

In the Council Chambers of the Showers City Hall on Monday, November 26, 2012 at 6:00 pm with Council President Tim Mayer presiding over a Special Session of the Common Council.

COMMON COUNCIL  
SPECIAL SESSION  
November 26, 2012

Roll Call: Mayer, Neher, Rollo, Ruff, Sandberg, Spechler, Volan, Granger, Sturbaum, Spechler  
Absent: None. Volan, Spechler arrived late

ROLL CALL

Council President Mayer gave the Agenda Summation

AGENDA SUMMATION

It was moved and seconded that Ordinance 12-25 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 4-0-4. She also noted that the public comment section of the deliberation of this ordinance would serve as the publically noticed meeting.

LEGISLATION FOR SECOND READING

It was moved and seconded that Ordinance 12-25 be adopted.

Ordinance 12-25 To Vacate a Public Parcel -- Re: Alley Right-of-Way Running East/West Between South Gentry Street and the B-Line Trail, South of Kirkwood Avenue and North of West 4<sup>th</sup> Street (REI Investments, Petitioner)

Tom Micuda, Planning Director, gave key issues of the legislation including the site location, with the actual location of the alley noted on a map. He noted that there had been a concrete one story structure built over the alley and that it presently housed an ATM. He described the petition that drove the request for vacation of this alley: a hotel with 168 rooms, 130 space parking structure, and redirected street traffic on Gentry St. He said that the hotel project was a necessary piece of redevelopment. He said that the project would provide \$350,000 in annual Innkeepers Tax, over forty jobs, and an estimated \$27 million in the downtown Tax Increment Finance district (TIF).

*Public comment segment of this deliberation served as the legally advertised public hearing.*

Jeremy Stevenson, REI Investments, said that his company had a long history of working with the city. He said that White Lodging Services would manage the hotel in addition to another hotel that was under construction in the area.

Council Questions:

Rollo asked why the right of way still belonged to the city and if the utility companies needed the right of way. Micuda said that no utility company needed the alley, and he said that he was unsure how the current building was constructed over the right of way. He suggested that planning that staff twenty years prior may have assumed it had already been vacated.

Rollo asked how much revenue the TIF would receive. Micuda said that he was unsure how much revenue the TIF would receive.

Rollo asked what biking facilities would be available in the development. Micuda said that the development met the code for bicycle rack needs, and he said that future investments in bicycle use could be made if the need was present. Stevenson added that the developer was open to the idea of making bicycle connectivity part of the development. Patrick Shay, Planning Department, said that the developer had added extra bike racks on 4<sup>th</sup> Street and inside the building.

Sturbaum asked who would be responsible for repairing the eastside Gentry Street sidewalk. Micuda said that the developer would go through the Board of Public Works for their construction plan, and they would be responsible for repairs of any public amenities. He said that renovating the sidewalk would be excessively complicated and expensive.

Sturbaum asked if a new streetscape could be part of the development. Micuda said that the excess complications would be an undue burden on the project. He reminded the council that the sidewalk in question was off the developer's site.

Sturbaum asked if the developer would be willing to work with the city on redesigning the sidewalk. Stevenson said that the developer wanted Gentry Street to be as attractive as possible, and he was willing to work the city to develop a plan to work on the sidewalk. He suggested that TIF revenues could be used on the streetscape.

Ruff asked how Hyatt Hotels would be connected to the project. Stevenson said that the hotel would be a franchise hotel and would be subject to some brand standards of the company. He added that Hyatt was not involved in HR policies or wages.

Ruff asked if Hyatt Hotels that had been boycotted were managed by Hyatt directly or were franchised. Stevenson said he could not answer the question, but he guaranteed that White Lodging Services did not manage any of the hotels in question.

Volan asked how wide the 4<sup>th</sup> Street sidewalk would be. Micuda said that it would be 18-20 feet.

Volan asked how many employees would be part time. Stevenson said that 80% of employees would be full time. Chuck LaMotte, Vice President of Human Resources for White Lodging Services, said that the company preferred to have full time associates.

Volan asked if the personnel policies of the company were publically available. LaMotte said that they were in the associate's handbook.

Volan asked if any properties had union representation. LaMotte said that three hotels in Chicago had union workers.

Sturbaum asked if commercial space could be included in the southwest corner of the development. Stevenson said that the developer tried to work commercial space into the corner, but space limitations required the space be used for mechanicals.

Ruff asked if any positions in the hotel would be outsourced to other companies. LaMotte said that the company brought in outside companies to fill the temporary need when their hotels first opened.

Rollo asked where deliveries would be made for the hotel. Shay said that the interior delivery space would be off of Gentry Street near the entrance to the parking garage. Stevenson added that there would not be obstruction of 4<sup>th</sup> Street or Kirkwood Avenue traffic for deliveries.

Volan asked how the city would be able to assess the use of the parking garage. Stevenson said that the developer would work with the city to keep them aware of parking use. He agreed to submit the report annually.

Volan asked if the exchange of parking data could be made mandatory as part of the ordinance. Dan Sherman, Council Attorney, said that it would be unenforceable.

Ruff asked if White Lodging Services would commit to apply the city's living wage ordinance to the operation of the hotel. Stevenson said that White Lodging Services tried to be in the top 10% of wages demanded by the market, but they would not be willing to make a commitment to follow the city's ordinance.

**Public Comment:**

Glenn Carter said that only three hotels managed by White Lodging Services had union employees, and he said that the city should not vacate the right of way if a living wage and right to unionize were not offered to employees.

Ms Sanchez spoke about her negative experience working with a subcontractor hired by White Lodging Services. She said that she was paid fifty dollars for two weeks of work, and she encouraged the council to vote against the ordinance.

Elizabeth Guzman said that she worked for the same subcontractor, and she enjoyed the work. She said that she was also paid only forty dollars for a forty hour work week, and she was unable to take care of her children. She said that housecleaning subcontractors were making it impossible for them to afford to take of their families.

Mike Biskar from Unite Here, the hotel and foodservice union in Indianapolis, said that a lawsuit was brought against HSS, a hotel cleaning

Ordinance 12-25 (cont'd)

agency hired by White Lodging. He said that unfair hours and wages were given, and that the agency worked to blacklist hotel workers when they applied for jobs directly with the hotel. He called for the council to require White Lodging to abide by the living wage ordinance.

Amanda Valentino spoke about her experience with White Lodging. She said that she had a warm and positive experience as a front desk receptionist. She said that she received two internal promotions and a wide range of educational opportunities.

Will Price said that he had a positive experience with White Lodging. He said that he started as a line cook in Indianapolis, and he was given multiple promotions. He said he got to move to Bloomington to take the position as Executive Chef within the company.

Annie Wetzel said that she was recruited to work for White Lodging from Indiana University. She said that she had been given leadership training through the company, and it was a positive boon to her career.

Larry Jacobs, Chamber of Commerce, said that the hotel provided a unique opportunity for Bloomington. He said he was aware of no complaints about local hotels managed by White Lodging. He said that workers in the hotels could unionize.

Catherine Olmer, Executive Director of Wonderlab, said that the hotel would attract a large number of out of town visitors into the downtown. She said that businesses in the area would benefit from this economic catalyst. She said that the hotel was designed to fit into the area and would make the area more attractive.

Mike McAfee, Executive Director of Visit Bloomington, said that another hotel managed by White Lodging would generate more jobs for Bloomington. He said that his interactions with White Lodging had always been positive, and the company had had a positive impact on tourism in the state.

Jim Murphy, President of CFC, said that his company used temporary service agencies during times of peak demand. He said that the right-of-way had not provided any benefit to the downtown for 43 years, and he encouraged the council to see the public benefit of the development. He said that the city had done their due diligence on both companies involved in the development, and they should approve the petition.

Talisha Coppock, Downton Bloomington Convention Center, spoke in favor of the right of way vacation. She said the hotel would be a boon to downtown development.

Danise Alano-Martin, Director of Economic and Sustainable Development, said that that a \$27 million investment would create \$500,000 annually for the TIF. She said that TIF revenue could be used for streetscape projects, job training, and infrastructure upgrades. She said the project would bring clear public benefits.

Ron Stanhouse, Crazy Horse, urged the council to support the project. He said that restaurants would benefit from the hotel, and he said that there was an unmet demand for hotel rooms downtown.

Additional council questions:

Volan asked what percent of the project was owned by REI Investments. Stevenson said that the company would own 75% of the project, and White Lodging would own 25%. He said White Lodging was the majority owner of other hotel projects that the companies shared.

Council Comment:

Sandberg said she would support the ordinance because of the public benefit of the development. She said she was concerned about the working

conditions of temporary employees in Indianapolis, and she noted a letter from the White Lodging CEO in which he made the commitment to provide fair wages to those working at the hotel.

Rollo said that wage erosion and union membership decline were going hand in hand. He said that hotel employees were a large part of the working poor, but he said that city government had to be a strong ally for low wage workers. He said that the economic development brought by the hotel could not be ignored, and he would support the ordinance despite his reservations.

Sturbaum said he was critical of the project because he wanted to make it as good as he could. He said the community would benefit from the project, and he hoped that the attention paid to the alleged mistreatment of employees by HSS would guide White Lodging towards working with another agency. He said he wished that the corner commercial space had been included in the project.

Volan said he wanted the building design to be nicer because it would be large enough to be seen from the Sample Gates. He said from a capital construction perspective the project was a good use of the downtown space. He said that Bloomington would keep growing and increase the need for diverse housing options and hotel space. He said White Lodging was a good employer, but he felt that subcontracted cleaning staff were treated unfairly.

Granger said that Bloomington Human Rights Commission could be used to investigate allegations of mistreatment of employees. She said she would support the project.

Ruff said the project was good, but he said that wages in the hotel industry were a huge issue. He said he heard from lower level employees with White Lodging that they had career opportunities and fair wages. However, he was concerned that the developer would not voluntarily follow the Living Wage Ordinance, and he was uncomfortable conveying public property to a hotel chain that was being globally boycotted. He said he could not support a project that would not commit to following the Living Wage Ordinance.

Spechler said he supported the downtown tourism economy. He said the only way to increase wages was to increase demand for labor, and he said the Living Wage Ordinance was nonsense.

Neher said that his conversations with hotel staff had led him to appreciate the discussion of wage equity in the city. He said he would support the ordinance.

Mayer thanked Sandberg for her comments on the ordinance. He said that the community needed to address the problems brought forward that evening, but he felt the public good of the project outweighed the potential negatives.

The motion to adopt Ordinance 12-25 received a roll call vote of Ayes: 8, Nays: 1 (Ruff).

The meeting was adjourned at 8:30 pm.

ADJOURNMENT

APPROVE:

ATTEST:



Timothy Mayer, PRESIDENT  
Bloomington Common Council



Regina Moore, CLERK  
City of Bloomington