

# City of Bloomington Common Council

## Legislative Packet

*The Council will hold two meetings next week.*

### **Tuesday, 12 July 2016: Special Session**

- Water Rates and Bonds (Ords 16-08 and 16-09): Please see the [01 June 2016 Legislative Packet](#)
- Title 4 Changes (Ord 16-16) and Title 15 Changes (Ord 16-14): Please see the [29 June 2016 Legislative Packet](#)

### **Wednesday, 13 July 2016: Regular Session**

- Vacation of Right-of-Way Request (Ord 16-12): Please see the [15 June 2016 Legislative Packet](#).
- Tax Abatement Legislation (Res 16-11 and Ord 16-17): Please see the [29 June 2016 Legislative Packet](#).



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

# **NOTICE**

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

**TUESDAY, JULY 12, 2016  
7:30 p.m.  
COUNCIL CHAMBERS  
CITY HALL, 401 N. MORTON**

**THE COMMON COUNCIL WILL ALSO MEET  
WEDNESDAY, JULY 13, 2016  
FOR A REGULAR SESSION  
AS PREVIOUSLY SCHEDULED.**

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.

**NOTICE AND AGENDA  
BLOOMINGTON COMMON COUNCIL  
SPECIAL SESSION  
7:30 P.M., TUESDAY, JULY 12, 2016  
COUNCIL CHAMBERS  
SHOWERS BUILDING, 401 N. MORTON ST.**

**I. ROLL CALL**

**II. AGENDA SUMMATION**

**III. LEGISLATION FOR SECOND READING AND RESOLUTIONS**

1. Ordinance 16-08 – To Amend Title 9 of the Bloomington Municipal Code Entitled “Water” (Rate Adjustment)

Committee Recommendation (June 08, 2016): Do Pass 7-0-1  
Second Reading (June 15, 2016): Tabled

*Please note: This meeting serves as a public hearing for Ordinance 16-08.*

2. Ordinance 16-09 – An Ordinance of the Common Council of the City of Bloomington, Indiana, Authorizing the Acquisition, Construction, Installation and Equipping by the City of Bloomington, Indiana, of Certain Improvements and Extensions to the City's Waterworks, the Issuance and Sale of Revenue Bonds to Provide Funds for the Payment of the Costs Thereof, the Issuance and Sale of Bond Anticipation Notes in Anticipation of the Issuance and Sale of Such Bonds, and the Collection, Segregation and Distribution of the Revenues of Such Waterworks and Other Related Matters

Committee Recommendation (June 08, 2016): Do Pass 7-0-1  
Second Reading (June 15, 2016): Tabled

3. Ordinance 16-16 – To Amend Title 4 (Business Licenses and Regulations) of the Bloomington Municipal Code - Re: Amending 4.16.010 (Solicitors - Definitions), 4.28.160 (Mobile Vendors - Standards of Conduct), and 4.30.150 (Pushcarts - Standards of Conduct)

Committee Recommendation: Do Pass 8-0

4. Ordinance 16-14 – To Amend Title 15 of the Bloomington Municipal Code Entitled “Vehicles and Traffic” - Re: Alley Parking; No Parking Zones; No Truck Parking Zones; Limited Parking Zones; Loading Zones; Removal and Impoundment of Vehicles; Pedestrian Crosswalks; Parking Permit Fees; Mayoral Authorization to Suspend Enforcement of Garages as Well as Meters; Fees for Law Enforcement Recordings; Class B, C, D, E, and H Traffic Violations; and, Appeals of Parking and Other Violations

Committee Recommendation: Do Pass 1-1-6

**IV. COUNCIL SCHEDULE**

**V. ADJOURNMENT**

\*Auxiliary aids for people with disabilities are available upon request with adequate notice. Please call (812)349-3409 or e-mail [council@bloomington.in.gov](mailto:council@bloomington.in.gov).





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

To Council Members  
From Council Office  
Re Weekly Calendar – 11 - 16 July 2016

**Monday, 11 July**

12:00 pm Board of Public Works – Work Session, Kelly  
4:30 pm Plat Committee, Kelly  
5:00 pm Utilities Services Board, Utilities  
5:30 pm Bicycle & Pedestrian Safety Commission, Hooker Room  
5:30 pm Black History Month Planning Committee, McCloskey  
5:30 pm Plan Commission, Chambers

**Tuesday, 12 July**

4:00 pm Bloomington Community Farmers' Market, Corner of Sixth Street and Madison Street  
4:30 pm Commission on Aging, Hooker Room  
5:30 pm Bloomington Public Transportation Corp. Board of Directors, Transit  
5:30 pm Board of Public Works, Chambers  
6:00 pm Bloomington Commission on Sustainability, McCloskey  
6:30 pm Sister Cities International – CUBAmistad, Dunlap  
6:30 pm Sister Cities International – Posoltega, Kelly  
7:30 pm *Common Council – Special Session, Chambers*  
7:30 pm Sister Cities International – Collective Meeting, Kelly

**Wednesday, 13 July**

12:00 pm Bloomington Urban Enterprise Association, McCloskey  
2:00 pm Hearing Officer, Kelly  
5:00 pm Bloomington Arts Commission, Hooker Room  
5:30 pm Commission on the Status of Black Males, Hooker Room  
7:30 pm *Common Council – Regular Session, Chambers*

*Happy Birthday, City Clerk Nicole Bolden!*

**Thursday, 14 July**

12:00 pm Housing Network, McCloskey  
4:00 pm Monroe County Solid Waste Management District, Monroe County Courthouse,  
Judge Nat U. Hill, III Room  
5:00 pm Bloomington Historic Preservation Commission, McCloskey

**Friday, 15 July**

12:00 pm Domestic Violence Taskforce, McCloskey

**Saturday, 16 July**

8:00 am Bloomington Community Farmers' Market, Showers Common, 401 N Morton St

*\*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.*

In the Council Chambers of the Showers City Hall on Wednesday, June 29, 2016 at 7:34pm with Council President Andy Ruff presiding over a Regular Session of the Common Council.

COMMON COUNCIL  
REGULAR SESSION  
June 29, 2016

Roll Call: Granger, Sturbaum, Mayer, Sandberg, Ruff, Volan, Piedmont-Smith, Chopra, Rollo  
Absent: None

ROLL CALL  
[7:34pm]

Council President Ruff gave the Agenda Summation and explained that the council would entertain public comment on Ordinance 16-12 before postponing further deliberations until a Special Session on July 12, 2016.

AGENDA SUMMATION  
[7:35pm]

It was moved and seconded to approve the minutes for the Regular Sessions of April 19, 2006, January 18, 2006, October 05, 2005, and June 15, 2005.

APPROVAL OF MINUTES

April 19, 2006 (Regular Session)  
January 18, 2006 (Regular Session)  
October 05, 2005 (Regular Session)  
June 15, 2005 (Regular Session)  
[7:38pm]

The minutes of April 19, 2006, January 18, 2006, October 05, 2005, and June 15, 2005 were approved by voice vote. (6-0-3 Volan, Piedmont-Smith, Chopra)

REPORTS

Chris Sturbaum stated that everyone should be able to agree that dangerous people should not have easy access to assault weapons. He commented that Congress not being able to agree to that was the dying canary in the mine of functional democracy.

- COUNCIL MEMBERS

There were no reports from the Mayor's office.

- The MAYOR AND CITY OFFICES

There were no council committee reports.

- COUNCIL COMMITTEES

President Ruff called for public comment.

- PUBLIC

Gabe Rivera spoke about the war on drugs in Monroe County and the rest of the country.

It was moved and seconded that Ordinance 16-12 be introduced and read by title and synopsis only.

LEGISLATION FOR SECOND  
READING AND RESOLUTIONS

Clerk Bolden read the legislation and synopsis, giving the committee recommendation of do pass 0-3-5.

Ordinance 16-12 – To Vacate Public Parcels – Re: Two 12-foot Wide Alley Segments and Two Fifty-Foot Wide Street Segments Located at the Northwest Corner of West 11<sup>th</sup> Street and North Rogers Street (Duke Energy, Petitioner)  
[7:42pm]

It was moved and seconded to allow the public to speak on the ordinance as part of a public hearing advertised for the evening.

Allison Chopra asked Sturbaum to comment on the purpose of the motion.

Sturbaum explained that he, the administration, and Duke Energy met to discuss other options for the energy substation. He said more time was needed to work out alternatives, and they requested a delay for deliberation on this motion.

There was no public comment on this motion.

Vote on motion [7:49pm]

The motion received a roll call vote of Ayes: 9, Nays: 0

Public Comment:

Joanna Veroncavich, Maple Heights resident said she appreciated the continued negotiations with Duke Energy. She added that as an economist who studies urban development, she said it was important to understand urban areas and how to preserve the quality. She said most people think about those moving to suburban areas, but making urban areas livable is equally as important. She added that this should be considered as a long term investment and not something that should be short term and cost effective.

Lucy Schaich, Maple Heights resident, shared photos of a power substation that were low profile and small, and reminded the Council of the substation in Traverse City with a 2 story building and wall surrounding a substation with the exact same specifications as the one being proposed by Duke. She said when we know better, we should do better.

Mr. Harmon, near west side resident, asked about eminent domain and why this location was chosen. He asked in whose interest it was. He proposed locating the substation on IU property. He said he was opposed to using this location for the substation.

Kathy Haggarty said she too opposed this location and favored using the new hospital site or IU property. She also suggested using donated limestone to block the view of the substation.

It was moved and seconded to postpone further deliberations on Ordinance 16-12 until the Regular Session on July 13, 2016.

Vote to postpone [8:08pm]

The motion received a roll call vote of Ayes: 9, Nays: 0

It was moved and seconded that Resolution 16-07 be introduced and read by title and synopsis only.

Resolution 16-07 – To Extend the Bloomington Urban Enterprise Zone for an Additional One Year Beyond Current Expiration Date

Clerk Bolden read the legislation and synopsis, giving the committee recommendation of do pass 7-0-0.

It was moved and seconded that Resolution 16-07 be adopted.

Jason Carnes, Economic and Sustainable Development Department and Director of the BUEA presented the resolution. He said currently there are no five year extensions available to the BUEA zone which had been taken three times in the past, but there was a one year extension available. It would extend the BUEA until January 31, 2018 and would not require action by the state enterprise zone board. He added that this was a valuable economic and community development program.

Steve Volan asked how the program could be continued after this one year extension. Carnes said the state association was working to craft state legislation to allow the zones to continue to exist.

Sturbaum asked whether the new Trades District was in the BUEA. Carnes said yes and that funds had been allocated in the budget for that purpose

Isabel Piedmont-Smith asked if BUEA funds could be used to help fund barriers for the proposed substation by Duke. Carnes said he would look into it.

Resolution 16-07 cont'd

Council Comment:

Chopra commented that as a past BUEA Board Member, she knew those businesses in the Zone paid into the fund, and therefore she thought the funds would be ideal to use for the substation barrier. It was moved and seconded that Resolution 16-07 be adopted.

Vote on Resolution 16-07 [8:18pm]

The motion to adopt Resolution 16-07 received a roll call vote of Ayes: 9, Nays: 0.

It was moved and seconded that Ordinance 16-18 be introduced and read by title and synopsis only.

Ordinance 16-18 – Ordinance Authorizing and Approving a Payment in Lieu of Taxes (“PILOT”) Agreement with EV Bloomington Limited Partnership for Evergreen Village at Bloomington [8:19pm]

Clerk Bolden read the legislation and synopsis, giving the committee recommendation of do pass 6-0-0.

It was moved and seconded that Ordinance 16-18 be adopted.

Jeff Underwood, City Controller, presented the legislation to the council. He explained that the facility was subject to a tax exemption, and that one of the three requirements the facility needed was for the council to approve a payment in lieu of taxes (PILOT). He further explained that the agreement was for 30 years and required living wages for staff. He said that there were 115 units that were aimed at Medicaid eligible folks 62 and older but was targeted at 75 years and up with a 60% median income, which was around \$26k. Underwood noted that the closest similar facility was 50 miles away and that the residents in Monroe County were under-served.

Nick Bouquet, Evergreen Partners, clarified that they were committing the property for the next 30 years to affordable living. That meant that 100% of the units would serve seniors (defined as over 62 and older) earning less than \$26k. He noted that the residential care facility designation was a partnership between them and the Indiana department of health that allowed the facility to secure a license to house people eligible for Medicaid and to provide those seniors with assisted living type services. He stressed that the property was not a skilled nursing facility or home, but was a unique type of senior housing in this community.

Council Questions:

Piedmont-Smith asked for clarification and reassurance that the developer was the employer and could ensure the living wage. Bouquet assured her that that was the case.

Piedmont-Smith followed up by asking if the living wage was not paid, then the PILOT amount would be \$100k. Underwood affirmed and said that there was an opportunity built in for the developer to cure it rather than pay the \$100k.

Chopra asked for clarification on to whom the living wage applied. Bouquet explained that it applied to all of their employees, but there were about 10-12 employees whose salaries would be raised.

Chopra asked about the thin margin Underwood referred to in his presentation. Bouquet responded that they fully expected the project to be profitable, but they were making certain that the city got the payment to the affordable housing fund first.

Chopra asked how the requirements for this development differed from those that the council saw for tax abatements and other projects. Underwood explained that the developers were



giving more than the city usually got. He further explained that abatement requirements varied based on their needs.

Susan Sandberg asked how soon the property would be filled. Bouquet replied that they assumed within 12 months of completion.

Chopra asked what would happen if the city raised the living wage higher than the cost of living as it related to the contract.

Underwood replied that the formula for the calculation was in the ordinance, and that was what the petitioner agreed to abide by.

Chopra and Andy Ruff clarified the question somewhat to ask what would happen if the council decided that they wanted to raise the minimum wage in the city to \$15/hour and peg it to the cost of living index. Thomas Camerson, City Attorney, responded that the contract is written in a way that would bind the developer to whatever the living wage came to be in the future.

Piedmont-Smith asked for clarification about PILOT payments being subordinate to debt payments of the developer. Cameron explained that the city is second in line to the developer's creditors.

Chopra asked if the net cash flow included owner's draws or CEO salaries. Bouquet explained that it did not.

Chopra asked if the city had the ability to audit Evergreen's finances. Underwood replied that they had to provide statements, and that the city had the ability to audit as well.

Piedmont-Smith asked about the address being on Heirloom Drive rather than Canada Drive. Bouquet responded that the planning department renamed the street because it was a private right-of-way.

Piedmont-Smith asked what the estimated property tax for the project would be. Underwood replied that they estimated \$98k for the city and \$138 for all other taxing units per year. He added the caveat that it was not necessarily what the city would receive back, but that was the estimate.

Piedmont-Smith asked for confirmation that the \$10k payments would go into the affordable housing fund. Underwood affirmed.

Volan asked for expected costs of building, the expected value, and the expected value had it been non-exempt. Bouquet replied \$22.5 million for the entire project. Underwood replied that the value would be \$11.8 million. The taxes would be the same as he gave previously.

Volan asked if Underwood foresaw more projects with this kind of deal. Bouquet replied that the state just passed legislation forbidding this type of PILOT, so this may be the last one seen in Indiana.

**Public Comment:**

Carrie Conway, Executive Director of Area 10 Agency on Aging, spoke in favor of the project.

**Council Comment:**

Volan commented that he was not a fan of the building design or location. He said that the project was overdue and much needed.

Sandberg said that she was delighted to see the city invest in projects like these, and saw the project as a welcome breath of fresh air. She stated that as someone who had navigated the difficulties of

elder care, it was important to have someplace where people could age in place with dignity.

Piedmont-Smith also said that she was glad to see the project come forward. She spoke of the value of having living wages for workers in assisted living facilities. She also added that she hoped there would be bus service and field trips.

The motion to adopt Ordinance 16-18 received a roll call vote of Ayes: 9, Nays: 0.

It was moved and seconded that Ordinance 16-14 be introduced and read by title and synopsis only.

It was moved and seconded that Ordinance 16-16 be introduced and read by title and synopsis only. The motion was approved by a voice vote.

It was moved and seconded that Ordinance 16-17 be introduced and read by title and synopsis only. The motion was approved by a voice vote.

Special Session scheduled for Tuesday, July 12, 2016 to hold the public hearing and vote on Ordinance 16-08 and Ordinance 16-09.

It was moved and seconded to shift the second reading of Ordinance 16-16 and Ordinance 16-14 from the Regular Session on July 13, 2016 to the Special Session on July 12, 2016.

Ordinance 16-18 cont'd

Vote on Ordinance 16-18 [8:54pm]

#### LEGISLATION FOR FIRST READING

Ordinance 16-14 – To Amend Title 15 of the Bloomington Municipal Code Entitled “Vehicles and Traffic” - Re: Alley Parking; No Parking Zones; No Truck Parking Zones; Limited Parking Zones; Loading Zones; Removal and Impoundment of Vehicles; Pedestrian Crosswalks; Parking Permit Fees; Mayoral Authorization to Suspend Enforcement of Garages as Well as Meters; Fees for Law Enforcement Recordings; Class B, C, D, E, and H Traffic Violations; and, Appeals of Parking and Other Violations

Ordinance 16-16 – To Amend Title 4 (Business Licenses and Regulations) of the Bloomington Municipal Code - Re: Amending 4.16.010 (Solicitors - Definitions), 4.28.160 (Mobile Vendors - Standards of Conduct), and 4.30.150 (Pushcarts - Standards of Conduct)

Ordinance 16-17 – To Designate an Economic Development Target Area (EDTA) - Re: Property Located at 405 S. Walnut Street; 114, 118, and 120 E. Smith Avenue; and 404 S. Washington Street and Identified by the Monroe County Parcel ID Numbers 015-35020-00, 015-35010-00, 015-35030-00, 015-10000-00, 015-33130-00 (H.M. Mac Development, LLC, Petitioner)

#### COUNCIL SCHEDULE

The motion received a roll call vote of Ayes: 8, Nays: 1(Volan).

Vote on motion [9:25pm]

The meeting was adjourned at 9:26pm.

ADJOURNMENT

APPROVE:

ATTEST:

Andy Ruff, PRESIDENT  
Bloomington Common Council

Nicole Bolden, CLERK  
City of Bloomington

For Approval

In the Council Chambers of the Showers City Hall on Wednesday, June 22, 2016 at 7:35 pm with Council President Andy Ruff presiding over a Special Session of the Common Council.

COMMON COUNCIL  
SPECIAL SESSION  
June 22, 2016

Roll Call: Granger, Sturbaum, Mayer, Sandberg, Ruff, Volan, Piedmont-Smith, Chopra  
Absent: Rollo

ROLL CALL  
[7:35pm]

Council President Ruff gave the Agenda Summation and explained that the agenda had been reordered to accommodate the large number of people who were interested in speaking on Ordinance 16-12 in the Committee of the Whole set to follow.

AGENDA SUMMATION  
[7:35pm]

Linda Williamson, Director, Economic and Sustainable Development, presented the Annual Tax Abatement Report (slides attached).

REPORTS

- The MAYOR AND CITY OFFICES

Steve Volan asked how much of the Cook-Pharmica retail improvement would be left behind if they no longer occupied the building. Williamson responded that a lot of it would be left behind due to the renovations, but noted that they were also pretty specialized for pharmaceutical production and filling.

Volan asked for clarification on the value of the building, and Williamson responded that the \$112 million represented the investment in the building.

Volan expressed some consternation that the company invested \$112 million in a building that was assessed at \$44 million. Williamson noted that it was a unique situation, and that the company often went above and beyond when they renovated in the community.

Volan said that it would be nice to have those numbers explained in more detail in future reports.

Isabel Piedmont-Smith asked if the foundry was a mixed use development, to which Williamson responded in the affirmative.

Piedmont-Smith next asked what the main investment in personal property was. Williamson explained that it was primarily IT equipment.

Piedmont-Smith asked if the jobs retained were with Cornerstone, which Williamson confirmed.

Piedmont-Smith followed up by clarifying how retained employment was calculated. Williamson said that the test was a “but for” test, as in “but for the abatement would the investment be made”.

Piedmont-Smith asked if investment in personal property had to rise to level of being installed. Williamson said that it was generally portable.

Piedmont-Smith next asked if the jobs for constructing the building were included in the new job count. Williamson said that they were not, only permanent jobs were counted.

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

Vote to accept report [7:54pm]

It was moved and seconded that Ordinance 16-13 be introduced and read by title and synopsis only.

Clerk Bolden read the legislation by title and synopsis; there was not a committee recommendation.

It was moved and seconded that Ordinance 16-13 be adopted.

Bethany Emehiser, HAND staff member, presented the legislation to the council.

Allison Chopra, Steve Volan, and Dorothy Granger asked questions regarding the change in address and street name. Patty Mulvihill, City Attorney, clarified that the issue the council was voting on was to amend the code to reflect the address change that was going to happen no matter what, not to make the address change themselves.

Tim Mayer added that having an address changed on the house that you live in was an unpleasant process.

Volan commented that he still found the street name changes confusing, but that he appreciated the clarification.

The motion to adopt Ordinance 16-13 received a roll call vote of Ayes: 8, Nays: 0

It was moved and seconded that Resolution 16-10 be introduced and read by title and synopsis only. The motion was approved by a voice vote.

Clerk Bolden read the legislation by title and synopsis; there was not a committee recommendation.

It was moved and seconded that Resolution 16-10 be adopted.

Mike Diekhoff, Police Chief, presented the legislation to the council.

Chopra commented that she was glad to hear the city was purchasing AEDs (Automated External Defibrillators) because they worked quickly if used in the first two minutes.

Chris Sturbaum assumed that everyone was trained on the devices as a matter of routine. Diekhoff said yes.

Mayer thanked Diekhoff for extending the services of the officers with the new equipment.

The motion to adopt Resolution 16-10 received a roll call vote of Ayes: 8, Nays: 0

It was moved and seconded that Ordinance 16-18 be introduced and read by title and synopsis only.

## LEGISLATION FOR SECOND READING AND RESOLUTIONS

Ordinance 16-13 – To Amend Title 8 of the Bloomington Municipal Code, Entitled “Historic Preservation and Protection” to Amend a Historic District to Reflect Re-Addressing of a Designated Property – Re: 305 East Vermilya Avenue [7:55pm]

Vote on Ordinance 16-13 [8:08pm]

Resolution 16-10 – To Approve an Interlocal Cooperation Agreement Between the City of Bloomington and Monroe County, Indiana in Regards to 2016 Edward Byrne Memorial Justice Assistance Grant (JAG) [8:09pm]

Vote on Resolution 16-10 [8:12pm]

## LEGISLATION FOR FIRST READING

Ordinance 16-18 – Ordinance Authorizing and Approving a Payment in Lieu of Taxes (“Pilot”) Agreement with EV Bloomington Limited Partnership for Evergreen Village at Bloomington [8:13pm]

There were no changes to the council schedule.

COUNCIL SCHEDULE

The meeting was adjourned at 8:14pm.

ADJOURNMENT

APPROVE:

ATTEST:


Andy Ruff, PRESIDENT  
Bloomington Common Council

Nicole Bolden, CLERK  
City of Bloomington

For Approval

# Tax Abatement Annual Report

## 2015 Activity Summary




**Presentation to:**

**Common Council**

June 22, 2016

Department of Economic and Sustainable Development


I. - Introduction



## Tax Abatements

- Phase-in of new property taxes
  - All or part of **new** assessed value exempted from paying property tax
  - Reduction of tax liability on **added** assessed value (AV) only
- Terms from 1 to 10 years
  - Sliding scale from 100% to **no** exemption on the new AV;
  - Designating body may provide an “alternative deduction schedule” (IC 6-1.1-12.1-17)

Department of Economic and Sustainable Development
Tax Abatement Report – 2015 Activity




## Activity Report

- I. Introduction
- II. Economic Impact
- III. Residential Projects
- IV. Mixed-Use Projects
- V. Commercial Projects
- VI. Projects in Progress
- VII. Expired Abatements
- VIII. CF-1s Not Received

Department of Economic and Sustainable Development
Tax Abatement Report – 2015 Activity

I. - Introduction




## Tax Abatements

- Local economic development tool
  - City authorizes, County administers
- City of Bloomington General Standards
  - Evaluative criteria adopted 2010
    - Creation of full-time, permanent living-wage jobs
    - Creation of capital investment to enhance tax base (↑ AV)
    - Quality of Life and Environmental/Sustainability
    - Affordable Housing
    - Community Service
    - Community Character
- Bloomington Common Council requires an Economic Development Commission (EDC) recommendation

Department of Economic and Sustainable Development
Tax Abatement Report – 2015 Activity

I. - Introduction




## Tax Abatements

- What is tax abatement?
  - Real and personal property
    - IC 6-1.1-12.1
  - Vacant building
    - IC 6-1.1-12.1-16
  - Enterprise IT equipment
    - IC 6-1.1-10-44

Department of Economic and Sustainable Development
Tax Abatement Report – 2015 Activity

I. - Introduction



## Authorization Process

- ESD Department
  - Receives Application and Statement of Benefits (IN Form SB-1)
- EDC recommendation
  - Economic Revitalization Area
    - Economic Development Target Area, if appropriate
  - Abatement term and schedule
- Common Council
  - Designating resolution
  - Public hearing and confirmatory resolution
    - Or modifying/confirming or rescinding resolution

Department of Economic and Sustainable Development
Tax Abatement Report – 2015 Activity

I. - Introduction 7

### Annual Reporting

- Compare estimated “benefits” to actual results
- Taxpayer submits annual Compliance form with Statement of Benefits form (IN Form CF-1)
  - Filed with County Auditor for deduction administration
  - Copied to City Clerk for reporting to Common Council
- Council has given ESD Department the responsibility to compile and report to EDC
  - EDC forwards final report to Council for any action
    - EDC made recommendation this year on May 25th



Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

II. - Economic Impacts 10

### Economic Impacts

Original assessed values and current assessed values

Category	SB-1 Assessed Values (Before Project)	Current Assessed Values
Commercial RE + PP	\$ 2,082,100	\$ 82,038,868
Mixed Use	\$ 350,000	\$ 1,560,400
Residential	\$ 100,000	\$ 306,400
<b>Total</b>	<b>\$ 2,532,100</b>	<b>\$ 83,905,668</b>

Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

II. - Economic Impacts 8

### Economic Impacts


Progress toward new real and personal property investment estimates

Category	Proposed New Investment (SB-1)	Actual New Investment (CF-1)
Commercial RE	\$ 39,000,000	\$ 132,800,000
Commercial PP	\$ 17,200,000	\$ 37,996,461
Mixed Use	\$ 2,300,000	\$ 2,300,000
Residential	\$ 100,000	\$ 100,000
<b>Total</b>	<b>\$ 58,600,000</b>	<b>\$ 173,196,461</b>

Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

III. - Residential Development Projects 11

### B & L Rentals



Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

II. - Economic Impacts 9

### Economic Impacts

Progress toward new jobs and salary estimates

Proposed New Jobs	Proposed New Salaries	Actual New Jobs	Actual New Salaries	Total Jobs New and Retained	Total Salaries New and Retained
200	\$ 9,455,920	650	\$47,514,252	766	\$59,772,689
<i>Average Proposed New Salary = \$47,279.60</i>		<i>Average Actual New Salary = \$73,098.85</i>		<i>Average Salary = \$78,032.23</i>	

Figures exclude temporary jobs and corresponding salaries from construction.  
 Excludes unknown salary information from some businesses leasing space in mixed-use developments, non-reported information and commissions/benefits.

Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

III. - Residential Development Projects 12

### B & L Rentals, LLC

718, 720 & 722 W. Kirkwood  
Resolution: 03-22

**Statement of Benefits**

**Type:** Real Estate Improvements  
**Length of Abatement:** 10 years

**Estimated New Investment:** \$100,000  
**Estimated New Employment:** N/A  
**Estimated New Salaries:** N/A

**Benefits:** Renovation of Queen Anne 2 story housing with 3 apartments in the West Kirkwood ERA.

**Compliance**

**Summary:** The project is complete.

**Actual New Investment:** \$100,000  
**Actual New Employment:** N/A  
**Actual New Salaries:** N/A  
**Current Assessed Value:** \$295,500

**Remarks:** Staff recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 7 of 10.

Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity



IV. – Mixed-Use Projects

**Big O Properties, LLC**  
**338 South Walnut Street**  
**Resolution: 15-01**



Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

V. – Commercial Projects

**Cook Pharmica**  
**1300 S. Patterson Dr.**  
**Resolution: 04-08**

**Statement of Benefits**

**Type:** Real Estate Improvements and Personal Property Improvements  
**Length of Abatement:**  
 RE: 10 years  
 PP: 10 years  
**Estimated New Investment:**  
 RE: \$19,000,000  
 PP: \$17,200,000  
**Estimated New Employment:** 200  
**Estimated New Salaries:** \$9,455,920  
**Benefits:** Renovation of "Building 2" at the Indiana Enterprise Center. This 430,000 sq ft building was built in 1965. Renovation of exterior and 100,000 sq. ft. of interior for use by a new company to develop and research in contract pharmaceuticals.

**Compliance**

**Summary:** Real estate and equipment improvements are complete.  
**Actual New Investment:**  
 RE: \$112,000,000  
 PP: \$37,996,461  
**Actual New Employment:** 558  
**Actual New Salaries:** \$38,098,020  
**Current Assessed Value:**  
 RE: \$44,246,200  
 PP: \$15,198,584  
**Remarks:** Staff recommends a finding of substantial compliance with the Statement of Benefits.  
 The RE abatement is in year 10 of 10.  
 The PP abatement is in year 9 of 10.

Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

IV. – Mixed-Use Projects

**Big O Properties, LLC**  
**338 South Walnut Street**  
**Resolution: 15-01**

**Statement of Benefits**

**Type:** Real Estate Improvements  
**Length of Abatement:** 3 years  
**Estimated New Investment:** \$2,300,000  
**Estimated New Employment:** N/A  
**Estimated New Salaries:** N/A  
**Benefits:** Construction of a 3 story, mixed use building, 14,400 sq ft (1,663 sq ft commercial) and 14 residential units (four 2-BR, ten 1-BR).


**Compliance**

**Summary:** The project is complete.  
**Actual New Investment:** \$2,300,000  
**Actual New Employment:** N/A  
**Actual New Salaries:** N/A  
**Current Assessed Value:** \$1,560,400  
**Remarks:** Staff recommends a finding of substantial compliance with the Statement of Benefits.  
 This abatement is in year 1 of 3.

Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

V. – Commercial Projects


**Hoosier Energy**  
**2501 South Cooperative Way**  
**Resolution: 13-03**



Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

V. – Commercial Projects

**Cook Pharmica**



Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

V. – Commercial Projects

**Hoosier Energy**  
**2501 South Cooperative Way**  
**Resolution: 13-03**

**Statement of Benefits**

**Type:** Real Estate Improvements  
**Length of Abatement:** 10 years  
**Estimated New Investment:** \$20,000,000  
**Estimated Retained Employees:** 116  
**Estimated Retained Salaries:** \$11,118,764  
**Estimated New Employees:** 0  
**Estimated New Salaries:** 0  
**Benefits:** Construction of a new multi-story, LEED-certified 80,000+ square foot headquarters building


**Compliance**

**Summary:** Real estate improvements are complete.  
**Actual New Investment:** \$20,800,000  
**Actual Retained Employees:** 116  
**Actual Retained Salaries:** \$12,258,437  
**Actual New Employees:** 46  
**Actual New Salaries:** \$4,306,518  
**Current Assessed Value:** \$9,215,900  
**Remarks:** Staff recommends a finding of substantial compliance with the Statement of Benefits.  
 The abatement is in year 1 of 10.

Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

VI. – Projects in Progress

**Woolery Mill Ventures, LLC**  
 Property at 2600 S. Kegg Rd  
Resolution: 04-01: 13-14



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Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

VI. – Projects in Progress

**The Foundry**  
 304 West Kirkwood Ave  
Resolution: 14-15

Statement of Benefits

**Type:** Real Estate and Personal Property Improvements  
**Length of Abatement:** 5 years RE, 10 years PP  
**Estimated New Investment RE:** \$11,500,000  
**Estimated New Investment PP:** \$400,000  
**Estimated Retained Employment:** 55  
**Estimated New Job Created:** 12  
**Estimated Retained Salaries:** \$3,637,099  
**Estimated New Salaries:** \$825,000  
**Benefits:** Construction of a new 4 story, mixed-use building with 12,640 sq ft of commercial space on 1<sup>st</sup> and 2<sup>nd</sup> floor.  
**Summary:** Tax Abatement does not include top floor residential units

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Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

VI. – Projects in Progress

Res. 04-01: 13-14 - Woolery Ventures LLC

<p><u>Statement of Benefits</u></p> <p><b>Type:</b> Real Estate Improvements  <b>Length of Abatement:</b> 10 years  <b>Estimated New Investment:</b> \$6,000,000  <b>Estimated New Employment:</b> 45  <b>Estimated New Salaries:</b> \$762,000  <b>Benefits:</b> Renovation of an abandoned limestone mill into a mixed use facility (42 apts/condos, 55-room hotel, recreational amenities) rehabilitated to the historic standards of the Secretary of Interior. Original estimated completion date was 6/30/2005.</p>	<p><u>Compliance</u></p> <p><b>Summary:</b> Since 2004, \$1M in infrastructure, aesthetic site improvements. Memorandum of Agreement has been executed - defines substantial compliance, requires Mill renovation project to begin by 12/31/18 (building permit). Requires annual pre-construction progress reports to EDC, quarterly reports during construction, and annual compliance reports after completion. The MOA acknowledges complexity of project may require phased development, and this tax abatement would then apply to a first phase if so. MOA contains clawback provisions with regard to compliance reporting and substantial compliance requirements. Woolery Ventures is moving forward with project planning and implementation.</p>
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Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

VII. – Expired Abatements

**Abatements Expired in 2015**

B&L Rentals, LLC  
 612 & 614 W. Kirkwood  
Resolution: 03-21

Richard Dean Groomer  
 1000 W. Kirkwood  
Resolution: 03-27

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Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

VI. – Projects in Progress

**The Foundry**  
 304 West Kirkwood Ave.  
Resolution: 14-15



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Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity

VIII. – CF-1's Not Received

**CF-1s Not Received**

- Res. 06-02 IMA East
  - Property at 2605 E. Creek's Edge Drive

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Department of Economic and Sustainable Development Tax Abatement Report – 2015 Activity



In the Council Chambers of the Showers City Hall on Wednesday, June 15, 2016 at 7:33 pm with Council Vice-President Susan Sandberg presiding over a Regular Session of the Common Council.

COMMON COUNCIL  
REGULAR SESSION  
June 15, 2016

Council Vice-President Sandberg opened the meeting by explaining that President Ruff was attending a conference in Austin, and would not be chairing the meeting that evening. She then made the following statement:

“On behalf of all on the Bloomington City Council, we thank this community for the tremendous outpouring of support offered to the LGBT community in Orlando. The attendance at last night’s vigil is a testament to the inclusiveness and compassion that lives here in Bloomington.

We offer our condolences to all who have lost family members, friends, co-workers and children to senseless gun violence, including this most recent violent assault on a safe haven for the LGBT community.

As we absorb this profound sadness, we encourage you to do more than just grieve. Make calls to Congress. Give them the courage to act. Sign petitions, attend rallies. Join an active group like Moms Demand Action for Gun Sense in America. Vote.

Let’s all pledge to do more than just hope that America’s worst mass shooting is the last.”

Roll Call: Granger, Sturbaum, Mayer, Sandberg, Volan, Piedmont-Smith, Chopra  
Absent: Ruff, Rollo  
Council Vice-President Sandberg gave the Agenda Summation.

ROLL CALL  
[7:34pm]

AGENDA SUMMATION  
[7:34pm]

It was moved and seconded to approve the minutes for the Regular Session of June 1, 2016.

APPROVAL OF MINUTES  
June 1, 2016 (Regular Session)  
[7:35pm]

The minutes of June 1, 2016 as corrected were approved by voice vote.

December 16, 2015 (Regular Session) 6-0-1 Chopra  
December 02, 2009 (Regular Session) 6-0-1 Chopra  
December 20, 2006 (Regular Session) 5-0-2 Chopra, Piedmont-Smith

Allison Chopra wished all the fathers on the council, her husband, and father a Happy Father’s Day.

REPORTS

- COUNCIL MEMBERS  
[7:37pm]

Isabel Piedmont-Smith spoke on the Orlando Pulse Night Club shooting. She said she was moved by the attendance at the previous night’s vigil. She said that society needed to do something about gun violence and as a council member she could not vote on things such as gun control and abortion.

Steve Volan said he was experimenting with a new method of timing public comment and showed that he would use his iPad with a timer application.

Dorothy Granger thanked everyone who attended the vigil held for the Orlando shooting. She said that we must stop these tragedies. She thanked Bloomington.

Tim Mayer said that he joined Granger in her sentiments.

There were no reports from the Mayor's office.

- The MAYOR AND CITY OFFICES

There were no council committee reports.

- COUNCIL COMMITTEES

Council Vice-President Sandberg called for public comment.

- PUBLIC [7:39pm]

Daniel McMullen spoke about the tragedy in Orlando.

Gabe Rivera spoke about the war on drugs.

Danny McConnell, recently retired Maintenance Coordinator with City of Bloomington Utilities, thanked various members of the council for their support of the labor management committee.

There were no appointments to boards or commissions at this meeting.

APPOINTMENTS TO BOARDS AND COMMISSIONS [7:45pm]

LEGISLATION FOR SECOND READING AND RESOLUTIONS

It was moved and seconded that Resolution 16-06 be introduced and read by title and synopsis. The motion was approved by a voice vote.

Resolution 16-06 – Authorizing the Allocation of the Jack Hopkins Social Services Program Funds for the Year 2016 and Other Related Matters

Clerk Bolden read the legislation by title and synopsis.

Mayer gave a summary of the committee's report.

It was moved and seconded to limit the public comment portion on this piece of legislation to 40 minutes total, and to two (2) minutes per speaker.

The motion received a roll call vote of Ayes: 7, Nays: 0

Public Comment:

Daniel McMullen, Scott Tibbs, Dave Heart, Maria Siefker, Marian Leahy, Margie Sayward, Barbara Barbina, Margaret Key, Donna Fogarty, Ronda Brandon, Roger Sawyer, Andre Siefker, Donald Gregory, Elizabeth Stierwalt, Mark Hornbacher, Donna Zathy, John Kollish, Isaac Siefker, and Levi Bolton spoke in opposition to Planned Parenthood being allocated any Jack Hopkins grant funding.

Council Comment:

Chopra thanked the council for letting her be a part of the process. She also recognized Mrs. Hopkins, who was still with the community.

Granger noted that abortions were legal, she believed in the separation of church and state, and the Planned Parenthood portion of the fund was 1% of the fund.

Chris Sturbaum said the funds were to help people in the community. He went further saying that the fund was not going to be used for abortions.

Piedmont-Smith said that A Friend's Place (formerly Martha's House) was going to get double the funding due to a matching grant by BUEA. She thanked the staff for their work.

Volan said that every year this was a difficult decision and brought attention to other organizations that were receiving funds such as All Options Pregnancy Resource Center, with money going to their diaper bank, the Boys and Girls Club, Court Appointed Special Advocates for Children, and Girls Inc. Those organizations that provide services to children and My Sister's Closet and Middle Way House providing support to women. He said that he supported the resolution.

Sandberg commented on the process and said that as the community needs changed the fund must also evolve to cover operational funds.

Mayer said that the fund covered twenty four agencies and that nineteen were specifically for children. He thanked the committee members for their work.

It was moved and seconded that Resolution 16-06 be adopted.

Resolution 16-06 vote[9:08pm]

The motion to adopt Resolution 16-06 received a roll call vote of Ayes: 7, Nays: 0

It was moved and seconded that Ordinance 16-08 be introduced and read by title and synopsis. The motion was approved by a voice vote.

Ordinance 16-08 – To Amend Title 9 of the Bloomington Municipal Code Entitled "Water" (Rate Adjustment)  
[9:12pm]

Clerk Bolden read the legislation by title and synopsis, giving the committee recommendation do pass 7-0-1.

Council Attorney Dan Sherman informed the council that due to an error involving a public notice requirement, there could be no action taken on Ordinances 16-08 and 16-09, but the council could have discussion. The council discussed when those pieces of legislation could have a public hearing.

Director of Utilities, Vic Kelson, gave a presentation on the state and future plans of the City of Bloomington Utilities (slides attached).

Efrat Feferman spoke on the customer service efforts that Utilities was providing (such as options for electronic pay). She said the e-bill program and having all forms online saved CBU money by reducing paper. Feferman also spoke on water conservation kits that were available that could save 5,000 gallons of water per person per year. She also spoke about Vic Kelson who jumped in to fulfill his role as department head of the City of Bloomington Utilities and strived to make it the best municipal waterworks in the state, but that required the appropriate funding.

#### Council Questions:

Volan asked about sewer overflows and where the sewer pipes were prone to damage. He also asked if leaks developed over time and if leaks were predictable.

Kelson responded by saying that as landscape changed and sewers age, leaks become more likely. He said there are other risks to

sewers such as grease and tree roots. He went on to say that best way to predict overflows was with a hydraulic model of the network and meters in the sewer system.

Mike Bengtson spoke about the meters that were currently being used.

Granger asked how many pipes had been lined.

Kelson said that 8.3% of the pipes in the whole system had been lined, but the focus was on the clay pipes which was 21.6%. He said CBU was approximately a fifth of the way through with that project.

Piedmont-Smith asked about the deadline for filing the bond being September 27, 2016.

John Scont said that date was a filing deadline, but the intention was to file by July. He said they intended to look for open market bonds, but there was an option to use the State Revolving Loan Funding Program (SRF) which was a financing program through the state to help local utilities by leveraging federal dollars.

Volan asked about whether the tracking of rain fall would help forecast future storm and sewer leaks.

Bengtson said rain fall was tracked, but it was very difficult to predict leaks.

Volan then asked Feferman when forms were available online.

Feferman said that the fillable form was put up in April 2016 and CBU was able to create it in house. By digitizing they were able to reconfigure internal work flow to minimize paper. She went on to say that there was a survey for customers to report on their experiences which helped to fine tune the process.

Public Comment:

Doug Deyhoff from Upland Brewery said that he recommended the rate increase and said that the financial health of the utilities was very important. He went on to say that the surcharge that Upland was being charged was outside of the statewide norm and he hoped that the rate increase could mitigate that need for a surcharge. He said that he appreciated collaborating with Kelson.

Dennis Dunn of Oliver Winery also said that he supported the work that Kelson was doing and the rate increase, but that surcharges had significant impact on Oliver.

Council Questions:

Volan asked if surcharges were the result of usage.

Kelson said that surcharges were the result of the pretreatment program. If an organization had a high Biochemical Oxygen Demand or a high concentration of solids it required a pretreatment. He also said that surcharges would scale with the rate adjustment.

It was moved and seconded that Ordinance 16-08 be tabled.

There was a brief discussion about Ordinance 16-08 and Ordinance 16-09 not having been properly advertised for public notice.

The motion to table Ordinance 16-08 received a roll call vote of Ayes: 5, Nays: 2

Ordinance 16-08 vote [10:19pm]

It was moved and seconded that Ordinance 16-09 be introduced and read by title and synopsis. The motion was approved by a voice vote.

Ordinance 16-09 – An Ordinance of the Common Council of the City of Bloomington, Indiana, Authorizing

Clerk Bolden read the legislation by title and synopsis, giving the committee recommendation do pass 7-0-1.

the Acquisition, Construction, Installation and Equipping by the City of Bloomington, Indiana, of Certain Improvements and Extensions to the City's Waterworks, the Issuance and Sale of Revenue Bonds to Provide Funds for the Payment of the Costs Thereof, the Issuance and Sale of Bond Anticipation Notes in Anticipation of the Issuance and Sale of Such Bonds, and the Collection, Segregation and Distribution of the Revenues of Such Waterworks and Other Related Matters  
[10:18pm]

It was moved and seconded that Ordinance 16-09 be tabled.

Ordinance 16-09 vote [10:19pm]

The motion to table Ordinance 16-09 received a roll call vote of Ayes: 6, Nays: 1

It was moved and seconded that Ordinance 16-10 be introduced and read by title and synopsis. The motion was approved by a voice vote.

Ordinance 16-10 – To Amend Title 10 of the Bloomington Municipal Code Entitled “Wastewater” (Rate Adjustment)  
[10:22pm]

Clerk Bolden read the legislation by title and synopsis, giving the committee recommendation do pass 7-0-1.

It was moved and seconded that Ordinance 16-10 be adopted.

Ordinance 16-10 vote [10:26pm]

The motion to adopt Ordinance 16-10 received a roll call vote of Ayes: 7, Nays: 0

It was moved and seconded that Ordinance 16-11 be introduced and read by title and synopsis. The motion was approved by a voice vote.

Ordinance 16-11 – An Ordinance of the Common Council of the City of Bloomington, Indiana, Authorizing the Acquisition, Construction, Installation and Equipping by the City of Bloomington, Indiana, of Certain Improvements and Extensions to the City's Sewage Works, the Issuance and Sale of Revenue Bonds to Provide Funds for the Payment of the Costs Thereof, the Issuance and Sale of Bond Anticipation Notes in Anticipation of the Issuance and Sale of Such Bonds, and the Collection, Segregation and Distribution of the Revenues of Such Sewage Works and Other Related Matters  
[10:34pm]

Clerk Bolden read the legislation by title and synopsis, giving the committee recommendation do pass 7-0-1.

It was moved and seconded that Ordinance 16-11 be adopted.

The motion to adopt Ordinance 16-11 received a roll call vote of Ayes: 7, Nays: 0

Ordinance 16-11 vote [10:34pm]



LEGISLATION FOR FIRST READING

It was moved and seconded that Ordinance 16-12 be introduced and read by title and synopsis. The motion was approved by a voice vote.

Ordinance 16-12 – To Vacate Public Parcels – Re: Two 12-foot Wide Alley Segments and Two Fifty-Foot Wide Street Segments Located at the Northwest Corner of West 11<sup>th</sup> Street and North Rogers Street (Duke Energy, Petitioner)

It was moved and seconded that Ordinance 16-13 be introduced and read by title and synopsis. The motion was approved by a voice vote.

Ordinance 16-13 – To Amend Title 8 of the Bloomington Municipal Code, Entitled “Historic Preservation and Protection” To Amend a Historic District to Reflect Re-Addressing of a Designated Property – Re: 305 East Vermilya Avenue

There were no comments in this segment of the meeting.

ADDITIONAL PUBLIC COMMENT

There were no changes to the council schedule.

COUNCIL SCHEDULE

The meeting was adjourned at 10:39pm.

ADJOURNMENT

APPROVE:

ATTEST:

Andy Ruff, PRESIDENT  
Bloomington Common Council

Nicole Bolden, CLERK  
City of Bloomington

For Approval


**2016 Rate Request Presentation**  
**Bloomington Common Council**  
 June 8, 2016



**Waterworks Improvements from 2010 Rate Case**

**Rate increase was 45.4%**

- Expanded Monroe plant firm capacity from 24 MGD to 30 MGD
- Constructed second 36-inch water main from Lake Monroe to Bloomington
- Constructed new 12 MGD pump station with 2 million gallon tank
- Finished under budget
- Proceeds refurbished Redbud Tank



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**City of Bloomington Utilities (CBU)**

**Mission**

- Deliver drinking water and water for fire protection
- Provide facilities for collection, treatment and disposal of municipal sewage
- Provide and maintain infrastructure for effective stormwater management

**Governance**

- The seven-member Utilities Service Board sets our policies, and approves rates and budgets
- The City Council authorizes rates and budgets
- Water rates approved by the Indiana Utilities Regulatory Commission (IURC)

**Financial Structure**


- Each component (Water, Wastewater, Stormwater) operates as a separate entity for financial and planning purposes
- CBU is funded entirely by ratepayers

2

**Sewage Works Improvements from 2010 Rate Case**

**Rate increase was 54%**

- Replaced the Equalization Basin liner at Dillman
- Dillman painting and refurbishing
- Rebuilt Dillman bar screen



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**CBU Asset Inventory**

<p><b>Waterworks ~\$138M in assets</b></p> <ul style="list-style-type: none"> <li>Monroe Water Treatment Plant</li> <li>~25,000 individual connections</li> <li>7 booster stations</li> <li>7 storage tanks</li> <li>420 miles of water pipe</li> <li>3,064 fire hydrants</li> </ul>	<p><b>Stormwater Utility ~\$18M in assets</b></p> <ul style="list-style-type: none"> <li>About 17 miles of ditches</li> <li>4 miles of box culverts</li> <li>84 miles of stormwater pipe</li> <li>1,035 manholes</li> <li>5,695 inlets</li> </ul>
<p><b>Sewage Works ~\$161M in assets</b></p> <ul style="list-style-type: none"> <li>Blucher Poole and Dillman Road Wastewater Treatment Plants</li> <li>~24,000 individual connections</li> <li>321 miles of wastewater pipe</li> <li>8,443 manholes</li> <li>46 lift stations</li> </ul>	<p><b>Total Assets ~\$317M</b></p>

3

**Improving Efficiency Since 2010**

- Implemented procurement and inventory control procedures  
Saves about \$100K/year
- Restructured debt  
Saves about \$1.2M over bond life
- Installed improvements for energy efficiency  
Saves about \$50K/year
- Formalized and enhanced water conservation efforts
- Developed digital solutions for customers



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**Improving Customer Service**

**Customer Relations is going digital**  
8,000 paper forms processed in 2015  
Now can sign up for service and cancel through a Web browser



**Redesigning the customer bill**  
Provides more detail on rates and consumption

**E-bill and E-suites**  
Promote and refine electronic solutions  
Makes it more convenient for customers to pay their bills, and reduces printing and postage costs



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**Water Quality**

CBU is committed to excellent water quality and public health, data transparency, and providing its customers with all available data related to water quality.

Maintaining compliance with all standards and regulations related to quality  
Reducing DBP levels remains top priority  
Monitoring and optimization of the current process is proceeding  
Future process enhancements under evaluation  
Developing a source water protection program  
Distribution system flushing component is underway, with desire to expand program





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**2016 Rate Request**


Financial Stabilization

Capital Improvement Plan


8

**Water Infrastructure Replacement and Rehabilitation**

**Capital maintenance and asset management**  
Tanks  
Booster stations  
Hydrants



**Water main replacement program**  
Replace aging pipes  
80 miles of pipe over 75 years old  
Opportunities for cooperative efforts, e.g. Fullerton Pike, I-69



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**Waterworks Capital Improvement Priorities**

Water Quality

Infrastructure Replacement and Rehabilitation

Smart Technology



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**Smart Meter Technology**

Most of CBU's meters are read manually  
Began converting to radio read in 1997  
45% of all meters were converted, presently 2/3 of the radios are functional

**Technological options are being evaluated, with broad goals for future**

Water conservation  
Efficiency  
Improved customer relations  
Analytical data

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### Sewer Works Capital Improvement Priorities

- Preventing and eliminating sanitary sewer overflows (SSOs)
- Replacing aging infrastructure
- Replacing or upgrading treatment facility components

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### Wastewater Infrastructure Replacement and Rehabilitation

- South West Relief Sewer Project to address chronic SSO site
- Plymouth Lift Station Replacement
- Inflow Disconnection Program
- Ongoing sewer lining and manhole replacement



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### Sanitary Sewer Overflows

- Sanitary Sewer Agreed Order Resolution
- Ongoing commitment to SSO reduction and good environmental stewardship
- Commitment to transparency



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### Wastewater Treatment Facility Improvements

**Dillman Road Wastewater Treatment Facility**

- Plant SCADA (Supervisory Control and Data Acquisition) Upgrade
- Process Air System Improvements
- Rebuild Mechanical Screen
- Effluent Filter Improvements –Phase 2
- Clarifier Weir Coating Installation
- Operations and Laboratory Building Renovations

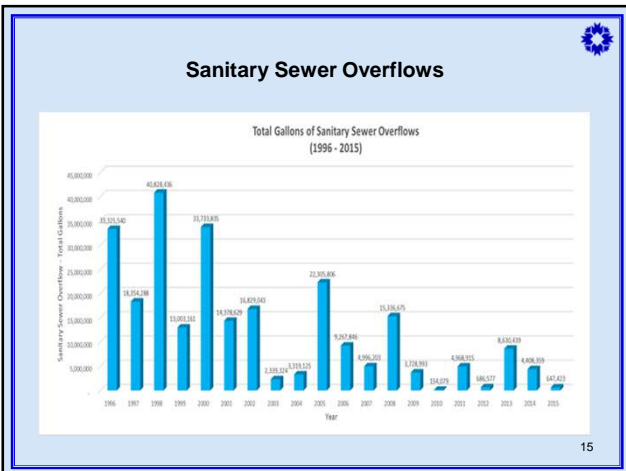




**Blucher Poole Wastewater Treatment Facility**

- UV System Replacement
- Secondary Splitter Box Rehabilitation
- Electrical Power Transfer Switch Improvement
- Influent Mechanical Screen Rebuilt
- Parshall Flume Concrete Rehabilitation
- Backflow Preventer Installation
- Process Air System Improvements
- Phosphorous Removal System

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### Water Main Flushing Program

High-velocity flushing removes old water from the distribution system

A well-managed flushing program will improve system resiliency and help to improve long-term water quality

A flow model of our system is in development, in support of a directional flushing program

Staffing changes are needed in order to implement the program

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### Wastewater Pretreatment Program

Commercial and industrial customers create special challenges for wastewater treatment, especially fats, oils and grease (FOG) and elevated concentrations of solids and BOD

CBU's pretreatment program educates the public about proper disposal of FOG, which reduces costly sewer backups

CBU also regulates industrial wastewater disposal and conducts sampling and testing of wastes

CBU plans to enhance the pretreatment program in order to better protect the public and our infrastructure from non-municipal waste streams

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### WATERWORKS – Proposed Rate Increase

#### Monthly Bill Analysis – Residential Customers

Monthly Usage	Monthly Current Charge	22.00% Proposed Increase	Difference
<b>5/8 Inch Meter</b>			
Small User 2,000 gallons	\$ 12.76	\$ 15.56	\$ 2.80
Average Bloomington User 3,000 gallons	15.87	19.35	3.48
Average Indiana User 5,000 gallons	22.09	26.93	4.84
<b>3/4 Inch Meter</b>			
Small User 2,000 gallons	\$ 15.21	\$ 18.55	\$ 3.34
Average Bloomington User 3,000 gallons	18.32	22.34	4.02
Average Indiana User 5,000 gallons	24.54	29.92	5.38

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### Miscellaneous Capital Improvement

*Activities funded jointly by waterworks and sewage works*

**Replace aging equipment & fleet**  
 Limited investments in 2014-15 reduced fuel consumption 14% and fleet maintenance costs 9%  
 Of 169 vehicles and pieces of equipment, currently 41 listed "in poor condition"



**Green infrastructure**

**Maintain Service Center and property**

**Secure facilities**



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### SEWAGE WORKS – Proposed Rate Increase

#### Monthly Bill Analysis – Residential Customers

Monthly Usage	Monthly Current Charge	22% Proposed Increase	Difference
Small User 2,000 gallons	\$ 19.24	\$ 23.47	\$ 4.23
Average Bloomington User 3,000 gallons	25.60	31.23	5.63
Average Indiana User 5,000 gallons	38.32	46.75	8.43

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### Financial Impact for CBU Customers

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### City of Bloomington Utilities-- Proposed Rate Increase

#### Combined Monthly Bill Analysis – Residential Customers

Monthly Usage	Monthly Current Charge (1)	Proposed Increase	Difference	Percentage Increase
Small User 2,000 gallons	\$ 34.70	\$ 41.73	\$ 7.03	20.26%
Average Bloomington User 3,000 gallons	44.17	53.28	9.11	20.62%
Average Indiana User 5,000 gallons	63.11	76.38	13.27	21.03%

(1) Includes charges for Water, Sewer, and Stormwater service. Users with 5/8 inch meter assumed for Water charges.

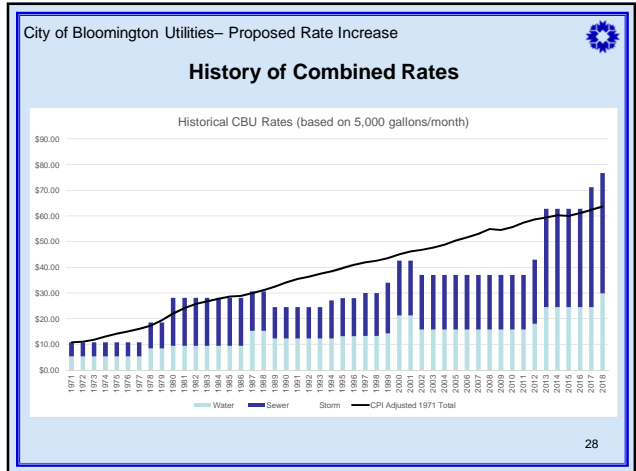
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### City of Bloomington Utilities– Proposed Rate Increase

#### Survey of Water Rates

City/Town	2010 Census Population	County	Type of Community	Effective Date of Water Rate	Water Rate
Crown Point	27,217	Lake	Municipal	2012	46.50
Gary	80,294	Lake	Private	2016	41.80
Greenwood	49,791	Johnson	Private	2016	41.80
Hobart	29,059	Lake	Private	2016	41.80
Jeffersonville	44,263	Clark	Private	2016	41.80
Kokomo	45,468	Howard	Private	2016	41.80
Mantleville	35,246	Lake	Private	2016	41.80
Muncie	70,085	Delaware	Private	2016	41.80
New Albany	36,372	Floyd	Private	2016	41.80
Noblesville	51,969	Hamilton	Private	2016	41.80
Portage	36,628	Porter	Private	2016	41.80
Richmond	36,812	Wayne	Private	2016	41.80
Terre Haute	62,356	Vigo	Private	2016	41.80
West Lafayette	(1) 29,596	Tippecanoe	Private	2016	41.80
Vandalia	31,730	Porter	Municipal	2016	34.04
Westfield	30,068	Hamilton	Trust	2016	33.41
Forrest	(1) 76,794	Hamilton	Trust	2014	29.00
Indianapolis	(1) 820,445	Mason	Trust	2014	29.00
Lawrence	46,001	Mason	Municipal	2008	26.99
Schenerville	29,243	Lake	Municipal	2014	27.11
Michigan City	31,479	La Porte	Municipal	2015	27.24
Mason	29,948	Ernst	Municipal	2006	27.01
<b>Bloomington Proposed</b>	<b>88,405</b>	<b>Monroe</b>	<b>Municipal</b>	<b>2016</b>	<b>26.93</b>
Goshen	31,719	Allen	Municipal	2016	28.12
Fort Wayne	253,691	Allen	Municipal	2015	25.66
Carmel	79,191	Hamilton	Municipal	2016	25.16
Anderson	(1) 66,129	Madison	Municipal	2015	23.00
<b>Bloomington</b>	<b>88,405</b>	<b>Monroe</b>	<b>Municipal</b>	<b>2011</b>	<b>22.99</b>
Evansville	117,429	Vanderburgh	Municipal	2016	22.01
Mishawaka	48,252	St. Joseph	Municipal	2016	20.93
Plainfield	27,631	Hendricks	Municipal	2009	17.69
Elkhart	50,949	Elkhart	Municipal	2007	14.97
South Bend	101,168	St. Joseph	Municipal	2006	13.33
Columbus	44,061	Bartholomew	Municipal	1992	13.98
Lafayette	67,140	Tippecanoe	Municipal	2007	12.13
Hammond	80,830	Lake	Municipal	1985	3.00

(1) Rate increase pending.



### City of Bloomington Utilities– Proposed Rate Increase

#### Survey of Sewer Rates

City/Town	2010 Census Population	County	Type of Community	Effective Date of Sewer Rate	Sewer Rate
Jeffersonville	44,263	Clark	Municipal	2015	\$ 67.13
Westfield	30,068	Hamilton	Trust	2016	51.10
New Albany	36,372	Floyd	Municipal	2012	49.83
Terre Haute	(2) 62,356	Vigo	Municipal	2015	49.43
South Bend	(1) 101,168	St. Joseph	Municipal	2016	48.66
<b>Bloomington Proposed</b>	<b>88,405</b>	<b>Monroe</b>	<b>Municipal</b>	<b>2016</b>	<b>47.77</b>
Hobart	29,059	Lake	Municipal	2011	43.85
Anderson	(2) 66,129	Madison	Municipal	2015	41.51
Muncie	70,085	Delaware	Municipal	2016	42.15
Goshen	31,719	Allen	Municipal	2011	41.61
Richmond	(2) 36,812	Wayne	Municipal	2014	41.65
Fort Wayne	253,691	Allen	Municipal	2016	41.54
Indianapolis	(1) 820,445	Mason	Trust	2015	40.77
Michigan City	(3) 31,479	La Porte	Municipal	2011	38.46
<b>Bloomington</b>	<b>88,405</b>	<b>Monroe</b>	<b>Municipal</b>	<b>2012</b>	<b>38.32</b>
Columbus	44,061	Bartholomew	Municipal	2009	37.77
Noblesville	51,969	Hamilton	Municipal	2015	37.68
Elkhart	50,949	Elkhart	Municipal	2015	34.89
Lawrence	(4) 46,001	Mason	Municipal	2009	34.02
Michigan City	(1) 31,479	La Porte	Municipal	2012	33.77
Lafayette	(1) 67,140	Tippecanoe	Municipal	2015	32.80
Gary	(2) 80,294	Lake	Municipal	2008	32.50
Greenwood	49,791	Johnson	Municipal	2015	32.33
Crown Point	27,217	Lake	Municipal	2009	31.65
Ellettsburg	76,794	Hamilton	Municipal	2016	31.00
Plainfield	27,631	Hendricks	Municipal	2015	30.25
Kokomo	45,468	Howard	Municipal	2006	29.95
Marion	29,948	Grant	Municipal	2016	29.39
West Lafayette	(1) 29,596	Tippecanoe	Municipal	2016	28.90
Carmel	79,191	Hamilton	Municipal	2016	28.71
Mantleville	35,246	Lake	Municipal	2016	28.53
Portage	36,628	Porter	Municipal	2009	23.50
Schenerville	29,243	Lake	Municipal	2009	23.51
Hammond	(2) 80,830	Lake	Municipal	2008	13.38

(1) Rate increase pending.  
 (2) Subsidized by property tax.  
 (3) Subsidized by tax increment financing (TIF) revenues.  
 (4) Includes 2016 tracking factor of approximately \$72 per 1,000 gallons.

### Customer Bill Assistance Program

CBU commits to assist households experiencing economic emergencies

120-150 households per year participate

CBU coordinates efforts with the South Central Community Action Program (SCCAP)

We make referrals to other community resources where appropriate

### City of Bloomington Utilities– Proposed Rate Increase

#### Survey of Combined Water and Sewer Rates

City/Town	2010 Census Population	County	Combined Rate
Jeffersonville	44,263	Clark	\$ 108.23
New Albany	36,372	Floyd	91.63
Terre Haute	(2) 62,356	Vigo	91.23
Hobart	29,059	Lake	85.65
Westfield	30,068	Hamilton	84.51
Muncie	70,085	Delaware	83.45
Richmond	(2) 36,812	Wayne	83.45
Noblesville	51,969	Porter	81.91
Crown Point	27,217	Lake	79.15
Evansville	117,429	Vanderburgh	77.06
Gary	80,294	Lake	74.30
Greenwood	49,791	Johnson	74.13
<b>Bloomington Proposed</b>	<b>88,405</b>	<b>Monroe</b>	<b>73.88</b>
Kokomo	45,468	Howard	71.75
West Lafayette	(1) 29,596	Tippecanoe	70.70
Indianapolis	(1) 820,445	Mason	69.77
Mantleville	35,246	Lake	68.53
Goshen	31,719	Allen	67.93
Fort Wayne	253,691	Allen	67.20
Anderson	(1) 66,129	Madison	65.17
Portage	36,628	Porter	65.30
Lawrence	46,001	Mason	63.01
Michigan City	(1) 31,479	La Porte	61.99
<b>Bloomington</b>	<b>88,405</b>	<b>Monroe</b>	<b>60.41</b>
Forrest	(1) 76,794	Hamilton	60.00
Mishawaka	(3) 48,252	St. Joseph	59.39
Marion	(1) 29,948	Grant	56.40
Carmel	79,191	Hamilton	53.87
Columbus	44,061	Bartholomew	50.85
Elkhart	50,949	Elkhart	49.86
Plainfield	27,631	Hendricks	47.94
Schenerville	29,243	Lake	47.62
Lafayette	(1) 67,140	Tippecanoe	46.63
Hammond	(2) 80,830	Lake	16.38

(1) Rate increase pending.  
 (2) Subsidized by property tax.  
 (3) Subsidized by tax increment financing (TIF) revenues.

- ### Calendar
- USB**
- 5-11-16 Work Session ✓
  - 5-16-16 Regular Meeting ✓
  - 5-31-16 Public Hearing / Final Action ✓
- Council**
- 6-1-16 First Reading ✓
  - 6-8-16 Committee Discussion ✓
  - 6-15-16 Final Action/Public Hearing
- Implementation of sewer rate increase TBD
- IURC (waterworks only)**
- 9-27-16 Filing Deadline for water rate case
  - Up to 300 days after filing – receive IURC order
  - Implementation of water rates TBD



In the Council Chambers of the Showers City Hall on Wednesday, December 10, 2003, at 7:38 pm with Council President Gaal presiding over a Special Session of the Common Council.

COMMON COUNCIL  
SPECIAL SESSION  
December 10, 2003

Roll Call: Banach, Diekhoff, Ruff, Pizzo, Gaal, Rollo, Cole, Sabbagh, Mayer

ROLL CALL

Council President Gaal gave the Agenda Summation

AGENDA SUMMATION

The minutes of the Special Session of September 10, 2003 were approved by a voice vote.

APPROVAL OF MINUTES

Chris Smith, Bloomington Community Arts Commission member, thanked the council for its support of the commission's programs, and in particular thanked Councilmember Cole. He said she was the major force behind the "One Percent for the Arts" program in the city and championed the increase of the commission's budget for more effective support of artists and groups.

COMMITTEE REPORTS

There were no appointments to be made.

BOARD AND COMMISSION  
APPOINTMENTS

It was moved and seconded that Appropriation Ordinance 03-12 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis giving the Committee Do-Pass Recommendation of 7-0-1. It was moved and seconded that Appropriation Ordinance 03-12 be adopted.

LEGISLATION FOR SECOND  
READING

Appropriation Ordinance 03-12 To Specially Appropriate from the Parking Enforcement Fund Expenditures Not Otherwise Appropriated (Appropriating Funds for Parking Ticket Appeals Software)

Susan Clark, Budget and Research Manager for the Controller's Office, stated that the ordinance would appropriate money from the parking enforcement fund for the purchase of an additional software module to the parking enforcement software. She added that it would allow citizens to appeal their parking tickets online and would increase efficiency in the Clerk's office.

Gaal noted that the council had a fairly good idea of the appropriation from the previous discussion.

Appropriation Ordinance 03-12 received a roll call vote of Ayes: 9, Nays: 0.

It was moved and seconded that Ordinance 03-37 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis saying that this item was forwarded to this meeting without a committee hearing. It was moved and seconded that Ordinance 03-37 be adopted.

Ordinance 03-37 To Amend The Bloomington Zoning Maps from Q to PUD and to Adopt The Preliminary Plan for the Southern Indiana Medical Park II Planned Unit Development – Re: 2401 West Tapp Road (Southern Indiana Medical Park II, LLC, Petitioners)

It was moved and seconded to deny this petition. In moving so, Rollo explained that this motion was done at the request of the petitioner, and would allow the petitioner to submit a new and revised plan that better met the environmental and historic preservation needs of that area.

Jim Roach, Planning Department, reviewed the property and current petition and added that the Plan Commission voted 6-4 to forward the petition for a rezone with a favorable recommendation. He outlined the environmental preservation discussion at the Plan Commission that indicated the preservation of forty four acres of steep slopes, wooded tree lines, the entire southeast part of the site, and a wetland that sits near a creek totaling nearly 43% of the property. He outlined, too, the thoroughfare needs of the area, saying that the plan showed a collector roadway extending from Bloomfield Road down



Weimer Road through this property, through the properties to the south, and eventually connecting to Fullerton Pike. He said that with or without an interstate highway, some access and connectivity was needed, but it should not impact the environmentally sensitive areas on this property or the property to the south. He explained the plan commission decided on a new road alignment that would move away from a wetland, a historic house on the eastern end of the property, and would allow for improved sight distances on Tapp Road.

He said the Plan Commission found the uses proposed were supported by the Growth Policies Plan, the development included a two acre dedication for a fire station, and commitments were made to limit the impacts of development on the environment in the southern two thirds of the property, and that the location of the roadway was consistent with the thoroughfare plan and would allow for vehicular circulation in the area, and would limit impacts of development on the adjacent property.

Roach said the reason the petitioner asked for a denial was that they felt the needs of the community and developer were not sufficiently met and would like to continue to work with staff, Environmental Commission, and Plan Commission to revise the project to better serve historic preservation needs, thoroughfare plan needs, and desires to preserve and protect the environment. He said there were also some unresolved issues with the roadway. He added that they intended to refile this petition to be heard by the Plan Commission in January.

Mayer asked about the location of a fire station on the property rather than at another place on the other side of Highway 37. Roach said that Fire Chief Barlow said that a station in this location would serve the west side area considering future access roads, an overpass or whatever would happen regarding road construction in the future.

Dan Neubecker, Smith, Neubecker and Associates, said he was present to represent the petitioner in order to answer questions, but had no prepared comments.

Cole thanked Rollo for working on this project and speaking for the environmental and historic aspects of this proposal and said his efforts were terrific and greatly appreciated.

Ruff echoed Cole's comments.

Rollo said that for clarification, the COBERI (City of Bloomington Environmental Resource Inventory) just issued from the Planning Department report had indicated that this was a very unique and sensitive environment deserving of special care. He said the other unique features addressed in the Plan Commission hearing were those of historic and potential of the unique quarry area, and the revision of this plan would better respect these features. He said that there would be an easement provided for Weimer Road if it is necessary, but that the master thoroughfare plan should be reinspected to determine the necessity of this considering the sensitivity of the area and need at the time.

Gaal pointed out that Rollo was the council representative to the Plan Commission and that Rollo had also served for a number of years on the Environmental Commission and these concerns were reflected in his actions. He thanked Rollo for seeing an opportunity to make something that was going to happen better. He pointed out that voting yes on this motion was voting no on the project as it presently stood.

The motion to deny Ordinance 03-37 received a roll call vote of Ayes: 9, Nays: 0. Vote on motion to deny Ordinance 03-37.

It was moved and seconded that Ordinance 03-34 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis giving the Committee Do-Pass Recommendation of 5-0-3. It was moved and seconded that Ordinance 03-34 be adopted.

Ordinance 03-34 To Approve A Lease Between the City of Bloomington Redevelopment Commission and Mercury Development Group, LLC – Re: Regester Parking Garage

Tom Guevara, Controller, stated that this was the third meeting on this lease, and gave a brief history of why the previous garage needed to be replaced, and the development of the project. He said an inspection of the garage about two and a half years earlier showed the garage either needed to be replaced or needed a substantial investment to preserve the structure. He said the objective was to preserve or increase the amount of public parking. He said there was a public process of submitting bids and working with the Redevelopment Commission to improve on the garage-only concept. He said Mercury Development Group proposed the building of a garage with a lease for operation back to the city, and also the building of apartments and a hotel.

He stated the garage was now complete and ready for use. He stated David Ferguson, Mercury Development Group, and David Walters from the Redevelopment Commission were available for questions.

Banach said he had questions about leases and asked about legal representation from the city, to which Guevara said that Vickie Renfrow, Assistant City Attorney assigned to the project, had been present at the two earlier discussions but was ill and unable to attend tonight.

Banach asked if there was any time frame placed on the developer for completion of the hotel. Guevara said the only date set was that of the March 1, 2004 completion of the garage.

Banach asked why, to which Guevara said that the most important thing to the city was to replace the parking garage. He added that the proposal added the hotel and apartments, but the garage was the first priority of the city. He said the apartments, which would begin to earn tax revenue for the city in 2005, was secondary to the garage replacement.

Banach asked if the type, size or other specifics of the hotel had been outlined in a formal document. Guevara said documents submitted to the administration included a letter of commitment to Ferguson from the hotel developer, a letter from Holiday Inn indicating approval for a franchise license for the location, renderings of hotel plans and the administration had a good idea of the type and size of the structure. He added that architectural renderings and drawings were referenced in the ground lease noting that the hotel would be substantially in that form.

Ruff referred to a document provided by Nathan Hadley, former Economic Development Director, which included a table that summarized the two Regester garage redevelopment proposals, Regester Commons/Mansur LLC and Regester Place. He said both proposals had listed the completion of the garage and hotel to be about 3-4 months apart, and asked Guevara to explain. Guevara said that the schedules contemplated reaching agreement on the ground lease, which would allow construction to begin in the fall of 2002. He added that the ground lease was not approved by the redevelopment commission until November of 2002 and that was not signed until January 31, 2003. Ruff said that this was an example of the presentation of the council and asked why the council was led to believe that the hotel and garage would be completed closer in time. Guevara said that at the time this was considered to be a complete proposal and that the construction for all aspects would take place at the same time. He said the withdrawal of the hotel developer was an unforeseen event that caused a delay in the hotel construction. Ruff said he was certain he had received correspondence from either Mercury or the administration saying that it was never certain that the development of the hotel and garage would be

done at the same time. Guevara said he had not seen this and really couldn't comment on it for that reason.

Cole asked why the developer of the project changed from that which the committee picked to the developer working on the project now. Guevara said he couldn't answer that as it was a matter of negotiation between two private entities that were once partners. Cole said the decisions she made at the time were based on original designs and said she thought she was buying into a particular plan and what we had now was very different from that. Guevara said he could give the chronology only and that he was not part of the partnership.

David Walter, President of the Redevelopment Commission, said he was present at all the meetings regarding this development. He said that there were initial contacts made with Mansur Development and speculated that they might have been to see just what could be built on the property. He said there were two proposals brought to the Redevelopment Commission: one from Mansur and one from Ferguson. He added that both proposals had used the same architect and same renderings, and the same basic concept for the project. He said that the commissioners acted on the best information available, had public hearings and work sessions with developers, city officials and Guevara to make a decision on the developer and chose Mr. Ferguson. He said he was employed as an architect with Indiana University and said that changes happen in buildings from plan to completion. He added that the Redevelopment Commissioners had been the watchdogs on the development and had asked Ferguson to attend monthly meetings to give updates and progress reports, and thus knew early on that the deal with the hotel had fallen through. He said the commissioners had questioned Ferguson closely and carefully and were waiting for an answer. Walter said that Ferguson was in negotiation and would tell the results when the deal was complete.

Cole said that this case was complicated. Walter agreed, and said that the commissioners were surprised they received two proposals and that it extended the process to thoroughly screen the two.

Ruff read from a memo written by Nathan Hadley on October 22, 2002, that was the staff recommendation to the Redevelopment Commission regarding the Register Garage project: *"Our decision of who to recommend is based on the following rationale: Design question, while both designs are similar, Kirkwood Design Studio has worked on the project from the beginning and has incorporated all the suggestions made by either the developers or the city. They have a strong track record of successful and highly praised developments in the downtown. Another point 3 appears to have a firm commitment from a known flag hotel, (4) talks about a labor project agreement for the entire project, (5) talks about Weddle brothers being part of the construction team."*

Ruff said he listened to the tapes of Redevelopment Commission meetings held on 1-2-03 and 1-17-03 (Special Session), and said he sensed a little unease on the part of the commissioners. He noted that one asked if the losing bid company would be upset that the city was doing business with someone other than who they lost the bid to. Ruff said the administration's response was that they probably would be upset but that there were no grounds for litigation. He said a couple of commissioners indicated that perhaps the development should be let for rebid because there had been changes in the conditions in the staff recommendation that the decision was based on. He asked Walter if he remembered this discussion.

Walter said that there was a lot of work to put together a proposal, and that sometimes the question was if anything better would be submitted, or if anything at all would be submitted in a re-bid. He said that then the

process would restart and even more time would be lost.

Ordinance 03-34 (cont'd)

Guevara said that during this time (August to October of 2002) Mansur and then Register Development (now Mercury Development) continually submitted revisions and eventually had to set a final deadline. He said the original proposal (for a smaller garage) was for a lease cost that was actually \$100,000 per year less because of the informal bid process. He said no other companies indicated interest in the project asked to join in the process and rebid.

Ruff said he recalled from the tape that Guevara's answer to the rebid question was that Smallwood needed the parking in the garage in order to be constructed. Guevara said that the original proposals were to just replace the spaces that were lost in the old garage, but received a viable proposal for development on the dilapidated SemiCon property, but with a major contingency that they needed to provide adequate onsite or off site parking. He said then the administration asked the developer to add on another 146 spaces and began the process of adding even more spaces due to increased demand.

Rollo said that a letter of intent from the hotel was a substantial reason for council support for this project at the time the city entered into this partnership, and understood that there was no legal obligation to pursue regarding withdrawal from a letter of intent. He then asked what obligation the administration should bear in insuring that before the city committed substantial resources to a public/private partnership that the public entity was obliged to follow through; do letters of intent have any substance.

Guevara said he couldn't be precise about it, but that it was clear that these letters of intent didn't have a lot of legal force behind them, and that it was a lesson learned that the city couldn't always rely on the word of a certain developer in making decisions. He added that Mr. Ferguson had the same concerns of getting letters of intent that were a little more firm.

Rollo asked if Guevara felt there were inadequate safeguards in place, to which Guevara replied that the administration relied on something that didn't have safeguards.

Sabbagh asked if a letter of intent needed to be signed by both parties to be binding. Guevara said the administration was not using "letter of intent" in a legal term, but simply describing the developer's intentions to put a hotel in that location. Sabbagh asked if there was a signed agreement; Guevara said there wasn't but there was also not a signed agreement with Mansur. Sabbagh asked if the deal fell through or if it was not even a deal to begin with. Guevara said that this was an agreement in principle that something was going to happen on the property, and that the actual legal documents would come at a later date in the process. He said the administration was more lenient in the date of completion of the hotel because they wanted mostly the replacement of the parking garage, that the property tax producing assets were a bonus, and that the city was better off than it had been with the dilapidated garage.

Gaal asked about the consequences of the city not having a hotel at this time citing loss of visitors to the city and the unsightly hole in the ground. Guevara said there was nothing lost. Gaal refined his question to address opportunity costs of not having a hotel built. He said the hole in the ground was unsightly and we didn't have property taxes being accrued. Guevara said the property taxes would depend on when the structure was finished and assessed, but agreed that Gaal had correctly identified the opportunity costs.

Gaal said it sounded as if Guevara was excusing the lack of performance by the developer. He added again, his question about language indicating the timeliness of the project being part of the contract. Guevara said he didn't recall that, but apparently Dan Sherman, Council Attorney/Administrator, said it was so. Banach said that this was not indicated in section 15 of the ground lease and that Sherman was currently reviewing the lease. Ordinance 03-34 (cont'd)

Gaal asked Dave Ferguson, Mercury LLC, to address questions of the status of the hotel.

Dave Ferguson, said he would eventually address that question. He said that Cole's statement of approving a particular proposal based on a hotel was not true. He said Ruff had copies of two proposals that were sent to the Redevelopment Commission for them to choose. He said that the language in the council resolution indicated the council delegated the selection to them. He addressed deadlines mentioned by Ruff by saying that the scope of the project had changed since the time the document was prepared, because the city wanted a larger garage to leverage the SemiCon development. He said it was the intention of the Mercury development to hide the parking garage on three sides with the north side "dressed up" with finished and sealed concrete as well as brick. He said since the garage was then enlarged, it would rise above the residential development, and the developer had to change the scope of the residential construction. He said that when the Redevelopment Commission looked at the proposal, the Mercury was probably favored since it contained twice as many residential units and therefore twice as much tax revenue to the Redevelopment Commission.

He said other differences in the two proposals included a labor agreement that made the construction an all union project which made it an excellent financial impact and benefit for the city. He said the other bidder would not commit to a labor agreement. He said that another difference was that the Mercury constructed a poured concrete garage, not a pre-cast, that allowed better visibility and better lighting.

Ordinance 03-34 received a roll call vote of Ayes: 9, Nays: 0.

The meeting was adjourned at 10:55 pm.

ADJOURNMENT

APPROVE:

ATTEST:

Chris Gaal, President  
Bloomington Common Council

Regina Moore, CLERK  
City of Bloomington

In the Council Chambers of the Showers City Hall on Wednesday, June 4, 2003 at 7:30 pm with Council President Gaal presiding over a Regular Session of the Common Council.

COMMON COUNCIL  
REGULAR SESSION  
June 4, 2003

Roll Call: Banach, Ruff, Pizzo, Gaal, Rollo, Cole, Sabbagh, Mayer  
Absent: Diekhoff

ROLL CALL

Council President Gaal gave the Agenda Summation.

AGENDA SUMMATION

There were no minutes to be approved.

APPROVAL OF MINUTES

Jason Banach referred to the day's news by commenting on the expansion of Baxter Pharmaceuticals. He said the \$100M investment would bring 700 good paying jobs and welcomed them. He also said he walked with Governor O'Bannon from the Press conference held earlier in the day.

MESSAGES FROM  
COUNCILMEMBERS

Andy Ruff reported that the absence of a superhighway did not prevent Baxter from coming to Bloomington or expanding in Bloomington.

Tim Mayer wished his wife, Sue a Happy 41<sup>st</sup> Wedding Anniversary. He commented on Nation Hunger Awareness Day which would be observed the next day. He gave some facts about hunger and encouraged citizens to attend an open house at Mother Hubbard's Cupboard while saying that their vision and commitment to this issue is strong.

He commented on the Baxter PS news thanking the company for making the decision and personally thanked Linda Williamson and Marilyn Skirvin of the Bloomington Economic Development Commission for their work in this effort.

David Sabbagh said he concurred on Tim's remarks on Hunger and Baxter while thanking the BEDC and Williamson. He read a letter from a citizen who wanted to make the council aware of his concerns about a demolition delay ordinance and its immediate need. His statement was involved a house next door to him being demolished and the property sold for future development.

Dave Rollo thanked the city and county governmental officials, the BEDC, and IU for aiding in Baxter Pharmaceuticals' much needed infusion of jobs into the community, and added that he has worked in science for twenty years and welcomed this type of job opportunity. He reported that the Environmental Commission had issued a report entitled Comprehensive GreenSpace Plan that poses a framework for defining and establishing greenspace. He added it would serve as a tool along with last years report on the Environmental Inventory. He also reminded citizens in his district that there would be a meeting on the Jackson Creek Trail in City Hall the next evening, and encouraged his constituents to attend.

Chris Gaal said Baxter's announcement was good news regarding a major investment in the community bringing 700 jobs at \$18 per hour with \$6 benefits. He also thanked the myriad of people and institutions that were instrumental in bringing this about. He said that we will now be able to build for the future on the existing strength of life sciences. Gaal added that since the smoking ordinance had recently passed, the Bloomington Hospital was offering free smoking cessation classes; he encouraged citizens to call the Hospital or City Hall.

He said that the Jackson Creek Trail is part of the larger Alternative Transportation and Greenways Plan which calls for recreational paths throughout the city. He announced that the Jackson Creek Trail would

ultimately connect to the project at the McDoel Switchyard and had a lot of potential especially in the increase of quality of life in Bloomington. He mentioned that Council Member Rollo was instrumental in the production of the Environmental Commission's Report. Gaal showed the little schedules printed by the city that listed all the parks and recreation activities with regards to free concerts in the city this summer and told citizens they could pick them up around town. Lastly he echoed Sabbagh's comments on the demolition on cottage grove, saying that he hopes the demolition delay subcommittee would come forth with some recommendations soon.

There was no report.

No reports were presented.

Scott Tibbs commented on the capture of Eric Robert Rudolph and said if guilty he should be punished to the full extent of the law. He said Rudolph had sent a bomb that killed a police officer at an Alabama clinic. He stressed the unacceptability of violence.

It was moved and seconded that the following persons be reappointed to city commissions:

- Rabbi Mira Wasserman                      Martin Luther King Birthday Commission
- Nicole Griffith                                      Martin Luther King Birthday Commission
- Paige Freitag                                        Commission on the Status of Women
- Nancy Harms                                         Traffic Commission

President Gaal thanked these citizens for their service to the community.

It was moved and seconded that Resolution 03-09 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, stating that there was no committee recommendation. It was moved and seconded that Resolution 03-09 be adopted.

Pizzo outlined the Jack Hopkins Social Services Funding program history and explained the process by which the committee came to their conclusions. He described the criteria and timeline used along with the series of motions that resulted in the resolution. He said the Housing and Neighborhood Development Office would handle agreements and monitor claims. He read the list of agencies funded and then in light of the shortfall needed to fund agencies to the extent of their requests, encouraged citizens to give money to help the agencies not funded.

Scott Tibbs, 5<sup>th</sup> district resident, said he opposed funding Planned Parenthood due to their involvement with abortion. He said ending human life before birth was not safe or civil. He said some citizens have serious moral objections to this procedure and asked that the council consider respect these views and remove the funding from the resolution. He says morality plays a role in every decision and cited the council's resolution against the war in Iraq. He said the "vital" services provided by Planned Parenthood could be found in other agencies. He questioned the soundness of a public health policy (that he said the council claimed it was acting on in the 2003 smoking ordinance) that kills. He added that Planned Parenthood was a political organization and likened their request to one from the NRA. He said that Planned Parenthood disrespected the process last year by turning down a private donation in order to apply for the council's grant. He said they should be disqualified from receiving city money.

Cherry Blattert, former president of the IU Students For Life, said that regardless of the council's position on abortion because it was wrong for

Messages from Council Members  
(cont'd.)

MESSAGE FROM THE MAYOR

COMMITTEE REPORTS

PUBLIC INPUT

BOARD AND COMMISSION  
APPOINTMENTS

LEGISLATION FOR SECOND  
READING

Resolution 03-09 Authorizing the Allocation of the Jack Hopkins Social Services Program Funds for the Year 2003 and Other Related Matters

Resolution 03-09 (cont'd)

a local government to dole out corporate welfare to a national organization that has the ability to raise millions of dollars on its own. She asked that Planned Parenthood not be funded and that the money instead be given to another local organization that need it.

Margaret Fette, Vice Chair of the Monroe County Libertarian Party, a small business owner and a tax payer, spoke to give any taxpayer dollars to not-for-profit organizations saying that taxpayers can choose to give their donations to a charity of their own choosing rather than those that the council chooses. She added that Planned Parenthood could easily afford to purchase computers in the local grant and should not qualify for council funded. She cited that persons who oppose abortions should not have their tax dollars be donated to something they vehemently oppose. She suggested that the entire amount be given to the local ambulance service which she said the city under funds or does not fund.

Rebecca Sink-Burris, Vice Chair of the Indiana Libertarian Party, asked that citizens take personal responsibility for helping those less fortunate in our community. She said that the council undermined civic efforts by giving tax dollars to non-profits, which she said insults citizens, undermines the fabric of the community. She said this community is capable of fundraising for charities and builds community, the council action denies citizens the opportunity to come together to support these non profits in community building. She offered a donation to any representative to Planned Parenthood that might be present, saying that it was small due to the fact that 40% of her pay goes to taxes.

Julio Alonso, Executive Director of the Community Kitchen thanked the council for support. He said that Baxter was a big supporter of the United Way and the Kitchen. He said the CK breakfast program would feed over 300 children by the end of the summer. He said that the National Hunger Awareness day would bring attention to child hunger in the nation and gave statistics about the number of children in the nation and our own community that have need for food. He thanked the council adding that Councilmember Pizzo's commitment to Social Services is unparalleled and would be missed next year.

George Brooks gave a lecture on wages and the economy, and added that government was needed to provide services. He said that Planned Parenthood was not synonymous with abortion and that there were other services and advice about health care for people who would not otherwise help them. He said that health care should be able to be an equally accessed as well as other public goods and applauded the council for applying these funds for social services.

Bud Bernitt said that Christians who oppose funding for Planned Parenthood should vote in the next elections. He asked Mayer and Pizzo to take the money slated for Planned Parenthood and give it to the Community Kitchen instead.

Mayer said that these allocations address many needs in the community saying that three programs address feeding the hungry, and outlined other needs that would also be addressed. He said the committee struggled with the requests with the limited money it had available. He thanked the council members and community volunteers and said that the allocations were fair and just.

Cole said that the list was a good one and reflected the needs of the community and specifically said that funds for day care were absolutely vital so that families could work. She noted a small contribution for arts education as it has been proven that kids who can express themselves are better off. She said that every year the council re-addressed the issue



of Planned Parenthood and that there are always decisions that have complicated moral elements to them. She said the decision to support Planned Parenthood was a moral issue to her. She added that for every person who didn't want the council to support Planned Parenthood, she has heard from a dozen persons that did want that agency to be supported by the council. She read the description of the use of the money from the grant applications saying that patient prescriptions, insurance, accounting, and other important information would be tracked with these systems. She added that opposing something or someone on a single issue is not productive, even if that issue is a hot button or emotional one. She said all Christians do not feel the same way on all issues. She added that it was not appropriate for a council member to offer to pay the Planned Parenthood request last year, and thanked Dr. Pizzo for the work he has done in past years on the social services funding.

Banach said that he has voted for the funding in some years and not in other years. He said he has never cared for the way the social services funding process has been set up, and had never sat on the committee but would like to. He said it is sometimes difficult to separate his view as a councilmember from his own personal perspective. He said it was a dilemma that in saying no to Planned Parenthood he would also be saying to Big Brothers/Big Sisters, Middle Way House, the Community Kitchen and other agencies. He concluded by saying that it was a difficult decision for him personally each year, but as a councilmember it was tough to vote against this resolution.

Ruff thanked and acknowledged everyone involved in the social service organizations saying that the process was both inspiring and humbling: inspiring by the network of people dedicated to this work, but also a humbling experience to sit on the committee. He added that this process serves to increase awareness of the situations of support from state and federal sources.

Rollo thanked the committee and said he supports Planned Parenthood because of the myriad of services they supply and a woman's right of reproductive choice. He said through government we are all compelled to pay, through our taxes, for a number of aspects of society that we may find objectionable and mentioned armaments, taxes that subsidize globalization that siphon off jobs. He said that as elected officials, the council was charged with the responsibility of acting in the general welfare of our community, and the social service needs are real and deserve support. He said he would like to work to increase funding to these agencies in the future adding that if there ever was a role for local government it was here.

Sabbagh answered the charge for councilmembers to contribute to social service agencies by saying that he does make those contributions. He said that one of government's basic responsibilities was to provide a social safety net to protect the most fragile of our society. He added that government should give these agencies the ability to perform their services while not actually doing that work themselves. He said these agencies can feed the hungry, help women in crisis or provide good day care much better than government, but it is government's duty to make sure the agencies can do their jobs.

Mayer added that it would be remiss of the council not to recognize Dr. Pizzo's leadership and dedication to the process.

Pizzo said he respected comments made by all of the public, but criticized the comments regarding the council's responsibility to give away citizens' money to social agencies. He said he agreed with other

council members who said it was part of government's duty to help with needs that cannot be met by charitable giving. He said this was a collective decision, but it was a citizen's privilege to vote against anyone who doesn't do what an individual citizen wants done. He said this was a social decision, done collectively, and as a matter of conscience.

Resolution 03-09 (cont'd)

Gaal said there was an increased request for funds this year from state cutbacks in available child care funds and federal cutbacks in Community Development Block Grant money allocated to cities for social service programs, saying that the city was now trying to help make up the difference. He thanked social service agencies for their work, saying that this was another example of a public private partnership. He said that this was a democratic process, not an individual decision, and concluded his remarks by thanking Dr. Pizzo for his years of service and dedication to this process.

Resolution 03-09 received a roll call vote of Ayes: 8, Nays: 0.

It was moved and seconded that Ordinance 03-14 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis giving the Committee Do-Pass Recommendation of 8-0. It was moved and seconded that Ordinance 03-14 be adopted.

Ordinance 03-14 To Amend Ordinance 02-19 Which Fixed the Salaries of Appointed Officers and Employees of the Utilities Department of the City of Bloomington for the Year 2003 - Re: Two Positions in Purchasing

Dan Grundmann, Director of Employee Services, said the positions, through the delegation of duties in the purchasing area of Utilities have taken on a greater degree of responsibility. He said the revised job descriptions came to the Job Evaluation Committee which evaluated them on seven criteria and a point factor system resulting in grade changes from grade three to four.

Gaal said there was an extensive discussion on this grade change in committee.

Ordinance 03-14 received a roll call vote of Ayes: 8, Nays: 0.

It was moved and seconded that Ordinance 03-13 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis giving the Committee Do-Pass Recommendation of 6-0-2. It was moved and seconded that Ordinance 03-13 be adopted.

Ordinance 03-13 To Amend Ordinance 02-18 Which Fixed the Salaries of Appointed Officers and Employees of the City of Bloomington for the Year 2003 – Re: Civilian positions in the Engineering, Information Services, Parks and Recreation, and Police Departments

It was moved and seconded that Amendment #1 be considered.

Amendment #1 to Ordinance 03-13 received a roll call vote of Ayes: 3 (Banach, Rollo & Sabbagh), Nays: 5 (Cole, Ruff, Gaal, Pizzo, Mayer) and was defeated.

Amendment #1 to Ordinance 03-13 This amendment removes two job titles in the ITS department which are renamed and down-graded by this ordinance. The first job title is the User Support/Systems Specialist and the second job title is the User Support Specialist/Business Manager. The first job title covers three positions that would otherwise be renamed as the User Support Specialist and reduced from grade 7 to grade 5. The second job title covers one position that would otherwise be renamed Inventory Special and Office Coordinator and be reduced from grade 5 to grade 2.

Ordinance 03-13 received a roll call vote of Ayes: 5, Nays: 3 (Banach, Rollo, Sabbagh).

It was moved and seconded that Appropriation Ordinance 03-05 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis giving the Committee Do-Pass Recommendation of 8-0. It was moved and seconded that Appropriation Ordinance 03-05 be adopted.

Appropriation Ordinance 03-05 received a roll call vote of Ayes: 8, Nays: 0.

It was moved and seconded that Appropriation Ordinance 03-04 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis giving the Committee Do-Pass Recommendation of 8-0. It was moved and seconded that Appropriation Ordinance 03-04 be adopted.

Appropriation Ordinance 03-04 received a roll call vote of Ayes: 8, Nays: 0.

It was moved and seconded that the following legislation be introduced and read by title and synopsis only. Clerk Moore read the legislation by title and synopsis.

Ordinance 03-15 To Amend the Preliminary Planned Unit Development (PUD) for PUD-03-00 - Re: 3209 E. Moores Pike (Smith Neubecker & Associates, Inc., Petitioners)

The motion to suspend the rules received a roll call vote of Ayes: 8, Nays: 0.

The motion to cancel the meeting of June 11, 2003 received a roll call vote of Ayes: 8, Nays: 0.

The meeting was adjourned at 11:00 pm

APPROVE:

ATTEST:

Chris Gaal, President  
Bloomington Common Council

Regina Moore, CLERK  
City of Bloomington

Ordinance 03-13 final vote

Appropriation Ordinance 03-05 To Specially Appropriate from the Wireless Enhanced 911 Non-Reverting Fund Expenditures Not Otherwise Appropriated (Appropriating Funds for Payroll Expenses and to Reimburse the General Fund for Hardware and Software Expenses)

Appropriation Ordinance 03-04 To Specially Appropriate Transfers within The General Fund, Fleet Maintenance Fund and Parking Enforcement Fund (Transferring Expenditures for Clothing and Tools from Category 1 - Personal Services to Category 2 - Supplies)

LEGISLATION FOR FIRST READING

Ordinance 03-15

Motion to Suspend the Rules

Motion to Cancel meeting of June 11, 2003

ADJOURNMENT

In the Council Chambers of the Showers City Hall on Wednesday, February 5, 2003 at 7:30 pm with Council President Gaal presiding over a Regular Session of the Common Council.

COMMON COUNCIL  
REGULAR SESSION  
February 5, 2003

Roll Call: Banach, Diekhoff, Ruff, Pizzo, Gaal, Rollo, Cole, Sabbagh, Mayer

ROLL CALL

Council President Gaal gave the Agenda Summation.

AGENDA SUMMATION

There were no minutes to be approved.

APPROVAL OF MINUTES

Tim Mayer said he had been advised by the council's counsel to disclose that he works for a company who will be providing digital pre-press services to a local printing company who was contracting with the Bloomington Police Department to print recruitment materials for the department's use. He said he was a salaried employee of Inari Information Systems and that the contract had no direct relationship to his income.

MESSAGES FROM  
COUNCILMEMBERS

- Disclosure of Conflict of Interest from Councilmember Mayer

It was moved and seconded to accept Mayer's disclosure. The motion was approved by a voice vote.

Mayer continued with comments by welcoming Dave Rollo to the council as a new member and representative of District 4, of which Mayer said he is a resident.

Mayer said "the removal of the concrete block building across the street from City Hall has been hailed as cleaning the slate of blight and giving us the opportunity to create new memories. Before we let go, I would like to member a few rainy afternoons spent in Rod's 400 Club, having a beer and sharing stories with fellow carpenters. While Rod's may not have been a place for Bloomington's upper crust, it did host a cast of local characters and legends. Fare-thee-well Rod's.

Mayer commented on the State of the Union Speech by saying:

"Last week the nation heard from the man in the White House about the State of the Union. It was all about our nation's commitment and our resolve for a better world – domestically and internationally – chateaubriand in every pot and two SUV's in every driveway. What we did not hear was that our nation is facing the largest national debt in its history, that proposed tax cutes will be for the wealthiest of the wealthy, that the collapsing economy is hurting everyone except the richest of the rich, that massive tax breaks to business will encourage them to purchase the least fuel efficient vehicles on the planet, and that new programs and initiatives offered will be funded from existing programs such as housing for the needy and healthcare for the elderly.

"Nor did we hear that each and every state in the union is broke and struggling to stay afloat. The majority of states cannot go into debt to maintain basic programs—thus all are being forced to cut, cut, cut. In Oregon, primary and secondary school programs and healthcare for the disabled are being cut. Right here in Indiana our state legislature wrestles with the issues of healthcare for children and seniors, education at all levels, and providing the most basic of services in the face of a failing national economy.

"Right here in Bloomington the times are a changing too. The federal government talks about Homeland Security—and expects local governments to participate—but no money is offered to make it happen. Our Police Department is being raided by the federal government to fill the ever-expanding ranks of the FBI and other federal agencies—taking our best and brightest. This year, this council had to specially appropriate additional funds for our City's risk insurance because of unforeseen increases—and insurance for 2003 and 2004 is being projected at ever increasing rates—in some cases doubling. I am afraid that the 2004 budget

will have to be lean and mean just to provide the basic services that our citizens need.

MESSAGES FROM  
COUNCILMEMBERS (cont'd)

“Our social service community is a clear reflection of the “state of the nation.” Surrounded by young people with cell phones and nice cars our social service agencies struggle to meet budgets and keep programs alive in the face of ever-increasing demand for the most basic of human needs—food, shelter and healthcare. Meals served at the Community Kitchen have reached all time highs and the need for emergency shelter has increased and increased. Thanks to one enlightened Bloomingtonian—the Crestmont Boys & Girls Club will remain open this spring—to serve a population in need—but that is only a short term fix. The cuts coming from the federal government to the state and municipalities will be harsh and cruel. What ever happened to compassion?”

“Finally, the local economy truly reflects the “state of the nation.” A-1 Printing, Flora Restaurant, Modern Cleaners, Howie’s Bagels, Lazarus Department Store have all announced their closing. The reasons may be varied and personal but most importantly it reflects a nervous public—one that is cautious about spending dollars. I would suggest that the man in the White House would be better served—no the American people would be better served if the “state of the union” addressed the needs of the people not the military/industrial complex and not the needs of a few political friends.”

Sabbagh said that Mayer should challenge Baron Hill in 2004 with this campaign speech. He said he was concerned and disappointed that Howie’s Bagels is closing and asked why people didn’t support a locally owned business when the big, new, glitzy store came into the area.

Dave Rollo said he was honored to join the council and was privileged to serve the citizens of District 4. He asked them to contact him via email and telephone in the weeks to come, saying that he wanted to hear from them about their concerns regarding the city. He pledged to work to protect cultural and natural heritage.

Pizzo welcomed Rollo and reminded him that he was one of his constituents and would be contacting him.

Gaal welcomed Rollo to the council and said it would be a pleasure to serve with him and that he was confident that Rollo would be a great council member.

Gaal commented on the Governor’s choice of route for I-69 saying that there had been an H-T editorial arguing that highway opponents should resign themselves to fate and stop opposing reality. He said it was interesting to note that other major newspapers followed the Governor’s announcement with quite an opposite view. He read from the Indianapolis Star 1-10-03 entitled “I-69 Route Choice Not the End of the Road.”

Our position is the governor’s decision on a route will not and should not resolve the I-69 controversy. Governor Frank O’Bannon’s predicable selection of a high cost, high impact route for the extension of I-69 represents a victory for the highway lobby, but it’s hard to find any other clear winners. Evansville political and business leaders who appeared to command the Governor’s allegiance all along are crowing about the state’s choice of a new terrain route between that city and Indianapolis. But the case has never been made that a lower cost option with less environmental destruction, that is, the use of an upgraded I-70 and US 41 via Terre Haute, would have been of less economic benefit to Evansville unless 15 minutes or so of driving time is truly as crucial as proponents of new terrain make it sound. Evansville was going to connect to this link in the Canada to Mexico NAFTA highway no matter what. And the I-70/US 41 corridor, carrying half the price tag of the \$1.7 Billion project that O’Bannon called for would have passed through three of the state’s poorest counties, a powerful answer to those promoting I-69 for economic development. Now, if O’Bannon’s choice is ratified by the Federal Highway Administration, a big if, the road will not connect with Terre Haute, which wants it, but it will with a heavy price in farmland and forest pass near Bloomington which has not clamored for it. Mayor Fernandez wants it, many of his constituents and the majority of his city council do not. Nor do many Southside Indianapolis residents want a new terrain I-69 that would carve up neighborhoods as an I-70

connection would not. More than 100,000 Hoosiers signed petitions favoring the I-70/US 41 alternative. Two federal agencies said agreed it should be considered. Yet the state department of transportation in conjunction with the Evansville based consultant firm Bernardin Lochmueller declined to put it on the short list of preferred options, signaling that neither public opinion nor expert opinion on this historically crucially issue was to be evaluated impartially. After three years of study and a half century of discussion about a southwest Indiana highway, the saga isn't over. The state still hasn't completed the formal environmental impact statement on which its route decision must be presented to FHA, source of 80% of the funding. The federal review will take months, and in the meantime the agitation will continue as it should. Hundreds of millions of federal tax dollars that Indiana could use for other pressing transportation needs are at stake. So are wetlands, farms, forests and communities whose value only begins to be expressed in dollars. Tempting as it is to put the I-69 battle in the past, Indiana's future demands that it grind on."

MESSAGES FROM  
COUNCILMEMBERS (cont'd)

Gaal also read from the January 18, 2003 Courier Journal: "I-69 folly."  
"Indiana's O'Bannon administration has done the unthinkable. It has ignored economics, environment, the federal government and plain good sense in choosing the so-called new terrain route for the extension of I-69 between Indianapolis and Evansville. Frank O'Bannon, in so many ways a visionary governor who's reach has been broader than his small town southern Indiana background might have led some to expect, in this instance is letting his provincialism show. He thinks a big new road will open, at long last, a better economic future for his home region. The list of those who disagree with his decision to ignore the obviously cheaper, environmentally safer route, which would follow current Interstate 70 and US 41 by way of Terre Haute is long, and getting longer. It includes most of the Bloomington city council, most of the farmers in the path of the new terrain route, most of the state's environmental community, most anybody you ask in economically fragile Terre Haute, which would get hurt, most any local official who knows the state has limited funds with which to finance badly needed road projects across Indiana, and any number of federal bureaucrats who's agencies have not so gently suggested a different course. So determined was Governor O'Bannon to get this issue settled his way, that he announced a route before the required environmental impact report was finished. He and other fans of the new terrain route used familiar but superficial arguments suggesting theirs is the only sensible route and that it will add the missing spoke to the state's highway wheel. The new terrain route makes especially good sense if you are a politically powerful highway contractor because it will involve a lot of new blacktop. It's the great missing opportunity for maximum profits not only for road builders but for those who would scatter motels, fast food restaurants, factory outlets and a whole great agglomeration of roadside "development" along a brand new path through southwestern Indiana's lovely forests and farms. Shame. And what a shame. There's still a chance for a better outcome. Opponents have promised a court battle, they should be ready for the usual complaints that they are standing in the way of progress and blocking decades of effort. Nonetheless they should fight on, as they are actually standing in the way of folly."

Gaal pointed out the much different editorial tone than that of the Bloomington newspaper. He said Ruff sent copies of these editorials to the H-T and asked that, since they often publish editorial comments from other newspapers, they print this point of view. He said it was important to bring this to the public's attention that opponents have major newspapers in the region agreeing with them.

There was no report.

MESSAGE FROM THE MAYOR

There were no reports.

COMMITTEE REPORTS

President Gaal appointed new council member, Dave Rollo, to the Council Sidewalk Committee. He also appointed Rollo to take Willsey's place on all council interview committees for boards and commission appointments.

COUNCIL BOARD AND  
COMMISSION APPOINTMENTS

It was moved and seconded to appoint Dave Rollo, new council member from District 4, to the Utilities Service Board.

The motion was approved by a voice vote.

Stacy Scherr, member of the Animal Control Commission, addressed the council saying that she had recently sent all council members a letter. She said as a commission member she said she thought it would be good for the council to clarify the commissions role in the community. She said that there were concerns that the role of the commission was overlooked and would be helpful to hear just what the council viewed as the role of the commission.

## PUBLIC INPUT

Margaret Steiner spoke on behalf of a moratorium resolution on the death penalty. She said that the danger of executing innocent people, additional expense in launching prosecutions and moral issues made this timely. She stated that she would like to meet with council members privately at a future time.

It was moved and seconded that Laurie Eynon, and Dr. Ken Heller be reappointed to the Community and Family Resources Commission. It was moved and seconded that Mike Cagle and Paul Puzzello be reappointed to the Bloomington Community Arts Commission. It was moved and seconded that Sandi Clark be appointed as the council appointment for the Corporation for Public Improvements and Attractions.

## BOARD AND COMMISSION APPOINTMENTS

It was moved and seconded that Kenneth Richards, Linda Thompson and Christian Freitag be reappointed to the Environmental Commission.

All appointments were approved by a voice vote.

It was moved and seconded that Resolution 03-02 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, stating that there was no committee recommendation. She stated that the public comment on this resolution would serve as the statutorily required public hearing on this item. It was moved and seconded that Resolution 03-02 be adopted.

## LEGISLATION FOR SECOND READING

Resolution 03-02 To Confirm  
Resolution 03-01 Which Designated an Economic Revitalization Area (ERA) -Re: 315 West Kirkwood and 314 West 4<sup>th</sup> Street (CFC, Inc., Petitioner)

Nathan Hadley, Mayor's office, said he appreciated the council's previous support for the project and added that this was the final piece of legislation in the process of granting a tax abatement for this project. He said the administration appreciated CFC's investment in the downtown.

Bill Thompson, Project Manager for CFC, Inc., said the company appreciated support for the project over the last two meetings on the item. He reminded council that the West Kirkwood corridor was already designated as an Economic Development Target Area (EDTA) and an Economic Revitalization Area (ERA) and this site was one block from that area. He reminded council of the downtown properties that had been granted tax abatements: The Omega property, the 7<sup>th</sup> and Walnut Garage and the Lockerbie Courts, the Showers Building, Johnson's Creamery and the Hiron's building. He said the site included .84 acres with a 1955 era cement block building. He said the new building would be brick and limestone with a mix of studio, one bedroom, two bedroom and three bedroom apartments making up the 59 units. He said amenities will include balconies, roof top deck, underground parking garage with 78 parking spaces, and will be handicapped accessible. He said the property currently would accrue \$109,000 in taxes as opposed to the \$1.3Million in property taxes with the project and tax abatement.

Mark Brennan, Taxpayers Law Center, said this was his third appearance and that the organization strenuously objects to the project. He said this was a \$12M project to build luxury apartments, would only produce two to three jobs produced with no affordable housing component. He read from the Indiana State Code regarding the

Resolution 03-02 (cont'd)

definition of an economic revitalization area:

“an area with which in the corporate limits of a city town or county which has become undesirable for or impossible of normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors which have impaired value or prevent a normal development of property or use of the property. The term ERA also includes an area where a facility or group of facilities that are technologically, economically or energy obsolete are located and where the obsolescence may lead to a decline in employment, tax revenues and residentially distressed area except as otherwise provided in this chapter.”

He stated that the Center didn't believe that the area under consideration was truly economically distressed. He said the project on Morton and the Register project were both within three blocks of the CFC project and didn't have tax abatements. He said that a third party should be asked to evaluate the area to determine whether it fits the definition of the law. He said this would benefit one company or one area and that the authors of the tax credit code didn't intend for it to build luxury condominiums with this code. He said the organization would continue to object to the proposal with five points:

1. This is a quickly growing area, one that is not obsolete or impossible for growth.
2. There are two current projects in the area not being given the same designation and therefore being prejudiced.
3. The designation will travel with the project to future purchasers.
4. This designation is for a single owner and single parcel while an “area” is usually thought of as more than a single owner.
5. There has been no official unbiased third party inventory or assessment of the area.

Jim Hart said he was disappointed that there was no grocery store in the near west side. He said there were a number of people on the west side without automobiles to drive to grocery stores, and that the former Mace's Grocery and Hays' Market had served the area well. He was disappointed that residences were being built without a grocery.

Marc Haggarty, Westside resident, said he echoed Hart's comments. He said the only store single moms in the area could walk to was a 7-11 and it was a pop and candy store. He would like to see a grocery on the near west side.

Sabbagh asked, and Hadley clarified that the project was not one of condominiums but apartments.

Mayer said that city government could not dictate to a developer what to build and where to build it. He said the reality was that construction going on downtown would bring more people downtown and would ultimately warrant a grocery store. He said the services would follow the people. He said there was probably not the mass of citizens to support a grocery in the Crestmont area at the present time.

Ruff said he agreed a grocery was needed on the Westside, but that was not the issue at hand. He said he, more than other council members of this term, had voted against tax abatements when he didn't think it brought significant and legitimate benefits to the community. He said he believed that this project does.

Banach said all comments were good, but the vote was a resolution to confirm the Economic Revitalization Area, and that this was not the first vote on the issue. He added that the definition was read from the code by a gentleman who didn't think the project met the criteria, but Banach said he did believe the project met the criteria.

Gaal said there had been two meetings on this issue and there had been a



very thorough discussion on the matter. He said that Bloomington was blessed with a downtown with some vibrancy, but that fact did not mean the area was not vulnerable. He said local government leadership had brought the downtown back with commitment and incentives to push for redevelopment for downtown and said this was a job that is not finished. He said this property was an eyesore that had been vacant for five years. He said the goals for the downtown had come from a longtime process of developing the Growth Policies Plan for the city including using compact urban form, using incentives to revitalize the downtown to include residences in the downtown area, to promote a thriving, vibrant downtown with an economic base that can support businesses such as a grocery store. He said that policy had to be combined with controlling sprawl on the periphery of the city. He said the property had a low value and would stay the same unless something happened there, and that this abatement would encourage a \$12.7M investment. He said the taxes paid on the new investment, even with the abatement would allow the city to pay for other priorities.

Resolution 03-02 (cont'd)

Resolution 03-02 received a roll call vote of Ayes: 9, Nays: 0.

It was moved and seconded that Appropriation Ordinance 03-01 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis giving the committee recommendation of Do Pass 0-0-7. It was moved and seconded that Appropriation Ordinance 03-01 be adopted.

Appropriation Ordinance 03-01 To Specially Appropriate from the Telecommunications Non-reverting Fund (Infrastructure) Expenditures Not Otherwise Appropriated (Appropriating Funds to Connect Fiber Optic Cable with and Lease Space in the Telecom Hotel)

Greg Volan, Chief Information Officer for the City, began his presentation with a disclosure of a conflict of interest. He said he previously had served as the president of Bluemarble Telecom, a local internet service provider, and had still had a ownership interest in that business. The majority owner of Bluemarble Telecom is The Earles Family LLC, parent company of the Smithville Telephone Company and Southern Hills Investment (which is in the business of selling fiber). He said he did not have a financial interest in these companies, just Bluemarble Telecom. He said there was nothing about Appropriation Ordinance 03-01 that would in any way lead to his financial benefit.

Volan said that in supporting a telecom hotel, the city was trying to create a central point to which businesses could connect, exchange information with each other more efficiently and at lower costs, and a place that could serve as a jumping off point where businesses could connect to the rest of the world. Having the telecom hotel could benefit the City of Bloomington by lowering the cost of doing business through a more easy method of exchange of information. He said it would make it easier for competitive providers to enter the market and compete on a more even playing field, lead to newer and better telecommunication services at better prices, and will add value to the city's fiber ring. He said it would also give the city a place to locate some of the computer equipment since the city was running out of space in the City's machine room. He said the appropriation was coming from the Telecommunications Non-Reverting Fund, funds that are reserved for infrastructure projects. Investing in the telecom hotel is a smart thing for the city to do and a smart way to use the funds.

Volan responded to Banach's question from the Committee of the Whole Meeting regarding activities of other communities in Indiana. He said Columbus and Lafayette were at the RFP stage in building fiber rings in their cities. He said the City of Fort Wayne partnered with a local company, Indiana Data Center, and built a wireless network to provide broadband services to the community. Fort Wayne didn't invest any money in this private company, but opened up their city rights of

Appropriation Ordinance 03-01

ways and rooftops of city buildings for the placement of wireless antennas by the company. The wireless network connects to a central data center which is a central connection point such as the telecom hotel for Fort Wayne and the region.

Volan introduced Joe Sharkey to address the question of financial viability of Indiana Fiber Works, the company with which the City would enter into a lease agreement.

Joseph Sharkey, Chief Operating Officer and Asset Manager for Indiana Fiber Works, said the company was a wholly owned subsidiary of GE Capital Funding and provides dark fiber access to major cities in Indiana and major markets in the Midwest. He said their fiber extended from Indianapolis to Fort Wayne, through Crown Point into Chicago, through Jeffersonville to Louisville and Cincinnati. He said Indiana Fiberworks was the successor of a company named Metro Transmit and had acquired its assets, receivables and customer base via a bankruptcy. He said that Metro Transmit had borrowed \$20M from GE and was unable to repay the debt after a year of additional funding from GE. He told that Metro filed bankruptcy, and GE Capital Funding, rather than sell the assets through an auction, submitted a credit bid on the assets and have taken over the operations with a closing date was November 20, 2002. He said that Indiana Fiberworks was not a company coming out of bankruptcy, but a new company which had retained some of the primary management people of Metro Transmit to maintain continuity of services and customer base knowledge. Since the bankruptcy GE has provided and approved budgeting of over \$5M in additional capital expense for the coming year. He said that IF was budgeted to add 100 additional miles of what he called "backbone" fiber investments to service customers who need to reach the cities of Lafayette, West Lafayette, Anderson, Muncie, Marion, and Kokomo. He said that Metro Transmit had, prior to bankruptcy, been paid \$800,000 by the Warren Township school district to connect 18 schools with 28 miles of fiber, and that GE had committed to finish this project, even though they were not required to do this after the bankruptcy proceedings. He said the company was upgrading their network by providing generators, upgraded power systems and additional hub sites in seven additional cities and said the hub site in Bloomington would be upgraded to "carrier grade" with an \$80,000-90,000 improvement. He said the company was a carrier neutral provider allowing anyone to come into the facility to rent space, meet up with other carriers and enter the SBC building next door. He said the company had replaced several miles of fiber near Martinsville that was ruined in last year's tornado and said this illustrates GE's commitment to improve the network, expand their reach and increase the value. He said that the funding was well thought out prior to acquisition of the assets.

Sabbagh asked who owned the fiber. Sharkey replied that Indiana Fiberworks owned the fiber as all of the assets that were acquired by GE on the same day as the sale was closed had been transferred to Indiana Fiberworks. Sabbagh asked for a balance sheet from IF. Sharkey said he would get a balance sheet. He said that there was a uniqueness to the booking of revenues on fiber sales as a result of past accounting fiascos on twenty year leases. He said that GE has not yet provided guidance as to how IF should book assets and sales that have been recently concluded. He said that he would provide a balance sheet that would disclose the assets belonged to IF and the cash balance from the sales was in the IF bank account. Sabbagh said he didn't care about the Profit/Loss statement, but said he wanted to know who owned the assets as the city was entering into an agreement with a company and that due diligence dictated the receipt of a balance sheet. Sharkey said that he would also provide the asset purchase agreement and the transfer of

asset agreement that was part of the final sale.

Sabbagh asked Volan about the nature of a telecom hotel asking if his small company, SimData, could put a server in the telecom hotel. Volan said he had not made the distinction co-location center and telecom hotel in his mind, but that the hotel was used for this location for the purpose of increasing access by providers and their customers.

Sabbagh asked if other businesses in town that allowed folks to co-locate would be competing, to which Volan noted that it would be Indiana Fiberworks, the manager of the telecom hotel, that would be the competition, not the City of Bloomington. Sabbagh asked about demand at this point in time in Bloomington, Volan said there is a demand, and although not great at this time, he believed it would increase. He said it was true that the last few years have not been good for the telecom industry. He said that companies in the business of selling fiber, like Indiana Fiberworks, are finding there are few carriers still around, but the cost of fiber and the equipment for lighting fiber for data purposes are going down. He said that having the telecom hotel as a data aggregation point to access fiber that leads out of town is a valuable resource for Bloomington. Sabbagh asked if a market survey or business plan had been built for the telecom hotel, adding that hoping or thinking that interest existed was not the same. Volan said a significant amount of money had been invested in a fiber ring in Bloomington and that eventually that fiber would be available to other entities to use. Our investment in the telecom hotel would insure the value of the fiber ring. Sabbagh asked if there had been a decision on the use of the city fiber. Volan said that more fiber and conduit had been installed than the city would need and that it was always understood that it would be available for private entities to use. Details yet to be worked out.

Mayer asked if the city's fiber would be available to for-profit organizations and if, then, the city would be a competitor with other providers. Volan said that this was one thing that would need to be decided before the fiber would be made available. He gave the scenario Of making the fiber available under a wholesale arrangement to only service providers so that the city wouldn't be competing with other companies providing fiber, but making it available to service providers to resell to the end user. Advantages- fewer customers to deal with, make sure that fiber is available on a neutral playing field for everyone.

Sabbagh asked if there were other entities in town that had lots of fiber, in the business of selling fiber, in a sense the city could be in direct competition with local and global companies that have fiber in the ground. Volan said that the original use was to connect city buildings with fiber for the city's own use and to not lose sight of the objective of protecting the rights of ways in not needing to dig up streets for additional fiber installation along the same paths. He said that for a small additional cost, more fiber than was needed could be added and made available for private use. He said the city would need to work out the details of making the extra fiber and telecom hotel available on neutral grounds.

Ruff commended Volan on his presentation; he asked if general costs & benefits of using the telecom hotel versus city property would serve as a benefit to the community at large. Volan said there were multiple benefits: that city equipment located there would ease space and power problems in the city hall machine room; that the community at large would benefit with the ability of private entities to have an efficient exchange of information which would enable them to provide newer services at competitive prices. Both agreed that the city's use of the telecom hotel would help in creating these opportunities for the community. Ruff said he had been a little skeptical of public/private

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partnership arrangements in the past and that the owners of the building would benefit in some way and that he was looking for reasons and potential benefit to support the telecom hotel.

Cole said that the city built the parking garage with Wininger Stolberg and asked what the city's ownership was with the space that houses the telecom hotel. Volan said the owner of the building is still Wininger Stolberg however the city would not be entering into any lease agreement with the building owner, rather Indiana Fiberworks will rent the space. He said the city's arrangement would be with Indiana Fiberworks. Volan said that the important items are that there is a telecom hotel, a facility located on the fiber ring and that it can be managed as a carrier grade facility. He said that this arrangement contains all of those elements. He said that the fact that it was in this particular building was incidental to those factors.

Cole said she was trying to remember back to discussions of the building of the garage and what was said about the telecom hotel at that time. She asked if the fiber was lit up at this time. Volan said the equipment has been ordered and the arrangements have been made to light up the fiber. He said the concern was to wait for the telecom hotel arrangements and light up all five city sites at the same time, or proceed with lighting up four sites and adding the fifth site at a later time. He said the decision was hinging on this fifth site and the decision on the legislation tonight. He said the Monroe County School Corporation had lit up some of the fiber for their own use last summer.

Rollo said his main concern was dealing with a company emerging from bankruptcy and asked Volan to comment on the risk involved if the company folded. Volan said the risk was very small that their business would be so bad that they would abandon the investment they'd made in Indiana Fiberworks. He added that, if it did happen, there would probably be a buyer for the assets and business and said that the chances were very small that the telecom hotel would cease to exist at this location.

Mr. Sharkey said when Metro Transmit went into bankruptcy, the courts ruled that because there were companies using the fiber that was regulated by the IURC, the company (GE) had to provide dib funding throughout the bankruptcy until a suitable buyer was found. He said GE was improving the network at this time, but said, should that not be true, he would expect the courts to rule in the same manner regarding fiber used by companies regulated by the IURC.

Rollo asked Volan about the need for the city to have this off site facility. Volan said the current machine room in City Hall is at capacity and had recently blown the power circuits with the installation of a new server. He said all the space in the room was used, and the power capacity was very close to 100% at this time. Volan added that some of the equipment needed to be moved to another facility or the room needed to be expanded in space and power. He concluded that the city's use of the telecom hotel would best solve these problems.

Jim Hart, citizen said that while many folks may have stock in GE, it was a major manufacturers and merchants of weapons of mass destruction. He said he didn't want this irony to be overlooked in regard to the other vote being considered and asked that the city council to look at some sort of socially responsible investing. He urged them not to embed themselves in a morass of moral irresponsibility in overlooking the larger implications of how we earn retirement money, how we live, simply because of the invisibility of how our money is involved in the imperialism and the weapons of mass destruction.

Larry Mongin said that he was a network engineer and said that this issue indicated a solution in search of a problem. He added that connectivity was needed in Bloomington, but that it was in place, and it really didn't matter where the server was located. He said there was a surplus of fiber connectivity as indicated by the financial status of Indiana FiberWorks. He said he didn't see the advantage of the City of Bloomington to provide public subsidy for an institution that is not necessarily physically needed in Bloomington. He said he could log in to servers anywhere in the world from his house, and asked what we were buying and why were we buying it. He added that if the city had a short term problem with rack space in the server room, it should be a trivial problem to move a server into one of the other public institutions that are connected by the fiber ring. He questioned a public subsidy provided for a marginal private enterprise and said he just didn't see the benefit.

Bruce Myers said he had acquired Kiva Networking, a local business. He said he supported bringing competitive carriers into Bloomington as it was good for business. He spoke to an implication of the telecom hotel that would impact local business. He said telecom hotel as described was a good thing, but said it would also be a public access co-location facility and that the subtle distinction was significant. He said Kiva Networking had owned and operated its own private use co-location facility in downtown Bloomington for over three years. He said rack space and server space were available, but it was not considered carrier grade because of fire suppression issues surrounding the sprinkler system in the Graham Building. He said this is a comparable system already up and running with everything necessary in a facility of this type including redundant power, climate control, rack space and security. He said that when the City of Bloomington would open a public access co-location facility it would be competing with his business and he was concerned that the city would be appropriating funds that would compete with local businesses. He said he had space in his co-location facility that the city could use that didn't need \$80,000 worth of improvements or a public subsidy. He said he had been assured that it wasn't the city's intent to compete, but he had concern that the city benefits by receiving a discount for every client that comes into the telecom hotel. He said this was financial incentive for the city to compete for filling the facility and that the city would be in competition for the same customer by advertising and marketing against Kiva Networking.

Myers said the city wouldn't acquire a quarry to provide limestone for city buildings and added that the council was not being shown the whole picture, but seemingly inconsequential bits and pieces of a plan a little at a time. He said that no one seemed to know what the true intent of this project was, but he felt that he should come forward at this time to make the council aware of this.

Rick Dietz said he addressed the council on this issue before and said some things had still not been dealt with naming the documentation of parties interested in using the facility and what the local Internet Service Providers have to say about this. He added that he had a concern regarding the big picture in the next five to ten years and wondered about the intentions of the city with regards to this infrastructure. He said there should be a stated vision rather than putting little pieces together here and there. Dietz said that there was no problem with the nearly \$50,000 from the Telecommunications Non-Reverting fund being used for this purpose as it was established with revenue from cable franchise fees and 40% of that money is dedicated to city communications and telecommunications infrastructure. He said, however, that this issue is within the purview of the Telecommunications Council as its Charter specifies that it should be

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studying the communications need of Bloomington. He added that it would be good for the council to take advantage of that existing body as an asset to define, research, and consider questions of demand, and use of fiber. He suggested that the city quantify and qualify what it was trying to do with all the information technology assets and the expenditures that it is asking for them.

Nathan Hadley, Director of Economic Development, stated that he supported this legislation saying that it was good for the city and its efforts to promote business in the community through lowering of costs, and would also protect rights-of-way. He said this would create a central point to which businesses could connect to and exchange information more efficiently and cheaply and from that standpoint alone, it was a good economic development tool. He said it makes sense for the City of Bloomington to partner with Indiana Fiberworks to do achieve the goal of getting a telecom hotel for the city located on the fiber ring that will be operated by a qualified entity that can run it as a carrier grade facility. Indiana Fiberworks can do that and to the extent the City of Bloomington is helping Indiana Fiberworks is because they're helping the City of Bloomington achieve their own goals. He said one of the first appropriations for the Bloomington Digital Underground in creating the first part of the ring was to partner with Kiva Networking to bury fiber optic conduit. He said half of the conduit in the City of Bloomington's fiber ring was installed as a joint venture with Kiva and helped achieve mutual goals, and may well have given Kiva's an edge over its competitors. He said the telecom hotel aided the city's promotion of Bloomington as a good place to do business.

Bruce Myers said that the city aided and partnered with Kiva Telecom which is a separate entity from Kiva Networking owned by him. He said at one time they were both owned by the same company, Schurz Communications from South Bend. He added that Kiva Telecom has been transformed into a local company, but is still separate from Kiva Networking.

Sabbagh commented that the telecommunications infrastructure and bandwidth is a noble goal, essential for a 21<sup>st</sup> Century economy and one that he'd been talking about it for a long time. He said in doing due diligence in dealing with the public's money, he'd like to wait to act on this legislation until Indiana Fiberworks provided the promised balance sheet. He said he was bothered by the risk of city government going into competition with locally owned companies. He said he'd been told that wasn't the purpose here, but said that if, indeed, there was a policy for the Bloomington Digital Underground, he'd like to see it. He said there should be a policy committee for the BDU to examine issues of policy, utility, selling fiber among other issues. He added that he would like to be on that committee along with experts from the community, and urged the council to vote against this legislation until the committee was formed and a policy was established.

Ruff said he wished Mr. Myers had been able to make his comments before this hearing as it would have better prepared councilmembers with questions, understanding and information. He said he was not about to vote yes on anything that might have the effect of assisting a footloose, socially irresponsible, and exploitive multinational corporation like GE, much less assisting them in any way that could hurt a locally controlled business. He added that he didn't think this could be the same GE. He said he had respect for Mr. Mongin and Mr. Myers and without further discussion that couldn't take place at this hearing, he would not support it.

Rollo said he agreed with Sabbagh that Mr. Sharkey had not made a

compelling case. He said he would also like to see a balance sheet before any commitment is made. He added that whenever the city commits enhancing local infrastructure that might benefit some private entities as opposed to others, one could call that tilting the playing field.

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Pizzo said there was a choice the council could make since there were some misgivings about the project. He wanted to introduce a tabling motion so that some of the information sought could be obtained for a future deliberation with more facts.

Gaal consulted Dan Sherman, Council Attorney/Administrator, on the rules of tabling. Sherman said that appropriation ordinances are advertised and therefore would recommend the council establish a specific date to reconvene on this issue.

Susan Clark said ten days was necessary for public notice and Banach asked to make a friendly amendment to specify postponing action until March 5, 2003. Pizzo accepted the friendly amendment.

It was moved and seconded to table final action on Appropriation Ordinance 03-01 until March 5, 2003. The motion received a roll call vote of Ayes: 8, Nays: 1 (Sabbagh).

Motion to Table Appropriation Ordinance 03-01

The council took a five minute recess and reconvened at 9:45 pm.

Recess.

It was moved and seconded to limit public comment to three minutes per person. The motion received a roll call vote of Ayes: 9, Nays: 0.

Motion to limit comment.

It was moved and seconded that Resolution 03-04 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, stating that there was no committee recommendation. It was moved and seconded that Resolution 03-04 be adopted.

Resolution 03-04 Opposing a War with Iraq at this Time

Andy Ruff, sponsor of the resolution, read the following statement: Last year the Bush administration appeared to have already decided that military invasion and occupation was the way the United States would be dealing with the Iraq issue. The administration has made clear that it is prepared to invade and occupy Iraq, even in the face of objections of important allies and without explicit authorization of the United Nations Security Council. Secretary Powell recently stated that multilateralism cannot be an excuse for an action. Someone said to me last week that the city council should not be taking this action because it is none of the council's business, it's a national issue, should not be dealt with by a local deliberative body and it's unpatriotic and un-American. Ruff said he would offer an answer to both false statements with one response adding that patriotism demands participation in the democratic processes that define our great country. It does not mean acquiescing to policies of our government that we believe to be ill-conceived and not in the best interest our communities, our nation and our world. Whether those policies be local, state (as in I-69), or national, this policy affects us all and it IS our democracy. True patriotism requires that citizens participate in our democracy in the most effective ways that they can, and that doesn't stop at the ballot box. For a minister, it might be to speak to their congregation; for a construction worker, it might be through activities of a labor organization; to some it might be a letter to the editor of the newspaper. To me, as a city council representative, put in this seat by a vote of the citizens of Bloomington, it is to use the tools of the city council as prescribed by the State of Indiana that is my most effective means to address this issue and participate in democracy. In the case of voicing a formal objection to a rush to war in Iraq, that tool IS a city council resolution. State law doesn't say city council resolutions shall be restricted to items directly linked to city programs and local administrative decisions. A resolution is simply the expressed opinion of a deliberative body; that's how it's defined in the dictionary. And there is a national deliberation going on right now regarding the issue of a military invasion and occupation of Iraq. This elected deliberative body is exercising its right and responsibility in considering this resolution. This resolution does not take the position that striking Iraq cannot be justified under different circumstances, and with new evidence that may come to

Resolution 03-04 (cont'd)

light. It only states that it is our position that such threatening circumstances do not exist now and that convincing evidence and proof has not been produced sufficient to justify the tremendous risks and terrible costs of a military invasion and occupation of a major Arab nation by the United States. Briefly, the declaration issued by the American Nobel Prize Laureates in Science and Economics say *'the undersigned oppose a preventative war against Iraq without broad international support. Military operations against Iraq may indeed lead to a relatively swift victory in the short term, but war is characterized by surprise, human loss, and unintended consequences. Even with victory we believe that the medical, economic, environmental, moral, spiritual, political and legal consequences of an American preventative attack on Iraq would undermine, not protect, U.S. security and standing in the world.'*

"Many anxiously awaited, myself included, Secretary Powell's address to the UN Security Council today, to see if a substantially more convincing case could be made. However the permanent members of the security council, those with veto power, specifically France, Russia and China, responded to Secretary Powell's presentation today by clarifying their position that inspections must be allowed to continue, that war can only be a final, last recourse, and that the UN members must do all they can to support the inspections process. They still believe that the UN goals to disarm Iraq can still possibly be implemented through purely peaceful means, and that these means have not been exhausted, and that it is not the time for war."

Ruff then read Resolution 03-04 in its entirety.

Sabbagh asked where the model for this resolution came from; Ruff responded that it came from Chicago, adding that he had intended to bring up the issue and after he received an email of the resolution language he passed it around to councilmembers to make it uniquely Bloomington's sentiments. He said he appreciated the comments from other council members and the enthusiasm they had for the idea.

Sabbagh asked if councilmembers expressed concern about bringing this resolution forward; Ruff answered that a couple of councilmembers had an honest grappling with the issue, but contributed significantly to the resolution.

With two microphones from which to speak, the following twenty eight citizens spoke in support of the resolution:

David Keppel said that the matter was relevant to the city and was the business of the council as a war could affect the young people of Bloomington who serve in the US armed forces, budgets for municipalities could be affected by the tremendous cost of a war, a war could contribute to terrorism in all the US. He asked if this was not a matter for the democracy of our town, how did we hope to bring democracy to Iraq.

Paula Gordon White said that over thirty years ago, during the Vietnam Conflict, the Bloomington City Council had declared Bloomington a City of Peace and therefore council action on an item such as this had a precedent.

Isabel Piedmont said issue was relevant to every resident of the US and world. She said if "the man in the White House" was to pursue this war, it would have serious repercussions world wide. She added she lived in fear that the US would enter into a war, and added that this war would only breed more hatred against the US which would lead to more terrorism which would make us all less safe.

Marc Haggarty, a Vietnam veteran, said he had an understanding of war and expressed his sentiments regarding the war with an original poem.

Andy Gauthey, thanked Haggarty for his poem adding that in the past poetry was received with wisdom and now it embarrasses us; he thanked



Haggarty for his strength. He asked the council to consider the positions of the citizens in the room and showed a map of towns across America in which the same sentiments were expressed.

Brian Hendrickson said he applauded the council for taking the bold action and joining with the swelling ranks of cities in the country who are collectively saying “why rush to war with Iraq?”

Donald Winslow said we had to get to beyond the issue of Iraq’s possible production of weapons of mass destruction. He said it was hypocritical of the US to single out this country as a threat because of its own productions and added that the inspections process could work. He said that tyrants come into power because of fear, and aside from the rhetoric of the Bush administration it is not the military might of the US that makes us safe, but people who are willing to tell people around the world that Americans are not hateful but loving and compassionate people.

Rita Lichtenberg represented the Bloomington Branch of the Women’s International League for Peace and Freedom who strongly supported the resolution. She said WILPF was the oldest women’s peace organization in the world (1915) and works for world disarmament, full rights for women, racial and economic justice and an end to all forms of violence, and counted among its founders two Nobel Peace Prize winners.

Mitch Rice representing the Peace and Social Concerns Committee of the Bloomington Society of Friends (Quakers) said that for obvious historical reasons the Quakers had a Peace Testimony. He said they appreciated the council taking up the issue and strongly supported it.

Aase Loesher spoke on behalf of the Bloomington Congregations for Peace, founded in 1982 to address the problems of nuclear weapons. She encouraged the council to pass the resolution for peace.

Jessie Cook, attorney and teacher, said she was concerned that it would be difficult or impossible for the US to take a principled stand and oppose other nations that violate international rules of law in the future when it, itself, violates international law by a preemptive first strike on Iraq without the backing of the UN Security Council. She said that it would be difficult to convince domestic citizens that we are a law abiding community for the same reasons.

Lucille Bertuccio said she has been involved in a world that has been at war since she had been a child, and wondered how man can conduct business without fighting. She said there had been too much war and said she supported the resolution with her whole heart.

Hanna Kolodziejki, graduate student in Biology, said her contact with students of draft age brought her concern for the safety of these persons. She asked the council to protect the youth of Bloomington.

George Brooks looked to the model of a couple of five year olds, an Iraqi and an American, playing in a sandbox without a thought of blowing each other up, to teach adults their perspective.

Alice Leake spoke of the problems of the Iraqi citizens and children.

Bill Mills said that although the resolution mentioned damage caused by the 1991 Gulf War and the following sanctions, he wanted to speak of the problems regarding depleted uranium. He said it was likely used in Afghanistan for bunker busters and would likely be used in this war. He warned of problems and danger to humans with the use of this weapon.

Antonia Matthews thanked Ruff for bringing this resolution forward. She said she had grown up with the presence of war

Resolution 03-04 received a roll call vote of Ayes: 8, Nays: 0, Abstain: 1 (Banach).

It was moved and seconded that the following legislation be introduced and read by title and synopsis only. Clerk Moore read the legislation by title and synopsis.

Appropriation Ordinance 03-02 To Specially Appropriate from the General Fund Expenditures Not Otherwise Appropriated (Appropriating Funds through the Mayor's Office for the Establishment of the Corporation for Capital Improvements and Attractions)

Ordinance 03-02 To Amend the Bloomington Zoning Maps from RS 3.4/PRO 6 To PUD And To Amend the Preliminary Plan for the Rolling Ridge Planned Unit Development (PUD) – Re: 1107 and 1113 S. Weimer Road (Michael and Patricia Pauly, Petitioners)

The meeting was adjourned at 11:18 p.m.

APPROVE:

ATTEST:

Chris Gaal, President  
Bloomington Common Council

Regina Moore, CLERK  
City of Bloomington

Final vote on Resolution 03-04  
Opposing a War with Iraq at this Time

LEGISLATION FOR FIRST  
READING

Appropriation Ordinance 03-02

Ordinance 03-02

PUBLIC INPUT  
ADJOURNMENT

for approval