and such endorsement shall be recorded as an addendum to this Lease. The Lessor hereby represents that it is possessed of, or will acquire, a good and indefeasible estate in fee simple to the above-described real estate, and the Lessor warrants and will defend the same against all claims whatsoever not suffered or caused by the acts or omissions of the Lessee or its assigns.

Section 2. Semiannual Rental Payments. During the term of this Lease, the Lessee agrees to pay rental for said premises at the semiannual rate of _____ Dollars (\$_____). The first semiannual rental installment in the amount of _____ Dollars (\$_____) shall be due on the later of (a) the day that the Project to be erected on the premises is completed and ready for occupancy, or (b) _____, 20___. If completion of the Project is later than _____, 20__, the first installment shall be in an amount which provides for rental at the rate specified above prorated from the date of such completion until the first January 15 or July 15 following such date of completion. Thereafter, such rental shall be payable in advance in semiannual installments of _____ Dollars (\$_____) on January 15 and July 15 of each year. The last semiannual rental payment due before the expiration of this Lease for the Project shall be adjusted to provide for rental at the

yearly rate specified above prorated from the date such installment is due to the date of the expiration of this Lease. All rentals payable under the terms of this Lease shall be paid by the Lessee to the corporate trustee selected by the Lessor (hereinafter called the "Trustee"), or to such other bank or trust company as may from time to time succeed the Trustee under the Trust Indenture and Mortgage securing the First Mortgage Bonds (hereinafter referred to as the "Bonds") to be issued by the Lessor. All payments so made by the Lessee shall be considered as payment to the Lessor of the rentals payable hereunder.

Notwithstanding anything herein to the contrary, during the period of construction of the Project, the Lessor may lease to the Lessee the existing Monroe Convention Center as more particularly described in Exhibit A-2 attached hereto (to the extent such property is owned by the Lessor). During such expected period of construction, the Lessee shall pay rent to the Lessor on each January 15 and July 15, commencing _____ 15, 202_ at the semiannual rate of _____ Dollars (\$_____), subject to the provisions of the following paragraph. Following the completion of the Project, the currently existing Monroe Convention Center shall be transferred to _____.

After the sale of the Bonds issued by the Lessor to pay the costs of the Project, including the acquisition of the site of the Project and expenses incidental to the Project and the financing thereof, the annual rental shall be reduced to an amount equal to the multiple of One Thousand Dollars (\$1,000) next highest to the highest sum of principal and interest due in any year ending on a bond maturity date (bond year) on such Bonds plus Five Thousand Dollars (\$5,000), payable in equal semiannual installments. Such amount of reduced annual rental shall be endorsed on this Lease at the end hereof by the parties hereto as soon as the same can be done after the sale of the Bonds, and such endorsement shall be recorded as an addendum to this

Lease. In addition, such addendum shall specify the Trustee to whom the Lessee shall pay the rental to be due under this Lease.

Section 3. Additional Rental Payments. The Lessee shall pay as further rental for said premises all taxes and assessments levied against or on account of the leased property. Any and all such payments shall be made and satisfactory evidence of such payments in the form of receipts shall be furnished to the Lessor by the Lessee, at least three (3) days before the last day upon which the same must be paid to avoid delinquency. In case the Lessee shall in good faith desire to contest the validity of any such tax or assessment, and shall so notify the Lessor, and shall furnish bond with surety to the approval of the Lessor conditioned for the payment of the charges so desired to be contested and all damages or loss resulting to the Lessor from the non-payment thereof when due, the Lessee shall not be obligated to pay the same until such contests shall have been determined.

Section 4. Abatement of Rent. In the event the Project shall be partially or totally destroyed, whether by fire or any other casualty, so as to render the same unfit, in whole or part, for use and occupancy by the Lessee, it shall then be the obligation of the Lessor to restore and rebuild such Project as promptly as may be done, unavoidable strikes and other causes beyond the control of the Lessor excepted; provided, however, that the Lessor shall not be obligated to expend on such restoration or rebuilding more than the amount of the proceeds received by the Lessor from the insurance provided for in Section 6 hereof.

The rent shall be abated for the period during which the Project or any part thereof is unfit for occupancy and shall be in proportion to the percentage of floor area of the Project which is unfit for occupancy.

Section 5. Alteration and Repairs, Maintenance. The Lessee assumes all responsibility for maintenance, repairs and alterations to the Project. No alterations shall be made by the Lessee without first obtaining the written consent of the Lessor. Subject to Section 11 hereof, at the end of the term, the Lessee shall deliver the leased property to the Lessor in as good condition as at the beginning of the term, reasonable wear and tear only excepted. Equipment or other personal property which becomes worn out or obsolete may be discarded or sold by the Lessee. The Lessee need not replace such personal property, but may replace such property at its own expense, which replacement property shall belong to the Lessee. The proceeds of the sale of any personal property shall be paid to the above-mentioned Trustee. The Lessee may trade in any obsolete or worn out personal property or replacement property which will belong to the Lessee upon payment to the Trustee of an amount equal to the trade-in value of such property.

The Lessee may enter into or cause to be entered into one or more agreements from time to time [with the Capital Improvement Board of Monroe County] concerning details and responsibilities for the operation and maintenance of the Project for the benefit of the Lessee and the Project.

Section 6. Insurance. The Lessee, at its own expense, will, during the full term of this Lease, keep the demised premises insured against physical loss or damage, however caused, with such exceptions as are ordinarily required by insurers of buildings or facilities of a similar type, with good and responsible insurance companies, subject to the approval of the Lessor. Such insurance shall be in an amount at least equal to the greater of (i) the option to purchase price under this Lease, or (ii) one hundred percent (100%) of the full replacement cost of the Project as certified by a registered architect, registered engineer or professional appraisal engineer, selected by the Lessor, on the effective date of such insurance and on or before the anniversary date of

such policy of each year thereafter (such appraisal may be based upon a recognized index of conversion factors); provided that such certification shall not be required so long as the amount of such insurance shall be in an amount at least equal to the option to purchase price. Such insurance may contain a provision for a deductible in the amount of Twenty-Five Thousand Dollars (\$25,000). During the full term of this Lease, the Lessee will also, at its own expense, maintain rent or rental value insurance in an amount equal to the full rental value of the leased facilities for a period of two (2) years against physical loss or damage of the type insured against pursuant to the preceding requirements of this Section 6. Such policies shall be for the benefit of persons having an insurable interest in the demised premises, and shall be made payable to the Lessor or to such other person or persons as the Lessor may designate. Such policies shall be countersigned by an agent of the insurer who is a resident of the State of Indiana, and such policies, together with a certificate of the insurance commissioner certifying that the persons countersigning such policies are duly qualified in the State of Indiana as resident agents of the insurers on whose behalf they may have signed, and the certificate of the architect or engineer hereinbefore referred to, shall be deposited with the Lessor. If, at any time, the Lessee fails to maintain insurance in accordance with this Section 6, such insurance may be obtained by the Lessor and the amount paid therefor shall be added to the amount of rental payable by the Lessee under this Lease; provided, however, that the Lessor shall be under no obligation to obtain such insurance and any action or non-action of the Lessor in this regard shall not relieve the Lessee of any consequence of its default in failing to obtain such insurance.

Section 7. General Covenants. The Lessee shall not assign this Lease or sublet the demised premises herein described without the written consent of the Lessor; provided, however, that the Lessee shall in no event assign or sublet the demised premises if such assignment or

sublease will result in the loss of the exclusion from gross income for federal income tax purposes of interest on any obligation issued by the Lessor to finance the demised premises. The Lessee shall use and maintain the demised premises in accordance with the laws and ordinances of the United States of America, the State of Indiana, and all other proper governmental authorities.

The Lessee covenants that it will not take any action or fail to take any action that would result in the loss of the excludability from gross income for federal tax purposes of interest on the Bonds pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as in effect on the date of delivery of the Bonds, nor will the Lessee act in any manner which would adversely affect such excludability. The Lessee further covenants that it will not make any investment or do any other act or thing during the period that any Bond is outstanding which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations thereunder as in effect on the date of delivery of the Bonds. All officers, members, employees and agents of the Lessee are authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the Lessee as of the date the Bonds are issued and to enter into covenants on behalf of the Lessee evidencing the Lessee's commitments made herein.

Section 8. Option to Purchase. The Lessor hereby grants to the Lessee the right and option, on any date prior to the expiration of this Lease, upon written notice to the Lessor, to purchase the demised premises at a price equal to the amount required to enable the Lessor to pay all indebtedness, including accrued and unpaid interest to the first date on which bonds may be redeemed and all premiums payable on the redemption thereof. In no event, however, shall such purchase price exceed the capital actually invested in such property by the Lessor

represented by outstanding securities or existing indebtedness plus the cost of transferring the property. The phrase "capital actually invested" as used herein shall be construed to include, but not by way of limitation, the following amounts expended by the Lessor: organization and incorporation expenses, financing costs, carrying charges, legal fees, architects' fees, contractors' fees and reasonable costs and expenses incidental thereto.

Upon request of the Lessee, the Lessor agrees to furnish an itemized statement setting forth the amounts required to be paid by the Lessee on any specified date in order to purchase the demised premises in accordance with the preceding paragraph. The statement shall also set forth the name of the Trustee under the trust agreement or agreements securing the outstanding indebtedness of the Lessor.

If the Lessee exercises its option to purchase, it shall pay to the Trustee referred to above the purchase price which is required to pay all indebtedness of the Lessor, including all premiums payable on the redemption thereof and accrued and unpaid interest. Such payment shall not be made until the Trustee gives to the Lessee a written statement that such amount will be sufficient to retire all outstanding indebtedness of the Lessor secured by the trust agreement or agreements between the Trustee and the Lessor, including all premiums payable on the redemption thereof and accrued and unpaid interest.

Nothing herein contained shall be construed to provide that the Lessee shall be under any obligation to purchase the demised premises, or under any obligation in respect to any creditors, members or security holders of the Lessor.

Section 9. Option to Renew. The Lessor hereby grants to the Lessee the right and option to renew this Lease for a further like, or lesser, term upon the same or like conditions as herein

contained, and the Lessee shall exercise this option by written notice to the Lessor given upon any rental payment date prior to the expiration of this Lease.

Section 10. Utility Service. The Lessee agrees to pay or cause to be paid all charges for sewer, gas, water, electricity, lights, heat or power, telephone or other utility services used, rendered or supplied upon or in connection with the leased premises throughout the term of this Lease, and to indemnify the Lessor and save it harmless against any liability or damages on such account. The Lessee shall also, at its sole cost and expense, procure any and all necessary permits, licenses or other authorizations required for the lawful and proper installation and maintenance upon the leased premises of wires, pipes, conduits, tubes and other equipment and appliances for use in supplying any such service to and upon the leased premises.

Section 11. Transfer to Lessee. In the event the Lessee does not exercise its option to purchase under Section 8 hereof or option to renew under Section 9 hereof, and upon full discharge and performance by the Lessee of its obligations under this Lease, the demised premises shall become the absolute property of the Lessee, and the Lessor shall execute the proper instruments conveying title to the premises to the Lessee.

Section 12. Defaults. If the Lessee shall default in the payment of any rentals or other sums payable to the Lessor hereunder, or in the observance of any other covenant, agreement or condition hereof, and such default shall continue for ninety (90) days after written notice to correct the same, then, in any or either of such events, the Lessor may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable remedy, or the Lessor, at its option, without further notice, may terminate the estate and interest of the Lessee hereunder, and it shall

be lawful for the Lessor forthwith to resume possession of the demised premises and the Lessee covenants to surrender the same forthwith upon demand.

The exercise by the Lessor of the above right to terminate this Lease shall not release the Lessee from the performance of any obligation hereof maturing prior to the Lessor's actual entry into possession. No waiver by the Lessor of any right to terminate this Lease upon any default shall operate to waive such right upon the same or other default subsequently occurring.

Section 13. Notices. Whenever either party shall be required to give notice to the other under this Lease, it shall be sufficient service of such notice to deposit the same in the United States mail, in an envelope duly stamped, registered and addressed to the other party or parties at their last known place of business.

Section 14. Successors or Assigns. All covenants of this Lease, whether by the Lessor or the Lessee, shall be binding upon the successors and assigns of the respective parties hereto.

Section 15. Construction of Covenants. The Lessor was organized for the purpose of acquiring, constructing, installing and equipping the Project and leasing the same to the Lessee under the provisions of the Indiana Code, Title 36, Article 1, Chapter 10. All provisions herein contained shall be construed in accordance with the provisions of said Chapter, and to the extent of inconsistencies, if any, between the covenants and agreements in this Lease and provisions of said Chapter, the provisions of said Chapter shall be deemed to be controlling and binding upon the Lessor and the Lessee.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed for and on their behalf as of the day and year first hereinabove written.

LESSOR

[BLOOMINGTON BUILDING
CORPORATION]

By: _____
_____, President

ATTEST:

_____, Secretary

LESSEE

CITY OF BLOOMINGTON, INDIANA

By: _____
Kerry Thomson, Mayor

ATTEST:

Jessica McClellan, Controller

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

Before me, the undersigned, a Notary Public in and for the State of Indiana, personally appeared _____ and _____, personally known to me as the President and Secretary, respectively, of the [Bloomington Building Corporation], and acknowledged the execution of the foregoing Lease for and on behalf of said Building Corporation.

Witness my hand and notarial seal this ____ day of _____, 2025.

Notary Public

(Seal)

Printed

My Commission Expires:

_____ County Resident

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

Before me, the undersigned, a Notary Public in and for the State of Indiana, personally appeared Kerry Thomson and Jessica McClellan, personally known to me as the Mayor and the Controller, respectively, of the City of Bloomington, Indiana, and acknowledged the execution of the foregoing Lease for and on behalf of said City.

Witness my hand and notarial seal this ____ day of _____, 2025.

Notary Public

(Seal)

Printed

My Commission Expires:

_____ County Resident

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. Tenley L. Drescher-Rhoades

This instrument was prepared by Tenley L. Drescher-Rhoades, Faegre Drinker Biddle & Reath LLP, 300 North Meridian Street, Suite 2500, Indianapolis, Indiana 46204.

EXHIBIT A-1

**[EXPANSION TO MONROE CONVENTION CENTER PROJECT LEGAL
DESCRIPTION]**

EXHIBIT A-2

[EXISTING MONROE CONVENTION CENTER LEGAL DESCRIPTION]

CITY OF BLOOMINGTON

General Ledger Summary Listing

From Date: 1/1/2024 - To Date: 2/28/2025

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number: 4439-10000 Cash							Fiscal Year To Date:		\$17,457,361.36
				Month Total: January 2024			\$344,085.70	\$0.00	\$17,801,447.06
				Month Total: February 2024			\$344,237.51	\$0.00	\$18,145,684.57
				Month Total: March 2024			\$307,997.73	\$477.50	\$18,453,204.80
				Month Total: April 2024			\$350,536.16	\$412.21	\$18,803,328.75
				Month Total: May 2024			\$369,087.97	\$44,479.88	\$19,127,936.84
				Month Total: June 2024			\$406,591.32	\$0.00	\$19,534,528.16
				Month Total: July 2024			\$331,499.26	\$51,458.58	\$19,814,568.84
				Month Total: August 2024			\$308,965.75	\$94,846.40	\$20,028,688.19
				Month Total: September 2024			\$313,584.72	\$0.00	\$20,342,272.91
				Month Total: October 2024			\$361,311.30	\$365,109.73	\$20,338,474.48
				Month Total: November 2024			\$404,492.65	\$391,549.62	\$20,351,417.51
				Month Total: December 2024			\$427,054.40	\$40,434.44	\$20,738,037.47
				Month Total: January 2025			\$15,095.65	\$433.90	\$20,752,699.22
				Account Total: Cash			\$4,284,540.12	\$989,202.26	\$20,752,699.22
				Fund Total: Food and Beverage Tax			\$4,284,540.12	\$989,202.26	\$20,752,699.22
				Grand Total:			\$4,284,540.12	\$989,202.26	\$20,752,699.22

FOOD AND BEVERAGE TAX YEAR TO YEAR COMPARISON

	2024		2023		2022		2021		2020		2019		2018	
	PAYERS	TOTAL RECEIVED	PAYERS	TOTAL RECEIVED	PAYERS	TOTAL RECEIVED	PAYERS	TOTAL RECEIVED	PAYERS	TOTAL RECEIVED	PAYERS	TOTAL RECEIVED	PAYERS	TOTAL RECEIVED
January	380	\$368,645.88	369	\$364,806.60	338	\$310,294.58	294	\$215,713.13	346	\$295,742.42	344	\$283,483.56	0	\$0.00
February	361	\$337,912.32	360	\$404,946.47	326	\$298,642.90	297	\$219,968.97	314	\$244,766.10	308	\$252,916.41	78	\$89,785.72
March	360	\$366,928.55	363	\$374,870.16	333	\$323,327.41	315	\$246,562.87	316	\$268,388.63	326	\$261,060.06	(Feb/Mar)	
April	375	\$396,284.34	356	\$392,292.17	331	\$337,361.78	311	\$270,906.81	275	\$204,681.51	333	\$291,297.35	282	\$225,752.33
May	378	\$434,619.15	372	\$426,220.44	341	\$371,776.97	317	\$329,783.34	277	\$173,935.23	350	\$343,971.81	274	\$307,318.54
June	374	\$363,747.52	373	\$355,984.49	350	\$357,556.21	329	\$321,524.05	255	\$163,874.18	309	\$271,539.89	256	\$210,844.44
July	374	\$341,120.46	365	\$338,740.38	349	\$346,218.88	323	\$294,734.53	289	\$208,459.80	358	\$293,934.48	290	\$267,312.88
August	380	\$341,217.12	371	\$332,209.56	355	\$333,884.01	339	\$297,340.67	287	\$202,637.33	316	\$229,573.06	298	\$253,562.55
September	387	\$387,648.70	368	\$364,069.10	340	\$340,324.78	337	\$337,204.31	309	\$273,866.35	332	\$267,760.47	268	\$232,770.31
October	361	\$440,417.63	376	\$448,562.38	354	\$396,236.39	331	\$362,724.29	300	\$244,735.33	348	\$340,956.21	324	\$396,284.26
November	341	\$462,194.60	373	\$409,787.85	354	\$404,406.76	345	\$358,413.39	292	\$247,058.78	321	\$289,188.46	308	\$273,129.38
December	344	\$418,920.26	369	\$361,721.22	358	\$384,536.73	349	\$372,121.37	309	\$264,518.53	335	\$321,528.03	336	\$302,102.01
TOTALS		\$4,659,656.53		\$4,574,210.82		\$4,204,567.40		\$3,626,997.73		\$2,792,664.19		\$3,447,209.79		\$2,558,862.42

GRAND TOTAL: \$25,864,168.88

1/22/2025

Food and Beverage Tax Distribution

2024	Amount Collected	City Actual	County Actual		City	County
January	\$368,645.88	\$330,005.44	\$38,640.44	\$368,645.88	89.52%	10.48%
February	\$337,912.32	\$301,891.05	\$36,021.27	\$337,912.32	89.34%	10.66%
March	\$366,928.55	\$335,258.37	\$31,670.18	\$366,928.55	91.37%	8.63%
April	\$396,284.34	\$356,543.06	\$39,741.28	\$396,284.34	89.97%	10.03%
May	\$434,619.15	\$392,863.47	\$41,755.68	\$434,619.15	90.39%	9.61%
June	\$363,747.52	\$321,938.65	\$41,808.87	\$363,747.52	88.51%	11.49%
July	\$341,120.46	\$299,083.60	\$42,036.86	\$341,120.46	87.68%	12.32%
August	\$341,217.12	\$299,773.75	\$41,443.37	\$341,217.12	87.85%	12.15%
September	\$387,648.70	\$344,511.66	\$43,137.04	\$387,648.70	88.87%	11.13%
October	\$440,417.63	\$396,375.87	\$44,041.76	\$440,417.63	90.00%	10.00%
November	\$462,194.60	\$415,975.14	\$46,219.46	\$462,194.60	90.00%	10.00%
December	\$418,920.26	\$377,028.23	\$41,892.03	\$418,920.26	90.00%	10.00%
YTD Total	\$4,659,656.53	\$4,171,248.29	\$488,408.24			
Average Percentages		90%	10%			