



City of Bloomington Common Council

Legislative Packet

Wednesday, 27 March 2019

Committee of the Whole

Legislation and background material regarding
Resolution 19-06 is contained herein.

For a schedule of upcoming meetings of the Council and the City's boards and commissions, please consult the City's [Calendar](#).

Office of the Common Council
P.O. Box 100
401 North Morton Street
Bloomington, Indiana 47402
812.349.3409
council@bloomington.in.gov
<http://www.bloomington.in.gov/council>

**City of
Bloomington
Indiana**



City Hall
401 N. Morton St.
Post Office Box 100
Bloomington, Indiana 47402

Office of the Common Council
(812) 349-3409
Fax: (812) 349-3570
email: council@bloomington.in.gov

To: Council Members
From: Council Office
Re: Weekly Packet
Date: 22 March 2019

LEGISLATIVE PACKET CONTENTS

**COMMITTEE OF THE WHOLE
WEDNESDAY, 27 MARCH 2019**

- Memo from Council Office
- Agenda
- Resolution 19-06 –Approving Redevelopment Commission Bonds for the 4th Street Parking Garage
 - Memo to Council from Philippa Guthrie and Jeff Underwood
 - *This legislation revisits actions taken in 2018. Access those materials is provided below.*¹

Contact: Adam Wason, Director, Public Works, 812.349.3410, wason@bloomington.in.gov
Alex Crowley, Director, ESD, 812.349.3477, crowleya@bloomington.in.gov
Jeff Underwood, Controller, 812.349.3412, underwoj@bloomington.in.gov
Larry Allen, Assistant City Attorney, 812.349.3426, allenl@bloomington.in.gov

MEETING ON WEDNESDAY, 27 MARCH 2019, AT-A-GLANCE

COMMITTEE OF THE WHOLE

Chair: Cm. Granger

Items for Discussion:

- Resolution 19-06 Approving the Issuance of Tax Increment Revenue Bonds of the City of Bloomington Redevelopment District to Finance the Costs of Acquisition and Construction of the 4th Street Parking Garage in the Bloomington Consolidated Economic Development Area and Costs Incurred in Connection with the Issuance of Such Bonds

¹ Please see the [24 October 2018 Legislative Packet](#) for initial 2018 legislation (Res 18-24) and background material. Please see the [05 December 2018 Legislative Packet](#) for revised 2018 legislation (Amendment by Substitution) and supporting memo. Please see the [19 December 2018 Legislative packet](#) for minutes associated with initial legislation

Committee of the Whole (Discussion) -- Summary

Item 1:

Resolution 19-06

Approving the Financing for the Demolition and Replacement of the 4th Street Parking Garage through Redevelopment (TIF) District Revenue Bonds

Res 19-06 revisits the decision to repair the 4th Street Parking Garage and would approve the financing for its demolition and replacement through issuance of Redevelopment District revenue bonds by the Redevelopment Commission. The Redevelopment Commission is acting in this capacity because the parking garage is located within the Consolidated Economic Development Area (otherwise known as the City's Consolidated TIF District). Revenue bonds rely on revenues from the project to pay for its costs, but are "backed up" by an obligation to use property taxes if revenues are insufficient.

Legislative History. As Council members will recall and as noted in the Memo from Philippa Guthrie and Jeffrey Underwood (attached), on October 15, 2018, the Redevelopment Commission passed a declaratory resolution (Resolution 18-68) which began the process for bonding two parking garage projects: the demolition and replacement of 4th Street Garage and the acquisition and construction of the Trades District Garage. In the course of its deliberations, the Council considered the bonding in two parts and under two resolutions: Part A - Resolution 18-24 – concerned the 4th Street Parking Garage; and Part B - Resolution 18-25 – concerned the Trades District Parking Garage. On December 12, 2018, the Council passed the latter, but in regard to the former, on December 19, 2018, the Council chose to express their preference for the repair of the 4th Street Parking Garage to continue its usage for at least another five years (Resolution 18-28) rather than demolish and replace that facility.

The Council deliberations on whether to repair or replace the 4th Street Parking Garage lasted for more than a month and half, involved multiple meetings, and revealed significant differences of opinion within the Council and between the Council and Administration. The issues underlying this facility were many and varied and included: the parking needs in the downtown in the near and distant future (given the garage's expected useful life of 50 years); the scale of the new structure and its effect on the character of surrounding area; the comparative costs of the alternatives; and the effect of this facility on the City's contribution to global warming.

Proposed Garage. The features of the future facility were the focus of much of the discussion and, over that period of time, the Redevelopment Commission met to discuss and further clarify the project. The Memo describes what is now envisioned in this "downtown transportation hub":

The new 4th Street Garage will have a maximum of no more than 550 parking spaces and will include many sustainable features, including, but not limited to, the following:

- A structure that allows for part of the garage to be converted into office, retail, or living space should downtown needs change over the life of the garage;
- At least ten (10) electric vehicle charging stations in an area of priority parking with a design (conduit throughout the facility) that allows for the garage to be retrofitted for more charging stations as demand for the stations requires;
- Solar panels to offset the electric needs of the facility, at a minimum of 12,000 kilowatts. This level of coverage may be revisited after design details have been determined to see if additional solar can be added;
- Bicycle parking for a minimum of fifty (50) bikes, ten (10) of which spots will be bike lockers. The lockers may be located either inside or outside, or both, as the design determines;
- 25% of all parking spaces in the garage designed for use by compact vehicles;
- Dedicated carpool parking;
- A maintenance and caretaking plan for the life of the garage;
- Retail space on the ground floor;
- Two public restrooms;
- A designated area for transportation pickup and dropoff (car share, taxi, Uber, Lyft, etc.);
- Parksmart Sustainability Certification with the goal of achieving silver depending on ultimate facility design; and
- The design will include public art and be architecturally significant.

Contents of Resolution. Under statute,² the Council must adopt a resolution specifying the public purpose of the bond, the use of the bond proceeds, the maximum principal amount of the bond, the term of the bond, the maximum interest rate of the bond and any provision for redemption before maturity and payment of capitalized interest. While Resolution 19-06 differs slightly from last year's resolution,³ the statutorily required content remains the same. As stated in the Memo,

Council Resolution 19-06 authorizes the issuance of the Bonds for Project Part A funding the demolition, and construction of the 4th Street Parking Garage.

Project Part A will be for an aggregate principal amount not to exceed Eighteen Million Five Hundred and Forty Thousand Dollars (\$18,540,000). The term will not exceed twenty-two (22) years and have a maximum 6.00% interest rate. The bonds will be financed with net revenue from all parking garages within the City and by TIF revenue as needed. The call date for the bonds will be no earlier than five years from the date of issuance.

² Ind. Code § 36-7-14-25.1

³ The changes add legislative history and are grounded in Council procedure.

**NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL
COMMITTEE OF THE WHOLE
6:30 P.M., WEDNESDAY, 27 MARCH 2019
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON ST.**

Chair: Dorothy Granger

1. Resolution 19-06 Approving the Issuance of Tax Increment Revenue Bonds of the City of Bloomington Redevelopment District to Finance the Costs of Acquisition and Construction of the 4th Street Parking Garage in the Bloomington Consolidated Economic Development Area and Costs Incurred in Connection with the Issuance of Such Bonds

Asked to Attend: Adam Wason, Director, Public Works
Alex Crowley, Director, Economic & Sustainable Development
Jeff Underwood, Controller
Larry Allen, Assistant City Attorney

Public Comment: Please note that pursuant to the Bloomington Municipal Code, at Committee of the Whole meetings, the public may comment *only* on items listed on the Agenda. BMC § 2.04.250

*Auxiliary aids are available upon request with adequate notice. Please call (812) 349 - 3409 or e-mail council@bloomington.in.gov.

Posted and Distributed: 22 March 2019

RESOLUTION 19-06

APPROVING THE ISSUANCE OF TAX INCREMENT REVENUE BONDS OF THE CITY OF BLOOMINGTON REDEVELOPMENT DISTRICT TO FINANCE THE COSTS OF ACQUISITION AND CONSTRUCTION OF THE 4TH STREET PARKING GARAGE IN THE BLOOMINGTON CONSOLIDATED ECONOMIC DEVELOPMENT AREA AND COSTS INCURRED IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS

- WHEREAS, on October 15, 2018, the City of Bloomington Redevelopment Commission (the “Commission”), as governing body of the City of Bloomington Redevelopment District (the “District”), adopted a resolution (the “Bond Resolution”), authorizing the issuance of tax increment revenue bonds of the District, acting in the name of the City of Bloomington, Indiana (the “City”), designated as “City of Bloomington, Indiana Redevelopment District Tax Increment Revenue Bonds, Series 2018,” in an aggregate principal amount not to exceed Twenty-Nine Million Five Hundred Thousand Dollars (\$29,500,000) (the “Bonds”), for the purpose of financing the costs of acquisition and construction for two parking garages to be located in the District’s Bloomington Consolidated Economic Development Area, together with the costs incurred in connection with and on account of issuance of the Bonds (collectively, the “Project”); and
- WHEREAS, Ind. Code 36-7-14-25.1 and Ind. Code 6-1.1-17-20.5 require the approval of the issuance of the Bonds of the District by the legislative and fiscal body of the City; and
- WHEREAS, under Ind. Code 36-7-14-25.1 in particular, the Common Council of the City (the “Council”) must adopt a resolution specifying the public purpose of the bond, the use of the bond proceeds, the maximum principal amount of the bond, the term of the bond, the maximum interest rate of the bond and any provision for redemption before maturity and payment of capitalized interest; and
- WHEREAS, the Commission’s Bond Resolution permitted the two garages in the Project to be considered independently, and the Council wished to consider the Project in two parts described and with the maximum aggregate principal amount as set forth below:
- Project Part A: the acquisition, demolition, and construction of the 4th Street Parking Garage, located at the south west corner of 4th and Walnut Streets in Bloomington, Indiana, in the aggregate principal amount not to exceed Eighteen Million Five Hundred and Forty Thousand Dollars (\$18,540,000);
 - Project Part B: the acquisition and construction of the Trades District Parking Garage to serve the City’s certified technology park, known as the Trades District, in the aggregate principal amount not to exceed Ten Million Nine Hundred and Sixty Thousand Dollars (\$10,960,000);
- WHEREAS, on December 12, 2018, the Council approved Resolution 18-25, which authorized the issuance of bonds to fund Project Part B for the Trades District Garage; and
- WHEREAS, on December 19, 2018, the Council decided not to move forward with replacement of the 4th Street Garage (Resolution 18-24) and expressed a preference for investment of \$1.1 million in repairs to provide five years additional use of that facility (Resolution 18-28); and

WHEREAS, upon further inspection done to carry out the repairs, the updated structural engineer's report completed in February of 2019 revealed that the cost of repairs to the 4th Street Garage would be, at a minimum, \$1.4 million for five years of continued use, with a true cost of nearly \$1.6 million after accounting for soft costs and inspection services; and

WHEREAS, after having organized to conduct business for another year and after learning of changes in circumstances which include, but are not limited to, the additional costs, the Council, as the legislative and fiscal body of the City, now desires to revisit the matter and approve the issuance of the Bonds for Project Part A, the 4th Street Parking Garage;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, INDIANA, AS FOLLOWS:

SECTION 1. The Council hereby approves the sale and issuance of the Bonds in order to provide funds to finance the costs of Project Part A, regarding the 4th Street Garage, subject to the following conditions: (a) the maximum aggregate original principal amount of the Bonds for Project Part A shall not exceed Eighteen Million Five Hundred and Forty Thousand Dollars (\$18,540,000); (b) the Bonds shall have a term not longer than twenty-two (22) years, commencing on the date of issuance of the Bonds; (c) the maximum interest rate on the Bonds shall not exceed six percent (6.0%) per annum; (d) there shall be no capitalized interest on the Bonds; and (e) the Bonds may be subject to redemption prior to maturity on any date not earlier than five (5) years following the date of issuance thereof, with such specific dates and redemption terms determined by the City Controller, upon the advice of the financial advisor to the Commission, at the time of the sale of the Bonds.

SECTION 2. All ordinances or resolutions and parts of ordinances or resolutions in conflict herewith are hereby repealed or rescinded, whichever best serves to nullify their effect. The foregoing is not intended, nor shall it be construed, to adversely affect any ordinance or resolution (or parts thereof), applicable to the 2009 Bonds, the 2015 Bonds or the 2017 Bonds (as such terms are defined in the Bond Resolution) while such bonds are outstanding.

SECTION 3. If any sections, sentence or provision of this Resolution, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are declared to be severable.

SECTION 4. This Resolution shall be in full force and effect from and after its passage by the Council and its approval by the Mayor of the City.

PASSED by the Common Council of the City of Bloomington, Indiana, this ____ day of _____, 2019.

DAVE ROLLO, 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 _____, 2019.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2019.

JOHN HAMILTON, Mayor
City of Bloomington

Synopsis

This resolution authorizes the issuance of Tax Increment Revenue Bonds by the City of Bloomington Redevelopment Commission for the acquisition, construction, and bond issuance costs associated with the 4th Street Parking Garage in the Bloomington Consolidated Economic Development Target Area in an amount not to exceed \$18.54 million.



**CITY OF BLOOMINGTON
LEGAL DEPARTMENT
MEMORANDUM**

TO: Members of the Common Council of the City of Bloomington

FROM: Philippa Guthrie, Corporation Counsel
Jeff Underwood, Controller

CC: Dan Sherman, Council Administrator/Attorney

RE: Resolution 19-06: 2019 Redevelopment Commission Bonds for the 4th Street Parking Garage

DATE: March 20, 2019

Staff submitted for your consideration a resolution authorizing the Bloomington Redevelopment Commission's (RDC) issuance of Tax Increment Revenue Bonds (the "Bonds").

Indiana Code Section 36-7-14-25.1 authorizes the RDC to issue bonds that are backed by its special taxing districts, also known as the Tax Increment Financing (TIF) districts. The RDC passed its declaratory resolution authorizing the bonds, contingent upon Council approval, in RDC Resolution 18-68 on October 15, 2018, which included authorization for a series of bonds funding a new Trades District Garage and demolition and replacement of the current 4th Street Garage (the "Project").

The Common Council considered the Project in two distinct parts:

- Project Part A: the acquisition, demolition, and construction of the 4th Street Parking Garage, located at the south west corner of 4th and Walnut Streets in Bloomington, Indiana, in the aggregate principal amount not to exceed Eighteen Million Five Hundred and Forty Thousand Dollars (\$18,540,000);
- Project Part B: the acquisition and construction of the Trades District Parking Garage to serve the City's certified technology park, known as the Trades District, in the aggregate principal amount not to exceed Ten Million Nine Hundred and Sixty Thousand Dollars (\$10,960,000);

On December 12, 2018, the Council approved Resolution 18-25, which authorized bonds to fund Project Part B—the Trades District Parking Garage. The Council opted to continue exploring the repair of the 4th Street Garage and did not authorize issuance of the bonds for Project Part A.

Initially, engineering estimates from a May 2018 report estimated the cost of repair of the 4th Street Garage at \$1.1 million, but further inspection and the updated February 2019 structural engineer's report revealed that the cost of repairs would be, at a minimum, \$1.4 million for five

years of continued use, with a true cost of nearly \$1.6 million once soft costs and inspection services are accounted for. Upon learning of the increased cost for the necessary repairs, the Council requested reconsideration of the bond resolution for replacement of the 4th Street Garage.

Prior to the issuance of bonds, Indiana Code Section 36-7-14-25.1 requires that this Council adopt a resolution specifying the public purpose of the bond, the use of the bond proceeds, the maximum principal amount of the bond, the term of the bond, the maximum interest rate of the bond, and any provision for redemption before maturity and payment of capitalized interest.

Council Resolution 19-06 authorizes the issuance of the Bonds for Project Part A funding the demolition, and construction of the 4th Street Parking Garage.

Project Part A will be for an aggregate principal amount not to exceed Eighteen Million Five Hundred and Forty Thousand Dollars (\$18,540,000). The term will not exceed twenty-two (22) years and have a maximum 6.00% interest rate. The bonds will be financed with net revenue from all parking garages within the City and by TIF revenue as needed. The call date for the bonds will be no earlier than five years from the date of issuance.

The new 4th Street Garage will have a maximum of no more than 550 parking spaces and will include many sustainable features, including, but not limited to, the following:

- A structure that allows for part of the garage to be converted into office, retail, or living space should downtown needs change over the life of the garage;
- At least ten (10) electric vehicle charging stations in an area of priority parking with a design (conduit throughout the facility) that allows for the garage to be retrofitted for more charging stations as demand for the stations requires;
- Solar panels to offset the electric needs of the facility, at a minimum of 12,000 kilowatts. This level of coverage may be revisited after design details have been determined to see if additional solar can be added;
- Bicycle parking for a minimum of fifty (50) bikes , ten (10) of which spots will be bike lockers. The lockers may be located either inside or outside, or both, as the design determines;
- 25% of all parking spaces in the garage designed for use by compact vehicles;
- Dedicated carpool parking;
- A maintenance and caretaking plan for the life of the garage;
- Retail space on the ground floor,
- Two public restrooms;
- A designated area for transportation pickup and dropoff (car share, taxi, Uber, Lyft, etc.);
- Parksmart Sustainability Certification with the goal of achieving silver depending on ultimate facility design; and
- The design will include public art and be architecturally significant.

This new 4th Street Parking Garage will serve as a downtown transportation hub that will continue to bring activity and investment to the downtown. The new garage would increase the parking capacity over the 352 spaces in the current garage, and by including features that would allow for carpooling, rideshare, electric vehicles, and bicycle parking, the new garage would highlight

downtown Bloomington as an accessible and active area that promotes future innovation in transportation. Just as the original 4th Street Parking Garage served as a regional attraction that brought in businesses and traffic to the downtown, the new garage maintains the downtown as a regional attraction that is open to all residents and individuals in the surrounding counties.