

**Bloomington Urban Enterprise Association  
Board Meeting Minutes  
City Hall, McCloskey Conf. Room - 401 N. Morton St.  
August 8, 2018**

**ROLL CALL**

**Members Present:** Paul Ash, Julie Donham, Jackie Yenna, Margaret Fette, Alex Crowley, Chris Sturbaum

**Members Absent:** Darcie Fawcett, Carol Gulyas

**City Staff Present:** Brian Payne, Laurel Waters

**APPROVAL OF MINUTES – July 18, 2018**

Jackie made a motion to approve the minutes from July 18, 2018. Paul seconded the motion. The motion passed unanimously.

**REPORTS FROM OFFICERS & COMMITTEES**

- **Director's Report**

Awarded a business scholarship for a zone business. The Bee Corporation was given \$1200 to send employees to the Almond Conference in California.

Update on Mills Pool 90 degree days. There were two with 224 participants for a total cost to the BUEA of \$952 to Bloomington Parks & Recreation. Chris Sturbaum added that Parks & Recreation made no action regarding Bryan Pool. Brian stated he would ask Parks if they have a plan to go forward.

There was a press release.

Legislative Update – There are a couple of appointments to fill on the BUEA and Resolution to renew the Enterprise Zone. Carol Gulyas is leaving and is a Mayoral appointee as well as a Plan Commission member. The Council will need to replace Jackie Howard, which needs to be a Zone business owner.

- **Financial Report**

\$590 on tax filings from last year

\$1200 to Bee Corp for Business Scholarship

**NEW BUSINESS** – No new business

**UNFINISHED BUSINESS**

- CDFI Preview discussion

Brian explained this will be the first of three (3) meetings where the CDFI project will be discussed. This meeting was a review of the process, and also questions to be answered at the next meeting.

Alex brought the BUEA members up to date on where the CDFI is today. The formalized concept of a CDFI friendly city has been rolled out and is progress. Mark Pinsky has been asked to develop a business plan which will be useful for all funding and stakeholder groups who will want to become involved in some way or another. That business plan will be distributed to the BUEA. Right now there is some matchmaking going on.

Alex reported there is be a National CDFI Conference coming up and Bloomington will have a panel at the conference.

There will be a formal status update in November of 2018.

The next couple BUEA meetings will be about questions the BUEA has, and what kind of funding might come out of the BUEA, and try to formulize that by the end of year.

Brian said in September there would be a packet that includes a written business plan, a job description for this “harbor master” person, a Performa about how it will work from a budget perspective; how much will be spent on operations, how much will be spent on staff, how much we hope to be invested, and for this group, a specific ask for investment from the BUEA.

Julie stated she would like to know who else will be funding, other than the BUEA. Julie also asked the anticipation for how big the fund will be.

Julie had the following questions:

What the amount of the fund would be. The plan for the hiring of the “harbor master.”

Alex added for clarity that the entity would be a standalone 501(3)(c), not a CDFI, but a non-governmental group that would operate the concept moving forward, and take over the matching making role.

Julie asked what this organization might look like. Alex believed it would be small, maybe one or two people, a Board of Directors, which is heavily skewed toward financial advising. Where it will reside has not been determined yet.

Julie asked who they would report to. Alex stated they will report to their Board which will consist of people from the City, BUEA, Foundation, financial community. Whether the board itself is the advisory committee needs to be worked out.

Chris asked once on their own, what will support them. Alex stated there will be an operating fund, and return on investment. Ideally it will become self-sufficient, but in the short term, that will not be the case.

Jackie asked if the \$75,000 for the position will continue out of the BUEA budget. Alex stated no. The entity will have its own operating fund, but where that comes from is what needs to be determined, and what role the BUEA would have, whether a capital role, or operating role.

Julie stated this plan will come with an ask and how does the BUEA make sure their funds stay in the Zone. Will this be business related as the BUEA does not really attack affordable housing. Alex said there are two ways, one is to restrict which is tough. Alex added he believes the Zone benefits from things in and out of the Zone. The balancing act is how restrictive to be, and believes the less restrictive the better. However, the BUEA does have a pretty specific focus.

Julie ask for clarification as she thought they were statutorily restricted. Brian stated no, what they have is a charter and articles of incorporation by-laws that govern how the BUEA operates as a non profit. However, the statute that allows the formation of an enterprise zone and enterprise association doesn't require that the money only ever have benefits that are self-contained in the zone. The funding can go to organizations that will then accrue benefits to the zone.

Brian stated he and Larry have gone over the mission and the articles of incorporation and feel comfortable that any investment made into a CDFI will be well within the scope. Brian stated he can send the members the language.

Alex stated what is worth considering in these meetings is

- 1) What kinds of things does the BUEA want its money to be involved in.
- 2) What kinds of Restrictions
- 3) Money towards operating vs capital pool

Chris asked if the BUEA does not support then who would support. Alex thought possibly external funding sources.

Julie asked what the balance of the BUEA account. Brian reported upwards of 2.15 million dollars.

Margaret commented that she can see how the bridge fund can happen for building projects, whether they are a community resource center, or affordable housing project, and they make a lot of sense. What does not make sense is what can be done to help small businesses in the Zone. The BUEA's focus has not been on affordable housing or community resource centers except the exception of Boys and Girls Club. This Board puts money into the IvyTech Small Business Development which make sense and our grants, not loans. In the context of this loan fund, what does that mean for small businesses, how could they use it? Please include in this information an explanation on how small businesses will be helped.

Alex stated they are working to build that up with the CDFI in Indianapolis who is interested in doing small business loans. The City has public art projects that are coming up that are funded from the one percent for the art program. These artists are small businesses and in order to do something they need at least half the funding up front. However, the law does not allow for payment until completion of the project. This artificially limits the ability to expand your universe of artists because of the construct of the way it's being paid. Only artists who have a significant amount of capital can apply for the job. This is where a CDFI could help.

Alex state Mark has brought on a resource that is focused on small business. This person is a small business CDFI expert. Brian added she ran a small business.

Julie stated there are really not very many business loans here. Most is real estate because of the University.

There was talk about what day would work better to reschedule the meeting. Tentatively the date was changed to September 19<sup>th</sup>.

Chris stated it looks like the Trojan Horse will be painting the brick.

## **ADJOURNMENT**

Motion was made and seconded to adjourn the meeting. Meeting adjourned at 1:11 p.m.

DRAFT