

In the Council Chambers of the Municipal Building held on Wednesday, December 18, 1991 at 5:30 P.M. with Council President Fernandez presiding over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
DECEMBER 18, 1991

Roll Call: House, Foley, Kiesling, Olcott, Fernandez, Regester, White, Service, Hogan.

ROLL CALL

Fernandez gave the agenda summation.

AGENDA SUMMATION

The minutes of November 20 and December 4, 1991 were approved by a voice vote.

APPROVAL OF
MINUTES

House said it has been a pleasure to serve on the council and she wished White success and hoped everyone would take care of him.

MESSAGES FROM
COUNCILMEMBERS

Kiesling said the recycling center is expanding, she thanked Lloyd for all his years of service to the community, she also thanked BCAT for all the long hours of television coverage well beyond the usual call of duty.

Olcott thanked everyone for his 16 enjoyable years, for all the good things that have happened for the city because there are good people working for the city and he thanked every one at Parks, Police and Fire in particular and the E911 that we will have next year and all the staff over the years.

Regester thanked everyone for their support, it's been educational and he said he intended to continue in the economic development arena, and he thanked everyone who works hard for the city of Bloomington.

White corrected a HT misquote from last weeks meeting pertaining to the SE section of the city, intending to say that there are other areas besides the southeast that have room for additional commercial development. He said he would be sworn in on January 6, 1992 at the first council meeting and that he looked forward to the coming term. He thanked the 4th graders at Clear Creek School for lunch and the classroom visit that he participated in this week. He wished Olcott the best of luck and thanked him for his advice and counsel saying citizens of Bloomington owe him a great debt for the years of service.

Service thanked everyone for the four productive years and congratulated everyone going off the council for the acquisition of free Wednesday nights and to Lloyd in particular.

Hogan thanked everyone for being friends and even when we disagreed we enjoyed the disagreement and came out of it friends. He too thanked Lloyd, Pat Williams and Dan Sherman and all the others who were there. He said he would work hard to uphold the principals he has articulated over the years from the other side of the podium.

Foley said decisions councilmembers make have a profound effect on the city and they are not lightly made and the city has benefited from the quality of the people who sit up here.

Fernandez thanked everyone for their support.

Dan Sherman said that he has enjoyed his year and appreciated everyone's involvement and support and that he looked forward to the next four years.

Pat Williams thanked everyone, each councilmember has been interesting to work with, with different points of view and with the end result of what is best for Bloomington and the entire community has benefited when people such as you have served.

Mayor Allison presented everyone with a red carnation and thanked them for working well together and thanked them for all their hard work and hoped that those who

MAYORAL MESSAGE

are going off the council will continue their involvement with the city.

Regester said that the Erosion Control Committee met and we are very close to an agreement that everyone can accept and endorse. Changes and clarifications have taken place and hopefully it will be a better document for consideration early next year.

COMMITTEE REPORTS

It was moved and seconded that Ordinance 91-66 be introduced and read by title only by the Clerk. Clerk Williams read the ordinance by title.

LEGISLATION FOR
SECOND READING
ORD. 91-66

It was moved and seconded that Ordinance 91-66 be adopted. The synopsis and committee recommendation of Do-Pass 1-7 was given.

It was moved and seconded that the minutes of the committee meeting on December 11, 1991 be incorporated in the regular council minutes. It was agreed upon by a voice vote.

Tim Mueller described the mixed zoning use tract, briefly. The petition would change the RE to RS and RS/PUD and a 35 ac PCD. The residential component corresponds quite well with the recent master plan. The commercial area list of uses is fairly comprehensive, we are not constrained to particular scenarios, and it provides a range of commercial development possibilities. The traffic improvements that are proposed relate to the commercial part and the other internal roads would be negotiated at the time of development plan approval by the Plan Commission. The Clarizz Blvd. entrance on Moores PK. would have a through traffic lane in each direction in addition to left and right turn lanes, not a passing blister, but a full turn lane. There are objections to the plan as it pertains to the Master Plan and the bottom line is that the Master Plan recommends no additional commercial zoning in this vicinity and that this particular tract be residential, and that along with the generality of the commercial plan, were the key reasons for the staff and Plan Commissions recommendation for denial. He discussed comparable traffic projections and noted 35 acres of commercial development would generate 7-8 times the trip generating capacity of residential. He talked of different densities if a park were to exist in the area, providing different transitional densities. 10 units/ac would yield about 2135 av. daily trips, Commercial would generate 24,000 av. daily trips. He said these are estimates that come from a reputable source, but it true that while these are averages, some sites generate more, some less. In terms of taxes and assessed valuation; More taxes would be generated by a brand new shopping center and the Tax Increment Financing would be very substantial, (he also noted that the TIFF cannot be done on residential). 10 units/ac would provide approximately \$5.6 million in assessed valuation. The cities property tax would be about \$198,800 less any credits that might be involved and the levy increase after buildout to be about \$156,700.

Jim Bohrer, representing the petitioner, said that he would attempt to answer questions raised last week. The negative comments have focused primarily on the negative aspects of the project. The code only requires an outline plan at this stage of the process and that has been complied with and provided. There is nothing deficient in this petition.

Steve Smith provided additional detail about the

commercial aspect and presented several renderings of possible store/parking scenarios with open plazas and multiple area usage instead of a regular strip mall.

Rick Rechter thanked everyone for their willingness to listen and said that in times of recession there are not that many job opportunities for our community. Aware that the master plan called for containment of commercial development in this area and he did not agree that it is specific in its comments and this plan could be interpreted to not allow commercial development east of Clarizz Blvd because that is designed to be a high traffic roadway between 3rd St and Moores Pk. It is difficult to get people to live in high traffic areas and there is a limit to the Jackson Creek type of units that can be put in. It is one thing to zone it when there is a demand for a particular use and deny the owner of that use, because you are confiscating the property from him. He continued by saying that if the entire area has to be developed as residential we have then taken from him the opportunity to continue ownership of that property in the future. The opportunity for commercial development allows Rechter and his family to continue ownership of the property which they have had for five generations.

Eric Stollberg supported the petition, urged the council to remember what an outline and development plan is and the difference between them in terms of the level of cost associated for initial approval, conservatively about ten times. The engineering costs alone are tremendous.

Rodney Ward, a recent resident of California and eastside resident opposed the mall. He didn't think there was enough economy to support mall expansion. He talked at length about malls and the problems associated with them.

Bill Steger, President of Hoosier Acres Home Owners Association, said traffic is not a red herring and cannot be controlled by the developer or the city. Also there is concern about the diversity of retail development, again, something that cannot be controlled by the developer or the city and could be a duplication of services that we have elsewhere offering nothing that we don't already have. He listed numerous vacancies that have existed for rather long periods of time on the east side and once "the brakes are off there is no controlling the type of businesses that will locate there". He urged the rejection of a proposal that would add 35 additional acres of commercial development to an already over developed east side.

Art Melton spoke in favor of the development saying that the customer and the developer must determine the market, not the government.

Peter Wright, representing the Sycamore Knolls Neighborhood Association, said that they opposed the commercial development of this property.

Jim Sherman reminded councilmembers that the bargaining strategy of starting with the extreme and reaching a reasonable level after discussion and after one party "gives in, so to speak" there is a human tendency to reciprocate and that is what he thought was happening tonight with the presentation of an actual outline

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plan.

Roger Kent, a Business Manager for Labor Union Local 741 was in favor of the shopping center and opposed to the no-growth policy here in Bloomington. Construction and minimum wage jobs are very much needed in Bloomington.

Olcott said that Mr. Rechter has done a lot of good things for the community, but this is not the proper place to put a major addition to our mall. Many of the arguments of ten years ago are the same today and we've spent a lot of time looking at the growth policy plan and it just isn't right for this place. We hope you will develop this like Hyde Park and that will also support our mall.

Kiesling agreed with Olcott and she said that residential use was indicated there as far back as three or four years ago when the Jackson Creek Watershed discussion was taking place.

Hogan said that the public input that comes into this project is very politically divisive and he said he found it hard to believe that people really think that minimum wage jobs are something that should be run out of the community. They are needed and we need more of them; competition is needed to support what is there. There is such a thing as good commercial transition and he was not opposed to it. Stopping competition here keeps our prices overinflated and keeps small boutique shops from coming in and only the large chains will be able to afford to come in.

Regester agreed with some of Hogan's remarks and hoped that Rechter would plan for the highest density to accommodate the transition from commercial to residential.

Service said the basic driving issue is the master plan and there is no contest on that one; the residential plan is one that we can work with, and the commercial element is just not possible to support.

Fernandez said the plan we saw tonight is reasonable and yet the commercial part of the plan is still a diversion from the master plan. The annual review of the master plan will take place and reassessments can take place as necessary, in the meantime it is necessary for the planning staff to make the necessary policy changes that the plan actually calls for.

White said that Rechter's commitment to Bloomington is not the question tonight and the conceptual idea he has brought forth is reasonably done, and we may be making a mistake here by denying this, but the only way we can see that is if we honor how the electorate was quite clear to us last month and not move ahead commercially with this particular site due to infrastructure restraints and residents concerns. Our community does not see the need for this type of development at this time, that may be a mistake in terms of the future, but that is certainly the feeling right now.

House said that the voters clearly voiced their concern about this area and where they want development. She also thought there was nothing wrong with encouraging minimum wage jobs for the many students we have in Bloomington.

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

It was moved and seconded that Resolution 91-39 be introduced and read by title only. Clerk Williams read the resolution by title. RESOLUTION 91-39

It was moved and seconded that Resolution 91-39 be adopted. The synopsis and committee recommendation of 8-0.

Toni McClure said that the police department will take over the tracking of tickets as they are issued when the program is up and running.

Olcott asked about signage. McClure there will be a special appropriation needed to purchase the signs and as soon as that is in place, they will be ordered and positioned, weather permitting. No tickets will be issued until the signage is in place.

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

It was moved and seconded that Ordinance 91-67 be introduced and read by title only. Clerk Williams read the ordinance by title only. ORDINANCE 91-67

It was moved and seconded that Ordinance 91-67 be adopted. The synopsis and committee recommendation of 8-0 was given.

Again, Toni McClure said that the previous resolution addresses the changes and the ordinance makes the necessary changes in the Municipal Code. White and Kiesling thanked McClure for the really good job she did regarding this project.

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

It was moved and seconded that Resolution 91-37 be introduced and read by title only. Clerk Williams read the resolution by title. RESOLUTION 91-37

It was moved and seconded that Resolution 91-37 be adopted. The synopsis and committee recommendation of 4-0-4 was given.

Mayor Allison said that this proposal is part of taking advantage of state and local incentives to preserve our economic well being, namely the Enterprize Zone (EZ) that would benefit the community to retain good jobs and attract investment and create new jobs. We also need services to low income families and this would occur with the 20% return to the EZ for projects such as day care, job training and improved job skills, youth programs, and affordable housing. This must be approved tonight or we will lose an entire year. People have wondered about the boundaries of the zone, this is the bare bones designation that has the necessary industry and residential areas and the zone can be expanded since we are below the limit for the actual zone. Bloomington has experienced job loss in the past and all our industry is not immune to recession problems. We must encourage new investment and the EZ has the potential to create those new jobs. She urged the council to support the resolution.

It was moved and seconded and approved by a voice vote that the comments from last week be incorporated into the minutes of this meeting.

Mike Davis said that the primary goal with this proposal is coordination with the master plan and to encourage growth and development on the west and southwest part of town. Planning and zoning is not changed by the EZ and any rezonings or petitions would be handled as they always have. Assessed valuations for the industries are: Thompson about 5% of our assessed valuations as a city and Carlisle about 1.5. This is a significant part of our tax base that we would not want to lose. Neighborhood improvements are a special concern for this administration. The EZ also provides a sound economic environment for small businesses to thrive and expand. The EZ is currently 1.2 mile configuration and under state law that can expand to up to 3 sq miles. Discussions have taken place since last May and because of a rush of other projects we just have not been able to bring this to the council sooner.

Chris Spiek discussed the organization of the EZ Board and upon approval and appointment they will hire a director with LEDO grant money that has been awarded. The director will be responsible to the board and will familiarize people with the programs on all levels. Infrastructure needs within the zone will be a priority because of the impact for economic development as well as water and sewer lines for business as well as residential. The zone must be involved in helping zone residents with employment.

Olcott asked how much the zone would yield in terms of monies. Spiek said about \$150,000 to \$200,000 a year.

Thayr Ritchie said that 14 Indiana cities have EZs and Bloomington is the largest city in the state without a zone. The purpose of the zone is to encourage investment in urban centers that are disadvantaged and need incentives and this particular program is unique because it is a combination of business and community development and redevelopment purposes and the direct result is business funding through the zone for these community needs in the EZ area. The zone is controlled by the local appointees acting as a catalyst for new investment and information for community projects. It is necessary to have a working partnership to manage the zone properly and we are in the best set up, probably of any city in the state, to make the EZ work. The zone will also provide the first new industrial recruitment tool to bring new industry within the city limits.

Barry Rubin, SPEA Professor has studied EZs statewide, nationally, as well as Great Britain. He originally thought these zones didn't work, and for the most part that is true, however, a minority work and work well. The real issue is setting it set up right in the first place and Indiana has just about the best process to do this. Every zone is different and that is what makes comparison difficult nationally. The right director is important, offices must be in the zone, not city hall and the city should not try to control the zone. A certain number of viable businesses must be part of the zone when it is started to provide the base of activity to build on. Community activity is also necessary for success, it cannot just be business growth and activity. Zones make a moderate contribution to the areas in general, they do not turn around a declining city.

This will not be an overwhelming success and will not

be the be-all and end-all of economic development tools. Bloomington does not NEED an EZ but could certainly utilize an EZ here and there are any number of things that could be done as well but they all have to be pulled from the regular city budget (redevelopment issues) and that just isn't feasible. There are risks associated with an EZ and that is necessary to get good economic development. He thought Bloomington has been too hesitant to go out and take those risks over the years.

Kiesling asked about Professor Papke's (Purdue) comments regarding the average cost/job from \$30,000 to \$300,000 and what effect could the EZ have in terms of jobs. Rubin said the Evansville zone research showed that effects of the EZ cannot be totally separated from the rest of the overall urban economy and the average cost per job over a 3 yr period was \$3500 and those were jobs that the EZ was responsible for and at the same time the cost per job in Gary was phenomenal by comparison. His numbers and Papke's do not match, he said. Kiesling asked if this was "as tight" as it could be and Rubin said that additional restrictions cannot be imposed on the zone that the state does not actually provide and there is nothing to preclude the city working closely with the zone. It is best to start small, develop a good track record and then expand.

Regeister wondered if extreme examples of tax increases have been used to discourage the project. Rubin said that the average taxpayers bill has risen by about \$20-30 initially and over the long run if growth for new businesses occurs then the tax base in the city will increase and taxes would go up much more slowly over a ten year period for the average taxpayer and in fact may be less.

Art Banks, State Director of the Urban Enterprise Zone program, said this is a community long term process and the benefits outweigh the costs. He talked about other zones in the state and the very positive spill-over effects in the communities that have zones. Regarding people who work for not-for-profit corporations and live in the zone, they cannot take the UEA tax credits. An established business (already in the community) who wants to move into the zone, must petition the board and they have to show some distress or compelling reason why they need to move into the zone (e.g. fire). Rubin said there is a tendency for firms from out of state to move in and that is what you want to encourage, so as they move into the zone they build up the base for everyone advantage.

Gib Apple from Thomson said that they compete in the most competitive business in the world today. Thomson has operated in the red for the last few years and in 1990-91 the industry experienced their worse performance in the last 10 years and analysts are not optimistic about 1992. The property tax on inventory here in Indiana is a competitive disadvantage as few states have this tax. The company has shown considerable confidence in Bloomington over the years providing over \$58 million for improvements since 1985. Presently in 1990 the business was repositioned to compete in the high end market where the margins are much greater, this is labor intensive process to produce these high tech products, and have provided 225 new jobs in the last 18 months. Major investments are

needed to facilitate these type of production processes. Thomson will introduce a High Definition TV set in a 34" screen size and is planned to be ready for sales in the fall of 1992. The new distribution center also provides about 50 new jobs here in Bloomington. None of this would be possible without money to invest in our company and we will collapse in the face of our Japanese competitors. He said that they have not had lay offs and have a workforce of 1750 employees with a \$41 million income that is spent locally. All jobs are IBEW and Teamsters, all employees are union represented.

Fred Lindsay from the Dept. of Commerce, High Technology Development Dept. said this proposed zone could be a mechanism in bringing about the Research Park concept for the Showers Building. His department is the one that contacted Thomson regarding the implementation of this plan and how it could provide the best environment for our businesses and our citizens.

Tim Sutherlin was not in favor of the proposal because there is no compelling reason to vote on this tonight and the real decision that is being made tonight is the growth strategy that the city would like to make. There are other options and investment strategies that the city might consider. This concept is also being discussed by the federal agencies and some changes might be possible and could be strangely related to a relaxation of minimum wage laws. This might sound outlandish now but it might come to pass.

Dawn Hewitt, a west side resident asked for a delay in the vote so that people would have the time to understand what is actually happening.

Jim Sherman said he was not opposed to the concept of EZs and the 20% that comes back is wonderful, but the 80% that is supposed to be plugged back in the zone is out of the control of anyone. It is a big tax break for business and it will almost certainly involve a tax increase for other property owners. He said that this could be viewed in the same manner as the tax abatements that we grant when appropriate, they are all good but we can zone, abate and TIEFF a city to death and the average citizen pays the increase. He hoped that when the council votes on this that they will recognize and acknowledge the fact that they are also supporting a tax increase.

Jeff Ellington, Ellington Tree Service, also asked that the council delay the vote so that a small businessman such as himself can understand the paper work and tax picture and can it be structured so that taxes are not levied on individual property owners but just for businesses. He was willing to pay for it but did not think that his neighbor should pay for his breaks.

Mike Price asked why Professor Rubin thought this would work in Bloomington. Rubin said that grant that has been secured to pay for professional staff and the strong public/private support here in Bloomington is a big plus and if we wait it may not be as easy. He did suggest that at some point we take some time and attempt to develop an economic growth policy plan and figure out just what we want to do.

Dan Small, Banc One Small Business Division said that

the zone will be a benefit to the entire community.

Sandy Clouthier a west side resident had questions about this plan and appreciated all the information they have received this evening, they all agreed that they wanted our businesses to have the help they need to make everything work. She urged a delay of the vote so that a deeper discussion could take place.

Tom Marshalek asked about the environmental and health costs this proposal poses and will we be subjected to more pollution in a more industrialized community and he was worried that this was being passed too quickly.

Gene Stokes, Housing Authority, spoke in favor of the zone as did Ronald Davis from Indiana Metalcraft. Both facilities are in the zone.

Keith Dayton, AFL-CIO Community Services Liaison, discussed the Evansville EZ analysis and Professor Rubins comments on it and he was concerned that the information contradicts what was said earlier about tax incentives. The study was not done by Rubin, it was done by someone else commenting on Rubin's study. He said that nothing has been said about social services and he questioned the 20-80 splits and how it might be used more effectively. What happens if all these lines move to Mexico, what happens to dislocated workers, and what about retraining for these workers. State benefits are weak and people cannot access them easily. Organized labor was not included in discussions in the early stages of this proposal; they will be part of this zone and should be included. He suggested that we not try to attract outstate firms that will not promote good jobs and good wages who do not care about our community, applicants to the zone should present proposals of intended benefits to the community, incentives should be modified or terminated if applicants does not provide those proposals, and demand the average industrial wage plus benefits. (The article was by Bruce Neissan (sp)).

Rodney Ward, again expressed opposition to the EZ in general and urged council to vote against it.

Bob Barker urged the council to support the EZ proposal as an incentive for business retention as well as attraction.

Barry Rubin addressed the article referred to by Dayton and said that the article misquotes him and in fact is almost the exact opposite of his opinion stated tonight.

Charlie Kellar, a business resident of the proposed zone thought he needed more time to study the proposal and wondered if the zone failed did everyone still get their tax breaks.

Herb Weller, a small businessman with Motor Service was in favor of the plan.

Glenda Morrison, Chamber of Commerce Director, read a resolution supporting the Enterprise Zone/Association.

Michael Conner, Sec. of Near Westside Neighborhood Association requested that the council table the ordinance until more information is available to the residents of the zone and read a resolution pertaining

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to that.

Bob Anderson, Economic Development Corp. Director, also spoke in support of the zone, the zone being a positive economic development tool.

Bill Cook, Thomson Union Representative, asked what would happen if Thomson moved to Mexico and stressed that if taxes are raised and Thomson moves then we are going to be right where we are without them.

Hogan said the State should eliminate the inventory tax and while there might be an overall cost to the community, what would be the cost if Thomson "thinned out" their facility. We didn't create the EZ concept, the state did and if there are 14 other zones in the state, then Bloomington cannot be competitive in attracting new businesses. There are some real low income benefits from the state in the form of tax credits.

Fernandez said there has been the perception that this is a big business proposal shoved down our throats at the last meeting of the year and this is unfair to the Thomson reps. The discussion has been going on since May. Administrative costs can be minimized by in-kind use of space and some zones are 100% funded by zone activities(Hammond). Local control allows that board to modify boundaries, consider available incentives and there is control by people who live/work in the zone as well as the opportunity to make recommendation to a municipality how we spend other monies generated through the tax base.

Service said that she is not convinced that there is an advantage to tabling the legislation tonight and did not foresee what new information would surface.

Kiesling addressed the difference between federal and state EZs.

Thayr Ritchie said there is no connection between the federal and state EZ programs and the benefits are exclusively related to the Indiana State Tax Program. Businesses who received various incentives have to file certain forms to show their compliance and the program is entirely voluntary on the part of residents and businesses.

Kiesling asked about the combined effect of abatements and TIFFs over the years. Ruckman thought the dollar amount probably changed hourly and that yes it would be wise to consider an Economic Development Plan as Dr. Rubin suggested.

Regester said he was confident that all the appropriate bodies will make this work right and this zone will take years to play out and all along the way there will be input from residents of the zone.

House asked about "city control" and if the mayor and council are making the appointments, is that not control. Barry Rubin said no, because city control is city councilmembers saying how the money should be spent and that would not happen. The city has opportunity for input by the appointments. House also asked if this has been around since 1984, why didn't we get this earlier. Rubin said we would not have qualified because the state board probably would not

have supported it and also because Bloomington is also the largest city of it's size not to have an EZ. The benefits don't come from the incentives, they come from the actual improvement of the business climate and it is the small businesses that benefit the most.

Fernandez said the only reason to delay the vote tonight is to eventually defeat the zone, there isn't that much more expert testimony to add to the discussion. The cost of delay is real and that is relevant. There is no guarantee that our "recession proof" economy will always be here and finally there is the potential funding for some social reinvestment for the kinds of programs we want to accomplish. We haven't been able to do it so far and maybe this will work. The amounts of money may seem insignificant but it is almost the same amount of money as CDBG monies we have to allocate each year and we always think that is important.

White expressed concern about the schedule and how fast this has moved along and while the explanation was given that we have talked about it since last May, what with the election and so forth, he did not feel that he had heard much about this zone concept and it might have been a prime target in the heat of an election year and it would have been appropriate to discuss them then and not cram all this into the last month of the year. And, as late as yesterday there were still a lot of unanswered questions. A lot of groups that he thought should have had some input on this did not have a chance to look at it and come up with an opinion and even the chamber had not commented on it, and that was the group that has to be involved in projects such as this to make them successful. But if we delay, we would be discussing the same things again, so after talking with different people, he said he was convinced that this was a good tool and we need to move ahead.

Olcott said that he has been in economic development since 1979 and the city hasn't always been as cooperative as they have been for the last 8 years and he complimented Allison for her help in funding a third of the economic development money that comes from the city. We are competing with cities all over the state and it is important to have this tool.

The ordinance received a roll call vote of Ayes:8,
Nays: 0, Abstain: 1 (House)

It was moved and seconded that Resolution 91-38 be introduced and read by title only. Clerk Williams read the resolution by title only. RESOLUTION 91-38

It was moved and seconded that Resolution 91-38 be adopted. The synopsis and committee recommendation of 8-0.

Chris Spiek addressing the proposed TIFF district that includes the Thomson warehouse area. This is a public hearing and at 10:20 P.M. public input was requested. Our main purpose is to improve infrastructure for trucks moving out of the plant to access the highway.

Kiesling asked how far along we are for Thomson getting the railroad right of way to that as a truck route. Spiek said that is under study and right of way would have to be acquired next to the railroad. He said that when we annex, the new park will be included and we would hope to include that in the TIFF district.

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

It was moved and seconded that Ordinance 91-65 be introduced and read by title only. Clerk Williams read the ordinance by title.

ORDINANCE 91-65

It was moved and seconded that Ordinance 91-65 be adopted. The synopsis and committee recommendation of 8-0.

It was moved, seconded and approved by a voice votes to included the minutes of the committee meeting.

It was moved and seconded that an amendment pertaining to title, legal description and synopsis clarifications be considered.

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

Tim Mueller described the 576 ac of contiguous territory to be annexed. The purpose of the annexation is to bring in developable areas during 1991 so as to be effective by January 1, 1993 so that we can establish a TIF district in this area. Coming in would be the new surgery center and other anticipated future development in that area.

A letter was referred to from Public Investment Corp. supporting the annexation plan.

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

It was moved and seconded that Resolution 91-36 be introduced and read by title only. Clerk Williams read the resolution by title only.

RESOLUTION 91-36

It was moved and seconded that Resolution 91-36 be adopted. The synopsis and committee recommendation of 8-0.

It was approved by voice vote to accept the fiscal plan modifications. The text of the resolution remains unchanged.

The resolution received a roll call vote of Ayes:9
Nays:0.

It was moved and seconded that Ordinance 91-62 be introduced and read by title only. Clerk Williams read the ordinance by title only.

ORDINANCE 91-62

It was moved and seconded that Ordinance 91-62 be adopted. The synopsis and committee recommendation of 7-0-1.

Linda Runkle, Corporation Counsel said that this ordinance changes only one word that makes it lawful for the city to provide recycling and trash collection to condo home owners. Now, only apartment complexes are not included in the city trash/recycling schedules. Discussion has taken place to make this possible with the various condo home owners.

White commented about the units not served and while there are complexities associated with the large containers that are used in some condo complexes, but the fairness issue is real and we are providing the service to some condos and not others. We should continue our efforts on behalf of all the units.

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

It was moved and seconded that Ordinance 91-64 be introduced and read by title only. Clerk Williams read the ordinance by title only.

ORDINANCE 91-64

It was moved and seconded that Ordinance 91-64 be adopted. The synopsis and committee recommendation of 8-0 was given.

Chuck Ruckman said that this ordinance reflects the routine end of the year transfers and appropriations.

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

It was moved and seconded that Ordinance 91-63 be introduced and read by title only. Clerk Williams read the ordinance by title only.

ORDINANCE 91-63

It was moved and seconded that Ordinance 91-63 be adopted. The synopsis and committee recommendation of 7-0 was given.

Chuck Ruckman said that this was the second year that we have recommended a transfer into the supplemental trust fund by the Pension Trust Fund Board.

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

It was moved and seconded that Resolution 91-40 be introduced and read by title only. Clerk Williams read the resolution by title only.

RESOLUTION 91-40

It was moved and seconded that Resolution 91-41 be adopted. The synopsis and committee recommendation of 7-0 was given.

Chuck Ruckman said that an architect has been retained, all groups involved are meeting, the three parties did agree to go out for really hard estimates to see that we are really on the right track. (Showers Bldg) Register said that an environmental study will be completed within 8 weeks.

White asked what our regular income is from the "In Lieu of Taxes Payments "is and Ruckman said about \$125,000..

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

There was no legislation for first reading.

LEGISLATION FOR
FIRST READING-
NONE

Pat Murphy, former 2nd District councilmember and presently with the State Dept of Commerce, said to all the councilmembers and particularly Lloyd, the city has been blessed with dedicated public servants and the community as a whole has been a lot better off because you were on the council. He noted that he had either served with, run with, or against (Marilyn's son Rob) almost everyone on the council. He commended everyone for their ability to sit as long as this meeting has taken.

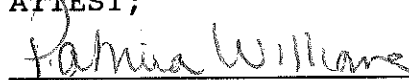
PETITIONS FROM THE
FLOOR

The meeting was adjourned at 10:45 P.M.

ADJOURNMENT

APPROVE:

ATTEST;



President
Bloomington Common Council

Patricia Williams, CLERK
City of Bloomington

Committee Discussion Points from December 11, 1991.

Ordinance 91-66 (Rechter Rezone on Moores Pike

Tim Mueller discussed the tract in general as well as the specific details of each tract. "A" is the 35 acre commercial area as proposed by the developer. "B" is south of Hoosier Acres, a 30 ac tract with 2 units/ac proposed - a little denser than the current Hoosier Acres but less than the basis RS allows. Area "C" is a 15 ac multifamily area with 15/ac and area "D" is 32 ac for a total of 256 units for a total of 60 single family lots, with 541 dwelling units and 35 ac of commercial development. Area "E" would be common open space around the existing farmland and would be the area that would include bicycle and pedestrian pathways. Mueller stressed that this is an outline plan and does not necessarily provide the kind of detailed information we want right now. This plan did address the area in general, a list of possible commercial uses and traffic patterns. The list is general, extensive with some deletions and affords the greatest range of opportunities for the developer to market the area. Some uses might be the usual uses for a strip shopping mall, outlots would be allowed and theaters and large scale appliance stores would be permitted. The proposal does include some commitments to street improvements and different street/road configurations as proposed by Smith Quillman. Other details will be dealt with at the Development Plan Stage.

Mueller addressed the Master Plan, the public input in that process and the need to respect that process and the concerns raised. We also need to leverage the type of growth/infrastructure in public improvement projects that generate development in an area where those services have excess capacity or where those services are already a priority and are part of our current capitol plan. Traffic mitigation is also a priority. We must remember that the growth policies plan provides for the mall area growth to be contained, that does not mean that small infill development would be prohibited nor does it mean that larger opportunities for development would not be considered at a future time, but encourages growth in other areas of our community. There are multiple reason, one being traffic mitigation and distribution of services, another is the regional market aspect of shopping opportunities at the 37 By-Pass, for at the current time we bring all the regional traffic through our community and we could intercept some of that traffic at other shopping points on roads designed to handle that load. If we were able to establish new TIFF districts in the area we would realize the monies to make roadway improvements in the area. However, those improvements would only be made in the district and not to roads leading into the improved areas, so the overload would still present problems adding to congestion of difficult areas. If this is rezoned it will deter development somewhere else. Mueller did say that the proposed plan for the area west of Clarizz is very close to the proposed master plan. The park site is being considered by the Parks Dept as a neighborhood park rather than a community park. The area is not in the city so it could not have a TIFF designation until after the waiting period after annexation (Perry Twp. Fire District).

Larry Davidson presented his Economic Plan/Study for the College Mall area showing the economic benefits for this type of area. The study is not about Mr Rechter's project but is about reasonable assumptions about retail trade statistics and the benefits of something like a strip mall. A 250,000 sq ft retail activity would earn about \$6 million/yr, firms would purchase supplies for about \$7 million, so we could benefit by \$13 million to our local economy, construction benefits about \$8 million, out of town shoppers spending \$135 million/yr, any partial amount of the draw would be advantageous to our community. If we are concerned about our future look at the strip malls and see who is employed there, about 600 employees and \$400,000 worth of taxes are paid each year by these employees, even the elderly prefer to live close to stores and shopping. If the mall start to shrink we might well develop the reputation that makes it more difficult to keep the firms here.

Fernandez asked about the survey of shoppers and thought that Davidson painted a picture of nice, big city stores and shopping opportunities and other paint a picture of Walmarts or other large concerns. Davidson said his numbers are broad and one can add or subtract 20% depending on what is brought in. What is at issue, it that there are people in this town who have a very distinct view of what is good for other people. Tim Mayer, of the Plan Commission said we had too many McDonalds; every one likes different things and we can't pretend to know. Fernandez said we are talking about truly new and different and something new rather than another competitor for our existing stores. Davidson said that competition does nothing but good things. Fernandez said that we have just gone through a long process to find out what people want and this is a pretty radical request/change and the burden is on you to give us some compelling reasons why we should approve the change, not for us to compete with another study by some economist.

Steve Smith said the original application for this project was made in January 1990, was postponed and is before the council almost two years later. The master plan does call for residential in this area and their plan is in compliance with that request, proposing 85 acres of residential (average 6.3units/ac) and the combined high/low densities work well with the proposed and current infrastructure configuration. The total acreage of 120 ac allows a very attractive and open plan that can build future core neighborhood systems. The TIFFF addressed new dollars to the existing problems in the area and would be perfect for the commercial area or even the entire 120 acres. The property taxes for that area have not gone back into the area over the past years, it has gone for other things and a TIFFF would keep the monies in that area and used to improve infrastructure in that area. He gave numerous illustrative examples of taxes, monies and hypothetical revenues.

Olcott asked if it is economically feasible for the developer doing only housing. Smith said no, not in that way and said they were trying to get the highest and best return.

Fernandez said on a previous rezoning discussion compelling economic reasons were given as to why we had to interpret the master plan a certain way to make the

project work (regarding an outlot) and yet in this case, where is the compelling argument that but for 35 ac of BA use this project will never happen. Smith said they look at it differently and the reason people were against growth in the mall area was because of traffic and a lot of benefits accrue for the community as a result of east side commercial development and they think it is good for Bloomington. We cannot have a west side regional mall as well as an east side regional mall.

Jim Bohrer said that in the preamble of the master plan the statement pertaining to Bloomington's retail shopping industry offers local employment and in an important economic sector. The wording is commercial containment, not no commercial. It is not site specific and one of the principal considerations is traffic mitigation, site consideration, density, transitions between the areas. Mr. Rechter is willing to postpone the commercial aspect of the petition until annexation is completed and approved. The petitioner complied with everything in the master plan except the commercial and he thought an exception, consideration should be made by this body. If the plan is never going to be changed there is little need for the council or the Plan Commission.

Rick Rechter, the petitioner, said a commercial shopping center of 300,000 sq ft would cost about \$21 to \$23 million dollars, the same amount of housing at 2-3 to an acre would be about \$8.5 million and would require additional services that a shopping center would not require. All College Mall Rd has been zoned for over 25 years and all the infrastructure was built by the owners of the property, including College Mall Rd and Buick-Cadillac Dr, 2nd St. and Covenantur. No tax money has been spent in this area except the recent Moores Pk/College Mall Rd intersection, while \$20 million has been collected in property tax monies in those years. All services, except police and fire are provided by the developer and at the same time are contributing to the city coffers. He said that \$134 million from "outsiders" is brought into our community annually. Zoned land on the west side has been there for 20 years on a four lane highway and it still isn't working as far as commercial/shopping. He urged that natural development be allowed to occur without governmental interference and he begged the council to allow 600 people to go to work.

White, asking about traffic studies and trip generations, asked about comparisons between residential areas and commercial. Smith did not have the exact numbers but did note that commercial would certainly be higher. White thought the density was pretty high.

Eric Stollberg spoke in favor of the petition and hoped that the master plan would always be open to interpretation and dialogue.

Speaking against the petition:

Bill Steger, Hoosier Acres Neighborhood Association, stated that the residential aspects of the petition are appropriate and if there was not already commercial development in place, the plan suggested tonight might well be a model for commercial development. Suggested engineering improvements would not facilitate the traffic flow in the area as a whole. He urged that the

35 acres not be developed commercially.

Jim Sherman disagreed with the Davidson survey results noting that while 44% of the people who were surveyed at the mall were in favor of expansion, the other side of that was 56% were in favor of it staying the same or becoming smaller and they were non-Bloomington residents.

Joyce Kostolefsky, from Hoosier Acres, said that there is no assurance that this new area will offer anything new or different.

Laura Trout, from Sycamore Knolls Neighborhood Assoc. read a statement on behalf of the association against the commercial aspect of the proposal.

Jim Faber, League of Women Voters, said the league is strongly opposed to the commercial aspect of the proposal.

Steve Johnson, Moores Pk resident, was also against the plan.

Arthur Koch also spoke against the plan, there are many strip malls in this area and this 35 acres has to be better than just another strip.

Olcott said that the Rogers family has done wonderful things for Bloomington, but this is an area will poorly developed roads, that this is an area that if fine homes were to be built, would support our mall and he would vote no, this evening, on this proposal.

Regester commented on the lack of specificity of outline plans and the frustration with that regarding this proposal. Again, it is still the commercial aspect that is the problem.

Service said that the master plan does not say that we don't want commercial development, it is just being specific about where we do want it. There is no evidence that this mall will offer anything different from what we already have.

Hogan said new mall development, by itself is not necessarily negative, the traffic problems are monstrous and must be addressed. 900 new homes will also create a traffic nightmare. He said there are dozens of shopping possibilities that Bloomington is the size of community that is desirable. Every developer is willing to "roll the dice" in a given area where the demographics are right for a \$10 million project. He did not think we had the commercial land available on the SE side to support the proposed growth. Those areas right behind Krogers and Eton Mews are perfect for commercial growth, who wants to put a home along side a shopping center.

House said zoning is important and hours have been spent on a master plan and all the input has been very important.

White agreed with some parts of this plan and the economic reasons and said he gets frustrated with business and commerce bashing and rarely do neighbors want any new development near them and they don't think that other people benefit from the revenues. Once pocketbooks are impacted some people may change their tune and by then it will be too late to do anything if

our employment patterns were to swiftly change. This site does not have existing infrastructure nor does it have good access roads to the mall area. There are other site for commercial development.

This ordinance received a Do-Pass recommendation of 1-7 (Hogan).

Ordinance 91-65 Southwest Annexation

Mueller described the tract and the different zoning designations and the various future developmental plans. The Grossman medical facility is the main focus of this petition and allows us to capture new revenues by way of the TIFF proposal, about \$56,000 in TIFF revenue from the surgery center alone each year and the warehouse on the PIC would bring in about \$4,000 annually and the tax valuation will probably double in the next 3 or 4 years as growth continues. This proposal complies with the master plan policies for site infill, utilities, traffic, and good access. TIFF will allow additional infrastructure improvements to be made. We are trying to make the location within the area beneficial for the developer and trying to facilitate the speed with which they decide to locate in the area.

The fiscal plan is a routine document; the capital improvements are not required immediately after passage. Sewer improvements and a 4 phase road improvement will be undertaken. Phase 1 are the entry improvements to the surgery center and PIC tract, not to exceed \$225,000 in cost, the monies to come from the Special Non-Reverting Improvement Fund and reimbursed from the TIFF; Phase 2 will be improvements from the 37 By-Pass to Phase 1 with a 4 land configuration at the cost of \$100,000 and to continue to Weimer Rd with a projected cost of \$500,000 including turn lanes at Weimer Rd. There would also be some improvements to Weimer Rd for a well developed two lane road and turn lanes.

Linda Runkle said that we do anticipate a one time capital cost that will be incurred right away, that is sewer extension and Phase I of the road improvements. Phase 2, 3, 4 would not be discussed in the Fiscal Plan because they are not required at this time. These are put in the plan simply to demonstrate our intent on how the TIFF revenues of the future would be spent.

Fernandez had questions about voluntary annexation policies and the highly unusual process in which we are adopting a TIFF before a set-up advisory committee of essentially the property owners telling us what to do with the money especially with the modifications in the fiscal plan that went from \$550 thousand to a million in roadway improvements plus the advisory council. He asked what the city was getting in return for this assistance.

Runkle said the increase in our estimate was a result of some of the earlier calculations not being as precise as we would like. There were additional things added, but the major change was the surgery center entrance had been left out of the first figure/calculation. All these projects will help enhance affordable housing that we would like to see in this area. Road improvements will allow the growth we want to see in this area, and yes taxpayers will be paying more and they will see some benefits.

Fernandez wondered how we can have a fiscal plan with these contingencies and particularly this advisory committee if they should decide to contest the annexation. Runkle said there have to be some guarantees on the part of the committee. Regeister asked if there was any waiver concept in mind, that if the city does what is clearly agreed to, there shall be no remonstrance on the part of the surgery center or the PIC center. Runkle said if there was a remonstrance they have to follow the usual statutory processes and we would know before we were building four lane roads and no improvements would take place until the remonstrance period has passed.

Bill Milne spoke for an elderly lady on Adams St and her taxes will be hiked 33% after annexation. He thought they had done pretty well without the city for years, and wondered how the city was going to service the area when he doesn't have one (sewer). He said if he was alive in '95 and he is annexed he will run for mayor (and as an aside to Steve, as a Democrat).

Dr. Grossman spoke in support of the project, was not too sure what TIFP meant, but that it was something all parties would have some benefit from.

Fernandez said he was not happy with the "advisory committee" arrangement.

The ordinance received a Do-Pass recommendation of 8-0. The resolution also received a Do-Pass recommendation of 8-0.

Resolution 91-37 Urban Enterprise Zone

The introductory remarks were pretty much the same as the actual December 18, 1991 meeting.

Chuck Ruckman, addressing the question about Inventory Tax here in Indiana, said it is part of the property tax structure and he showed charts related to the calculations. Indiana does not have a tax based on the market value of property; so it starts with the cost of the inventory, apply an equalization factor to arrive at the true tax value to get down to the assessed value. Ruckman said that in a worse case scenario, if there was no growth in the zone, then the tax rate could go up by the 2%, but again, in a normal year the growth in the tax base would be double anyway and with the incentives involved, we expect to see additional growth in the next several years.

Fernandez said that there is the perception that we are shifting the tax burden from inventory tax to local property taxpayers and is that a requirement if we adopt an EZ. Ruckman said that is true and the council could determined that if there was not any growth in the zone, they could offset it by reducing the city budget by 2%, if that is the result you want to achieve.

House asked why Michigan City residents taxes were up by \$25 and she wondered why. Ruckman said that he did not know how they were figuring the new shopping center that has been added to that particular base.

Thayr Ritchie discussed all the state tax benefits for businesses and property owners within the zone. EZ TIFPs can be used for job training activities.

Ritchie said that not-for profit businesses do not qualify for the zone state tax benefits, but he said that Art Banks was researching that point.

Olcott asked about the Louisville zone that, as he understood it, took in almost all of the city. Ritchie said there are federal enterprize zones, but that he was not familiar with that program. Hammond, Muncie and Evansville are the most successful zones in our state. Businesses currently located outside the zone may not move into the zone, once it has been established just to take advantage of the incentives, but there are mechanisms for a business that is forced to move, then it could move into the zone and be eligible for the benefits. Certain conditions prevail. To take advantages of the incentives the business must be from outside the state.

Art Banks, State Dept of Commerce talked about various zones throughout the state and how Bloomington is finally eligible for the zone.

Gib Apple spoke of the prevailing competitive conditions in the electronic industry and Thomsons role in the process.

Kevin Forster, General Mgr of Carlisle Braking Systems, outlined the severe downturn in the economy effects upon their company. He was certainly in favor of the EZ.

Bob Arnove, a member of AFT thought we were rushing into this process. He said, paraphrasing Papke's remarks, that there was no evidence in 1989-91 that EZ had a favorable impact on the community, that there is no difference in the inventories, equipment lists, etc and that any general claims of tax incentives should be scrutinized with skepticism and doubt and that these concessions are compensatory gifts, are expensive and that the tax is regressive and ineffective and designed to waste tax payers dollars. The tax incentives should be aimed at companies that undertake high value added production so that the workforce gain on the job skills. No tax preferences should be granted for current or accumulated stock. He asked numerous questions about infrastructure and who would pay for those needs, how much of the 20% UEA funds will go for purely administrative costs, he said he would like to see the zone work and be successful but the problem is there is not mechanism to guarantee that success.

Michael Conner, a west side resident, agreed with Arnove and thought the city was rushing into this., that his neighborhood has been left out of the zone and that there has just not been enough time to study the impact of the zone.

Mr. Black-Schaeffer, though not involved in this project, he would like to be as well as other 17th St businesses.

Charlie Kellar said his business was in the zone and that was OK.

Bill Carpenter also a businessman in the zone hoped that it would help small businesses in the community, we have the opportunity to do this now to help us grow and get better.

Keith Dayton expressed concern that there are not enough conditions for those incentives, a prolonged dialogue would be best to make these determinations.

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Arnove talked again about the job loses in the other EZ cities

Fernandez said this could be the opportunity to do some really creative things for Bloomington.

Hogan said that the comments in the room are not negative, but that people have unanswered questions.

Service thought the 20% monies returned to the zone, do not have any conditions attached to them at this time.

What if a whole plant line was to move from Bloomington - what recourse do we have? And can it be rescinded?

Gib Apple said that some TVs will be made in Mexico.

The discussion center around HDTV and the costs involved in production vs the costs and number of personnel needed for other TV production lines.

Olcott asked about increased chances of automation on the plant lines in the future, small businesses don't have the big inventories and he tries to keep in mind that if Thomson is healthy we all stay healthy.

The resolution received a Do-Pass recommendation of 4-0-4 (House, Fernandez, Kiesling, Service).