

AGENDA

CITY OF BLOOMINGTON ECONOMIC DEVELOPMENT COMMISSION

Wednesday, August 11, 2021
4:15 pm

Join Zoom Meeting

<https://bloomington.zoom.us/j/98790727086?pwd=MnAxMC9oQVJrTU0zT0IxWXNXNDJKUT09>

Meeting ID: 987 9072 7086

Passcode: 875411

One tap mobile

+13017158592,,98790727086# US (Washington D.C)

+13126266799,,98790727086# US (Chicago)

- Call to Order
- Roll Call
- Minutes—June, July
- Old Business
 - Moving recurring meeting date to third Tuesdays at 4, vote
- New Business
 - i. Resolution 21-05, RAD II, LP
- For the Good of the Order
- Next Meeting (pending vote), Tuesday, September 21, 2021, 4:00 p.m.
- Adjournment

Economic Development Commission
Virtual Board Meeting Minutes
Wednesday, June 9th, 2021 at 4:15 PM

Kurt Zorn called the meeting to order at 4:16 p.m.

ROLL CALL: Vanessa McClary, Geoff McKim (arrived late), Kate Rosenbarger, Malcolm Webb (arrived late), Kurt Zorn

ABSENT: NONE

STAFF: Larry Allen, Alex Crowley, Jane Kupersmith

APPROVAL OF MINUTES: Vanessa McClary motioned for approval of the May meeting minutes. Kate Rosenbarger seconded the motion. Roll call vote passed unanimously (minus Geoff McKim and Malcolm Webb).

OLD BUSINESS:

- Retreat @ the Switchyard, LP - abatement update: The resolution was presented to Council last night, June 8, 2021. They designated the land to be an economic revitalization area (ERA). Public hearing on final tax abatement approval and ERA designation will be heard next Wednesday, June 16, 2021.

NEW BUSINESS:

- Annual Tax Abatement Compliance Report: The report is being presented in a different order this year. Typically the Clerk would receive all active CF1s and within 45 days ESD would provide a report to EDC and then to Council. This year the CF1 report was early so that changed the timeline. The report was provided to Council last Wednesday and now it is being presented to the EDC. Please see report in the meeting packet. Kurt Zorn asked if there could be an update give at a future meeting about the total investment of the Woolery Mill Ventures, LLC commercial project. Malcolm Webb motioned to approve the annual tax abatement compliance report. Geoff McKim seconded the motion. Roll call vote passed unanimously.
- Resolution 21-04: Electronic Meetings Policy includes rules such as every meeting has to have at least 50% of the commission physically present at the meeting, no less than half can participate electronically, and people can only attend two meetings back to back electronically after which they would have to come to a meeting in person. Lastly, a person can only participate in half of the electronic meetings all year. City staff will keep track the number of times people participate electronically. This will go into effect at the end of the governor's emergency declaration. If another emergency is declared, meetings may go back to all virtual. Vanessa McClary made a motion to approve resolution 21-04. Geoff McKim seconded the motion. Roll call vote passed unanimously.
- FOR THE GOOD OF THE ORDER: Alex Crowley introduced an idea to do a straw vote to determine who will be in attendance at the next meeting. Kate Rosenbarger may be taking the day off as it is during Council recess. The other commissioners plan to be in attendance.

Next meeting will be July 14th, 2021 at 4:15 PM. Meeting adjourned at 5:01 p.m.

Economic Development Commission
Virtual Board Meeting Minutes
Wednesday, July 12th, 2021 at 4:15 PM

Malcolm Webb called the meeting to order at 4:16 p.m.

ROLL CALL: Vanessa McClary, Geoff McKim, Malcolm Webb

ABSENT: Kate Rosenbarger, Kurt Zorn, Alex Crowley

STAFF: Larry Allen, Jane Kupersmith

APPROVAL OF MINUTES: June minutes will be presented at August meeting.

OLD BUSINESS:

- Woolery Mill—Abatement compliance follow up. The abatement was found to be in compliance by EDC and Common Council but there had been a question regarding whether there was more investment than reported. Randy Cassady with Woolery Mill relayed that indeed, in a desire to be conservative in his figures, he left out infrastructure investments outside the building (i.e. street, sewer, parking lot, sidewalk) and also neglected to include Cassady Electric Employees that are based out of the Woolery Mill. He understands the way this information should be reported for his next filing and will make sure figures included are accurate for the 2022 filing.

NEW BUSINESS:

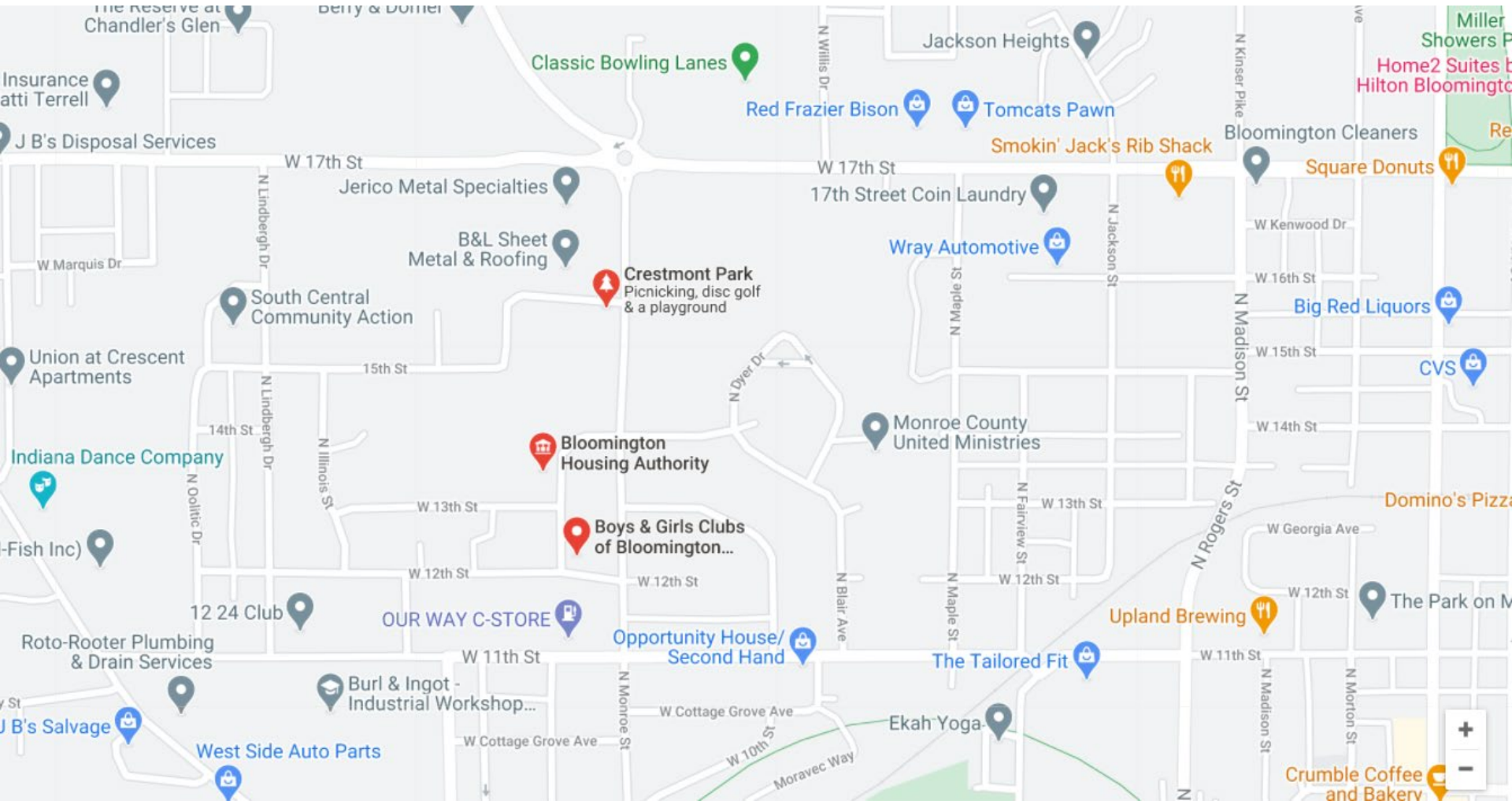
- Moving recurring meeting dates: Kurt Zorn has a recurring meeting conflict so new dates have been proposed. Possible date is the third Tuesday of the month at 4:00 PM. Vanessa McClary made a motion to move future meeting dates to the third Tuesday of the month at 4:00 PM. Geoff McKim seconded the motion. Roll call vote passed unanimously.
- FOR THE GOOD OF THE ORDER: NONE

Next meeting will be August 11th, 2021 at 4:15 PM. Meeting adjourned at 4:30 PM

Presentation to City of Bloomington EDC and Common Council

Crestmont Community
2021 Economic Development
Revenue Bonds

Crestmont



Crestmont Highlights

- ➔ Originally built in 1965.
- ➔ 204 apartments serving Individuals and Families.
- ➔ Located at 1002 Summit Street.
- ➔ Nearby Ferguson Crestmont Boys & Girls Club.
- ➔ Currently managed and owned by Bloomington Housing Authority.
- ➔ 100% of the units will receive rental subsidy through a HAP contract.
- ➔ Management by BHA staff will continue.

Crestmont Community



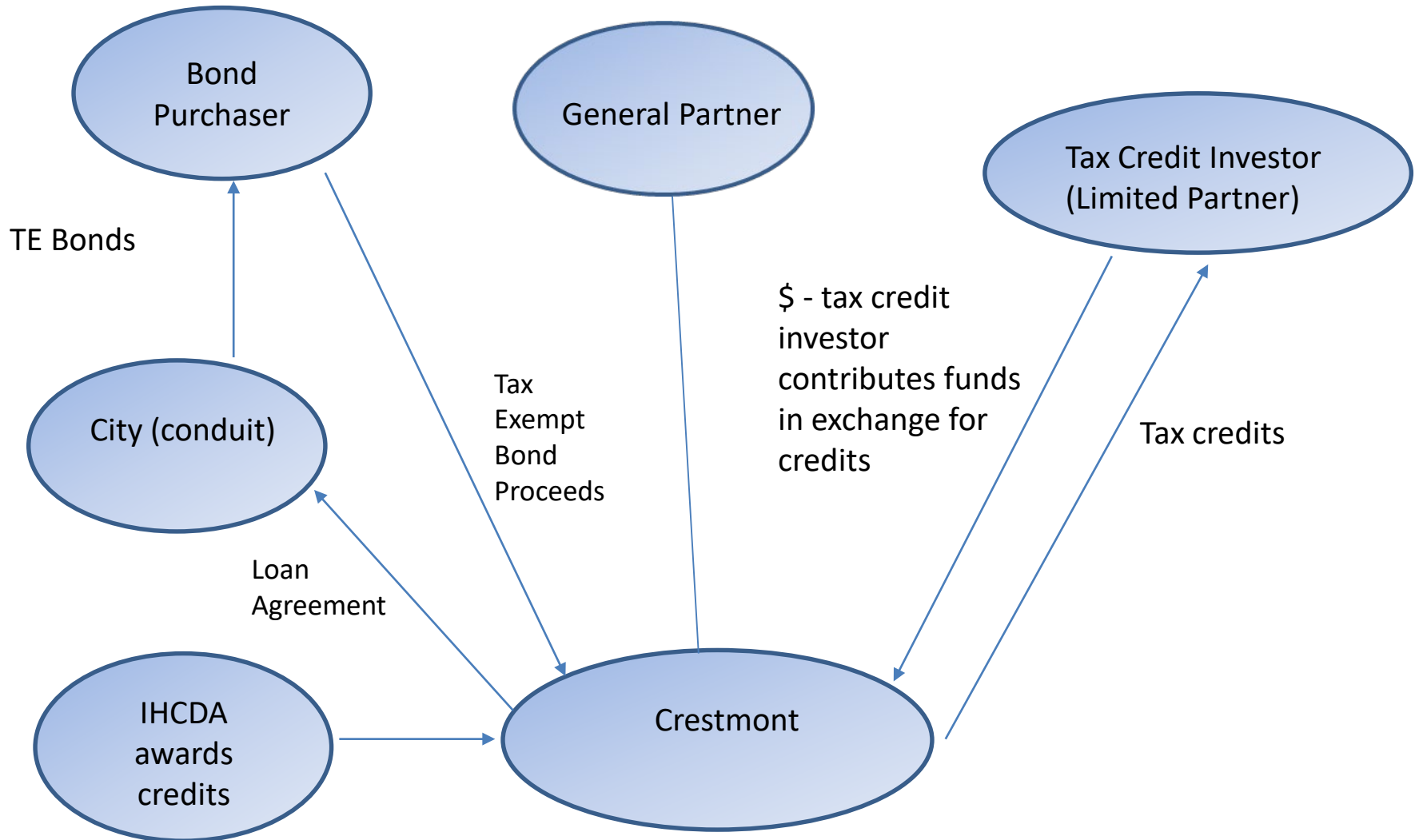
Proposed Project

- ➔ Renovations focused on addressing code requirements, handicap accessibility, structural repair, unit modernization and energy efficiency.
- ➔ Includes reconfiguring units to accommodate wheelchairs and safety features as well as new roofs and site lighting.
- ➔ Interior improvements include: new flooring throughout all units, new kitchen cabinets, countertops, addition of dishwashers and washers and dryers, high efficiency furnaces and air conditioner condensers, new windows, new roofs, and site lighting
- ➔ Adding much-needed 8 1-bedroom units by converting 3-bedroom townhomes
- ➔ Resident relocation for no more than 60 to 90 days. Moving and relocation services will be paid for by BHA.
- ➔ No new jobs will be created and ~10 jobs will be retained.

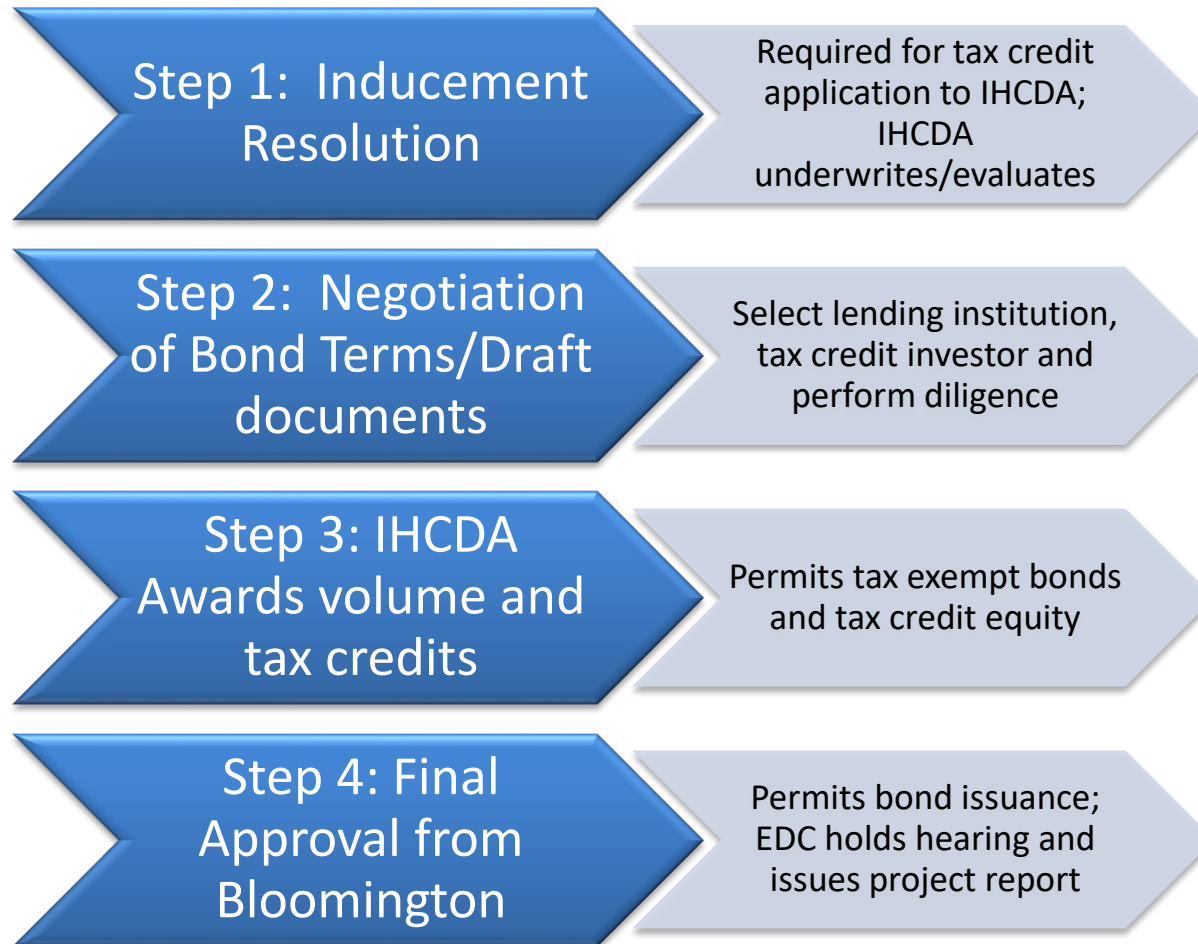
RENTAL ASST DEMONSTRATION (RAD)

- ➔ Enacted by Congress in 2012 because of underfunding of public housing.
- ➔ RAD allows public housing agencies to leverage public and private debt and equity in order to reinvest in the public housing stock. This is critical given the 25.6 billion dollar backlog of public housing capital improvements.
- ➔ In RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain permanently affordable to low-income households.
- ➔ Residents continue to pay 30% of their income towards the rent and they maintain the same basic rights as they possess in the public housing program.
- ➔ RAD maintains the public stewardship of the converted property through clear rules on ongoing ownership and use.
- ➔ The RAD program is cost-neutral and does not increase HUD's budget. This program simply shifts units from the Public Housing program to the Section 8 program so that providers may leverage the private capital markets to make capital improvements.

Bond and Credit Structure



Bond and Tax Credit Process



Bond Characteristics

- ➔ Issued pursuant to IC 36-7-12
 - Requires EDC to render project report, hold public hearing, approve ordinance authorizing bonds
- ➔ Bonds will not be payable from taxes or be a general obligation of the city; payable solely from revenues of the project; no effect on the city's constitutional debt limit or bank qualified limit
- ➔ City acts only as a “conduit” – allowing the borrower to access capital at a tax-exempt rate and receive equity for the project in the form of tax credits
 - No ongoing obligations or administration by the city – borrower is responsible for all tax covenants, payments and indemnifies city in all respects

Conclusion

Any Questions?

Thank you!

**RESOLUTION 21-05
OF THE
CITY OF BLOOMINGTON
ECONOMIC DEVELOPMENT COMMISSION**

- WHEREAS, Indiana Code Title 36, Article 7, Chapters 11.9 and 12 (collectively, the "Act") declares that the financing and refinancing of economic development facilities constitutes a public purpose; and
- WHEREAS, the Act provides that an issuer may, pursuant to the Act, issue revenue bonds and notes and refunding revenue bonds and notes and lend the proceeds thereof to a developer for the purpose of financing, reimbursing or refinancing the costs of economic development facilities for diversification of economic development and creation or retention of opportunities for gainful employment in or near such issuer; and
- WHEREAS, the Act provides that such bonds may be secured by a trust indenture or financing agreement between an issuer and a corporate trustee; and
- WHEREAS, a representative of Bloomington RAD II, LP, an Indiana limited partnership (the "Borrower") has requested that the City of Bloomington, Indiana (the "Issuer") issue notes and lend the proceeds thereof to the Borrower in order to finance the acquisition, renovation, improvement and equipping of a multifamily housing facility consisting of an apartment complex known as Crestmont Community, containing approximately 204 apartment units located at 1002 N. Summit Street, Bloomington, Indiana, together with functionally related and subordinate facilities such as carports, garages and parking areas and funding costs of issuance and any necessary reserves in connection therewith (the "Project"); and
- WHEREAS, the creation or retention of opportunities for gainful employment and the provision of quality, affordable, multifamily housing to be achieved by the acquisition, renovation, improvement and equipping of the Project will be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and
- WHEREAS, it would appear that the acquisition, renovation, improvement and equipping of the Project would be of benefit to the health or general welfare of the Issuer and its citizens; and
- WHEREAS, pursuant to and in accordance with the Act, the Issuer desires to provide funds to acquire, renovate, improve and equip the Project and to pay the costs of issuing the Notes (as defined herein) and fund reserves, if any, by issuing not to exceed \$30,000,000 aggregate principal amount of its City of Bloomington, Indiana Economic Development Revenue Note, Series 2021 (Crestmont Community Project) (the "2021 Notes") in one or more tax-exempt or taxable series or subseries; and

WHEREAS, the Issuer intends to issue the 2021 Notes pursuant to a Funding Loan Agreement (the "Funding Loan Agreement"), by and among the Issuer, a fiscal agent selected by the Borrower (the "Fiscal Agent") and an initial funding lender selected by the Borrower (the "Funding Lender") in order to obtain funds to lend to the Borrower for the purpose of acquiring, renovating, improving and equipping the Project pursuant to a Project Loan Agreement (the "Project Loan Agreement") with respect to the 2021 Notes between the Issuer and the Borrower, provided, however, that the aggregate principal amount of the outstanding Notes (as defined herein) shall not exceed \$30,000,000; and

WHEREAS, the Project Loan Agreement provides for the repayment by the Borrower of the loan of the proceeds of the 2021 Notes pursuant to which the Borrower will agree to make payments sufficient to pay the principal and interest on the 2021 Notes as the same become due and payable and to pay administrative expenses in connection with the 2021 Notes; and

WHEREAS, the Borrower has also requested that the Issuer authorize the potential issuance of refunding revenue notes, if desirable to the Issuer as directed by the Borrower (the "Refunding Notes," and with the 2021 Notes, the "Notes"), the proceeds thereof, if any, to be loaned to the Borrower to be used for the refunding and redemption of the 2021 Notes following the placed in service date of the Project in order to refinance the Project, (the "Refunding Transaction") through the Federal Home Loan Mortgage Corporation's Tax-Exempt Loan program; and

WHEREAS, in connection with the adoption of this Resolution, the Commission has considered whether the acquisition, renovation, improvement and equipping of the Project may have an adverse competitive effect on similar facilities operating in the City of Bloomington, Indiana; and

WHEREAS, there has been submitted to the Commission for its approval of substantially final forms of the Funding Loan Agreement, Project Loan Agreement, the Regulatory Agreement and the Notes related to the initial financing and the Refunding Transaction (hereinafter referred to collectively as the "Financing Documents") and the proposed form of ordinance which are by this reference incorporated herein;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF BLOOMINGTON ECONOMIC DEVELOPMENT COMMISSION as follows:

SECTION 1. It is hereby found that the acquisition, renovation, improvement and equipping of the economic development facilities referred to in the Financing Documents consisting of the Project, the issuance and sale of the Notes, in an aggregate principal outstanding amount not to exceed \$30,000,000, and the loan of the net proceeds thereof to the Borrower for the purposes of acquiring, renovating, improving and equipping the Project, and the repayment of said loan by the Borrower and the Refunding Transaction will be of benefit to the health or general welfare of the Issuer and its citizens and does comply with the purposes and provisions of the Act, including in particular the requirement of promoting a substantial likelihood of creating or retaining opportunities for gainful employment. Furthermore, it is hereby found that the

acquisition, renovation, improvement and equipping of the Project and the Refunding Transaction will further a public purpose of the Issuer through, among other things, the provision of quality, affordable, multifamily housing.

SECTION 2. The forms of the Financing Documents presented herewith are hereby approved and all such documents shall be kept on file by the Clerk of the Council or City Controller. In compliance with Indiana Code Title 36, Article 1, Chapter 5, Section 4, two (2) copies of the Financing Documents are on file in the office of the Clerk of the Council for public inspection.

SECTION 3. The Commission hereby recommends (i) the Issuer issue its 2021 Notes as described above, in the aggregate principal amount outstanding not to exceed \$30,000,000 for the purpose of procuring funds to loan to the Borrower in order to acquire, renovate, improve and equip the Project, which Notes will be payable as to principal and interest solely from the payments made by the Borrower pursuant to the Financing Documents to evidence and secure said loan and as otherwise provided in the above-described Financing Documents and (ii) authorizes the potential Refunding Transaction. The Notes shall never constitute a general obligation of, an indebtedness of, or charge against the general credit of the Issuer.

SECTION 4. The Commission further recommends that the Issuer authorize the Clerk and City Controller to sell such Notes to the purchasers thereof at a price not less than 97% of the aggregate principal amount thereof (excluding any original issue premium or discount), plus accrued interest, if any, and at a fixed or initial variable rate of interest not to exceed 12% percent per annum. The Commission further recommends that the Issuer authorize the optional redemption of the Notes within 20 years of the date of issuance thereof at a price of 100% of the principal amount thereof.

SECTION 5. The Commission recommends that the Mayor and Clerk be authorized and directed to execute those Financing Documents approved herein which require the signature of the Mayor and Clerk and any other document which may be necessary or desirable to consummate the transactions, and their execution is hereby confirmed on behalf of the Issuer. The signatures of the Mayor and the Clerk on the Notes may be necessary or desirable to consummate the transactions. The signatures of the Mayor and the Clerk on the Notes may be facsimile signatures. The Commission also recommends that the Clerk and City Controller be authorized to arrange for the delivery of such Notes to the purchaser, payment for which will be made in the manner set forth in the Financing Documents. The Mayor and Clerk may, by their execution of the Financing Documents requiring their signatures and imprinting of their facsimile signatures thereon, approve changes therein and also in those Financing Documents which do not require the signature of the Mayor and/or Clerk without further approval of the Common Council or the Commission if such changes do not affect terms set forth in Indiana Code Title 36, Article 7, Chapter 12, Section 27(a)(1) through (a)(10).

SECTION 6. The Commission approves the form of and recommends the adoption of the ordinance by the Common Council of the Issuer. The provisions of such ordinance, if and when adopted, and the Financing Documents shall constitute a contract binding between the Issuer and the holder or holders of the Notes and after the issuance of said Notes, the special resolution shall

not be repealed or amended, in any respect which would adversely affect the right of such holder or holders so long as said Notes or the interest thereon remains unpaid.

SECTION 7. The Commission finds and determines that the amount of tax credits to be allocated to the Project under Section 42 of the Internal Revenue Code of 1986, as amended, does not exceed the amount necessary for the financial feasibility of the Project and its viability as a qualified housing project throughout the credit period for the Project. In making the foregoing determination, the Commission has relied solely upon representations of the Borrower. The foregoing determination shall not be construed to be a representation or warranty by the Commission as to the feasibility or viability of the Project. In reliance upon the representations of the Borrower, it is hereby found and determined that the Project satisfies the requirements for the allocation of a housing credit dollar amount under the Indiana Housing and Community Development Authority's qualified allocation plan.

SECTION 8. The Secretary of this Commission is directed to cause this resolution and two copies of the financing documents in their final forms to be transmitted to the office of the Clerk of the Council for presentation to the Common Council with the recommendation that the Common Council approve such documents in their final forms pursuant to the proposed form of Ordinance hereby recommended to the Common Council.

* * *

Adopted this 11th day of August, 2021.

CITY OF BLOOMINGTON ECONOMIC
DEVELOPMENT COMMISSION

Kurt Zorn, President

Vanessa McClary, Member

Geoff McKim, Member

Kate Rosenbarger, Member

Malcolm Webb, Member

REPORT OF THE CITY OF BLOOMINGTON, INDIANA ECONOMIC DEVELOPMENT
COMMISSION CONCERNING THE PROPOSED FINANCING OF
ECONOMIC DEVELOPMENT FACILITIES FOR
BLOOMINGTON RAD II, LP, AN INDIANA
LIMITED PARTNERSHIP

The City of Bloomington Economic Development Commission (the "Commission") proposes to recommend to the Common Council of the City of Bloomington, Indiana, that it provide funds for the acquisition, renovation, improvement and equipping of economic development facilities for Bloomington RAD II, LP, an Indiana limited partnership. Such economic development facilities consist of the acquisition, renovation, improvement and equipping of a multifamily housing facility consisting of an apartment complex known as Crestmont Community, containing approximately 204 apartment units located at 1002 N. Summit Street, Bloomington, Indiana, together with functionally related and subordinate facilities such as carports, garages and parking areas and funding costs of issuance and any necessary reserves in connection therewith (the "Project"). The total cost for the acquisition, renovation, improvement and equipping of the Project is presently estimated to be in an amount of approximately \$54,900,000, including incidental costs of issuance of the economic development revenue notes and funding any necessary reserves in connection therewith.

No public facilities to be paid for by the government will be made necessary on account of the acquisition, renovation, improvement and equipping of the Project.

The Commission has considered whether the Project will have an adverse competitive effect on any similar facilities already constructed or operating in or near Bloomington, Indiana.

It is estimated that upon the acquisition, renovation, improvement and equipping of the Project, the operation will retain 7 employees, with an estimated total payroll of approximately \$270,000 annually.

Adopted this 11th day of August, 2021.

Kurt Zorn, President

Attest:

Malcolm Webb, Secretary

August 11, 2021

Mr. Brad Wisler
President
City of Bloomington, Indiana Plan Commission
401 N. Morton St., Suite 130
Bloomington, IN 47404

Re: REPORT OF THE CITY OF BLOOMINGTON, INDIANA ECONOMIC
DEVELOPMENT COMMISSION CONCERNING THE PROPOSED
FINANCING OF ECONOMIC DEVELOPMENT FACILITIES FOR
BLOOMINGTON RAD II, LP, AN INDIANA LIMITED PARTNERSHIP

Dear Mr. Wisler:

Enclosed is a copy of a report of the Economic Development Commission (the "Commission") of the City of Bloomington, Indiana with respect to the financing of an economic development facility located within your jurisdiction for Bloomington RAD II, LP (the "Project").

Pursuant to the provisions of Indiana Code Section 36-7-12-23(b), you may transmit to the Commission within five (5) days of receipt of this report any written comments you may have concerning the Project. Any responses should be addressed to the Commission, at the following address:

Bloomington Economic Development Commission
401 N. Morton Street, Suite 150
Bloomington, Indiana 47404

Sincerely,

CITY OF BLOOMINGTON, INDIANA
ECONOMIC DEVELOPMENT COMMISSION

Kurt Zorn, President

Enclosure