

City of Bloomington Common Council

Legislative Packet

Wednesday, 25 January 2017

Special Session

to be immediately followed by a

Committee of the Whole

All legislation and background material contained herein.

Office of the Common Council
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<http://www.bloomington.in.gov/council>



Packet Related Material

Memo

Agenda

Calendar

Notices and Agendas:

- **Common Council Special Session** - to be held at 6:30 pm on Wednesday, January 25, 2017 in the Council Chambers and be followed by the previously-scheduled Committee of the Whole
- **Common Council Special Session** – for the Mayor’s State of the City Address - to be held at the Buskirk-Chumley Theatre on Thursday, February 16, 2017 at 7:00 pm (*with seating starting at 6:30 pm*)

Minutes for Approval at the Special Session on Wednesday, January 25th:

- January 18, 2017 (Regular Session)

Legislation and Background Material for Discussion at the Committee of the Whole on Wednesday, January 25th:

- **Res 17-03** To Authorize Expenditures from the Industrial Development Fund to Support an Economic Development Project (Envisage Technologies, Inc., 101 W. Kirkwood Ave.)
 - Res 17-01 of the Bloomington Industrial Advisory Commission – Recommendations to Council;
 - Memo to Council from Alex Crowley, Director, Economic and Sustainable Development Department;
 - Map – Downtown CRED

Contact Alex Crowley at 812-349-3477, crowleya@bloomington.in.gov

- **Res 17-04** A Resolution Authorizing the Sale of City-Owned Properties -
Re: 1910 West Third Street and 1914 West Third Street
 - Memo to Council from Adam Wason, Director, Public Works
 - Map of Parcels and Area
 - BPW Res 2016-126
 - Letter from Mayor to Board of Public Works (Designating the Board to act as agent for disposal of the property)
 - Staff Report to Board of Public Works

Contact: Adam Wason at 812-349-3410, wasona@bloomington.in.gov

Memo

Special Session and Committee of the Whole Next Wednesday, January 25th

There are two meetings next Wednesday. The first is a Special Session where a set of minutes is ready for approval and some citizen appointments to boards and commission may be made. The second is a Committee of the Whole where two resolutions (included in this packet) are ready for discussion.

Items for Discussion at the Committee of the Whole

Item One – Res 17-03 - Authorizing Expenditures from the Industrial Development Fund (IDF) for Envisage Technologies, Inc. in the Downtown CRED

Res 17-03 brings forward the recommendation from the Bloomington Industrial Advisory Commission (BIDAC) to expend money from the Industrial Development Fund (IDF) set aside for the Downtown Community Revitalization Enhancement District (CRED). It authorizes the City to enter into a Financial Agreement with Envisage Technologies, Inc. (Envisage) regarding the expenditure and compliance with its terms.

This summary is based upon the memo and materials provided by Alex Crowley, Director, Economic and Sustainable Development Department, materials in the Council Office, and a review of IC 36-7-13 (Industrial Development).

Community Revitalization Enhancement District (CRED) and the Industrial Development Fund (IDF)

Statute enables the establishment of CREDs, which allow eligible entities – like cities – to address “significant obstacles to the redevelopment” of an area in order to “promote significant opportunities for gainful employment of its citizens; attract a major new business enterprise within the area; or, retain or expand a significant enterprise within the area.” IC 36-7-13-12.1(a) (1) They are initiated at a local level, based upon various findings, and approved by the State.

CREDs receive revenue by capturing State payroll income and sales taxes¹ received within the district over a base amount (up to \$750,000 per year) and setting them aside, along with other monies, into the Bloomington Industrial Development Fund (BIDF) for use in the district.

Once the CRED is established, expenditures may be made from the BIDF for a wide range of purposes which include: acquiring land or interests in land; making site or infrastructure improvements; purchasing, constructing, renovating, rehabilitating, or enlarging buildings or structures; acquiring machinery, equipment, furnishings, and facilities; remediating property; and administrative and operating expenses. IC 36-7-13-12.1 (b)

The City has two CRED districts: the Indiana Enterprise Center CRED created in the late 1990s and the Downtown CRED created in 2004. Please note that the Downtown CRED will expire in 2022 and the IEC will expire in mid-2019. As of the end of 2016, the balance in the Downtown CRED account was \$8.307 million² and the balance for the IEC/Thomson CRED account was \$5.233 million.

Monies from the fund may be spent by the City upon written recommendation of the Bloomington Industrial Development Advisory Commission (BIDAC) and approval of the Council. *Please note that the BIDAC met on January 10, 2017 to consider this proposal – BIDAC Res 2017-01.* Under statute, the City may levy taxes (of no more than 1.067 cents per \$100 assessed valuation) and issue bonds based upon CRED revenues (which the City has *not* pursued). It may also enter into a financing agreement with a developer who intends to develop or redevelop the facility and “has

¹ The term “payroll income” includes “state and local income taxes” (IC 36-7-13-3.8[b]) and the term “sales tax” includes “retail and use” taxes (IC 36-7-13-2.4). Please note that, in order to assist the State in ascertaining this revenue, the City was required to provide an initial list of contact information for businesses within the CRED and must update it on an annual basis. IC 36-7-13-13

² Please see the Memo from Crowley for a five-year history of beginning balances, annual receipts and disbursements, and ending balances.

entered into a separate agreement with some other person for the use and operation of the financed facility.” When entering into such a financing agreement, the City may establish goals or benchmarks for the developer to achieve before receiving a specified fee (per IC 36-7-13-18[b]).

Envisage – History – Current Status – Future Plans – BIDAC Recommendations

The memo from Crowley explains what Envisage does, the past incentives it has received, its current status, and the recommendations from the BIDAC regarding future plans.

According to the memo, Envisage “is a high-tech software company founded in 2001 in Bloomington” with a current workforce of 76 full-time, high-tech workers (with 74 located in Bloomington). Its services are intended to “ensure public safety and security” with over 90% of its revenues coming “from federal, state, and local government clients.” Its “flagship software product is the Acadis Readiness Suite ... (which) put(s) efficient, repeatable and scalable processes in place *before* a crisis to help ensure the right information is right at hand *during* a crisis.” It’s “second product, FirstForward, is the nation’s first professional learning network for public safety.”

The memo recounts a prior incentive in 2009 that was used to keep the company in town along with adding 23 new jobs, and more than doubling its payroll from \$2.03 million to \$4.3 million by 2012. That incentive had both a local and State component. The local component included IDF reimbursements of \$150,000 for relocation and renovation costs at Fountain Square and \$320,000 for operational costs through CRED revenues over five years, and \$75,000 in Tax Increment Financing for training. The State component was through the Indiana Economic Development Corporation (IEDC) which provided about \$450,000 in Economic Development for a Growing Economy (EDGE) tax credits.³

As the memo notes, Envisage has “more than exceeded its projected employment growth” and is promising another doubling of its workforce over the next five years. In order to accommodate that growth at Fountain Square Mall, it plans to expand its

³ According to an IEDC information sheet provided by Alex Crowley, which is available in the Council Office: “The Economic Development for a Growing Economy (EDGE) Tax Credit provides an incentive to businesses to support jobs creation, capital investment and to improve the standard of living for Indiana residents. The refundable corporate income tax credit is calculated as a percentage (not to exceed 100%) of the expected increased tax withholdings generated from new jobs creation. The credit certification is phased in annually for up to 10 years based upon the employment ramp-up outlined by the business.

current 12,100 sf of leased space by another 1,800 sf and “reconfigure the space” with about \$350,000 in capital improvements. In acknowledgement of the benefits these improvements will accrue to the landlord, CFC Properties, the memo lists some of the support provided and risks borne by the landlord on behalf of this tenant.

Please note that, like the prior incentives in 2009, these will have both a state and local component. The state component has been extended by the IEDC and include: up to \$200,000 in Training Assistance from a Skills Enhancement Fund over two years covering a maximum of 50% of eligible training costs; and, up to \$877,000 in EDGE tax credits over 10 years.

Resolution and Memorandum of Agreement

Res 17-03 authorizes the City to pay Envisage up to \$300,000 out of IDF monies as partial reimbursement for an estimated \$350,000 in benchmark expenditures related to renovating space and expanding its operations at Fountain Square Mall. It also authorizes the City to negotiate a Finance Agreement with Envisage regarding compliance with benchmarks and “claw-back” provisions in the event the requirements are not met.

Briefly, the substance of the Council and BIDAC resolutions and memo from the ESD staff declare the intent for Envisage to:

- enter into a five-year financing agreement with the City which requires Envisage to:
 - expand its leased space and operations at the Fountain Square Mall;
 - receive \$300,000 from the City once Envisage verifies that it has spent an estimated \$350,000 toward eligible expenditures (benchmarks) which include:
 - flooring, wall, and other lease-hold improvements (~ \$300,000);
 - furniture and computer equipment (~ \$25,000);
 - business systems and other relocation costs (~\$25,000);⁴
 - retain 74 current highly-paid full time positions in Bloomington (with gross annual payroll of about \$5.5 million);
 - create 80 new jobs over the next five years at an average salary of \$57,500 per position (with an additional annual payroll of \$4.6 million by 2022);

⁴ The amounts for each benchmark may be more or less than listed in the resolution as long as Envisage receives no more than it spends for these items up to a total of \$300,000.

- report annually on compliance with employment figures and local Living Wage Ordinance;
- stay within the Downtown CRED or within the Downtown Certified Technology Park; and
- be subject to “clawback provisions” requiring, in part, that the firm repay the City:
 - the entire amount if it fails to comply with the Living Wage Ordinance;
 - all or part of the amount if it does not remain located in the City’s Downtown CRED (or the Certified Technology Park) through the end of the Agreement term; and
 - part of the amount if it “falls significantly short of its projected employee growth figures.”
- enter into a development agreement with a 3rd party regarding the use or operation of the facility (as required by I.C. 36-7-3.1-18).

Conclusion

The memo from Economic and Sustainable Development staff offered the following statement urging support for this resolution and the opportunity for staff to negotiate the Memorandum of Agreement:

Cumulatively, the combined incentives represent significant support to a growing and vibrant Bloomington-based technology employer. The City and BIDAC recognize Envisage’s roots in the community, its contributions to the local economy and tech sector, and its future growth prospects in the city, and welcome the opportunity to support it in its growth plans for the future.

Item Two – Res 17-04 – Authorizing Sale of City-Owned Property – Re: 1910 and 1914 West Third Street

Res 17-04 authorizes the City to offer properties at 1910 and 1914 West Third Street for sale to the public. IC 36-1-11 requires the Council, as fiscal body of the City, to authorize the sale land to the public when the value of the land exceeds \$50,000. The statute also requires that the City obtain two appraisals, post notice of the terms of sale, and either seek bids or conduct a public auction. In his memo to the Council, Adam Wason, Director of Public Works, explained that the

properties were bought through proceeds from economic development bonds for the widening and improving of the West Third Street.⁵ His memo further indicates that the properties are not needed for public purposes and, given their prime location along a Commercial Arterial (CA) corridor, the intent is to “sell these properties in order to return them to a commercial tax generating use.” The combined area of both parcels is about 1.9 acres.

The resolution:

- Describes the properties,
- Cites the statutory authority for the sale (IC 36-1-11) and recites the procedures taken in anticipation of approval and sale;
- Authorizes their sale in accordance with statute;
- Deposits the proceeds from the sale to the General Fund

⁵ It appears that work along these properties was done as part of the last phase of improvements completed in about 2011.

**NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL
SPECIAL SESSION AND COMMITTEE OF THE WHOLE
6:30 P.M., WEDNESDAY, JANUARY 25, 2017
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON ST.**

SPECIAL SESSION

- I. ROLL CALL**
- II. AGENDA SUMMATION**
- III. APPROVAL OF MINUTES:** January 18, 2017 (Regular Session)
- IV. APPOINTMENTS TO BOARDS AND COMMISSIONS**
- V. COUNCIL SCHEDULE**
- VI. ADJOURNMENT**

(to be immediately followed by a)

COMMITTEE OF THE WHOLE

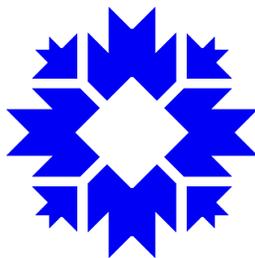
Chair: Allison Chopra

1. Resolution 17-03 – To Authorize Expenditures from the Industrial Development Fund to Support an Economic Development Project (Envisage Technologies, Inc., 101 W. Kirkwood Ave.)

Asked to attend: Alex Crowley, Director of Economic and Sustainable Development
Representative of Petitioner

2. Resolution 17-04 – A Resolution Authorizing the Sale of City-Owned Properties – Re: 1910 West Third Street and 1914 West Third Street

Asked to attend: Adam Wason, Director of Public Works



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

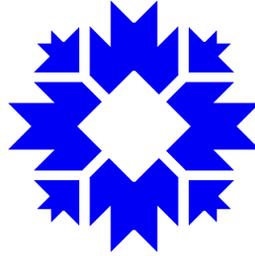
NOTICE

**THE COMMON COUNCIL WILL HOLD A
SPECIAL SESSION**

**WEDNESDAY, JANUARY 25, 2017
6:30 p.m.
COUNCIL CHAMBERS
CITY HALL, 401 N. MORTON**

**THIS MEETING WILL BE IMMEDIATELY
FOLLOWED BY A
COMMITTEE OF THE WHOLE
PREVIOUSLY SCHEDULED FOR THIS EVENING.**

Per Indiana Open Door Law (I.C. §5-14-1.5), this provides notice that these meetings will occur and are open for the public to attend, observe, and record what transpires.



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

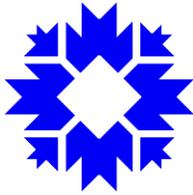
NOTICE OF SPECIAL SESSION

Members of the Bloomington Common Council
have been invited to attend

**Mayor Hamilton's *State of the City* Address
Thursday, 16 February 2017
7:00 pm**

Buskirk-Chumley Theater, 114 E. Kirkwood Ave.

As a quorum of the Council is expected to be present, this gathering will constitute a meeting of the Common Council under Indiana Open Door Law (I.C. § 5-14-1.5). For that reason, this statement provides notice that this meeting will occur and is open for the public to attend, observe, and record what transpires.



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

To Council Members
From Council Office
Re Weekly Calendar – 23 January -27 January 2017

Monday, 23 January

12:00 pm Board of Public Works Work Session, McCloskey
12:00 pm Affordable Living Committee, Hooker Conference Room
5:00 pm Utilities Service Board, 600 E Miller Drive
5:00 pm Redevelopment Commission, McCloskey
5:30 pm Bloomington Human Rights Commission, Kelly
5:30 pm Plan Commission-Work Session for Comprehensive Plan, Chambers

Tuesday, 24 January

11:30 am Plan Commission-Work Session, Kelly
4:00 pm Board of Park Commissioners, Chambers
5:30 pm Board of Public Works, Chambers
5:30 pm Neighborhood Improvement Grant, McCloskey

Wednesday, 25 January

10:00 am Metropolitan Planning Organization-Technical Advisory Committee, McCloskey
2:00 pm Hearing Officer, Kelly
4:30 pm Traffic Commission, Chambers
5:00 pm Martin Luther King, Jr. Birthday Commission, McCloskey
6:30 pm Metropolitan Planning Organization-Citizens' Advisory Committee, McCloskey
6:30 pm Common Council Special Session followed by a Committee of the Whole, Chambers

Thursday, 26 January

5:00 pm Bloomington Historic Preservation Commission, McCloskey

Friday, 27 January

No meetings scheduled for today.

*Auxiliary aids for people with disabilities are available upon request with adequate notice. Please contact the applicable board or commission or call (812) 349-3400.

RESOLUTION 17-03

**TO AUTHORIZE EXPENDITURES FROM THE INDUSTRIAL
DEVELOPMENT FUND TO SUPPORT AN ECONOMIC DEVELOPMENT
PROJECT
(Envisage Technologies, Inc., 101 W. Kirkwood Ave.)**

WHEREAS, in 2004, a Community Revitalization Enhancement District (“CRED”) was established pursuant to Indiana Code 36-7-13 within the city’s Downtown, in which the portion of the Local Income Tax (“LIT”) and Indiana retail and use (“sales tax”) and income tax generated within the CRED that exceeds a base amount is deposited by the State of Indiana (“State”) into the City’s Industrial Development Fund (“IDF”) for use by the City as provided in Indiana Code 36-7-13; and,

WHEREAS, pursuant to Indiana Code § 36-7-13-12.1(b), the City may make expenditures from the IDF for, among other things, the renovation of existing buildings; and,

WHEREAS, Envisage Technologies, Inc. (“Envisage”), a high tech software company founded in 2001 in Bloomington, Indiana, intends to renovate office space at Fountain Square Mall, which will retain Envisage in Bloomington and allow Envisage to expand through the addition of 80 new full-time jobs and additional new payroll of \$4,600,000 by 2022 (“Project”); and,

WHEREAS, the Project will cause the following estimated costs to be incurred as a result of the expansion (“Benchmarks”):

- Flooring, wall, and other lease-hold improvements (cost estimate \$300,000)
- Furniture and computer equipment (cost estimate \$25,000)
- Business systems and other relocation costs (cost estimate \$25,000);

and

WHEREAS, on January 10, 2017, the Bloomington Industrial Development Advisory Commission (“BIDAC”) adopted its Resolution 17-01, which recommended that the Common Council authorize the payment of up to \$300,000 from the IDF to Envisage upon completion of the Benchmarks; and

WHEREAS, an agreement between the City and Developer will include terms for potential clawback of this payment based upon performance and compliance measures through 2022, and will require Developer to document its satisfaction of the Benchmarks, and the City to verify Developer’s satisfaction of the Benchmarks; and

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

SECTION 1. The Common Council hereby authorizes the payment of up to \$300,000 (Three Hundred Thousand Dollars) from the IDF to Envisage upon completion of the Benchmarks. The payment to Envisage shall not exceed their actual documented expenditures.

SECTION 2. The Common Council hereby authorizes the City of Bloomington to enter into an agreement with Envisage to include the terms and conditions of the payment and compliance.

SECTION 3. This resolution shall be effective from and after passage by Council and approval by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2017.

SUSAN SANDBERG, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana,
upon this _____ day of _____, 2017.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____,
2017.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

In accordance with state law, this resolution authorizes payment of up to \$300,000 from the Industrial Development Fund (“IDF”) to Envisage Technologies, Inc. to assist with the company’s renovation of its current office space and future expansion of its business operations. The resolution also authorizes the City to enter into an agreement with Envisage to include the terms and conditions of the compliance and potential clawback of the payment in the event of noncompliance.

17-01
RESOLUTION
OF THE CITY OF BLOOMINGTON INDUSTRIAL DEVELOPMENT
ADVISORY COMMISSION

TO AUTHORIZE EXPENDITURES FROM THE INDUSTRIAL
DEVELOPMENT FUND TO SUPPORT AN ECONOMIC DEVELOPMENT
PROJECT

- WHEREAS, in 1997, the Bloomington Common Council (“Council”) created, pursuant to Indiana Code § 36-7-13-4, an Industrial Development Fund (“IDF”), which is a special fund used for the purposes of industrial development and expansion in or serving the City of Bloomington; and,
- WHEREAS, in 1997, the Council also established the Bloomington Industrial Development Advisory Commission (“BIDAC”), which has the responsibility to make recommendations to the Council for expenditures from the IDF; and,
- WHEREAS, in 2003, BIDAC approved its Resolution 03-04, designating an area within downtown Bloomington as a Community Revitalization Enhancement District (“Downtown CRED”); and
- WHEREAS, in 2004, BIDAC approved its Resolution 04-01, amending the boundaries of the CRED and designating the amended area as the Downtown CRED; and
- WHEREAS, the State Budget Agency approved the designation of the Downtown CRED based on the boundaries in Resolution 04-01 on June 24, 2004; and
- WHEREAS, the amount of County Option Income Tax (“COIT”) and Indiana gross retail and use taxes (“sales tax”) and Indiana income tax generated within the CRED that exceeds a base amount of COIT, sales tax, and income tax is deposited by the State of Indiana (“State”) into the City’s IDF for use by the City pursuant to Indiana Code § 36-7-13-1 *et seq.*; and,
- WHEREAS, Indiana Code § 36-7-13-12.1(b) permits the City to make expenditures from the IDF for, among other things, the renovation of existing buildings; and
- WHEREAS, the IDF has a current balance of \$8,307,301.49 associated with the Downtown CRED; and
- WHEREAS, Envisage Technologies, Inc. (“Envisage”), a high-tech software company founded in 2001 in Bloomington, Indiana, intends to renovate its current office space at Fountain Square Mall; and

WHEREAS, Envisage, currently a seventy-six employee company (of which seventy-four work in Bloomington), as a result of this renovation intends to expand its high-tech business by 2022 through the addition of eighty new full-time jobs and additional new annual payroll of Four Million Six Hundred Thousand Dollars (the "Project"), with no employee earning less than the City's Living Wage pursuant to Bloomington Municipal Code 2.28; and

WHEREAS, the Project will cause the following estimated costs to be incurred as a result of the expansion ("Benchmarks"):

- Flooring, wall, and other lease-hold improvements \$300,000
- Furniture and computer equipment \$ 25,000
- Business systems and other relocation costs \$ 25,000; and

WHEREAS, the completion of the Benchmarks will facilitate the expansion of Envisage in downtown Bloomington; and

WHEREAS, the City wishes to use \$300,000 from the IDF to pay to Envisage upon completion of the Benchmarks; and

WHEREAS, the Developer and the City will enter into an agreement containing the terms and conditions of the payment from the IDF, including terms and conditions for consequences of noncompliance;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BLOOMINGTON INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION THAT:

SECTION 1. The Commission hereby recommends to the Common Council that it:

1. Authorize the payment of up to Three Hundred Thousand Dollars (\$300,000) from the Industrial Development Fund derived from Downtown CRED Revenue to Envisage upon completion of the following estimated Benchmarks, which may be administratively adjusted from category to category as needed, provided the payment to Envisage does not exceed their actual documented expenditures:

- Flooring, wall, and other lease-hold improvements \$300,000
- Furniture and computer equipment \$ 25,000
- Business systems and other relocation costs \$ 25,000

2. That the reimbursement to Envisage be subject to an agreement to be executed between the City of Bloomington and Envisage, as provided herein, and all other conditions and provisions stated herein.

Approved this _____ day of _____, 2017.

BLOOMINGTON INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION

Commissioner	Yea	Nay	Abstain / Absent
Anne Bono	<i>Anne Bono</i>		
Bruce Calloway	<i>B. Calloway</i>		
Alex Crowley	<i>Alex Crowley</i>		
Cindy Kinnarney	<i>Cindy Kinnarney</i>		
Joyce Poling	<i>Joyce Poling</i>		
Richard Rampley			✓

Vote Total: Yea 5 Nay 0



MEMORANDUM

To: Bloomington Common Council

CC: John Hamilton, Mayor; Mick Renneisen, Deputy Mayor; BIDAC Commissioners

From: Alex Crowley, Director, Economic & Sustainable Development

Date: Friday, January 20, 2017

Re: Resolution Authorizing Use of Industrial Development Funds to Support an Economic Development Project (Envisage Technologies)

Background – Downtown CRED

On June 18, 2004 the State Budget Agency approved Bloomington’s Downtown Community Revitalization Enhancement District (Downtown CRED). The base year for the Downtown CRED was fiscal year 2003. It is scheduled to expire on June 30, 2022 as per BIDAC Resolution 15-02. It is one of two CRED’s in Bloomington.

Each year, the City provides contact information for businesses located in the Downtown CRED to the Indiana Department of Revenue, which then calculates the increase over the 2003 baseline of payroll income taxes (state withholdings plus COIT) and of gross retail and use taxes (sales taxes). Any increase over the 2003 baseline, up to \$750,000 per year, is paid to the City of Bloomington for deposit in the Industrial Development Fund (IDF) for the City’s use to support economic development in the Downtown CRED.

The current balance of the Downtown CRED is \$8,307,301.49. Following is a summary of financial activities in the Downtown CRED from 2011 to the present (sources: 2011-2015, Indiana Gateway for Government units; 2016, City of Bloomington):

Table 1

Fiscal Year	Beg. Cash & Inv.	Receipts	Disbursement	End Cash & Inv.
2011	\$4,866,377.77	\$617,414.44	\$137,246.51	\$5,346,545.70
2012	\$5,346,545.70	\$16,056.74	\$32,000.00	\$5,330,602.44
2013	\$5,330,602.44	\$769,073.23	\$61,333.20	\$6,038,342.47
2014	\$6,038,342.47	\$766,805.07	\$30,661.20	\$6,774,486.34
2015	\$6,774,486.34	\$770,041.00	\$11,472.19	\$7,533,055.15
2016	\$7,533,055.15	\$774,246.34	\$0.00	\$8,307,301.49

(Please note for your reference: The current balance of the Thomson CRED is \$5,233,894.)

Project and Recommendation

Pursuant to Indiana Code § 36-7-13-12.1(b), the City may make expenditures from an IDF for, among other things, “rehabilitation, renovation, and enlargement of buildings and structures;” “equipment;” “furnishings;” and “administration expenses associated with [a] project.”

Recommendation

The City and the Bloomington Industrial Development Advisory Commission (BIDAC), with support from the Bloomington Economic Development Corporation (BEDC) and the Indiana Economic Development Corporation (IEDC), view the retention of Envisage and its 74 employees in Bloomington, as well as the facilitation of an additional 80 new technology-related jobs over 5 years, as significant to the community’s efforts to gain momentum as a base for knowledge workers and high-technology headquarters firms.

Therefore, it is the City’s and BIDAC’s recommendation that Council approve the use of the Downtown CRED IDF to support Envisage in its next stage of growth. BIDAC unanimously approved its resolution (BIDAC Resolution 17-01) on January 10, 2017, which recommended utilizing \$300,000 of funds from the IDF to support Envisage’s one-time expansion costs within the Fountain Square Mall.

In addition to the proposed local CRED incentive, the IEDC has offered Envisage Technologies incentives from the State including the following, which have been extended to Envisage via a January 18, 2017 letter (under Project ID: 419006). IEDC incentives include:

1. Up to \$200,000 in Training Assistance from the Skills Enhancement Fund over 2-years covering a maximum of 50% of eligible training costs
2. Up to \$877,000 in Economic Development for a Growing Economy (“EDGE”) tax credits over a period of 10 years.s

It should further be noted that CFC Properties has provided Envisage substantial direct and indirect support during its growth to date at the facility, during the evaluation of its current renovations, and CFC intends to continue to do so in the future. CFC’s support includes:

- Engineering staff time to determine improvements needed to house the relocated tenant in a different space and in some cases third-party engineering expenses
- Financial support to Envisage to share in cost for relocating tenants to accommodate Envisage expansion
- Holding spaces available for extended periods of time while efforts were underway to reach an agreement with tenants considering relocation
- Entering into leases at reduced rates in order to entice a tenant to relocate
- The inherent financial risk of having a uniquely configured space for Envisage’s needs, which will likely need to be built back to suit a future tenant.

Cumulatively, the combined incentives represent significant support to a growing and vibrant Bloomington-based technology employer. The City and BIDAC recognize Envisage’s roots in the community, its contributions to the local economy and tech sector, and its future growth prospects in the city, and welcome the opportunity to support it in its growth plans for the future.

About Envisage Technologies

Envisage Technologies is a high-tech software company founded in 2001 in Bloomington. The company currently provides employment to 76 full-time (of which 74 are in Bloomington), high-tech workers, a significant number of which have achieved the Department of Defense Secret level or DHS security clearances required to provide services to the Federal government. Over 90% of the company's revenue is derived from federal, state and local government clients.

Envisage's flagship software product is the Acadis Readiness Suite, which embodies a single, powerful idea: *To make certain our police, emergency services and military communities are trained, equipped, and ready to respond.* That idea ties directly to the company's clients' shared purpose: to ensure public safety and security. Envisage helps its clients do that by putting efficient, repeatable and scalable processes in place *before* a crisis to help ensure the right information is right at hand *during* a crisis. Envisage enables its clients to get that information — and put it to work in standardizing and automating processes — through the Acadis Readiness Suite — a proven, enterprise software suite that simplifies complex operational tasks and addresses many of the biggest challenges facing public safety and homeland defense — managing training, resources and equipment in a way that generates complete confidence during crisis response. The company's second product, FirstForward, is the nation's first professional learning network for public safety. FirstForward creates a space where first responders can connect with their peers, collaborate and access the professional training they need to do their jobs and come home alive.

Prior Incentives to Envisage (2009)

In 2009, Envisage Technologies planned to move its company headquarters from a location on the East side of Bloomington in anticipation of projected employee growth. The company was considering out-of-state locations in Falls Church, VA, and San Antonio, TX as well as locations within Bloomington.

In an effort to retain the company in town, the City successfully supported the company's move and expansion within Bloomington to the Fountain Square Mall with the following combination of incentives:

- Reimbursement from the IDF of \$150,000 in relocation and renovation costs
- Reimbursement of an estimated \$320,000 in operating costs from CRED Revenues over 5 years following the relocation
- Tax Increment Financing (TIF) assistance of \$75,000 for use in employee training

In addition to the above local incentives, the Indiana Economic Development Corporation (IEDC) supported Envisage and the City in 2009 by offering additional incentives of approximately \$450,000, including EDGE tax credits.

At the time, Envisage planned to add 23 new jobs, more than doubling its annual payroll by 2012. Its payroll was \$2,028,959. The added jobs were forecasted to add \$2,212,862.32 to the company's payroll. The company has since well exceeded its projected employment growth and now currently has 74 employees located at the Fountain Square Mall.

Current Status

Currently, Envisage Technologies occupies a significant footprint within the Fountain Square Mall, currently leasing 12,100 sq. ft. and planning to add an additional 1,800 sq. ft. The company has grown inside the facility and has acquired new offices as space has become available. The company's resulting office configuration is not ideally suited to support the company's needs and its expansion plans. Envisage is seeking to reconfigure the space, including leasehold capital improvements totaling approximately \$350,000.

The project will enable Envisage to retain its 74 current highly-paid full time positions in Bloomington with a gross annual payroll of approximately \$5.5 million, as well as to create an average of at least 16 new positions each year for the next 5 years with an average salary of \$57,500 per position. Retention of Envisage in the Fountain Square Mall will additionally provide CFC Properties a stable tenant through the duration of a lease extension.

Envisage projects diversifying its parking needs across a number of parking garages and other options to accommodate the projected growth in employees. While the company recognizes limits in the City's current parking inventory, it is confident this projected growth can be accommodated with existing solutions.

At risk to the City is the potential for Envisage to relocate part of its operations or grow its operations outside of Bloomington. While company leadership states it is committed to Bloomington, thereby making a total relocation of the company unlikely, the risk to Bloomington is that the company decides to grow part or all of its additional employment elsewhere thereby limiting the opportunity for potential Bloomington employment.

Resolution Details

Resolution 17-__ : Utilize IDF to facilitate expansion

The City and BIDAC propose to leverage up to \$300,000 from the IDF to reimburse Envisage for costs associated with capital and other investments associated with the reconfiguration and expansion of its current spaces at the Fountain Square Mall.

Among its costs for renovation of the new facility to meet its security, technology and personnel needs, Envisage has forecasted expenditures of up to \$350,000 to be considered for partial reimbursement. These include:

- | | |
|--|------------|
| • Flooring, wall and other lease-hold improvements | \$ 300,000 |
| • Furniture & Computer Equipment | \$ 25,000 |
| • Business Systems and other relocation | \$ 25,000 |

Next Steps

Should the Council also approve of the expenditure, the City and Envisage will execute an agreement detailing certain specifics. The City expects that agreement to include:

- A provision permitting the City to require repayment of the entire incentive in the event that Envisage does not comply with the Bloomington Living Wage Ordinance
- A provision permitting the City to require repayment of all or part of the incentive in the event that Envisage does not remain located in the City's Downtown CRED through the end of the Agreement term, with the exception of a move by Envisage to Bloomington's Trades District.
- A provision providing for partial repayment of the incentive in the event that Envisage falls significantly short of its projected employee growth figures¹

¹ Envisage expects to generate 80 new incremental jobs over the next five years. The Agreement would likely provide that if Envisage failed to generate a percentage of those 80 new jobs in addition to the existing base of 74 jobs, perhaps in the 50% range, that the City could require Envisage to repay part of the incentive. For example, if Envisage only generated 38 new jobs in the next 5 years, Envisage would repay 5% of the incentive.

The City believes that these provisions reflect that the incentive is intended both for retention of employees and new employee growth. The specifics will be negotiated in the Memorandum of Agreement.

Conclusion

The City appreciates BIDAC's recommendation via its Resolution 17-01 and requests that Council similarly consider approving its Resolution. As alluded to above, should Council approve it, City staff will pursue negotiation of a Memorandum of Agreement with Envisage.

RESOLUTION 17-04

**A RESOLUTION AUTHORIZING THE SALE OF
CITY-OWNED PROPERTIES**

- Re: 1910 West Third Street and 1914 West Third Street

WHEREAS, Indiana Code 36-1-11 *et seq.*, sets forth the procedures by which a municipality may dispose of real property it owns and provides that the fiscal body of the municipality must approve sales of property valued at \$50,000 or more; and

WHEREAS, the City of Bloomington owns adjacent properties located at 1910 West Third Street and 1914 West Third Street, Bloomington, Indiana, more particularly described as Parts of the Southeast Quarter of Section Thirty-one, Township Nine North, Range 1 West, with Alt Parcel Numbers 013-53240-00 and 013-53250-00 (the "Properties"), which are no longer needed by the City; and

WHEREAS, the Board of Public Works held a duly-advertised public hearing on November 1, 2016, at which time members of the public were afforded an opportunity to comment on the proposed sale of the Properties, after which hearing the Board of Public Works approved a resolution recommending that the Properties be sold pursuant to Indiana Code 36-1-11 *et seq.*;

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

SECTION 1. The properties located at 1910 West Third Street and 1914 West Third Street, Bloomington, Indiana, and more particularly described as Parts of the Southeast Quarter of Section Thirty-one, Township Nine North, Range 1 West, with Alt Parcel Numbers 013-53240-00 and 013-53250-00, should be offered for sale according to the procedures set forth in Indiana Code 36-1-11 *et seq.* Proceeds from the sale of these properties shall be deposited into the General Fund.

SECTION 2. This resolution shall be effective from and after passage by the Council and approval by the Mayor.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2017.

SUSAN SANDBERG, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2017.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This resolution authorizes the sale of city-owned property located at 1910 West Third Street and 1914 West Third Street.



City of Bloomington Department of Public Works Staff Report

To: City of Bloomington Common Council
From: Adam Wason
Re: Disposal of Two Parcels on West Third Street
Date: 1/11/16

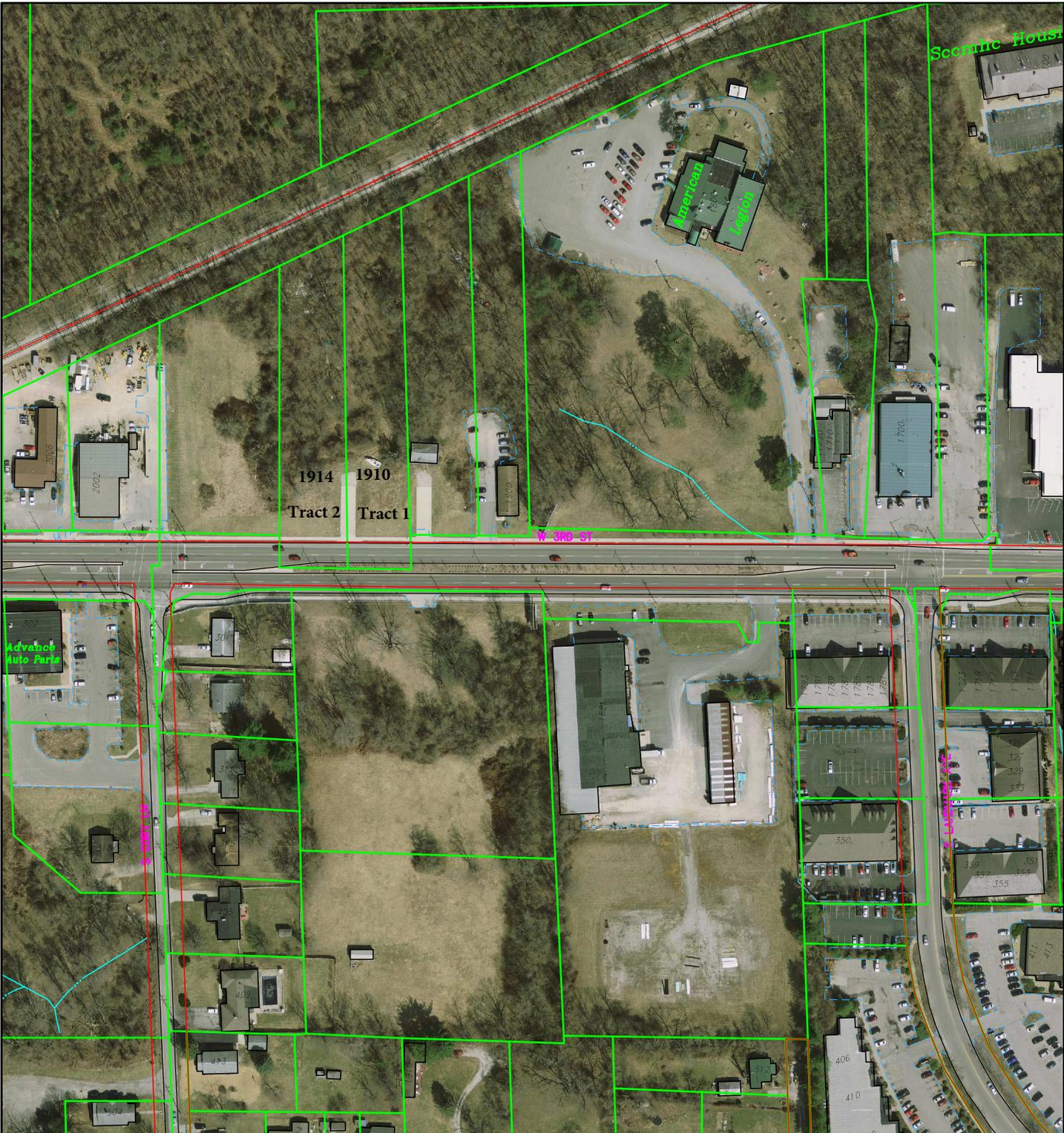
Two adjacent parcels located at 1910 (0.914 acres) and 1914 (0.909 acres) W. Third Street were purchased by the City for the West Third Street Phase II Project using Bloomington Municipal Building Corporation backed Transportation 2000 Economic Development Bond proceeds.

The City has determined that the two properties are no longer needed for any public purposes and is seeking the Common Council's approval to dispose of these parcels. With the location of these properties being along West Third Street in a Commercial Arterial Zoning district, the intent is to sell these properties in order to return them to a commercial tax generating use.

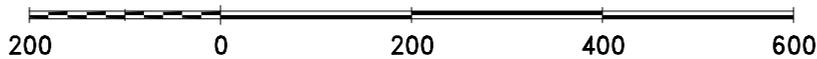
Both the Mayor and Board of Public Works have taken the appropriate actions to begin the process of disposing of this public property. City Legal has been assisting staff in overseeing this process and has determined that due to the nature in which the property was acquired, the proceeds of the sale of these properties will need to be returned to the General Fund.

Staff is requesting that the Common Council declare the property surplus and authorize staff to move forward with disposal of the properties following protocols outlined in Indiana State Code.

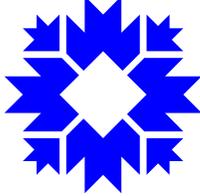
Recommend **Approval** **Denial** **by** Adam Wason



By: smithc
12 Jul 16



City of Bloomington
Public Works



Scale: 1" = 200'

For reference only; map information NOT warranted.

**BOARD OF PUBLIC WORKS
RESOLUTION 2016-126
REGARDING SALE OF ADJACENT REAL PROPERTY LOCATED
1910 W. THIRD STREET AND 1914 W. THIRD STREET**

WHEREAS, the City of Bloomington, Indiana ("City") owns property located at 1910 W. Third Street and 1914 W. Third Street in Bloomington, Indiana, more particularly described as: Part of the Southeast Quarter of Section 31, Township 9 North, Range 1 West in Monroe County, Indiana, consisting of approximately 0.914 acre and 0.909 acres, respectively ("the Property"); and

WHEREAS, the Property consists of two adjacent parcels that were sold to the City for the West Third Street Phase II Project, and the City has determined that it does not need this property for any public purposes;

WHEREAS, Indiana Code 36-1-11-4 provides the procedure which allows the City to dispose of real property, after public hearing, for an amount that is not less than the appraised value, as determined by two appraisers; and

WHEREAS, the Board of Public Works is the appropriate body of the City to conduct a public hearing on the proposed sale of the Property, as it is the body with authority over City property pursuant to IC 36-9-6-3;

WHEREAS, the City has caused a legal notice stating the time and place of this public hearing to be published in accordance with IC 5-3-1; and

WHEREAS, at the time and place stated in the legal notice the Board of Public Works conducted a public hearing and afforded an opportunity for all interested persons to be heard upon the proposed sale of the Property;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF PUBLIC WORKS OF THE CITY OF BLOOMINGTON THAT:

1. The Property located at 1910 W. Third Street and 1914 W. Third Street and described herein is no longer needed by the City, and sale of the Property pursuant to state law regarding disposal of public property will serve the public interest.

2. It is hereby recommended to the Mayor and Common Council that the Property be sold pursuant to the procedures for the sale of real property set forth in IC 36-1-11-4.

BOARD OF PUBLIC WORKS



Kyla Cox Deckard, President

Kelly M. Boatman, Vice President



Dana Palazzo, Secretary



**JOHN HAMILTON
MAYOR**

CITY OF BLOOMINGTON

401 N Morton St Suite 210
PO Box 100
Bloomington IN 47402

OFFICE OF THE MAYOR

p 812.349.3406
mayor@bloomington.in.gov

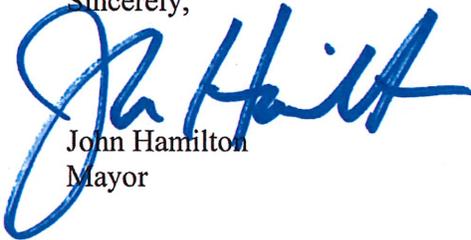
October 10, 2016

Board of Public Works
Kyla Cox Deckard, President
City of Bloomington, Indiana

Dear Ms. Deckard and the Board of Public Works:

I, John Hamilton, Mayor of the City of Bloomington am hereby designating the Board of Public Works to give notice, conduct public hearings and make a recommendation on the disposal of real property owned by the City of Bloomington located at 1901 and 1914 West Third Street.

Sincerely,



John Hamilton
Mayor



Board of Public Works Staff Report

Project/Event: Declare City Property Surplus and Authorize Staff to Receive Bids for the Sale of the Property

Petitioner/Representative: Department of Public Works

Staff Representative: Adam Wason

Meeting Date: December 13th 2016

Two adjacent parcels located at 1910 and 1914 W. Third Street were purchased by the City for the W. Third Street Phase II Project. The City has determined that the two properties are no longer needed for any public purposes.

Staff is requesting the Board declare the property surplus and authorize staff to move forward with disposal of the properties by seeking City Council approval to do so. If council approves, staff will move forward through the public property disposal process as defined by state law.

Recommend **Approval** **Denial** by Adam Wason

In the Council Chambers of the Showers City Hall, Bloomington, Indiana on Wednesday, January 18, 2017 at 6:32pm with Council President Susan Sandberg presiding over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
January 18, 2017

Roll Call: Sturbaum (6:33pm), Ruff, Chopra, Granger, Sandberg, Mayer, Piedmont-Smith, Volan
Absent: Rollo

ROLL CALL
[6:32pm]

Council President Susan Sandberg gave a summary of the agenda.

AGENDA SUMMATION
[6:33pm]

It was moved and seconded to approve the minutes from January 11, 2017.

APPROVAL OF MINUTES
[6:34pm]

The motion to approve the minutes was approved by voice vote.

January 11, 2017 (Organizational Meeting)

Councilmember Steve Volan commented about the change in microphones in the council chambers, and thanked Rick Dietz and staff for the change.

REPORTS
• COUNCIL MEMBERS
[6:34pm]

Councilmember Isabel Piedmont-Smith read an excerpt from Martin Luther King, Jr.'s "I Have a Dream" speech. She said that the words gave hope in 2017 as much as they did in 1963. She reminded people that there were several activities planned for Inauguration Day, and welcomed all.

Councilmember Chris Sturbaum spoke about what would happen when the Affordable Care Act (ACA) was repealed, and what the facts were about the numbers. He said that the country would learn the hard way what it was like without the ACA.

Councilmember Allison Chopra spoke about the planned Women's March on Washington, and said that she was marching for hope.

Councilmember Dorothy Granger said that she was also planning to march that weekend, and noted that marches would be going on around the world. She added that it was her daughter's first time marching on Washington.

Sandberg said that she too would be marching. She noted that this march was for gender, racial, and economic justice. She asked everyone to make sure that they were marching for themselves and for those that they cared about.

Tom Miller, Director of Innovation, introduced himself to the Council, spoke about his background, and discussed his vision for his new office.

• The MAYOR AND CITY OFFICES
[6:46pm]

Volan welcomed Miller and asked for examples of innovation initiatives that inspired him.

Miller gave an example from Boston, and said he was focused on talking to and hearing from Bloomington residents to get more ideas.

Sturbaum advised Miller to be conscious of plugging into the various neighborhoods in the community.

Volan invited Miller to the first meeting of the Parking Commission.

The Council was presented with a Uniform Conflict of Interest Disclosure Statement for Nicholas Carder, a Council appointee to the Board of Housing Quality Appeals (BHQA), who was also an associate partner with Horn Properties.

- COUNCIL COMMITTEES [6:56pm]

It was moved and seconded to accept the form. The motion to accept the form was approved by a voice vote.

Sandberg called for public comment. There was no public comment.

- PUBLIC

It was moved and seconded to appoint Julie Warren to the Commission on the Status of Children and Youth. The motion was approved by voice vote.

APPOINTMENTS TO BOARDS AND COMMISSIONS [7:00pm]

It was moved and seconded to reappoint Teddie Mower and Coleman Burnett to the Bloomington Commission on Sustainability. The motion was approved by voice vote.

It was moved and seconded to reappoint Sally Gaskill and Lynn Schwartzberg to the Bloomington Arts Commission. The motion was approved by voice vote.

It was moved and seconded to reappoint Mike Allen to the Bloomington Digital Underground Advisory Committee. The motion was approved by voice vote.

It was moved and seconded to reappoint Seth Debro to the Commission on the Status of Black Males. The motion was approved by voice vote.

It was moved and seconded to appoint Ronald Bronson and reappoint Alex Cartwright to the Public Transportation Corporation. The motion was approved by voice vote.

It was moved and seconded to appoint Amanda Stevens to the Commission on the Status of Women. The motion was approved by voice vote.

It was moved and seconded to appoint Adrienne Evans Fernandez to the Parking Commission. The motion was approved by voice vote.

It was moved and seconded that Resolution 17-01 be introduced and read by title and synopsis only. The motion was approved by voice vote. Clerk Nicole Bolden read the legislation by title and synopsis, giving the committee Do Pass recommendation of 9-0-0.

LEGISLATION FOR SECOND READING AND RESOLUTIONS [7:04pm]

It was moved and seconded that Resolution 17-01 be adopted.

Resolution 17-01 – To Approve the Fourth Amendment to the Interlocal Cooperation Agreement Between the City of Bloomington and Monroe County for the Operation of the Monroe County Central Emergency Dispatch System

Phillippa Guthrie, Corporation Counsel, presented the legislation.

Councilmember Tim Mayer thanked all of the parties involved in the process.

The motion to adopt Resolution 17-01 received a roll call vote of Ayes: 8, Nays: 0, Abstain: 0.

Vote to adopt Resolution 17-01 [7:06pm]

It was moved and seconded that Resolution 17-02 be introduced and read by title and synopsis only. The motion was approved by voice vote. Clerk Bolden read Resolution 17-02 by title and synopsis, giving the committee Do Pass recommendation of 9-0-0.

Resolution 17-02 – To Approve and Authorize the Execution of a Collective Bargaining Agreement between the City of Bloomington and the Bloomington Metropolitan Professional Firefighters, Local 586 [7:06pm]

It was moved and seconded that Resolution 17-02 be adopted.

Mike Rouker, City Attorney, presented the legislation to the Council.

Bob Loviscek, Local 586 President, spoke about the bargaining process and thanked everyone for their participation in the process.

Piedmont-Smith commented that she was pleased to see the quartermaster system coming into place.

Sturbaum said he was pleased to see the process working, as well as the union representing the firefighters and the City dealing fairly with each other. He said that it was an important process.

Mayer agreed with Sturbaum and appreciated that both parties negotiated in good faith. He thought it was a good four-year contract.

The motion to adopt Resolution 17-02 received a roll call vote of Ayes: 8, Nays: 0, Abstain: 0.

Vote to adopt Resolution 17-02 [7:11pm]

It was moved and seconded that Ordinance 17-02 be introduced and read by title and synopsis only. The motion was approved by voice vote. Clerk Bolden read Ordinance 17-02 by title and synopsis, giving the committee Do Pass recommendation of 9-0-0.

Ordinance 17-02 – To Amend Ordinance 16-25, Ordinance 16-26, and Ordinance 16-45 Which Fixed the Salaries of Officers of the Police and Fire Departments and Which Fixed the Salaries of Appointed Officers, Non-Union, and A.F.S.C.M.E. Employees for the City of Bloomington for the Year 2017 - Re: Reflecting Collective Bargaining Agreement Affecting Positions in the Fire Department and Resolution of Grievance Affecting Positions in the Fire Prevention Division [7:11pm]

It was moved and seconded that Ordinance 17-02 be adopted.

Caroline Shaw, Human Resources Director, presented the legislation to the Council.

Volan said that he was happy the negotiations went well.

The motion to adopt Ordinance 17-02 received a roll call vote of Ayes: 8, Nays: 0, Abstain: 0.

Vote to adopt Ordinance 17-02 [7:14pm]

There was no legislation for first reading.

LEGISLATION FOR FIRST READING

Sandberg called for any additional public comment. There was no additional public comment.

PUBLIC COMMENT

Sherman reminded the Council of the meeting schedule for the following week.

COUNCIL SCHEDULE [7:15pm]

It was moved and seconded to cancel the Internal Work Session on January 20, 2017.

The motion to cancel the Internal Work Session for January 20, 2017 received a roll call vote of Ayes: 8, Nays: 0, Abstain: 0.

Vote to cancel Internal Work Session [7:17pm]

The meeting was adjourned at 7:17pm.

ADJOURNMENT

APPROVED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this _____ day of _____, 2017.

APPROVE:

ATTEST:

Susan Sandberg, PRESIDENT
Bloomington Common Council

Nicole Bolden, CLERK
City of Bloomington

For Approval