

In Bloomington, Indiana on Wednesday, February 16, 2022 at 6:30pm, Council President Susan Sandberg presided over a Regular Session of the Common Council. Per the Governor's Executive Orders, this meeting was conducted electronically via Zoom.

COMMON COUNCIL
REGULAR SESSION
February 16, 2022

Councilmembers present via Zoom: Matt Flaherty, Isabel Piedmont-Smith, Dave Rollo, Kate Rosenbarger, Susan Sandberg, Sue Sgambelluri, Jim Sims, Ron Smith, Stephen Volan
Councilmembers absent: none

ROLL CALL [6:32pm]

Council President Susan Sandberg summarized the agenda.

AGENDA SUMMATION [6:33pm]

There were no minutes for approval.

APPROVAL OF MINUTES [6:34pm]

Flaherty noted his upcoming constituent meeting.

REPORTS

Sims extended well wishes to everyone for Black History Month. Rollo spoke about neighborhood trees.

- COUNCIL MEMBERS [6:35pm]

Sandberg expressed condolences to the families of Randy Paul and Jerard Powell who were two community members that had recently passed away.

Mayor John Hamilton spoke in favor of the proposed Catalent tax abatement with the city and encouraged council members to support it.

- The MAYOR AND CITY OFFICES [6:45pm]

Smith presented the Transportation Committee Report for the 2022 Sidewalk Funding Allocation.

- COUNCIL COMMITTEES [6:48pm]

There was a brief council discussion regarding some of the projects following the report.

Greg Alexander commented he appreciated the work the committee had done but more sidewalk projects should be given priority.

Public comment:

DJT inquired if the meeting would be recorded for future viewing.

Piedmont-Smith expressed her appreciation to the committee members and staff who were involved in the project.

Council comment:

Rosenbarger echoed Piedmont-Smith's appreciation of staff.

Rollo expressed gratitude towards the city staff and highlighted the limited funding available for sidewalk projects. He suggested that the city administration collaborate to develop a comprehensive plan for future sidewalk projects.

Flaherty conveyed his appreciation to all those who contributed to the project. He suggested that a significant portion of the city's budget should be dedicated to sidewalk projects.

Sims echoed the sentiments of thanks to the committee and stated that he supported the recommendation.

Rollo moved and it was seconded to approve the 2022 Transportation Committee Report.

The motion to approve the report received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Vote to approve the Sidewalk Committee report [7:16pm]

Christopher Emge introduced himself as the new Advocacy Director of the Greater Bloomington Chamber of Commerce.

• PUBLIC [7:16pm]

Greg Alexander commented about the lack of snow removal cleanup on sidewalks.

Flaherty moved and it was seconded to appoint Mitch Rice to seat C-3 on the Bicycle and Pedestrian Safety Commission. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

APPOINTMENTS TO BOARDS AND COMMISSIONS [7:22PM]

Flaherty moved and it was seconded to reappoint Sarah Ryterband to seat C-3 and Ryne Shadday to seat C-6 on the Traffic Commission. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Volan moved and it was seconded to reappoint Megan Parmenter to seat C-1, and Jeff Ehman to seat C-3 on the Utilities Services Board. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Volan moved and it was seconded to reappoint James Sanders to seat C-2 on the Martin Luther King, Jr. Birthday Celebration Commission. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Volan moved and it was seconded to appoint Nana Amoah-Ramey to seat C-1 on the Commission on the Status of Women. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Rollo moved and it was seconded to appoint Chris Sturbaum to seat C-4 on the Historic Preservation Commission. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Rollo moved and it was seconded to appoint Chris Corey to seat C-1 and Gerard Pannekoek to seat C-4 on the Bloomington Arts Commission. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Rollo moved and it was seconded to reappoint Dairo Baez to seat C-1 and Francisco Ruiz Lemus to seat C-4 on the Commission on Hispanic and Latino Affairs Commission. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Piedmont-Smith moved and it was seconded to reappoint Colin Murphy to seat C-4, and to appoint Matt Austin to seat C-3 and Sarah Congress to seat C-5 on the Commission on Sustainability. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Piedmont-Smith moved and it was seconded to reappoint Tracy Gates to seat C-1 and Eoban Binder to seat C-3 on the Parking Commission. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Sgambelluri moved and it was seconded to approve and ratify the following mayoral appointments for the Historic Preservation Commission: Marleen Newman to seat M-1, Doug Bruce to seat M-2, Daniel Schlegel to seat M-3, Sam DeSollar to seat M-4, John Saunders to seat M-6, Elizabeth Mitchell to seat M-7, Allison Chopra to seat M-8, and Reynard Cross to seat M-9.

The motion received a roll call vote of Ayes: 7, Nays: 0, Abstain: 2 (Rollo, Smith).

LEGISLATION FOR SECOND
READING AND RESOLUTIONS
[7:38pm]

Rollo moved and it was seconded that Resolution 22-05 be read by title and synopsis only. The motion was approved by voice vote. Clerk Nicole Bolden read the legislation by title and synopsis, giving the committee do-pass recommendation of Ayes: 9, Nays: 0, Abstain: 0.

Rollo moved and it was seconded that Resolution 22-05 be adopted.

Alex Crowley, Director of Economic and Sustainable Development (ESD), presented the legislation. The legislation was the proposed tax abatement for Catalent. Andrew Espejo, General Manager of Catalent Bloomington, and Grant Echols, Director of Facilities and Engineering, gave an overview of the mission of Catalent and the proposed job expansion for the tax abatement.

Resolution 22-05 - To Designate an Economic Revitalization Area, Approve the Statement of Benefits, and Authorize an Abatement Period for Real Property Improvements and Personal Property Re: Properties at 1300 S. Patterson Drive (Catalent Indiana, LLC, Petitioner)

Rollo asked the timeline for the proposed job positions to be created and filled.

Espejo said that due to the potential job growth in Bloomington, Catalent wanted to fill positions within six to twelve months.

Council questions:

Volan asked if additional bus routes, that might be needed for the job growth Catalent proposed, had been discussed with the Transportation Department.

Crowley said he had been in touch with the department and were in the early stages of planning.

Volan asked Crowley to be specific with their transportation goals to incentivize employees to reduce the number of miles traveled.

Crowley stated an example of an incentive was the organization of a vanpool for employees to travel together.

Volan asked about the possibility of implementing a parking cash-out program for employee incentives to reduce vehicles that traveled to Catalent.

Crowley stated it had not been discussed but they were open to discussion with Catalent for this type of program to reduce car travel.

Sgambelluri asked Crowley to elaborate on the twenty-year estimated number figure for the abatement and its total.

Crowley said the tax rate was a factor and had an effect on the number. He also explained the personal property abatement.

Flaherty asked Crowley to clarify if it was correct that there would be an additional 1,000 total jobs.

Crowley stated that it was correct and was based on the 52% of the County Optional Income Tax (COIT).

Flaherty asked if the city's portion of COIT would be \$1.35 million.

Crowley stated yes.

Rosenbarger expressed her concern about the housing market and asked about the possibility of revisiting the Unified Development Ordinance (UDO) discussion if the abatement led to the creation of 1,000 jobs.

Crowley said that apartment buildings were being constructed and the city was behind, but the Planning Department was looking at the UDO to improve the quality of affordable housing. Staff was

considering the housing issue but did not want affordable housing to get in the way of the potential economic growth.

Rosenbarger asked for clarification on the turnaround time for the project.

Espejo responded that Catalent wanted to start the expansion right away, and to add the 1,000 jobs over the next five to seven years. The strategic team was working on implementing the expansion.

Crowley stated the type of growth that Catalent was looking to do attracted housing developers and potentially accelerated the housing development.

Piedmont-Smith asked how the council should interpret the value of the real estate and business personal property abatements which had totaled \$29.1 million dollars.

Crowley explained the levies were not tied to property taxes. The tax rate was based on assessed value and would slightly decrease if there was no abatement. He also stated the investment was proportional to the assessed value.

Piedmont-Smith asked if the \$350,000,000 investment was not abated, would the city see a tax rate decrease because the levy remained the same.

Crowley said yes.

Sgambelluri asked how the project would impact the consolidated Tax Increment Financing district (TIF).

Crowley said the TIF districts only captured real property, not personal property. He said without an abatement, \$10 million would flow into the TIF but 97% of the investment would be ineligible for TIF.

Sgambelluri asked Crowley to confirm that the city's ability to meet debt obligations would not be compromised by this project.

Crowley stated that was correct.

Rollo asked if the positions to be filled would be from residents within Bloomington and Monroe County or from surrounding counties.

Espejo stated that 52% of employees resided in Monroe County. They did not think that would change drastically.

Volan asked why the city should be solely responsible for the abatement when half of the employees lived outside Monroe County.

Crowley said that it was due to Catalent being in the city's jurisdiction and another county could not provide an abatement for the city.

Larry Allen, Assistant City Attorney, said there were no mechanisms in place to allow other counties to assist with the abatement. If the city wanted to share responsibilities with other jurisdictions it would take interlocal agreements with other surrounding counties to be prepared.

Volan asked about incentives for employees to live in Monroe County instead of somewhere else.

Crowley responded that the city was a regional economy and thousands of people lived in Bloomington and work at Crane. It was the individual's choice to decide where to live and where to work.

Volan commented he still did not understand the logic that Crowley explained and that he would wait for the comment period to make his point.

Flaherty asked what the potential impact of lost revenue would be for the city as a result of the abatement.

Resolution 22-05 (cont'd)

Crowley stated that communities with a decrease in their assessed value would see an increase in tax caps, which was a significant loss. Bloomington had experienced an increase in its assessed value and was not facing such losses, resulting in minimal impact.

Flaherty asked if it was correct that based on the increase in tax cap credits, that there would not be much loss to the city.

Crowley said that was correct, broadly speaking.

Piedmont-Smith asked what the value of previous incentives was for Catalent.

Crowley said there was a tax abatement in 2019 with a different structure and schedule than the current one. He said they focused on assessing the value of the abatement in terms of job creation and found that the current abatement cost only around \$29,000 per job, compared to the 2019 abatement's cost of about \$31,000 per job. That information was important for understanding the effectiveness of the current abatement.

Piedmont-Smith asked what the total abatement in 2019 was.

Crowley stated the total capital investment was \$125 million, the cumulative value of the abatement was \$6.2 million, and 200 jobs were committed.

Sandberg asked how the proposed abatement would impact other small businesses economically, due to the employee shortage in the city.

Crowley said all businesses were having challenges of employee shortages that were related to the pandemic. Staff hoped that growth would continue to progress.

Smith asked if he was correct in his assumption that if 1,000 jobs were created, and 52% of the employees were local and would earn \$60,000 a year that would equate to \$30 million in the local economy.

Crowley stated the annual amount of payroll would be \$33 million. The investment was a part of a growth curve that would take years.

Volan asked how many acres were being designated for parking.

Echols said it would be about 550 parking spaces.

Volan asked how Catalent anticipated 1,000 new jobs but only 550 parking spaces.

Echols responded that the shifts were balanced out since Catalent operated on a twenty-four hour basis.

Volan asked if Catalent had considered that a fifth of the land be for housing for employees instead of the parking, to reduce carbon footprint.

Espejo said they would discuss that with the strategic planning team.

Volan commented that he disliked parking more than he liked giving up city tax revenue, and that developing housing for employees would be beneficial to Catalent. He wanted to discuss that before confirming the resolution.

Crowley explained that was an unreasonable accommodation at the time, but that staff would work with Catalent for future opportunities for workforce housing.

There was a brief discussion regarding the possible development of workforce housing on the Catalent campus.

Rollo asked about challenges regarding infrastructure that were either on-site or in the community that they should be concerned about.

Echols stated that he was not aware of any challenges that would be a roadblock to the potential investment.

Sgambelluri asked for clarification on the thirty year Economic Revitalization Area (ERA) abatement.

Allen said that the investment period had to be extended to ensure maximum abatement claim, and council had to conduct an annual evaluation of Catalent's performance. The personal property was exempt for twenty years and would undergo a reevaluation after ten years.

Flaherty asked what the current the annual taxable income for Catalent and the expected annual growth was, and would be after the investment.

Espejo said he did not have that information available but would follow up with council.

Flaherty said he was asking was because he was having a hard time weighing a sizable abatement. He asked for more details as to why that specific abatement was necessary.

Crowley stated that negotiations were necessary and challenging. The goal for the abatement was to signal to Catalent that the city saw the value of their potential investment in the community with the addition of new jobs and more.

Jacob Everett, Catalent advisor, McGuire Sponsel, said that while the tax climate was complex, and advisors to Catalent took into account all the layers of taxation and provided guidance to help make informed decisions.

Jen Pearl, President of the Bloomington Economic Development Corporation (BEDC) spoke in favor of the potential local economic growth for the local economy and supported the resolution.

Public comment:

Dave Conner, Chief Financial Officer of Harrell Fish, Inc., commented on how his company had contributed and partnered with Catalent. He urged the council to support the resolution.

Sarah Rogers noted the significant growth that Catalent had provided the community and urged the council to support the resolution.

Piedmont-Smith asked about the timeline for the confirmatory resolution if Resolution 22-05 passed that evening.

Council comments:

Allen said the vote on the resolution and the public hearing would be all on the same night but would have the tenday notice for the public hearing.

Piedmont-Smith asked what happened if council needed more time to vote on the resolution.

Stephen Lucas, Council Attorney, stated that there was no statutory requirement to hold a vote but there was a requirement to have a public meeting. If council needed to postpone for any reason it would be helpful for Catalent to get clarity on the reason.

Espejo said they were well into the strategic planning process and were hoping to conclude soon.

Crowley provided additional information on the process.

Sgambelluri asked what would give Catalent reservations about potentially growing in Bloomington.

Espejo stated that Bloomington was a great place for continued growth but would have competition with Kansas City and Wisconsin.

Resolution 22-05 (cont'd)

Volan asked why smaller businesses in the city that hired employees at the rate of \$16 an hour did not qualify for abatements. He asked if the city only targeted larger corporations.

Crowley stated that an abatement was the capital investment of the job and there was no bias towards larger employers or larger capital investments.

Rollo commented that Catalent had been a great partner in the community. He said even though 52% of the employees lived in the area and the other half live outside of the area, Bloomington served as a regional job hub. He thanked Crowley and the other presenters and said that he planned on supporting Resolution 22-05.

Smith said the investment would help revitalize parts of Bloomington and that he supported Resolution 22-05 and urged his colleagues to do as well.

Sgambelluri commented on how the Steel Mill industry in Gary, Indiana experienced fluctuations in its workforce, and how that affected the local community. She noted that Catalent had demonstrated a successful work initiative in Bloomington, and said she supported Resolution 22-05.

Sims said the city could lose a lot if they decided not to invest and would rather have the challenge of growth rather than of decline. He supported Resolution 22-05.

Flaherty acknowledged the possible consequences of denying the abatement. Bloomington should be able to attract investments and growth on its own, without the need for an abatement. He would vote in favor of Resolution 22-05 but wanted to voice his reservations.

Volan expressed similar concerns that Flaherty had regarding the size of the abatement. He strongly suggested that Catalent consider turning some of their parking spaces into housing for their employees to reduce their carbon footprint, as it would benefit Catalent, their employees, and the city. He would be voting in favor of the Resolution 22-05.

Piedmont-Smith commented on Catalent bringing Bloomington well-paying jobs and creating partnerships within the community. She strongly urged city officials to continue discussing the development of housing near the Catalent area and suggested implementing a structured parking system or creating more green space in the area. She expressed her support for Resolution 22-05 and said she looked forward to learning more about the financials that were involved.

Rosenbarger planned on voting in favor of the Resolution 22-05. She stated while there might be trade-offs regarding the proposal, council would be able to address housing shortages and transportation issues without sacrificing one over another. She expressed her interest in collaborating with Catalent and other employers to provide transit benefit programs and was excited about the new job opportunity.

Sandberg said quality of life and affordable housing was something that she was very passionate about. She commented on the wage shortage that the community was experiencing. She said that by supporting the Resolution 22-05, she was addressing those concerns.

Resolution 22-05 (cont'd)

The motion to adopt Resolution 22-05 received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Vote to adopt Resolution 22-05 [9:59pm]

There was no legislation for first reading.

LEGISLATION FOR FIRST READING [9:59pm]

There was no additional public comment.

ADDITIONAL PUBLIC COMMENT [10:00pm]

Lucas reviewed the upcoming council schedule and said council could consider canceling the Committee of the Whole meeting that was scheduled for Wednesday, February 23, 2022.

COUNCIL SCHEDULE [10:02pm]

Volan moved and it was seconded to cancel the Committee of the Whole (COW) scheduled for Wednesday, February 23, 2022.

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

Vote to cancel COW [10:02pm]

Volan moved and it was seconded to adjourn.

ADJOURNMENT [10:04pm]

APPROVED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this 06 day of September, 2023.

APPROVE:

ATTEST:



Sue Sgambelluri, PRESIDENT
Bloomington Common Council



Nicole Bolden, CLERK
City of Bloomington