

AGENDA  
COMMON COUNCIL  
SPECIAL SESSION  
JUNE 22, 1983, 7:30 P.M.  
COUNCIL CHAMBERS

- I. ROLL CALL
- II. AGENDA SUMMATION
- III. MESSAGES FROM COUNCILMEMBERS
- IV. MESSAGES FROM THE MAYOR
- V. PETITIONS AND COMMUNICATIONS
- VI. LEGISLATION FOR DISCUSSION/VOTE - SECOND READINGS

Resolution 83-28 To Authorize the Mayor to Submit an Application to the Economic Development Administration for a Matching Grant to Provide Water and Sewer Service to the Proposed Kennedy Farm Industrial Park.

- VII. ADJOURNMENT

In the Council Chambers of the Municipal Building held on June 22, 1983, 7:30 P.M., with Council President Pro-Tem Service presiding over a Special Session of the Common Council.

COMMON COUNCIL  
SPECIAL SESSION  
JUNE 22, 1983

Councilmembers present: Morrison, Towell, Porter, Service, Murphy, Olcott, Gross, Hogan.  
Absent: Dilcher (vacation).

ROLL CALL

Service gave the agenda summation.

AGENDA SUMMATION

Olcott congratulated the organizers of the Taste of Bloomington. The event will be held on Saturday, June 25, 1983 at the downtown parking garage. It is an event well worth attending.

MESSAGES FROM  
COUNCILMEMBERS

Mayor Allison said that she was pleased to see the cooperation between all of the parties involved in putting together the grant request for federal monies for an Industrial Park.

MESSAGES FROM THE  
MAYOR

Phyllis Radke, AFSCME Union President, said that the contract proposed by the City had been turned down by the members at large. Negotiations between the City and the union are still very much a private matter. The City offered a 3% salary increase plus benefits. The main concern of the rank and file is that the average worker may only net \$8,000 annually and they are also faced with large utility increases and spiraling cost of living figures. The last wage increase was eaten up by insurance premium increases. Radke said that very few union employees can afford to buy a house in the city and that they are the ones who fix the broken mains in the middle of the night and plow the streets in the winter. Three percent is only 18¢ per hour increase for most workers. Other cities have a better classification plan-ours is very tight. Some consideration has to be given the workers as they are just as important as the administrators.

PETITIONS AND  
COMMUNICATIONS

Olcott moved and Morrison seconded a motion to introduce and read Resolution 83-28 by title only.

Clerk Williams read the resolution by title only.

INTRODUCTION OF RES-  
OLUTION 83-28 TO  
AUTHORIZE THE MAYOR  
TO APPLY FOR MATCHING  
GRANT FROM EDA TO  
PROVIDE WATER AND  
SEWER SERVICES TO THE  
PROPOSED KENNEDY FARM  
INDUSTRIAL PARK

Olcott moved and Morrison seconded a motion to adopt Resolution 83-28. Service gave the legislative synopsis.

Steve Szostek reviewed the application procedure saying that one hundred million has been allocated by the Federal government for public works projects and that in May a letter was sent to EDA beginning the grant process. The money will be available on a 50/50 match and our application will compete nationally with other cities all vying for these monies. The EDA will look for proposals that provide long-term economic benefit to the recipient, private sector involvement, and a project that can get under way quickly. He went on to stress that the EDA would be disposed to the public/private partnership.

The Kennedy Brothers would form a partnership with the Bloomington Advancement Corporation. The total project cost would be about \$453,150 and the USB has committed \$103,000 for uplifting the Tapp Rd. station. The rest of the local share would be appropriated from the Westside Industries payment in-lieu of annexation fund. \$226,575 would come from local funds and as the land is sold the Bloomington Advancement Corporation and the Kennedy brothers would repay the City for its original contributions.

Hopefully the decision to appropriate the monies would be made by September 1, 1983.

Towell asked Szostek about the agreement between the Kennedys and the BAC regarding the land, its value, and the promotion expertise that the BAC would provide. In the past many industries promised to annex and we then entered into these long term agreements. The Council promised that these funds would be dedicated to funding future annexations. The ordinance and minutes of past meetings will reflect these intentions. Ms. Lipkin's letter is a mis-statement of the use of these funds and is a betrayal of the public's expectations of how the money should be used. It is the taking of monies from one fund and using it for another purpose.

Olcott disagreed saying that this use of the West Side fund improves the west side situation with the additional services that the City would provide, namely sewers, streets, and the uplifting of the Tapp Rd. station.

Towell said that this project will make privately owned land far more valuable with this 50/50 match between the City and the Federal government monies to improve the land.

Szostek said the community will certainly benefit as the area opens up for employment, the Kennedys and the BAC will repay the City, that it is a good use of funds considering the benefits derived and will mean employment for several hundred people.

Towell asked if there would be the agreement to annex.

Mayor Allison said there could be the additional request that they not oppose annexation but that it had not been discussed in this context but that it could be indicated to the industries that when State Law says the City can annex, we may do so.

Towell restated his concern that the industries enter into an agreement not to oppose annexation.

Olcott said that would be difficult to put into the resolution at this time. He opposed the suggestion saying that it was more restrictive than what is there today. The directors of the BAC and the Kennedy brothers have worked long and hard on this proposal and this is the most logical direction for the City to go. We have never been able to come up with the funds for this type of project on our own-the Chamber needs it and the community needs it. There is just not that much industrial land in Bloomington with the available sewers and water services. Olcott then outlined the steps of the project; to rezone the land, the agreement with the Kennedys and the BAC; the appraisal of the land; the interest anticipated is still a question; the BAC would not make any profit on the project; the 155 acres is the best land available; and we have to come up with some funding if we want to have such a facility.

Murphy raised the question of loaning money to private industries and stressed the need to agree on interest charged. He said that he was reluctant to vote without knowing this information.

Porter asked what further actions would come before the Council. Szostek said an appropriation requesting monies from the WestSide Industry Fund. Porter asked if the EDA would give the amount of money asked for and if they don't what would happen to the project. Szostek said if funded in all likelihood it would be the amount requested. If they don't fund we would be eligible to apply for regular EDA funds.

Frona Powell said the the Planning Department would be submitting a rezoning ordinance for the proposed land in question.

Pat Patterson said that it was difficult to discuss interest rates with the specific terms unknown at this time. The partnership between the City and the Kennedy brothers is not even established at this time. He continued by saying that he certainly advocated a return in keeping with our original investment.

Olcott said the BAC is not doing a thing to the Kennedy property. Before BAC ever gets a dime it will be sure the City gets its return on the investment. He commended the Kennedys for their willingness to co-venture this project.

Towell said we are promising the Federal government that we will make an equivalent grant and we don't even have a side agreement as to how this is to be funded. These are valuable annexation properties that should eventually come on the tax roles. If we start appropriating money for areas where this will not happen and annexation never takes place then a basic promise to the voters is broken. We need to be assured that the original purpose of the fund will be advanced. Olcott said that certain improvements would have to be made and this will be a burden on taxpayers.

Towell moved that any loan be on the condition that the monies used from the West Side Industries Fund be returned to that fund; that "in lieu of annexation agreements" be for a number of years so that when they expire it will be at the same time as other previous tax limitations; and the promise on the part of the landowners that any future land buyer would be committed after the expiration of annexation date.

The motion remained on the floor and discussion continued.

Hogan said there was no comparison between this request and the Canada proposal. It is essential to develop this industrial base, we are looking at the most desirable site, that it would provide more employment, and that while he also was concerned about public trust he was not on the Council for other Council agreements. The upgrading of sewers is for the betterment of the West side and the additional employees will increase the tax base. Hogan said that the City can't afford to pass up such an opportunity.

Olcott said he had no problems with the money going back or when it would go back into this fund. He did object to hamstringing business efforts. When the Chamber went to Evansville they were competing with 125 other cities, many of them making very attractive offers to industries in an attempt to secure their locating in their communities. The jobs provided will pay off in the long run. Olcott said that he has no vested interest in this project and there would be no monetary rewards for him personally. He did not feel that his vote on this issue created a conflict of interest position. He would be voting as a councilmember, not as anyone with an interest in the Kennedy property or land owned by the BAC. The money in the West Side Industries Fund was never intended to sit in the bank unused.

Morrison asked if the owners of the property would be paid on improved or unimproved land.

Olcott said that the payment will be based upon improved land with repayment first to the City, then to the Utilities, and then to the Kennedys.

Porter asked if that would go before the Council and Olcott said probably not.

Towell said that in-lieu of annexation agreements should all have the same expiration dates,

Olcott said we've been sitting on this land for five years and we could sit on it another five or ten.

Towell said the ten years would start now and at the end of the agreed time we would not annex unless ready to do so, but that they would not oppose annexation. There has to be an end. After a period of time in which to establish themselves they should be annexed.

Hogan said the Council was only authorizing the Mayor to apply for the grant and the details could be worked out later.

Pat Patterson agreed with Hogan.

Murphy suggested that Towell restate his proposed amendment and attach it to the appropriation ordinance when that is presented.

Towell said he was only raising issues already addressed in the resolution regarding annual payments into the West Side Industries Fund and the proposed appropriation of \$123,575 from the fund to be used as the local share. He said that Council was at a disadvantage as they had only received the resolution immediately before the special session and this request involves a lot of money and some real policy exceptions. This is a typical kind of area whereby the Council is asked to compromise. There should be well defined limits. He said that Indiana already has low taxes so industries are inclined to locate in the state.

Allison said that it was incumbent upon the administration to bring to the Council a plan for improvement to the area and there should be a timetable for its implementation. There was never a question but that the money would go back into that fund. Today was the first mention of an agreement not to oppose annexation and improvements must be made prior to annexation.

Porter said that the issue of repayment should be made at the time of the appropriation ordinance discussion and that he would agree to Towell's motion at that time rather than amend the resolution that pertains to the grant application.

The motion was defeated by a roll call vote of Ayes: 4 (Morrison, Towell, Service, Murphy), Nays: 4 (Porter, Olcott, Gross, Hogan).

Service asked if the appropriation ordinance would be presented before or after approval by the EDA.

Patterson said he was hopeful that the objectives could be achieved. The grant may not be the only way if the application is denied. The BAC is committed and the City is also committed. Other EDA money may be available.

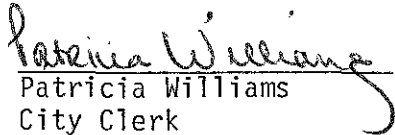
Olcott said the BAC has been working a long time and that the Utility money is the key. The BAC may have to sell lands to finance sewers in the area; they are committed to developing this land. Bloomington is competing with other communities such as Columbus and Martinsville. Some industries are given land for such development.

The resolution received a roll call vote of Ayes: 8, Nays: 0.

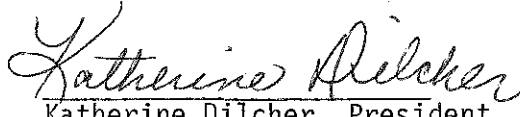
The meeting adjourned at 8:45 P.M.

ADJOURNMENT

ATTEST:

  
Patricia Williams  
City Clerk

APPROVE:

  
Katherine Dilcher, President  
Bloomington Common Council