

# **City of Bloomington Common Council**

## **Legislative Packet**

**27 June 2012**

*Please note that the Council will meet this day for a Special Session immediately followed by a Committee of the Whole.*

*All material for this week's Council meeting is contained herein.*

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## Packet Related Material

Memo  
Agenda  
Calendar

### Notices and Agendas:

- **Notice for Rules Committee Meeting** on Wednesday, June 27<sup>th</sup> at noon in the Council Library

### Special Session on Wednesday, June 27, 2012

- **Annual Tax Abatement Report (Covering Activity in 2011)**
  - Memo to Council from Danise Alano-Martin, Director of the Department of Economic and Sustainable Development; Report  
*Contact: Danise Alano-Martin at 349-3418 or [alanod@bloomington.in.gov](mailto:alanod@bloomington.in.gov)*  
*Adam Wason at 349-3419 or [wasona@bloomington.in.gov](mailto:wasona@bloomington.in.gov)*

### Resolutions for Action at the Special Session

- **Res 12-06** Waiving Current Payments in Lieu of Taxes By the Bloomington Housing Authority to the City
  - Memo from Lisa Abbott, Director of the Housing and Neighborhood Development (HAND) Department;
  - Payment in Lieu of Taxation (PILOT) Calculations  
*Contact:*  
*Lisa Abbott at 349-3401 or [abbottl@bloomington.in.gov](mailto:abbottl@bloomington.in.gov)*  
*Nicki Vaught at 339-3491 or [nvaught@blha.net](mailto:nvaught@blha.net)*
- **Res 12-07** To Approve an Interlocal Cooperation Agreement Between the City of Bloomington and Monroe County, Indiana in Regards to 2012 Edward Byrne Memorial Justice Assistance Grant (JAG)
  - Memo to Council from Patty Mulvihill, Assistant City Attorney;
  - Grant Narrative;
  - Interlocal Agreement;  
*Contact: Patty Mulvihill at 349-3426, [mulvihill@bloomington.in.gov](mailto:mulvihill@bloomington.in.gov)*

## **Legislation for Introduction at the Special Session on Wednesday, June 27<sup>th</sup>:**

- **Ord 12-15** - To Reauthorize the Cumulative Capital Development Fund
  - Memo to Council from Mike Trexler, Controller; Procedures for Establishing Cumulative Funds (provided by the Department of Local Government Finance [DLGF])

*Contact:*

*Mike Trexler at 349-3412 or [trexlerm@bloomington.in.gov](mailto:trexlerm@bloomington.in.gov)*

## **Legislation and Background Material for Discussion at the Committee of the Whole on Wednesday, June 27<sup>th</sup>:**

- **Ord 12-15** - To Reauthorize the Cumulative Capital Development Fund
  - *See above for the list of accompanying materials*

*Contact: Mike Trexler at 349-3412 or [trexlerm@bloomington.in.gov](mailto:trexlerm@bloomington.in.gov)*
- **Res 12-08** Resolution of the City of Bloomington, Indiana, Consenting to a New Borrower in Connection with the Economic Development Revenue Bonds, Series 2012 (1302 South Rogers, LLP Project), of the City and Approving Certain Amending Financing Documents in Connection Therewith
  - Memo to Council from Bond Counsel
  - First Supplemental Trust Indenture and Mortgage
  - First Supplemental Loan Agreement, Mortgage and Security Agreement

*Contact:*

*Adam Wason at 349-3419 or [wasona@bloomington.in.gov](mailto:wasona@bloomington.in.gov)*

*Dennis Otten, Bond Counsel, Bose Mckinney & Evans, LLC,  
[dotten@boselaw.com](mailto:dotten@boselaw.com)*

## Memo

### **Two Meetings on the Evening of Wednesday, June 27<sup>th</sup> – Special Session Immediately Followed by a Committee of the Whole – All Legislation and Material is in this Packet**

There are two meetings next Wednesday night and the all the material for both meetings is included in this packet and summarized herein.

The first meeting is a Special Session where the Council will:

- consider the Annual Tax Abatement Report;
- be ready to take action on two resolutions:
  - Res 12-06 – Waiving the Payment in Lieu of Taxes (PILOT) for the Bloomington Housing Authority; and
  - Res 12-07 – Approving an Interlocal Agreement with the County regarding disbursement of a Justice Assistance Grant; and
- introduce Ord 12-15, which reauthorizes the Cumulative Capital Development Fund (CCDF).

The second is a Committee of the Whole to discuss:

- Res 12-08 - consenting to a change in the borrower for Economic Development Revenue Bonds for 1302 S. Rogers approved by Ord 10-19; and
- Ord 12-15, which will be introduced at Special Session earlier that evening.

## Special Session

### **Annual Tax Abatement Report**

Danise Alano-Martin, Director of Economic and Sustainable Development and Adam Wason, Assistant Economic and Sustainable Development Director for Small Business, are scheduled to present the *Annual Tax Abatement Report (Report)* to the Council next Wednesday night at a Special Session immediately preceding the Committee of the Whole. This Special Session was added to the Annual Schedule a few years ago and gives the department more time to prepare the *Report*, while still giving the Council time to review it within the statutory timeframe.

Each year, statute and local Tax Abatement Program: General Standards<sup>1</sup> (*Local Standards*) require recipients of tax abatements to file CF-1 forms with the Clerk of the legislative body showing whether the project is providing the benefits which were promised at the time the petitioner sought the abatement. Due to a change in State law in 2005, the deadline for submitting CF-1s for improvements to real estate and for the installation of new manufacturing equipment are now all on the same date (May 15<sup>th</sup>). Please note that copies of those CF-1s are available in the Clerk's Office for your review.

Economic and Sustainable Development collects and reviews the CF-1s, files a report with the Economic Development Commission and presents its recommendations to the Council in time for the Council to pursue statutory procedures to terminate abatements, should the underlying circumstances justify that decision. This year, the *Report* recommends that *all* of the recipients be found in substantial compliance, but mentions one (Woolery) where amendments are expected later this year.

The *Report* is to the Economic Development Commission and Common Council and summarizes the status of the active and recently-inactive tax abatement projects. Please note it does not contain any *new* tax abatements since the last *Report* was considered by the Council last June because none have been granted during that time. This *Report* is included in this packet, takes the form of a PowerPoint presentation, and includes a (n):

- Introduction to Tax Abatements (slides 1-8);
- Table of Contents (slide 9);
- Summary of the Economic Impact of these projects (slides 10 - 14).
- One sheet summary of each project which is accompanied by photos including:
  - Residential Development Projects (slides 15-36) – 9 projects;
  - Mixed-Use Projects (slides 37-39) – 1 project;
  - Commercial Projects (slides 40-53) – 6 projects;
- List of six abatements that have expired (slide 55);
- List of two projects where not all of the CF-1s have been received (slide 57);  
and
- Explanation for one unfinished abatement where an amendment is expected to be brought forward later this year (slide 58).

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<sup>1</sup> The General Standards were revised in January, 2011 with the adoption of Res 11-01.

My memo below briefly explains tax abatements, summarizes the process for reviewing these projects and highlights some projects that were previously discussed by the Council or that may not have fully met their targets this year. *Please note that the Meeting Memo for next week's Special Session will offer the Council an order for your deliberations as well as a menu of motions from which to choose.*

### Tax Abatement – A Reduction in Property Tax Liability for Properties Not Susceptible to Normal Growth and Development

Tax abatements are a reduction of tax liability on real and personal property that applies to increased assessed valuation due to new investment. (I.C. 6-1.1-12.1 et seq.) Prior to awarding a tax abatement, the Council must make a determination (in the form of designating an Economic Revitalization Area [ERA] and, in some cases, an Economic Development Target Area [EDTA]) that the site would not develop under normal market conditions. Although this is a prediction and, therefore, a difficult determination to make, it serves as a check on each abatement and as a way providing that these incentives will be used for investments that would not otherwise occur.

Please note that the period of abatement may run from 1 to 10 years and the amount of the abatement is generally determined by a sliding scale that runs from 100% to 0%. However, in 2011<sup>2</sup> the General Assembly authorized local entities to grant up to three years of 100% abatement in certain very limited circumstances (involving occupation of large, vacant buildings and the investment of at least \$10 million) and also authorized local entities to use alternative methods for determining the duration and amount of property tax abatements based upon certain factors.<sup>3</sup>

### Typical Commitments - Standard of Review (Substantial Compliance)

Along with making a determination regarding the distressed nature of the site, statute and *Local Standards* require the Council to find that the benefits asserted by the petitioner are reasonable and probable and justify, in totality, the granting of the

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<sup>2</sup> House Enrolled Act 1007 (PL 173 of 2011)

<sup>3</sup> IC 6-1.1-12.1-17 Alternative deduction schedules (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an alternative abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) An alternative abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An alternative abatement schedule may not exceed ten (10) years.

abatement. As a general matter, the nature of benefits sought by the City are set forth in the *Local Standards* and those benefits proposed for individual projects are set forth in the Application and Statement of Benefits. They principally relate to:

- the amount of investment (as measured by the estimated assessed valuation of the improvements) with the goal of enhancing the tax base; and
- the number of jobs retained and created by the project, and the size of the resulting payroll with the goal of creating permanent, full-time, living wage jobs.

Along with these principal benefits, the *Local Standards* invite petitioners to offer other benefits that provide significant positive contributions to the overall economic vitality and quality of life in the City. Those benefits can be found online at

<http://bloomington.in.gov/taxabatement> and, in particular at <http://bloomington.in.gov/media/media/application/pdf/10780.pdf>.

In reviewing the benefits in the *Report*, you will see ones that evolved over time prior to the adoption of the new *Local Standards* in January of 2011. They include, but are not limited to:

- the number of affordable dwelling units that have been set aside for low-to-moderate income households. (*Please note that these units are usually in the form of subsidized rental units, but may include owner-occupied housing*);
- encouraging housing in the downtown area (*which, for decades, was not occurring at the rate or in the manner desired by the City*);
- rehabilitating a historic property in accordance with Secretary of Interior standards;
- the use of higher quality materials; and
- a commitment to provide a certain level of indigent care.

The Annual Tax Abatement *Report* gives the Council an opportunity to review projects in order to determine whether they are in substantial compliance with the commitments made at the time of the abatement. The Council must act within 45 days of the deadline for filing the CF-1s if it intends to exercise its power to rescind a tax abatement.<sup>4</sup>

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<sup>4</sup> IC 6-1.1-12.1-5.9

As noted above, the Council may rescind the tax abatement and terminate the deduction only if it finds that the property owner has not substantially complied with the commitments made at the time of the abatement.

*According to statute, the decision to terminate the tax deduction should be made only when you conclude the tax payer has not made reasonable efforts to meet its commitments and was not prevented from complying with the terms of the abatement due to factors beyond its control.*<sup>5</sup>

### Economic Impacts

As a result of past requests from the Council, the *Report* provides some economic impacts of the tax abatements, including the:

- amount of investment (\$66.7 million proposed/\$192 million actual);
- number of jobs created (287 proposed/ 624 actual) and the size of the resultant payroll (\$12.3 million proposed/ \$35.5 million actual);
- number of new and retained jobs (750) and size of the payroll (443 million); and
- change in assessed valuation (which grew from \$7.9 million to \$92 million).

### Report Recommends Substantial Compliance for All Projects

The *Report* recommends that *all* of the projects be found in compliance with the terms of their abatement. The following chart covers projects with some issues previously discussed by the Council and some issues possibly raised by the CF-1s:

Slide 19 **Lockerbie**

500 N. Walnut St.

Res 01-02

**Issue:** This project was intended to be a downtown, owner-occupied residential project. While the developer invested more than was estimated in the project, the *Report* does not indicate whether the units are owner-occupied. In the past, Alano-Martin has mentioned that it would be difficult to exclude properties occupied by children who rented from their parents while attending IU. She also has acknowledged problems defining and implementing the concept of “owner-occupied.” This project is in the last year of its 10-year abatement.

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<sup>5</sup> The local General Standards give the following examples of grounds for terminating a tax abatement: 1) Failure to comply with any terms set forth in the Memorandum of Agreement; 2) An incomplete, inaccurate, or missing CF-1; 3) Petitioner vacates the City of Bloomington during the term of abatement; 4) Fraud on the part of petitioner; and 5) Initiation of litigation with the City of Bloomington.



Slide 42 **Metropolitan  
Printing, Inc**

720 South Morton Street

Res 99-31

**Issue:** The property owner intended to create six to eight new jobs with an investment of \$2.475 million for improvements in real estate and the acquisition of new manufacturing equipment. While the total investment exceeded projections, there was an actual *reduction* in the work force from 55 to 32 employees. The *Report* found the property owner was making good-faith efforts to meet these commitments. Past deliberations at the Council identified challenging trends in the printing industry. *Please note that this is the last year of the abatement.*

Slide 47 **Marlin Real Estate  
Holdings, LLC  
(formerly Richland  
Development Group)**

1600 West Bloomfield Road

Res 02-22

**Issue:** This property changed ownership a few years ago. Alano-Martin ascertained that ProLogic Redemption Solutions (which took over the coupon business), an accountant, a dentist and a real estate office occupy the space. The initial property owner committed to invest \$3.7 million in the project, retain 30 positions, and create 30 new positions. The *Report* indicates that the project met investment expectations and, while falling three positions short on the number of retained and created (57), it more than tripled the anticipated payroll.

Slide 52 **Rogers Property  
Management, LLP  
(IMA East)**

2605 East Creek's Edge Drive

Res 06-02

**Issue:** Along with the standard commitments for investment in improvements, creation of new jobs, and the increase in payrolls (which all have more than doubled the projections), this project also included other community benefits. Those community benefits centered around providing a minimum of \$200,000 in uncompensated services to the community over the length of the abatement. The *Report* indicates this project met this commitment. The attachment to the CF-1 indicates that the entire IMA enterprise contributed over \$2.5 million in uncompensated services in 2011. With 16% of the IMA professional staff located at the Creek's Edge facility, that figure translates (on a pro-rated basis) to more than \$400,000 in uncompensated services for that site.

Expired Tax Abatements (Slide 55)

<b>East Third Street Properties, Inc.</b>	1239, 1249, 1251 Miller Drive & 1721, 1725, 1731 Highland Avenue	<u>Res 95-03</u>
<b>CFC, Inc. – Bicycle Apartments</b>	200-216 S. Madison Street	<u>Res 95-30</u>
<b>Hopewell Renewal (Various Owners)</b>	1400 block W. 6 <sup>th</sup> Street)	<u>Res 96-14</u>
<b>Landmark Medical, LLC</b>	550 Landmark Avenue (Landmark Business Center)	<u>Res 99-27</u>
<b>B &amp; L Sheet metal &amp; Roofing</b>	1301 N. Monroe Street	<u>Res 99-41</u>
<b>Mary &amp; Daniel Friedman</b>	252 N. Walnut Street (Omega Building)	<u>Res 00-07</u>

CF-1s Not Received (Slide 57)

The *Report* indicates that the following property owners did not file a CF-1:

<u>Report</u>	<u>Tax Payer</u>	<u>Site/Name of Project</u>	<u>Legislation</u>
Slide 16	<b>Habitat for Humanity</b>	410, 412, 414 N. Hay Street	<u>Res 95-11</u>

**Comment:** This is an affordable, single family housing project where the individual owners must file the CF-1. It isn't unusual for them to forget to file a CF-1 or file an incomplete CF-1.

Slide 58	<b>Woolery Ventures, LLC</b>	2200 W. Tapp Road	<u>Res 04-01</u>
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**Comment:** *See Below*

Unfinished Projects

There is one unfinished project that was diverted from rescission last year as a result of further conversations between Economic and Sustainable Development staff and the petitioner.

	<u>Tax Payer</u>	<u>Site/Type of Abatement</u>	<u>Legislation</u>
Slide 58	<b>Woolery Ventures, LLC</b>	2200 W Tapp Road <i>Real Estate</i>	<u>Res 04-01</u>

**Issue and Recommendation:** In 2004, the petitioner sought a 10-year tax abatement for a historic adaptive re-use of an abandoned stone mill. The project was to include a hotel and residential units, meet Secretary of Interior standards, cost \$4.2 million, and create 45 new jobs with an annual payroll of \$762,000. The *Report* indicates that the petitioner still intends to develop the property, but hasn't made much progress (other than some landscaping and aesthetic improvements). In lieu of recommending rescission, the *Report* recommends that the petitioner file more current information on the project by September 1<sup>st</sup>, with the idea that, upon review, staff would support an amendment to the underlying legislation. *Please note that, although this recommendation does not require any special action by the Council, the Meeting Memo for June 27<sup>th</sup> will offer a slate of motions you may want to consider regarding this or other projects that evening.*

Non-Compliance - None

#### Other Tax Abatements Within the City Without Review by the Common Council

The *Report* evaluates current tax abatement projects authorized by the City of Bloomington, but does not address another form of tax abatement within the City enacted by the General Assembly that are generally not reviewed by the Common Council. These are tied to our Urban Enterprise Zone (which, at this time, is set to expire in 2017) and offers a 100% deduction of taxes for a period of either five or ten years for eligible investments within an Enterprise Zone for the purchase, construction and rehabilitation of buildings as well as the purchase and retooling of equipment. (I.C. 6-1.1-45) You may recall that the Council does, in fact, review a subset of these abatements which fall within one or another of our TIF districts.

### **Legislation for Action at the Special Session**

#### **Item One – Res 12-06 - Waiving Payments in Lieu of Taxation (PILOT) from the Bloomington Housing Authority to the City**

**Res 12-06** is an annual resolution requested by the Bloomington Housing Authority which waives any payment in lieu of taxes (PILOT) we might require of them. I.C. 36-7-18-25 exempts housing authorities from the payment of property taxes, but allows these authorities to enter into agreements with political subdivisions to pay a

PILOT for the estimated cost of services, improvements, and facilities that are provided by the political subdivisions. In the early 1960s, the Housing Authority agreed to pay the City a PILOT. After acknowledging the services performed by the Housing Authority that might have been provided by the City, and acknowledging the benefits we received from its other services, the resolution waives this obligation.

Lisa Abbott, Director of the Housing and Neighborhood Development (HAND) Department has submitted a *Memo*, which explains the history of the PILOT obligation, and a payment calculation sheet, which was provided by the Bloomington Housing Authority and is a Housing and Urban Development (HUD) form used to estimate the \$26,222.60 that they would otherwise pay the City for services received during the fiscal year ending September 30, 2011. Abbott and Nicki Vaught, Occupancy Director, Bloomington Housing Authority, will be present to explain the resolution.

**Item Two – Res 12-07 – Authorizing Execution of an Interlocal Cooperation Agreement with the County Regarding Disbursal of a 2012 Edward Byrne Memorial Justice Assistance Grant (JAG) to Purchase Equipment for the City Police Department and Monroe County Sheriff’s Department  
(Re: eDesk Kiosks, a Secure Server, and In-Car Cameras)**

**Res 12-07** authorizes the execution of an Interlocal Cooperation Agreement with the County regarding the disbursal of an Edward Byrne Memorial Justice Assistance Grant (JAG) funds for 2012. The City and County have received a \$33,460 award of federal Office of Justice Program JAG funds and will use the grant to purchase eDesk Kiosks for the City, install 3 in-car cameras for the Monroe County Sheriff’s Department, and purchase a secure server to be shared by both departments.

In the past, you may recall that the Council has approved JAG grants that helped acquire a telephone system, digital interviewing equipment, polygraph equipment (and train staff on its use), in-car cameras, vehicle locator equipment and software, and special vehicles for one, the other, or both of the Police and Sheriff’s departments.

**Grant**

The \$33,460 would be used in the following manner:

- The City would spend \$10,936 to purchase two eDesk Kiosks – one to be located in the lobby of the Police Department (available 24 hours/day) and the

other to be placed in the lobby of City Hall (available during regular hours of operation) – to enhance departmental availability to the public. These devices would allow for: “online crime reporting, various permits, submitting anonymous crime tips, contacting officers and detectives, public access requests, citizen complaints ...(and compliments), extra patrol requests, driving directions and more.”

- The County would spend \$17,325 to purchase and install in-car cameras for three of their vehicles. These devices document the activities of the deputies, provide better evidence of crimes (particularly driving offenses), and offer means to improve performance through their potential as a training tool.
- The City would spend \$5,199 to purchase a secure server for both departments to use to access the Law Enforcement National Data Exchange (N-Dex). N-Dex holds criminal justice records that are managed in a secure environment by the FBI’s Criminal Justice Information Services (CJIS) Division. The new server would allow both departments to identify persons and criminal histories which are not otherwise available and without disrupting the already heavy use of the existing main server.

### Agreement

As a requirement for an award, the City and the County must enter into a “Memorandum of Understanding” (Agreement) which is attached to the resolution.

In brief, the Agreement:

- “reflects the commitments and understandings ... of the governmental entities in order to efficiently and effectively utilize proceeds” from this award;
- allocates the grant between the two entities to be used as stated above;
- makes each party solely responsible for their own actions in furnishing services under this agreement;
- requires each party to communicate and cooperate with each other and to make good-faith efforts to obtain all necessary funds and otherwise comply with the Agreement;
- conditions performance of the duties under the Agreement on the receipt of sufficient JAG funds; and
- is to be narrowly construed in regard to the obligations of the parties and does not create rights for persons who have not signed it.

## **Legislation Ready for First Reading at the Special Session (as Well as for Discussion at the Committee of the Whole)**

### **Item 1 (for First Reading) – Ord 12-15 – Reauthorizing the Cumulative Capital Development Fund (CCDF) with an Increase in Property Tax Rate and Other Revisions**

**Ord 12-15** reauthorizes the Cumulative Capital Development Fund (CCDF) with an increase in the property tax rate and other revisions. The tax rate would affect 2012 taxes collected in 2013, and is being pursued now, because the request must be filed with the Department of Local Government Finance (DLGF) by August 1<sup>st</sup> of this year.

#### **Statutory Authority and Local History**

IC 36-9-15.5 authorizes municipalities to establish Cumulative Capital Development Funds (CCDFs). The revenues are derived from property taxes, can be used for a broad range of public purposes, and are held in this special non-reverting CCDF.<sup>6</sup> The City has had a CCDF since 1984 and, in accordance with the law at the time, reauthorized it in three-year intervals in 1987, 1990 and 1993.<sup>7</sup> The last time the City acted, it authorized a tax rate of \$0.015 of \$100 of Assessed Valuation (AV) (which was the maximum allowed at the time), provided a long list of uses for the fund, and set aside 1/15<sup>th</sup> of the revenue for the acquisition of land for park purposes.

In the absence of further action by the Council, the State has lowered the tax rate to \$0.027 per \$100 of AV in order to keep the revenues flat from year to year (at about \$874,000). Over that time, the General Assembly has also lowered the maximum rate to \$0.05 per \$100 AV.

#### **Statutory Procedure**

IC 6-1.1-41 sets forth the procedure for tax levies under the various “cumulative funds,” which must be followed in order for the taxes to be imposed. Without going into detail, the procedures are extensive and lengthy and include, among other steps:

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<sup>6</sup> The term “non-reverting” means the revenues do not, like most appropriations, revert to the General Fund at the end of the year.

<sup>7</sup> The relevant ordinances were: Ord 84-28, Ord 87-24, Ord 90-33, and Ord 93-38.

- Action by the fiscal body after a duly advertised public hearing on the proposal;
- Submittal of request to the Department of Local Government Finance (DLGF) by August 1<sup>st</sup>;
- Notice to tax payers of the submission;
- An opportunity for tax payers to object to the submission and, if the objections meet statutory criteria, to have a hearing on the matter; and
- Judicial review of the decision by the tax court.

### Actions Taken by the Ordinance

**Extending CCDF and Setting Tax Rate** The Ordinance extends the CCDF and authorizes the levy at the statutory maximum for this City, which is \$0.050 per \$100 of AV. As result of the City’s inaction over the years and changes in state law, the current levy is \$0.270 per \$100 of AV. According to information provided by the Controller, the change will increase the annual fund revenue from \$874,638 to \$1,619,700 (+ \$745,062) and increase the taxes for each \$100,000 of AV from \$27 to \$50 (+\$23). Please note that the ordinance does not, as allowed by statute, phase-in the increase.

**Declaring the Tax Monies will be Held in a Special Fund and Used in Accordance with Statute (Its Purpose and Manner of Use)** The ordinance states that the monies will be held in a special fund (as required by IC 36-9-15.5-8[a]) and used in accordance with all applicable statutes. When read in conjunction with the second Whereas clause, the legislation authorizes the money to be used for the purposes set forth in IC 36-9-15.5-2, which are quite broad. In his memo to the Council, Mike Trexler summarizes those purposes as follows: “The CCD fund can be used to acquire land and right of way; to purchase, construct, equip and maintain buildings for municipal purposes; to demolish improvements on municipally owned property; to purchase or lease motor vehicles and equipment for police and firefighting purposes; to construct, repair, improve and maintain storm sewers, streets, alleys, sidewalks, curbs, and gutter; to build, remodel and repair park facilities, and to acquire land for park purposes.” Please note that this language modifies the existing authorization by removing the set aside of 1/15<sup>th</sup> of the revenue for the acquisition of land for parks purposes.

**Stating that Expenditures will be Made by Appropriation** The ordinance states that expenditures from the CCDF will be authorized during the annual appropriation process and must be approved by the DLGF. Please note that this does not preclude expenditure of funds through additional appropriations during the course of the year.

**Directing Submittal of Request to DLGF** The ordinance requires that the City submit the required forms to the DLGF for their review and approval.

### **Other Legislation for Discussion at the Committee of the Whole**

#### **Item 1 – Res 12-08 – Consenting to a Change in the Borrower for Economic Development Revenue Bonds for 1302 S. Rogers Approved by Ord 10-19**

**Res 12-08** consents to a new borrower of the Economic Development Revenue Bonds approved by Ord 10-19 in the amount of \$2 million to purchase land and construct a primary care facility at 1302 S. Rogers. Please note that, while these bonds are issued in the name of the City, their payment is made by the borrower - not the City - and do not constitute a debt of the City.

In this case, another entity (South Rogers Street Medical Facility, LLC)<sup>8</sup> has worked with the current borrower (1302 S. Rogers, LLC) and holder of the bonds (Regions Bank) to purchase and operate this project without any other change in the terms and conditions of the bonds. Bond Counsel has reviewed the transaction, prepared the resolution and accompanying documents, and advised the parties that the City must consent to the change of ownership before the transaction can be consummated.

Given these circumstances, the ordinance:

- Consents to the new borrower and their assumption of the bond obligations;
- Approves the following documents, which are considered in substantially final form, attached to the ordinance, and made a part of the minutes - the:
  - First Supplemental Trust Indenture and Mortgage; and
  - First Supplemental Loan Agreement, Mortgage and Security Agreement; and

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<sup>8</sup> Information provided by Adam Wason indicates that South Rogers Medical Office Facility LLC is owned by a husband and wife, C. Randall Powell and Kathryn C. Powell, “who are long-time residents of Bloomington with extensive experience investing in commercial properties located throughout Indiana devoted to many different medical uses.”



- Authorizes the Mayor and Clerk to approve changes to the documents that are necessary to accomplish the purposes of the resolution and execute them;  
and
- Repeals all or parts of any prior conflicting legislation.

**NOTICE AND AGENDA  
BLOOMINGTON COMMON COUNCIL  
SPECIAL SESSION & COMMITTEE OF THE WHOLE  
7:30 P.M., WEDNESDAY, 27 JUNE 2012  
COUNCIL CHAMBERS  
SHOWERS BUILDING, 401 N. MORTON ST.**

**SPECIAL SESSION**

**I. ROLL CALL**

**II. AGENDA SUMMATION**

**III. REPORTS**

1. Annual Tax Abatement Report

- Asked to attend:
- Danise Alano-Martin, Director of Economic and Sustainable Development
  - Adam Wason, Assistant Director of Economic and Sustainable Development for Small Business

**IV. RESOLUTIONS**

1. Resolution 12-06 Waiving Current Payments in Lieu of Taxes by the Bloomington Housing Authority to the City

Committee Recommendation: None

2. Resolution 12-07 To Approve an Interlocal Cooperation Agreement Between the City of Bloomington and Monroe County, Indiana in Regards to 2012 Edward Byrne Memorial Justice Assistance Grant (JAG)

Committee Recommendation: None

**V. FIRST READING**

1. Ordinance 12-15 To Reauthorize the Cumulative Capital Development Fund

**VI. COUNCIL SCHEDULE**

**VII. ADJOURNMENT**

*(and immediately reconvene for)*

**COMMITTEE OF THE WHOLE**

**Chair: Dave Rollo**

1. Resolution 12-08 Resolution of the City of Bloomington, Indiana, Consenting to a New Borrower in Connection with the Economic Development Revenue Bonds, Series 2012 (1302 South Rogers, LLP Project), of the City and Approving Certain Amending Financing Documents in Connection Therewith

- Asked to attend:
- Adam Wason, Assistant Director of Economic and Sustainable Development for Small Business
  - Bond Counsel

2. Ordinance 12-15 To Reauthorize the Cumulative Capital Development Fund

Asked to attend: Mike Trexler, City Controller



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

To Council Members  
From Council Office  
Re Weekly Calendar – 25 - 30 June 2012

**Monday, 25 June**

11:45 am Inclusive Recreation Advisory Council, Allison- Jukebox  
4:00 pm Council for Community Accessibility, McCloskey  
5:30 pm Bloomington Human Rights Commission, McCloskey

**Tuesday, 26 June**

4:00 pm Board of Park Commissioners, Council Chambers  
4:00 pm Bloomington Community Farmers' Market, Madison St. between 6<sup>th</sup> and 7<sup>th</sup>  
5:30 pm Bloomington Public Transportation Board of Commissioners, Transit, 130 W. Grimes Ln

**Wednesday, 27 June**

10:00 pm Metropolitan Planning Organization Technical Advisory Committee, McCloskey  
11:30 am Facility Managers' Forum, Council Chambers  
12:00 pm Council Rules Committee, Council Library  
2:00 pm Hearing Officer, Kelly  
4:30 pm Martin Luther King Jr. Birthday Commission, McCloskey  
6:30 pm Metropolitan Planning Organization- Citizens' Advisory Committee, McCloskey  
7:30 pm Common Council—Special Session immediately followed by Committee of the Whole, Council Chambers

**Thursday, 28 June**

10:30 am Address Coordination Meeting, McCloskey  
11:00 am Monroe Suicide Prevention Coalition Awareness Committee, Kelly  
11:00 am Monroe Suicide Prevention Coalition Training Committee, Hooker  
12:00 pm Monroe Suicide Prevention Coalition, Hooker Room  
4:00 pm [ImagineBloomington](#) Steering Committee Meeting, Council Chambers  
5:15 pm Solid Waste Management District Citizens' Advisory Committee, McCloskey  
7:00 pm Environmental Commission, McCloskey

**Friday, 29 June**

*There are no meetings scheduled for this date.*

**Saturday, 30 June**

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

*Posted and Distributed: Friday, 22 June 2012*



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

# **NOTICE**

## **COUNCIL RULES COMMITTEE**

**Wednesday, 27 June 2012  
12:00 p.m.  
Council Library (Room 110)  
CITY HALL, 401 N. MORTON**

Because a quorum of the Council may be present, this meeting may constitute a meeting of the Council as well as of the Rules Committee under the Indiana Open Door Law.

This statement is provides notice that this meeting will occur and is open for the public to attend, observe, and record what transpires.

Posted: Friday, 22 June 2012

# **Annual Tax Abatement Report**

## **June 27, 2012**

### **Contents**

- **Memo to Council**
- **Report**
  - **Introduction to Tax Abatements (slides 1-8);**
  - **Table of Contents (slide 9);**
  - **Summary of the Economic Impact of these projects (slides 10 - 14).**
  - **One sheet summary of each project (accompanied by photos) including the following categories:**
    - **Residential Development Projects (slides 15-36) – 9 projects;**
    - **Mixed-Use Projects (slides 37-39) – 1 project;**
    - **Commercial Projects (slides 40-53) – 6 projects;**
  - **List of Expired Projects (slide 55) – 6 projects;**
  - **List of projects without CF-1s (slide 57) – 2 projects; and**
  - **Explanation for one unfinished project where an amendment is expected to be brought forward later this year (slide 58).**



**CITY OF BLOOMINGTON**  
economic & sustainable development

## MEMORANDUM

**To:** City of Bloomington Common Council  
**CC:** Dan Sherman, Regina Moore  
**From:** Danise Alano-Martin, Adam Wason  
**Date:** June 11, 2012  
**Re:** Tax Abatement Program, 2011 Activity Summary

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Attached please find the 2011 Activity Summary of Tax Abatements. The Economic Development Commission (EDC) accepted the activity report in their meeting on June 8, 2012 and recommended it be forwarded to the City of Bloomington Common Council.

The summary is intended to provide a comprehensive description of the Council's active abatement portfolio. Each year, property owners receiving a tax abatement must file a Compliance with Statement of Benefits (CF-1) with the City Clerk (as well as the County Auditor). The CF-1 provides an update of the status of the abated project (whether real estate property or personal property, or both) and allows the Common Council to compare the actual values of the investment/improvement to the property with the value of the investment/improvement estimated on the original Statement of Benefits Form (SB-1). If the project included new job creation then the property owner may also list job creation and salary information.

The CF-1 provides a snapshot of the project and the abatement criteria and is therefore limited in that it does not necessarily show real growth or fluctuations in activity throughout a year or from year to year.

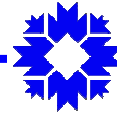
No new abatements were approved under this program since our last report to you on June 22, 2011. Councilmembers may recall a discussion at that time related to the stalled Woolery Ventures project (Resolution 04-01). The final Council decision at that time was to continue the abatement approval at this property with the expectation that the commencement of the project would be forthcoming. The developer has maintained discussions with Staff and apprised the EDC with regard to the challenges with the project. At this time, the Administration has requested an updated Statement of Benefits form and other project information and milestones, including additional documentation to show the viability of the overall project. The EDC affirmed this approach at the June 8, 2012 EDC meeting and continues to support the projected economic impact and benefit to the community from the potential development of this property.

We look forward to presenting to you on June 27, 2012 the details of this and other tax abatement projects via the annual Tax Abatement Activity Report.

# Tax Abatement Program

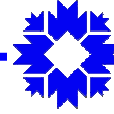
## *2011 Activity Summary*

*Report to*  
**Common Council**  
*June 27, 2012*  
**Economic Development Commission**  
*June 8, 2012*



### **Tax Abatements**

- IC 6-1.1-12.1: Real and personal property
- IC 6-1.1-12.1-16: Vacant building
- IC 6-1.1-10-44: Enterprise IT equipment
- Phase-in of new property taxes
  - All or part of **new** assessed value exempted from paying property tax
  - Reduction of tax liability on **added** assessed value (AV) only



## Tax Abatements

- Terms from 1 to 10 years
- Sliding scale from 100% to **no** exemption on the new AV; OR
- Designating body may provide an “alternative deduction schedule” (IC 6-1.1-12.1-17 added in 2011)

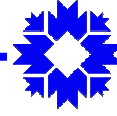


## Real Property Schedule

Year of Deduction	1	2	3	4	5	6	7	8	9	10
1 Year Deduction	100%									
2 Year Deduction	100%	50%								
3 Year Deduction	100%	66%	33%							
4 Year Deduction	100%	75%	50%	25%						
5 Year Deduction	100%	80%	60%	40%	20%					
6 Year Deduction	100%	85%	66%	50%	34%	17%				
7 Year Deduction	100%	85%	71%	57%	43%	29%	14%			
8 Year Deduction	100%	88%	75%	63%	50%	38%	25%	13%		
9 Year Deduction	100%	88%	77%	66%	55%	44%	33%	22%	11%	
10 Year Deduction	100%	95%	80%	65%	50%	40%	30%	20%	10%	5%

IC 6-1.1-12.1-4

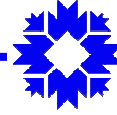




## Personal Property Schedule

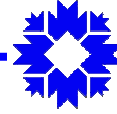
Yrs	1	2	3	4	5	6	7	8	9	10	11
1	100%										
2	100%	50%									
3	100%	66%	33%								
4	100%	75%	50%	25%							
5	100%	80%	60%	40%	20%						
6	100%	85%	66%	50%	34%	25%					
7	100%	85%	71%	57%	43%	29%	14%				
8	100%	88%	75%	63%	50%	38%	25%	13%			
9	100%	88%	77%	66%	55%	44%	33%	22%	11%		
10	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	

IC 6-1.1-12.1-4.5



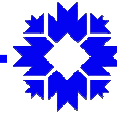
## Tax Abatements

- Tool under local control (City authorizes, County administers)
- City of Bloomington 2010 General Standards:
  - Capital investment ( ↑ AV); New FT, living wage jobs
  - Other qualifying criteria:
    - Quality of Life and Environmental/Sustainability
    - Affordable Housing
    - Community Service
    - Community Character
  - Bloomington Common Council requires EDC recommendation



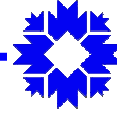
## Authorization Process

- Department receives Application and Statement of Benefits (IN Form SB-1)
- EDC recommendation:
  - Economic Revitalization Area (and Economic Development Target Area, if appropriate)
  - Abatement term and schedule
- Common Council:
  - designating resolution; followed by Public Hearing and confirmatory resolution (or modifying/confirming, or rescinding)



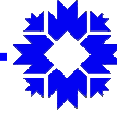
## Annual Reporting

- Compare promised “benefits” to results
- Taxpayer submits annual Compliance with Statement of Benefits form (IN Form CF-1)
  - Filed with County Auditor (for deduction administration); copied to City Clerk (for reporting to Common Council)
- Council has given Department responsibility to compile report and present to EDC; EDC forwards final report to Council for any action



## Activity Report

- I Economic Impact
- II Residential Projects
- III Mixed-Use Projects
- IV Commercial Projects
- V Expired Abatements
- VI CF-1s Not Received



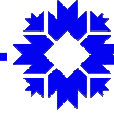
## I. Economic Impact



## Economic Impacts

Progress toward new real and personal property investment estimates

Category	Proposed New Investment (SB-1)	Actual New Investment (CF-1)
Commercial RE	29,356,250	128,542,250
Commercial PP	19,450,000	40,519,147
Mixed Use	155,000	230,000
Residential	17,801,113	22,708,909
<b>Total</b>	<b>\$ 66,762,363</b>	<b>\$ 192,000,306</b>



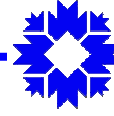
## Economic Impacts

Progress toward new jobs/salary estimates

Proposed New Jobs (SB-1)	Proposed New Salaries (SB-1)	Actual New Jobs (CF-1)	Actual New Salaries (CF-1)
287	\$ 12,289,221	624	\$ 35,548,025
		Average Salary =	\$ 56,968

Figures exclude temporary jobs and corresponding salaries from construction.

Excludes unknown salary information from business leasing space in mixed-use developments, nonreported information and commissions/benefits.



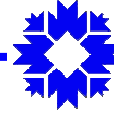
## Economic Impacts

Total Jobs/Salaries (New and Retained Jobs)

Total Jobs (New and Retained, CF-1)	Total Salaries (New and Retained, CF-1)
750	\$ 43,006,508
	Average Salary = \$57,342

Figures exclude temporary jobs and corresponding salaries from construction.

Excludes unknown salary information from business leasing space in mixed-use developments, nonreported information and commissions/benefits.

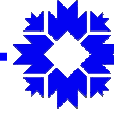


## Economic Impacts

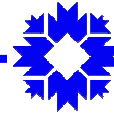
Original Assessed Values to Current Assessed Values

Category	SB-1 Assessed Values (Before Project)	Current Assessed Values
Commercial RE + PP	6,788,600	77,358,314
Mixed Use	75,000	226,500
Residential	527,770	14,831,000
<b>Total</b>	\$ 7,931,370	\$ 92,415,814

\*Not all projects reported AV information.



## II. Residential Development Projects



**Habitat for Humanity**  
**410, 412, 414 N. Hay Street**  
**Resolution: 95-11**

Statement of Benefits

**Type:** Real Estate Improvements

**Length of Abatement:** 10 years

**Estimated New Investment:** \$87,000

**Estimated New Employment:** NA

**Estimated New Salaries:** NA

**Benefits:** Construction of three single-family homes to be sold to low-income families.

Compliance

**Summary:** The project is complete and all homes were sold to low-income families. HAND verified compliance.

**Actual New Investment:** \$105,000

**Actual New Employment:** NA

**Actual New Salaries:** NA

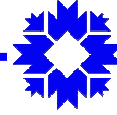
**Current Assessed Value:** \$284,700

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

This abatement is in year 10 of 10.

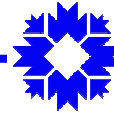


**Habitat for Humanity**



**Habitat for Humanity**





**Lockerbie Court Condominiums, LLC**  
**500 N. Walnut Street**  
**Resolution: 01-02**

Statement of Benefits

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

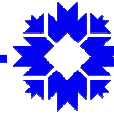
**Estimated New Investment:** \$2,700,000  
**Estimated New Employment:** 1  
**Estimated New Salaries:** \$10,000  
**Benefits:** New 4-story brick and limestone building constructed downtown with 17 residential condominium units and parking garage.

Compliance

**Summary:** The project is complete and the building is occupied.

**Actual New Investment:** \$4,400,000  
**Actual New Employment:** NA  
**Actual New Salaries:** NA  
**Current Assessed Value:** \$5,135,000  
**Remarks:** EDC recommends a finding of substantial compliance with the Statement of Benefits.

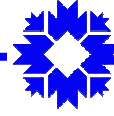
This abatement is in year 10 of 10.



**Lockerbie Court Condominiums, LLC**  
**Market-Rate, Condominium Units**







**All Natural Properties, Inc.**  
1403, 1405 W. 6<sup>th</sup> Street  
Resolution: 01-06

Statement of Benefits

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

**Estimated New Investment:** \$140,000  
**Estimated New Employment:** NA  
**Estimated New Salaries:** NA  
**Benefits:** Construction of two downtown 3-bedroom, 2-bath, affordable housing units that are set aside for low-to-moderate income renters for 20 years.

Compliance

**Summary:** The project is complete and both units are occupied by low-income renters. HAND verified compliance.

**Actual New Investment:** \$176,000  
**Actual New Employment:** 1  
**Actual New Salaries:** \$15,000  
**Current Assessed Value:** \$147,800  
**Remarks:** EDC recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 9 of 10.



**All Natural Properties, Inc.**





**Renaissance Rentals, LLC**

3068 – 3090 Covenanter Drive

**Resolution: 02-18**

Statement of Benefits

**Type:** Real Estate Improvements

**Length of Abatement:** 10 years

**Estimated New Investment:** \$520,322

**Estimated New Employment:** NA

**Estimated New Salaries:** NA

**Benefits:** Construction of 12-unit apartment building with 11 affordable, handicapped accessible units.

Compliance

**Summary:** The project is complete and the affordable units are occupied by low-income renters. HAND verified compliance.

**Actual New Investment:** \$520,332

**Actual New Employment:** NA

**Actual New Salaries:** NA

**Current Assessed Value:** \$447,600

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

This abatement is in year 8 of 10.



**Renaissance Rentals, LLC**

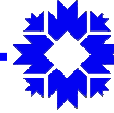




**Renaissance Rentals, LLC**



Department of Economic & Sustainable Development



**Kirkwood & Madison, LLC (The Kirkwood)**

**314 W. 4<sup>th</sup> Street**  
**Resolution: 03-02**

Statement of Benefits

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

**Estimated New Investment:** \$12,000,000

**Estimated New Employment:**  
 3 permanent, 130 temporary

**Estimated New Salaries:**  
 \$71,000 permanent,  
 \$6,000,000 temporary

**Benefits:** Construction of 59 unit residential apartments downtown with underground parking.

Compliance

**Summary:** The project is complete and all units are occupied.

**Actual New Investment:** \$15,100,000

**Actual New Employment:** 3

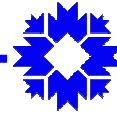
**Actual New Salaries:** \$109,000

**Current Assessed Value:** \$6,422,100

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

This abatement is in year 8 of 10.

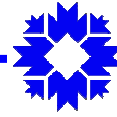




**The Kirkwood  
Market-Rate Apartments**



Department of Economic & Sustainable Development



**The Kirkwood  
Market-Rate Apartments**



Department of Economic & Sustainable Development



**B & L Rentals, LLC**  
**718, 720 & 722 W. Kirkwood**  
**Resolution: 03-22**

Statement of Benefits

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

**Estimated New Investment:** \$100,000  
**Estimated New Employment:** NA  
**Estimated New Salaries:** NA  
**Benefits:** Renovation of Queen Anne 2 story housing with 3 apartments in the West Kirkwood ERA.

Compliance

**Summary:** The project is complete.

**Actual New Investment:** \$100,000  
**Actual New Employment:** NA  
**Actual New Salaries:** NA  
**Current Assessed Value:** \$307,200

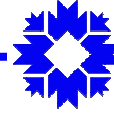
**Remarks:** EDC recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 7 of 10.



**B & L Rentals**





**Habitat for Humanity**  
**1010, 1018, 1026 W. 14th St.**  
Resolution: 05-09

Statement of Benefits

**Type:** Real Estate Improvements  
**Length of Abatement:** 5 years

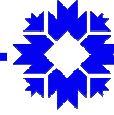
**Estimated New Investment:** \$174,000  
**Estimated New Employment:** NA  
**Estimated New Salaries:** NA  
**Benefits:** Construction of three 1,200 square foot 3-bedroom homes to be sold to low-income families.

Compliance

**Summary:** The houses are complete and occupied as intended.

**Actual New Investment:** \$180,600  
**Actual New Employment:** NA  
**Actual New Salaries:** NA  
**Current Assessed Value:** \$235,900  
**Remark:** The project is in substantial compliance.

Abatement is in year 5 of 5



**Habitat for Humanity**  
**1034, 1042 W. 14th Street**  
Resolution: 05-11

Statement of Benefits

**Type:** Real Estate Improvements  
**Length of Abatement:** 5 years

**Estimated New Investment:** \$160,000  
**Estimated New Employment:** NA  
**Estimated New Salaries:** NA  
**Benefits:** Construction of two single-family homes to be sold to low-income families.

Compliance

**Summary:** The project is complete and all homes were sold to low-income families. HAND verified compliance.

**Actual New Investment:** \$160,000  
**Actual New Employment:** NA  
**Actual New Salaries:** NA  
**Current Assessed Value:** \$166,500  
**Remarks:** EDC recommends a finding of substantial compliance with the Statement of Benefits.

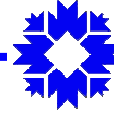
Abatement is in year 4 of 5



**Habitat for Humanity**



Department of Economic & Sustainable Development



**Evergreen Village**  
*Various Property Owners*  
*on Susie Street & Rockport Road*  
**Resolution: 06-13**

Statement of Benefits

**Type:** Real Estate Improvements  
**Length of Abatement:** 5 years

**Estimated New Investment:** \$1,919,791  
**Estimated New Employment:** NA  
**Estimated New Salaries:** NA  
**Benefits:** The 12 housing units are LEED certified and affordable, with a 30-year affordability covenant.

Compliance

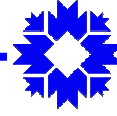
**Summary:** Project is complete. Eleven of 12 homes have been sold to income-qualified homeowners.

**Actual New Investment:** \$1,966,977  
**Actual New Employment:** NA  
**Actual New Salaries:** NA

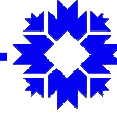
**Current Assessed Value:** \$1,684,200  
**Remarks:** EDC recommends a finding of substantial compliance with the Statement of Benefits.

These abatements are in year 3 of 5.





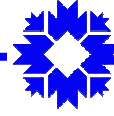
**Evergreen Village**



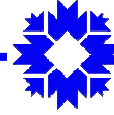
**Evergreen Village**







### III. Mixed-Use Project



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

Statement of Benefits

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

**Estimated New Investment:** \$155,000  
**Estimated New Employment:** 2  
**Estimated New Salaries:** \$40,000  
**Benefits:** Construction of a 2-story building with office, 2 bedroom apartments, and a detached garage.

Compliance

**Summary:** The project is complete and both the units are occupied.

**Actual New Investment:** \$230,000  
**Actual New Employment:** 5  
**Actual New Salaries:** \$222,604 with commissions  
**Current Assessed Value:** \$226,500

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

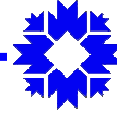
This abatement is in year 7 of 10.



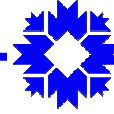
**B & L Rentals**



Department of Economic & Sustainable Development



**IV. Commercial Projects**



**Morton Street Properties**  
**555 North Morton Street (formerly Hirons Investments, LLC)**  
**Resolution: 99-13**

Statement of Benefits

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

**Estimated New Investment:** \$2,700,000  
**Estimated New Employment:** 30  
**Estimated New Salaries:** NA  
**Benefits:** Renovation of existing 20,000 sq ft buildings, an 8,000 sq ft new construction, parking space for 100 vehicles and landscaping.

Compliance

**Summary:** The project is complete.

**Actual New Investment:** \$3,900,000  
**Actual New Employment:** 108  
**Actual New Salaries:** \$4,816,000  
**Current Assessed Value:** \$2,905,600  
**Remarks:** Morton Street Properties purchased the building in 2008. Solution Tree (the new owner), Hirons, and CallNet all occupy the space.



EDC recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 10 of 10



**Metropolitan Printing Service**  
**720 S. Morton Street**  
**Resolution: 99-31**

Statement of Benefits

**Type:** Real Estate Improvements & New Manufacturing and Equipment  
**Length of Abatement:** 10 years

**Estimated New Investment:**  
 RE \$225,000  
 PP \$2,250,000

**Estimated New Employment:** 6-8  
**Estimated New Salaries:** \$137,280

**Benefits:** 6- color 40" Komori printing press and pre-press equipment required, new press pit, new HVAC, and electrical improvements.

Compliance

**Summary:** The project is complete. The company has struggled in recent years and has lost employment.

**Actual New Investment:**  
 RE \$225,000  
 PP \$2,522,686

**Actual New Employment/Salaries:** 0  
**Current Assessed Value:**  
 RE \$251,500  
 PP \$5,754,314

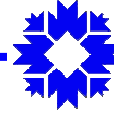
**Remarks:** Actual investment exceeded estimates. No additional employees hired. The property owner is making a good faith effort to retain employment. EDC recommends a finding of substantial compliance with the Statement of Benefits. This abatement is in year 10 of 10.



**Metropolitan Printing Service**



Department of Economic & Sustainable Development



**Richard Dean Groomer**

**1000 W. Kirkwood**

**Resolution: 03-27**

Statement of Benefits

**Type:** Real Estate Improvements

**Length of Abatement:** 10 years

**Estimated New Investment:** \$60,000

**Estimated New Employment:** 5

**Estimated New Salaries:** NA

**Benefits:** Construction of a 2,100 square foot one-story building to be used as commercial space. The project is in the West Kirkwood ERA.

Compliance

**Summary:** The project is complete.

**Actual New Investment:** \$67,250

**Actual New Employment:** 5

**Actual New Salaries:** NR

**Current Assessed Value:** \$186,500

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

This abatement is in year 7 of 10.





**Richard Dean Groomer**



Department of Economic & Sustainable Development



**Richard Dean Groomer**



Department of Economic & Sustainable Development



**Marlin Real Estate Holdings (MRHC, LLC)**  
 (Formerly Richland Development Group) 1600 Bloomfield Road  
**Resolution: 02-22**

Statement of Benefits

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

**Estimated New Investment:** \$3,350,000  
**Estimated New Employment:** 30  
**Estimated New Salaries:** \$11/hr (approx. \$686,400)  
**Benefits:** Construction of a 26,000 square foot corporate office building.



Compliance

**Summary:** The project is complete and occupied.

**Actual New Investment:** \$3,350,000  
**Actual New Employment:** 27  
**Actual New Salaries:** \$35/hr (approx. \$1,965,600)  
**Current Assessed Value:** \$4,146,600  
**Remarks:** The building is now occupied by ProLogic Redemption Solutions, a dental office, a real estate office and an accountant. ProLogic intends to grow its coupon redemption business in this location.

This abatement is in year 8 of 10.



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

Statement of Benefits

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

RE 10 years  
 PP 10 years

**Estimated New Investment:**  
 RE \$19,000,000  
 PP \$17,200,000

**Estimated New Employment:** 200  
**Estimated New Salaries:** \$9,455,920

**Benefits:** Renovation of "Building 2" at the Indiana Enterprise Center. This 430,000 sq ft building was built in 1965. Renovation of exterior and 100,000 sq. ft. of interior for use by a new company to develop and research in contract pharmaceuticals.

Compliance

**Summary:** Real estate and equipment improvements are complete.

**Actual New Investment:**  
 RE \$112,000,000  
 PP \$37,996,461  
**Actual New Employment:** 422  
**Actual New Salaries:** \$26,797,900  
**Current Assessed Value:**  
 RE \$42,507,700  
 PP \$15,349,800

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

The RE abatement is in year 6 of 10.  
 The PP abatement is in year 5 of 10.



**Cook Pharmica**



Department of Economic & Sustainable Development



**Cook Pharmica**



Department of Economic & Sustainable Development





**Cook Pharmica**



Department of Economic & Sustainable Development



**Rogers Property Management, LLP**  
*IMA East (2605 E. Creek's Edge Drive)*  
**Resolution: 06-02**

Statement of Benefits

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

**Estimated New Investment:** \$4,021,250  
**Estimated New Employment:** 22  
**Estimated New Salaries:** \$1,285,901  
**Benefits:** Construction of an outpatient treatment facility for Internal medicine Associates (IMA, INC). Petitioner targets a minimum of \$200,000 in uncompensated services to the community annually over the abatement period.

Compliance

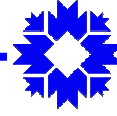
**Summary:** The project is complete. This facility's personnel provided \$247,855 in uncompensated healthcare in 2010. IMA further participates: Indigent Medication Programs, Cardiopulmonary Rehab at YMCA and IU Health-Bloomington Hospital, donated services for high school athletes and new IU athletes (e.g., physicals, echocardiograms), Volunteers In Medicine and numerous boards and commissions.

**Actual New Investment:** \$9,000,000  
**Actual New Employment:** 58  
**Actual New Salaries:** \$3,417,583

**Current Assessed Value:** \$6,256,300  
**Remarks:** EDC recommends a finding of substantial compliance with the Statement of Benefits.

This abatement is in year 6 of 10.

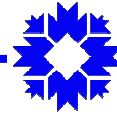




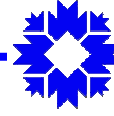
**IMA East**  
*2605 East Creek's Edge Drive*  
Resolution 06-02



Department of Economic & Sustainable Development

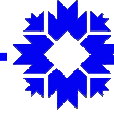


**V. Abatements Expired in 2011**

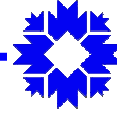


### Expired Abatements in 2011

- Res. 95-03                    **East Third Street Properties, Inc.**  
*1239, 1249, 1251 Miller Dr. & 1721, 1725, 1731  
Highland Ave*
- Res. 95-30                    **CFC, Inc. – Bicycle Apartments**  
*200-216 S. Madison St.*
- Res. 96-14                    **Hopewell Renewal (various owners)**  
*1400-block W. 6<sup>th</sup> Street*
- Res. 99-27                    **Landmark Medical, LLC**  
*550 Landmark Avenue (Landmark Business Center)*
- Res. 99-41                    **B & L Sheetmetal & Roofing**  
*1301 N. Monroe St.*
- Res. 00-07                    **Mary & Daniel P. Friedman**  
*252 N. Walnut Street (Omega Building)*



### VI. CF-1s Not Received



## VI. CF-1s Not Received

Res. 95-11      **Habitat for Humanity\***  
410, 412, 414 N. Hay Street

Res. 04-01      **Woolery Ventures LLC\*\***  
2200 W Tapp Road

\*Staff is confirming expiration date; likely expired.

\*\*See next slide.



## Res. 04-01 Woolery Ventures LLC

### Statement of Benefits

**Type:** Real Estate Improvements

**Length of Abatement:** 10 years

**Estimated New Investment:**  
\$4,200,000

**Estimated New Employment:** 45

**Estimated New Salaries:** \$762,000

**Benefits:** Renovation of an abandoned limestone mill into a mixed use facility (42 apts/condos, 55-room hotel, recreational amenities) rehabilitated to the historic standards of the Secretary of Interior. Estimated completion date of 6/30/2005.

### Compliance

**Summary:** The project remains incomplete with the exception of landscaping and other aesthetic improvements.

**Remarks:** Due to the lapse in time since original approval without commencement of project, rescission was considered (but not enacted) by the Council during last year's Abatement Activity Report. However, petitioner does intend to develop the historic property when feasible. After discussions with the petitioner, the EDC and Staff have requested the petitioner file an updated SB-1 and project information due by Sept. 1, 2012. Then, an amendment to the original approval is expected to be brought forward to the Council. EDC recommends substantial compliance at this time.



***Thank You!***

**RESOLUTION 12-06**

**WAIVING CURRENT PAYMENTS IN LIEU OF TAXES  
BY THE BLOOMINGTON HOUSING AUTHORITY TO THE CITY**

- WHEREAS, the Bloomington Housing Authority provides a public service to the Bloomington community by providing sanitary, safe and affordable housing for low income people; and
- WHEREAS, the Bloomington Housing Authority also provides services to its residents which, if not so provided, would be provided by the City of Bloomington at additional expense to the City of Bloomington; and
- WHEREAS, according to I.C. 36-7-18-25, the Bloomington Housing Authority is exempt from all property taxes, but may enter into an agreement with a political subdivision to pay no more than the estimated costs of services, improvements, or facilities provided by that political subdivision; and
- WHEREAS, on May 2, 1961, the Bloomington Housing Authority and City of Bloomington entered into a Cooperation Agreement under which the Bloomington Housing Authority agreed to make annual payments in lieu of taxation based upon the value of services established by Housing and Urban Development guidelines; and
- WHEREAS, the City of Bloomington does not desire for the Bloomington Housing Authority to make these payments in lieu of taxes this year;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION I. In consideration for the provision of services to its residents and property by the Bloomington Housing Authority, the City of Bloomington hereby waives its right to any and all payments in lieu of taxes for the year 2011.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
TIMOTHY MAYER, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

**SYNOPSIS**

This resolution waives the right of the City of Bloomington to receive payments in lieu of taxes from the Bloomington Housing Authority for the year 2011.

# Memo

To: Council Members  
From: Lisa Abbott, Director  
CC: Doris Sims, Asst. Director  
Date: June 19, 2012  
Re: BHA PILOT

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Resolution12-06 is an annual request by the Bloomington Housing Authority to waive any payment in lieu of taxes (PILOT) as may be required of them. In 1961, the Bloomington Housing Authority entered into a cooperation agreement with the City of Bloomington which was part of the creation of the Housing Authority. The cooperation agreement states "Under the constitution and statues of the State of Indiana, all Projects are exempt from all real and personal property taxes levied or imposed by the Taxing Body, as long as the project continues to serve low income citizens this rule applies."

This year, the BHA is requesting that the City forgive the \$26,222.60 Payment in Lieu of Taxes as computed on the attached form.

# Computation of Payments in Lieu of Taxes

## U.S. Department of Housing and Urban Development Office of Public and Indian Housing

For Fiscal Year Ended 2011

OMB Approval No. 2577-0026 (Exp. 10/31/2009)

Public reporting burden for the collection of information is estimated to average .4 hours. This includes the time for collecting, reviewing, and reporting the data. The information will be used for HUD to ascertain compliance with requirements of Section 6(D) of the U.S. Housing Act, which provides for PHA exemptions from real and personal property taxes, and inclusion in the formula data used to determine public housing operating subsidies. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

<b>Name of Local Agency:</b> Bloomington Housing Authority	<b>Location:</b> Bloomington, IN	<b>Contract Number:</b> C-0894	<b>Project Number:</b> IND22
<b>Part I - Computation of Shelter Rent Charged.</b>			
1. Tenant Rental Revenue (FDS Line 703)		\$ 542,045.00	
2. Tenant Revenue Other (FDS Line 704)		103,397.00	
3. <b>Total Rental Charged</b> (Lines 1 & 2)			\$ 645,442.00
4. Utilities Expense (FDS Line 931 - 939)			387,784.00
5. Shelter Rent Charged (Line 3 minus Line 4)			257,658.00
<b>Part II - Computation of Shelter Rent Collected.</b> (To be completed only if Cooperation Agreement provides for payment of PILOT on basis of Shelter Rent Collected.)			
1. Shelter Rent Charged (Line 5 of Part I, above)			\$ 257,658.00
2. Add: Accounts Receivable - Tenants (FDS Lines 126, 126.1, & 126.2) at beginning of fiscal year			15,146.00
3. Less: Tenant Bad Debt Expense (FDS Line 964)			27,062.00
4. Less: Accounts Receivable - Tenants (FDS Lines 126, 126.1, & 126.2) at end of fiscal year			-16,484.00
5. Shelter Rent Collected (Line 1 plus Line 2 minus Lines 3 & 4)			262,226.00
<b>Part III - Computation of Approximate Full Real Property Taxes.</b>			
(1) Taxing Districts	(2) Assessable Value	(3) Tax Rate	(4) Approximate Full Real Property Taxes
<b>Total</b>			
<b>Part IV - Limitation Based on Annual Contribution.</b> (To be completed if Cooperation Agreement limits PILOT to an amount by which real property taxes exceed 20% of annual contribution.)			
1. Approximate full real property taxes			\$ _____
2. Accruing annual contribution for all projects under the contract			\$ _____
3. Prorata share of accruing annual contribution*			_____
4. 20% of accruing annual contribution (20% of Line 3)			_____
5. Approximate full real property taxes less 20% of accruing annual contribution (Line 1 minus Line 4, if Line 4 exceeds Line 1, enter zero)			\$ _____
<b>Part V - Payments in Lieu of Taxes.</b>			
1. 10% of shelter rent (10% of Line 6 of Part I or 10% of Line 5 of Part II, whichever is applicable)**			\$ 25,722.60
2. Payments in Lieu of Taxes (If Part IV is not applicable, enter the amount shown on Line 1, above, or the total in Part II, whichever is the lower. If Part IV is applicable, enter the amount shown on Line 1, above, or the amount shown on Line 5 of Part IV, whichever is lower.)			\$ _____
* Same as Line 2 if the statement includes all projects under the Annual Contributions Contract. If this statement does not include all projects under the Annual Contributions Contract, enter prorata share based upon the development cost of each project.			
** If the percentage specified in the Cooperation Agreement or the Annual Contributions Contract with HUD is lower, such lower percentage shall be used.			
<b>Warning:</b> HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).			
<b>Prepared By:</b> Ashley Thurman		<b>Approved By:</b> Jennifer J. Osterholt	
<b>Name:</b> Ashley Thurman		<b>Name:</b> Jennifer J. Osterholt	
<b>Title:</b> Controller	<b>Date:</b> 4/5/2012	<b>Title:</b> Executive Director	<b>Date:</b> 4/16/2012

**RESOLUTION 12-07**

**TO APPROVE AN INTERLOCAL COOPERATION AGREEMENT  
BETWEEN THE CITY OF BLOOMINGTON AND  
MONROE COUNTY, INDIANA  
IN REGARDS TO 2012 EDWARD BYRNE MEMORIAL  
JUSTICE ASSISTANCE GRANT (JAG)**

WHEREAS, the City of Bloomington and Monroe County are authorized by I.C. 36-1-7-1, *et seq.*, to enter into agreements for the joint exercise of their powers for the provision of services to the public; and

WHEREAS, this Interlocal Cooperation Agreement reflects the commitments and understandings agreed to by the governmental entities in order to efficiently and effectively utilize proceeds received from the 2012 Edward Byrne Memorial Justice Assistance Grant (JAG).

NOW, THEREFORE BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1. The Interlocal Cooperation Agreement between the City of Bloomington and Monroe County, Indiana in regards to 2012 Edward Byrne Memorial Justice Assistance Grant, a copy of which is attached hereto and made a part hereof, is hereby approved.

SECTION 2. If any sections, sentence or provision of this ordinance, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION 3. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
TIMOTHY MAYER, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington



## SYNOPSIS

This resolution approves the Interlocal Cooperation Agreement between the City of Bloomington and Monroe County, Indiana regarding the use of the 2012 Edward Byrne Memorial Justice Assistance Grant. The Interlocal Agreement provides that the total grant award is \$33,460.00. The City will utilize \$10,936.00 for the purchase of two eKiosks, one of which will be located in the Police Department's headquarters and the other will be located in City Hall. The City will utilize an additional \$5,199.00 to purchase a secure server so that both the City's Police Department and the Monroe County Sheriff's Department may access and utilize the Law Enforcement National Data Exchange. The Sheriff's Department will use the remaining \$17,325.00 in grant funds to purchase in-car cameras for some of their patrol vehicles.

# MEMO:

**To: Bloomington City Council**  
**CC: Mark Kruzan, Mayor**  
**Maria Heslin, Deputy Mayor**  
**From: Patty Mulvihill, Assistant City Attorney**  
**Date: April 26, 2012**  
**Re: Resolution to Approve Interlocal for 2012 JAG**

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The City and the County were jointly awarded \$33,460.00 in grant funds from the federal government. The funds are to be utilized for public safety purposes. The City will utilize \$10,936.00 for the purchase of two eKiosks, one of which will be located in the Police Department's headquarters and the other will be located in City Hall. The City will utilize an additional \$5,199.00 to purchase a secure server so that both the City's Police Department and the Monroe County Sheriff's Department may access and utilize the Law Enforcement National Data Exchange. The Sheriff's Department will use the remaining \$17,325.00 in grant funds to purchase in-car cameras for some of their patrol vehicles.

The City of Bloomington (IN) Police Department (“Department”), in cooperation with the Monroe County (IN) Sheriff’s Office (“Sheriff”), is pleased to present this joint grant proposal for a project entitled, *Citizens 24 Hour Police Kiosk / MCSO In-Car Cameras*. The primary stakeholders in this endeavor are the Department and the Sheriff as this is a disparate grant funding jurisdiction.

The City of Bloomington, as well as Monroe County, is facing some difficult financial challenges. In dealing with those challenges it has caused both the Department and the Sheriff to scrutinize items that would normally be asked for in general budget request and table projects in order to maintain some of the basic and critical needs of the agencies. Grant opportunities such as the 2012 Edward Byrne Memorial Justice Assistance Grant allows for both agencies to seek funding for equipment that is needed to enhance their current capabilities as well as enhancing their availability to the general public.

The Department will seek funding to purchase two eDesk Kiosks. These eDesk Kiosks will allow the Department to provide the citizens of Bloomington 24 hour a day, 365 day a year access to information and services from the Department. Services available via this system include: online crime reporting, various permits, submitting anonymous crime tips, contacting officers or detectives, public access requests, citizens complaints as well as compliments from citizens, extra patrol requests, driving directions and much more. The eDesk kiosks are versatile and the Department will have the ability to update and change the features as the Department sees a need. In order to better serve the citizens of Bloomington the Department plans to locate a eDesk Kiosk at both the Department’s Headquarters and City Hall. The kiosk at the Department’s Headquarters will be located in an area that allows 24 hour a day access. The kiosk at City Hall will be available during regular hours of operation, saving visitors a trip to a separate building and allowing them the convenience of making the request on site.

The Sheriff is requesting funding to install 3 complete in-car video systems. These in-car video systems have become a vital piece of equipment in law enforcement allowing law enforcement the ability to record and document the day to day activities that officers are engaged in while on patrol. The information garnered from this documentation not only results in a higher conviction rates, but allows the Sheriff to review events and improve training based on actual events. This type of training results in improved techniques, improves officer safety and officer performance.

The Department and Sheriff would also like to purchase a server to allow the agencies to participate in The Law Enforcement National Data Exchange (N-DEx). This system is a repository of criminal justice records that are available in a secure online environment and managed by the FBI’s Criminal Justice Information Services (CJIS) Division. A server would allow both agencies the ability to participate in this without adding to the already heavy workload on the current main server and would minimize disruptions to the vital record-keeping function being done during all 24 hours of police operations. The information available by participating in this program would allow the agencies to inquire and receive criminal information extending across the United States from other agencies participating in the program. This system has the potential to improve efficiency and reduce crime by identifying those involved in criminal activity and whose crimes would otherwise not be shared due to jurisdictional boundaries.

INTERLOCAL COOPERATION AGREEMENT  
BETWEEN  
THE CITY OF BLOOMINGTON AND  
MONROE COUNTY, INDIANA  
IN REGARDS TO 2012 EDWARD BYRNE MEMORIAL  
JUSTICE ASSISTANCE GRANT (JAG)

WHEREAS, Indiana Code § 36-1-7-1 *et seq.* permits governmental entities to jointly exercise powers through Interlocal Cooperation Agreements; and

WHEREAS, each governmental entity, in performing their governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party; and

WHEREAS, each governmental entity finds that the performance of this Interlocal Cooperation Agreement is in the best interests of both entities, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this Interlocal Cooperation Agreement; and

WHEREAS, this Interlocal Cooperation Agreement reflects the commitments and understandings agreed to by the governmental entities in order to efficiently and effectively utilize proceeds received from the 2012 Edward Byrne Memorial Justice Assistance Grant (JAG).

NOW, THEREFORE, City of Bloomington and Monroe County, Indiana, hereby agree as follows:

Section 1. Payment

The City of Bloomington (hereinafter, "City") agrees to pay Monroe County, Indiana (hereinafter, "County"), a total of \$17,325.00 of funds received from the Recovery Act: Justice Assistance Grant (hereinafter "JAG").

The City shall collect and deposit \$16,135.00 in JAG funds into its own account.

Section 2. Use of Funds

The City shall use its portion of the funds to purchase two eDesk Kiosks. These eDesk Kiosks will allow the Police Department to provide the citizens of Bloomington 24 hour a day, 365 day a year access to information and services from the Police Department. Services available via this system include: online crime reporting, various permits, submitting anonymous crime tips, contacting officers or detectives, public access requests, citizens complaints as well as compliments from citizens, extra patrol requests, driving directions and much more. One kiosk will be located at the Police Department and a second will be located in City Hall.

The City shall also use a portion of its funds to purchase a secure server so that both the City's Police Department and the County's Sheriff's Department may access the Law Enforcement National Data Exchange managed by the FBI's Criminal Justice Information Services (CJIS) Division.

The county shall use its portion of the funds to purchase and install 3 complete in-car video systems.

Section 3. Liability

Nothing in the performance of this Interlocal Cooperation Agreement (hereinafter, "Agreement") shall impose any liability for claims against either governmental entity other than claims for which liability may be imposed by the Indiana Tort Claims Act.

Section 4. Responsibility

Each entity to this Agreement shall be responsible for its own actions in providing services under this Agreement and shall not be liable for any civil liability that may arise from the furnishing of the services by the other party.

Section 5. Commitment

The entities shall communicate and cooperate with one another to ensure that the purposes of this Agreement are achieved on behalf of and to the benefit of the publics they serve.

Section 6. Third Parties

The entities to this Agreement do not intend for any third party to obtain a right by virtue of this Agreement.

Section 7. Intent

By entering into this Agreement, the entities do not intend to create any obligations express or implied other than those set out herein. Further, this Agreement shall not create any rights in any party not a signatory hereto.

Section 8. Severability

If any provision of this Agreement is declared, by a court of competent jurisdiction, to be invalid, null, void or unenforceable, the remaining provisions shall not be affected and shall have full force and effect.

Section 9. Appropriation of Funds

The entities acknowledge and agree that the performance of this Agreement is subject to the appropriation of sufficient funds by JAG. The parties agree to make a good faith effort to obtain all necessary appropriations and to comply with all provisions of this Agreement to the extent feasible under current or future appropriations.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by the Monroe County, Indiana Commissioners:

MONROE COUNTY, INDIANA

ATTEST:

\_\_\_\_\_  
MARK STOOPS, President  
Monroe County Commissioners

\_\_\_\_\_  
AMY GERSTMAN, Auditor

\_\_\_\_\_  
IRIS F. KIESLING, Vice President

Monroe County Commissioners

\_\_\_\_\_  
PATRICK STOFFERS, Commissioner  
Monroe County Commissioners

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by the City of  
Bloomington Common Council.

\_\_\_\_\_  
TIM MAYER, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by the City of  
Bloomington.

CITY OF BLOOMINGTON, INDIANA

ATTEST:

\_\_\_\_\_  
MARK KRUZAN, Mayor

\_\_\_\_\_  
REGINA MOORE, Clerk

**ORDINANCE 12-15**

**TO REAUTHORIZE THE CUMULATIVE CAPITAL DEVELOPMENT FUND**

- WHEREAS, Indiana Code 36-9-15.5 provides for the establishment of a Municipal Cumulative Capital Development Fund; and,
- WHEREAS, said fund may be used for any purpose for which property taxes may be imposed under the authority of IC 36-9-15.5-2; and,
- WHEREAS, the City of Bloomington established a Cumulative Capital Development Fund by adoption of Ordinance 84-28 for a three year period ending December 31, 1987, and said fund was reauthorized for such three year periods by Ordinance 87-24, Ordinance 90-33 and Ordinance 93-38; and,
- WHEREAS, pursuant to IC 36-9-15.5-6, the municipal fiscal body may provide money for the Cumulative Capital Development Fund by levying a tax in compliance with IC 6-1.1-41;

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1. The Cumulative Capital Development Fund as initially established by Ordinance 84-28 and reauthorized by Ordinance 87-24, Ordinance 90-99 and Ordinance 93-38 is hereby extended and shall be funded by levy of a tax at the rate of \$0.05 per \$100.00 of assessed valuation, pursuant to IC 36-9-15.5-6. Said tax rate will be levied beginning with taxes assessed for 2012, payable 2013.

SECTION 2. Proofs of publication of the public hearing held on \_\_\_\_\_ day of \_\_\_\_\_, 2012, and a certified copy of this Ordinance shall be submitted to the Department of Local Government Finance of the State of Indiana as provided by law. This Cumulative Fund is subject to approval of the Department of Local Government Finance.

SECTION 3. Said fund shall be held in a special fund as provided in IC 36-9-15.5-8(a) and shall be used in accordance with the provisions of IC 36-9-15.5 et seq. and all other applicable provisions of law. The City shall adhere to all related provisions of the Indiana Code.

SECTION 4. Expenditures from this fund shall be made only after annual appropriation by the Common Council of the City of Bloomington and approval by the Indiana Department of Local Government Finance.

SECTION 5. Severability. If any section, sentence or provision of the ordinance, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this ordinance which can be given effect without the invalid provision of application, and to this end the provisions of this ordinance are declared to be severable.

SECTION 6. This Ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval by the Mayor and after all statutory procedures are followed.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
TIMOTHY MAYER, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

#### SYNOPSIS

This Ordinance reauthorizes the Municipal Cumulative Capital Development Fund for taxes assessed in year 2012 and payable in year 2013 and authorizes collection of property tax at the rate of \$0.05 per \$100 of valuation; the fund may generally be used for the purposes set out in IC 36-9-15.5 et seq.





MARK KRUZAN  
MAYOR

CITY OF BLOOMINGTON

401 N Morton St  
Post Office Box 100  
Bloomington IN 47402

MIKE TREXLER  
CONTROLLER

CONTROLLER'S OFFICE

p 812.349.3412  
f 812.349.3456  
controller@bloomington.in.gov

## Memorandum

**To:** Council Members  
**From:** Mike Trexler, Controller  
**Date:** June 18, 2012  
**Re:** Ordinance 12-15

---

Ordinance 12-15 begins the process of reestablishing the City's Cumulative Capital Development (CCD) Fund at a rate of \$0.05 per \$100 of assessed valuation for the 2013 budget year. This new rate will generate up to an additional \$700,000 annually for the CCD Fund. The CCD fund can be used to acquire land and right of way; to purchase, construct, equip and maintain buildings for municipal purposes; to demolish improvements on municipally owned property; to purchase or lease motor vehicles and equipment for police and firefighting purposes; to construct, repair, improve and maintain storm sewers, streets, alleys, sidewalks, curbs, and gutter; to build, remodel and repair park facilities, and to acquire land for park purposes.

Feel free to contact me by email at [trexlerm@bloomington.in.gov](mailto:trexlerm@bloomington.in.gov) or by phone at 349-3412 at any time.



# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058(B)  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 232-8779

**TO:** All Political Subdivisions

**FROM:** Dan Jones, Assistant Director, Budget Division

**SUBJECT:** Procedures for the Establishment of Cumulative Funds

**DATE:** July 14, 2011

## INTRODUCTION

The Department of Local Government Finance ("Department") issues this bulletin, which applies to the following Cumulative Funds established under Indiana Code § 6-1.1-41 and supersedes all previous bulletins.

<u>Fund</u>	<u>Statutory Authority</u>
Cumulative Voting System Fund	Ind. Code § 3-11-6-9
Cumulative Channel Maintenance Fund	Ind. Code § 8-10-5-17
Cumulative Bridge Fund	Ind. Code § 8-16-3
Major Bridge Fund	Ind. Code § 8-16-3.1
Airport Cumulative Fund	Ind. Code § 8-22-3-25
Cumulative Levee Fund (Vanderburgh Co.)	Ind. Code § 14-27-6-48
Cumulative Improvement Fund	Ind. Code § 14-33-21
Cumulative Hospital Sinking Fund	Ind. Code § 16-22-4
Cumulative Hospital Fund	Ind. Code § 16-22-8-41
Cumulative Fire Fund	Ind. Code § 36-8-14
Cumulative Transportation Fund	Ind. Code § 36-9-4-48
Cumulative Courthouse Fund	Ind. Code § 36-9-14
Cumulative Capital Development (County Unit)	Ind. Code § 36-9-14.5
Cumulative Jail Fund	Ind. Code § 36-9-15
Cumulative Capital Development (Municipality)	Ind. Code § 36-9-15.5
Cumulative Building, Sinking, or Capital Improvement Fund	Ind. Code § 36-9-16-5
Cumulative General Improvement Fund	Ind. Code § 36-9-17-3
Cumulative Township Vehicle and Building Fund	Ind. Code § 36-9-17.5
Cumulative Building Fund for Municipal Sewers	Ind. Code § 36-9-26
Cumulative Drainage Fund	Ind. Code § 36-9-27-99
Cumulative Park Fund (County and Municipality)	Ind. Code § 36-10-3-21
Cumulative Park Fund (Certain Cities)	Ind. Code § 36-10-4-36
Township Cumulative Park Fund	Ind. Code § 36-10-7.5-19

In addition to complying with the budget, tax rate, and tax levy requirements of IC 6-1.1-17, the following steps must be taken when establishing a cumulative fund or increasing the rate of an established fund. If the establishment is not in compliance with IC 6-1.1-41 and this bulletin, a tax may not be levied in the ensuing year.

### **STEP 1: PUBLICATION OF NOTICE TO TAXPAYERS**

If a political subdivision (“unit”) decides to levy for a cumulative fund, it must hold a public hearing on a proposal to establish the fund rate by the publication of a Notice to Taxpayers describing the tax levy to be imposed (see Appendix A), which must be published two times, at least seven days apart, with the first publication being at least ten days before the public hearing and the second at least three days before the public hearing in accordance with IC 5-3-1-2(f). The notice must be published in two newspapers, if available, in accordance with IC 5-3-1-4 (see Appendix B). If the fund is for a Cumulative Voting System (IC 3-11-6) or Cumulative Channel Maintenance (IC 8-10-5-17), notice of the proposal and the public hearing must also be posted in three public places within the political subdivision.

### **STEP 2: PUBLIC HEARING & ADOPTION OF RESOLUTION/ORDINANCE**

The adopting body for the unit must conduct a public hearing on the proposed cumulative fund on the date, time, and location as indicated in the Notice to Taxpayers. At this meeting, taxpayers of the affected taxing district(s) have the right to be heard. Upon completion of the public hearing, the adopting body must vote whether to pass a resolution/ordinance (see Appendix C) adopting the proposed cumulative fund as presented or at a lesser rate.

### **STEP 3: SUBMISSION TO THE DEPARTMENT**

A unit that adopts a proposed cumulative fund pursuant to IC 6-1.1-41 must submit the proposal to the Department for approval before August 2 (postmarked not later than August 1) of the year preceding the year in which the proposed levy takes effect. The following must be submitted to the Department:

- Procedure Checklist (see Appendix D)
- Resolution/Ordinance of Adopting Body
- Proofs of Publication (and proofs of posting, if required) of Notice to Taxpayers

### **STEP 4: REVIEW BY THE DEPARTMENT**

The cumulative fund proposal will be reviewed by the Department for completeness. If the proposal contains errors or proper procedure has not been followed, the packet will be returned to the fiscal officer of the adopting unit for correction, provided that the time constraints outlined in Step 3 can be met.

### **STEP 5: PUBLICATION OF NOTICE OF SUBMISSION**

The Department must require that a Notice of Submission be given to affected taxpayers. This notice will be prepared by the Department and mailed to the unit. The unit must publish the Notice of Submission one time in one newspaper. If the fund is for a Cumulative Voting System (IC 3-11-6) or for Cumulative Channel Maintenance (IC 8-10-5), the notice shall also be posted in three public places in the political subdivision.



## **STEP 6: TAXPAYER OBJECTION: SUBMISSION TO DEPARTMENT**

If the required number of taxpayers do not file an objection petition by the end of the 30-day remonstrance period, the unit must forward the proof of publication of the Notice to Taxpayers and proofs of posting (if required) to the Department, along with the county auditor's Certificate of No Objection (see Appendix E). It is the responsibility of the applying taxing unit to secure a Certificate of No Objection from the county auditor. The unit must provide proof of publication of the Notice of Submission to the auditor to verify that the proper time for filing objections has passed.

## **STEP 7: CUMULATIVE FUND IS LEVIED**

The approved cumulative fund may be levied beginning with the first annual tax levy after approval or in the year stated in the Department approving order. Cumulative funds, with the exception of those provided for by IC 16-22-5-4 and IC 36-9-16-4, do not expire and may be levied from year to year as long as they are advertised annually with the annual budget or are not time-limited by the establishing resolution/ordinance.<sup>1</sup> For Cumulative Capital Development Funds, the unit's fiscal body may specify in its establishing resolution the rates for year one, year two, year three, and thereafter. This method will allow for increasing rates without the unit having to reestablish each of the first three years of the fund. However, the unit must clearly state the increasing rates in its resolution and publications. (See Appendix F and Appendix G.)

If the appropriate fiscal body for a given calendar year reduces the cumulative fund rate and wishes to increase the rate in subsequent years, the fund must again be established and presented to taxpayers. The fund must also be reestablished if the use of the cumulative fund is changed.

The tax rate may not exceed the rate as specified by the statute authorizing the fund. The Department will apply the rate cap calculations to all cumulative funds as listed in this bulletin. The maximum property tax rate levied must be adjusted each time a reassessment of property takes affect. When a cumulative fund is established, the Department order will reflect the (statutory) rate adopted by the unit. The Budget Order will reflect the cap rate adjustment pursuant to IC 6-1.1-18.5-9.8.

## **OBJECTION PETITIONS**

Taxpayers who are affected by the proposed cumulative fund may file an objecting petition with the County Auditor, not later than noon by the end of the required 30-day remonstrance period after publication of the Notice of Submission, setting forth their objections to the proposed rate. Exceptions to the thirty-day remonstrance period are limited to: the Cumulative Building and Capital Improvement Fund (IC 36-9-16-5) and the Cumulative Building for Hospitals Fund (IC 16-22-5-4). Only these two funds require a 10-day remonstrance period. Pursuant to IC 6-1.1-41, the number of signatures required for a valid objection petition is specific to each type of cumulative fund as follows:

---

<sup>1</sup> Cumulative funds established under IC 16-22-5-2 and IC 16-23-1-40 also expire by statute, but they are not governed by IC 6-1.1-41.

<u>Cumulative Fund</u>	<u>Minimum Number of Taxpayers</u>	
Cumulative Voting System Fund	Ind. Code § 3-11-6	100
Cumulative Channel Maintenance Fund	Ind. Code § 8-10-5	10
Cumulative Bridge Fund	Ind. Code § 8-16-3	10
Major Bridge Fund	Ind. Code § 8-16-3.1	10
Airport Cumulative Fund	Ind. Code § 8-22-3	50
Cumulative Levee Fund (Vanderburgh Co.)	Ind. Code § 14-27-6	10
Cumulative Improvement Fund	Ind. Code § 14-33-21	10
Cumulative Hospital Sinking Fund	Ind. Code § 16-22-4	20
Cumulative Hospital Fund	Ind. Code § 16-22-5	25
Cumulative Fire Fund	Ind. Code § 36-8-14	10
Cumulative Transportation Fund	Ind. Code § 36-9-4	10
Cumulative Courthouse Fund	Ind. Code § 36-9-14	50
Cumulative Capital Development (County Unit)	Ind. Code § 36-9-14.5	50
Cumulative Jail Fund	Ind. Code § 36-9-15	50
Cumulative Capital Development (Municipality)	Ind. Code § 36-9-15.5	50
Cumulative Building and Capital Improvement Fund	Ind. Code § 36-9-16	50
Cumulative General Improvement Fund	Ind. Code § 36-9-17	50
Cumulative Township Vehicle and Building Fund	Ind. Code § 36-9-17.5	50
Cumulative Bldg. Fund for Municipal Sewers	Ind. Code § 36-9-26	50
Cumulative Drainage Fund	Ind. Code § 36-9-27	50
Cumulative Park Fund (County and Municipality)	Ind. Code § 36-10-3	30
Cumulative Park Fund (Certain Cities)	Ind. Code § 36-10-4	10
Township Cumulative Park Fund	Ind. Code § 36-10-7.5	30

The county auditor must immediately certify the objecting petition(s) to the Department by verifying:

- a) the number of taxpayers on the petition and counterparts who are property owners within the taxing district(s) where the proposed cumulative fund will be levied;
- b) that the proper number of qualified signatures appear on the petition and counterparts; and
- c) the petition(s) was filed within the proper number of days after the publication of the Notice of Submission.

If a petition is certified by the county auditor to the Department, the Department must fix a date for hearing within a reasonable time after receipt of the objection. Notice of the hearing, under the signature of the Commissioner of the Department, must be given to the county auditor and the first ten taxpayers whose names appear on the petition at least five days before the date of the hearing. A hearing will be conducted in the county by a hearing officer of the Department at which time all affected taxpayers will have the right to be heard. Testimony will be accepted from those in opposition to, as well as those in favor of, the proposed cumulative fund. The hearing officer will submit a report on the hearing to the Commissioner. The Department must certify approval, disapproval, or modification of the proposal to the county auditor. The action of the Department with respect to the proposed levy is final.

In the years following the year of adoption of the cumulative fund, and pursuant to IC 6-1.1-41-12, taxpayers of the taxing district(s) where the rate is levied may file with the county auditor a



petition for reduction or revision of the cumulative fund levy. Such petitions must be filed on or before August 1 of the year following the imposition of the levy.

### **ADDITIONAL INFORMATION**

Taxes collected must be deposited in a specific fund and may only be used for the purposes as stated in the statute and the resolution/ordinance as adopted. All funds must be appropriated before expenditure. The Department must approve all appropriations, except for those involving the Cumulative Bridge Fund, Cumulative Levee Fund, or the County or Municipal Cumulative Capital Development Funds. Appropriations may be included in the political subdivision's annual budget or may be established by additional appropriation.

If the unit establishing the fund decides that the purposes for which the fund was established have been accomplished or no longer exist or the unit rescinds the tax levy for the fund, the governing body establishing the fund for the unit may transfer the balance in the fund to the general fund of the unit. The money in a cumulative fund does not revert to the general fund at the end of the fiscal year.

### **QUESTIONS?**

Questions regarding this bulletin or matters pertaining to the establishment of a cumulative fund should be directed to Dan Jones, Assistant Director of the Budget Division, at (317) 232-0651 or [djones@dlgf.in.gov](mailto:djones@dlgf.in.gov) (or faxed to (317) 232-8779).

APPENDIX A

NOTICE TO TAXPAYERS OF HEARING ON PROPOSED  
CUMULATIVE \_\_\_\_\_ FUND  
(Name of Fund)

Notice is hereby given the taxpayers of \_\_\_\_\_,  
(Name of Unit)  
\_\_\_\_\_, County, Indiana, that the \_\_\_\_\_  
(County Name) (Name of Adopting Body)

will consider at \_\_\_\_\_  
(Location of Meeting)

at \_\_\_\_\_ o'clock am/pm on \_\_\_\_\_, 2\_\_\_\_, the establishment of  
(Time) (Day and Month) (Year)

a Cumulative \_\_\_\_\_ Fund under the provisions of Indiana  
Code  
(Name of Fund)

\_\_\_\_\_ for the purposes as follows:  
(Code Citation)

*{Unit may set out selective uses as provided by the establishing statute or the unit may state "For all uses as set out in IC \_\_\_\_\_."} (Do not publish this statement "as is.")*

The tax will be levied on all taxable real and personal property within the taxing district and will not exceed \$ \_\_\_\_\_ per \$100 of assessed valuation. The proposed fund will be levied  
(Adopted Rate)

beginning with taxes due and payable in the year 2\_\_\_\_. Taxpayers appearing at such hearing shall have the right to be heard thereon. The proposal for establishment of the Cumulative \_\_\_\_\_ Fund is subject to approval by the Department of Local  
(Name of Fund)

Government Finance, which will require a Notice of Submission to be given to the taxpayers by publication.

Upon publication of the Notice of Submission, \_\_\_\_\_ or more taxpayers in the taxing district may file a petition with the County Auditor not later than thirty (30) days after publication, setting forth their objections to the proposed levy.

Dated this \_\_\_\_\_, day of \_\_\_\_\_, 2\_\_\_\_

\_\_\_\_\_  
(Adopting Body)  
\_\_\_\_\_  
\_\_\_\_\_

**APPENDIX B**

**PUBLICATION REQUIREMENTS IC 5-3-1-4**

Sec. 4. (a) Whenever officers of a political subdivision are required to publish a notice affecting the political subdivision, they shall publish the notice in two (2) newspapers published in the political subdivision.

(b) This subsection applies to notices published by county officers. If there is only one (1) newspaper published in the county, then publication in that newspaper alone is sufficient.

(c) This subsection applies to notices published by city, town, or school corporation officers. If there is only one (1) newspaper published in the municipality or school corporation, then publication in that newspaper alone is sufficient. If no newspaper is published in the municipality or school corporation, then publication shall be made in a newspaper published in the county in which the municipality or school corporation is located and that circulates within the municipality or school corporation. The notice shall be posted:

(1) at or near the city or town hall or school administration building; or

(2) at the:

(A) public building where the governing body of the respective city, town, or school corporation meets; or

(B) post office in the municipality or school corporation (or at the bank if there is no post office); if the municipality does not have a city or town hall, or the school corporation does not have an administration building.

(d) This subsection applies to notices published by officers of political subdivisions not covered by subsection (a) or (b), including township officers. If there is only one (1) newspaper published in the political subdivision, then the notice shall be published in that newspaper and if another newspaper is published in the county and circulates within the political subdivision in the other newspaper. If no newspaper is published in the political subdivision, then publication shall be made in a newspaper published in the county and that circulates within the political subdivision.

(e) This subsection applies to a political subdivision, including a city, town, or school corporation. Notwithstanding any other law, if a political subdivision has territory in more than one (1) county, public notices that are required by law or ordered to be published must be given as follows:

(1) By publication in two (2) newspapers published within the boundaries of the political subdivision.

(2) If only one (1) newspaper is published within the boundaries of the political subdivision, by publication in that newspaper and in some other newspaper:

(A) published in any county in which the political subdivision extends; and

(B) that has a general circulation in the political subdivision.

(3) If no newspaper is published within the boundaries of the political subdivision, by publication in two (2) newspapers that:

(A) are published in any counties into which the political subdivision extends; and

(B) have a general circulation in the political subdivision.

(4) If only one (1) newspaper is published in any of the counties into which the political subdivision extends, by publication in that newspaper if it circulates within the political subdivision.

(f) A political subdivision may, in its discretion, publish public notices in a qualified publication or additional newspapers to provide supplementary notification to the public. The cost of publishing supplementary notification is a proper expenditure of the political subdivision.



APPENDIX C

**ORDINANCE/RESOLUTION ESTABLISHING  
CUMULATIVE \_\_\_\_\_ FUND**

(Name of Fund)

**Under Indiana Code \_\_\_\_\_**

(Code Citation)

**BE IT RESOLVED** by the \_\_\_\_\_

(Adopting Body)

of \_\_\_\_\_, County, Indiana that a need now exists for the establishment

(Name of County)

of a Cumulative \_\_\_\_\_ Fund for the following purposes:

(Name of Fund)

*{Unit may set out selective uses as provided by the establishing statute or the unit may state "For all uses as set out in IC \_\_\_\_\_." } (Do not publish this statement "as is.")*

**BE IT FURTHER RESOLVED** that this Board will adhere to the provisions of Indiana Code \_\_\_\_\_. The proposed fund will not exceed \$\_\_\_\_\_ on each \$100 of assessed valuation. Said tax rate will be levied beginning with taxes for 2\_\_\_\_\_ payable 2\_\_\_\_\_.

**BE IT FURTHER RESOLVED** that proofs of publication of the public hearing held on the \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_, and a certified copy of this resolution be submitted to the Department of Local Government Finance of the State of Indiana as provided by law. This Cumulative Fund is subject to the approval of the Department of Local Government Finance.

Duly adopted by the following vote of the members of said \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_.  
(Adopting Body)

**AYE**

**NAY**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Attest:** \_\_\_\_\_, **Fiscal Officer**

**APPENDIX D**

**PROCEDURE CHECKLIST**

(Submit this form to the Department of Local Government Finance with proof of publication of Notice to Taxpayers and the adopting resolution/ordinance.)

TAXING UNIT: \_\_\_\_\_ COUNTY: \_\_\_\_\_

CUMULATIVE FUND: \_\_\_\_\_

CODE CITATION: IC \_\_\_\_\_

YEAR TO BE FIRST LEVIED 2 \_\_\_\_\_ PAY 2 \_\_\_\_\_

NOTICE TO TAXPAYERS:

1<sup>st</sup> Publication: \_\_\_\_\_ in the \_\_\_\_\_  
(Date) (Name of Newspaper)  
\_\_\_\_\_ in the \_\_\_\_\_  
(Date) (Name of Newspaper)

2<sup>nd</sup> Publication \_\_\_\_\_ in the \_\_\_\_\_  
(Date) (Name of Newspaper)  
\_\_\_\_\_ in the \_\_\_\_\_  
(Date) (Name of Newspaper)

PUBLIC HEARING HELD ON: \_\_\_\_\_, 2 \_\_\_\_\_

ORDINANCE ADOPTED ON: \_\_\_\_\_, 2 \_\_\_\_\_

PROPOSED RATE: \$ \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

MAILING ADDRESS OF UNIT: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

E-MAIL ADDRESS (optional) \_\_\_\_\_

APPENDIX E

CERTIFICATE OF NO OBJECTION

I, \_\_\_\_\_, Auditor of  
(Auditor's Name)

\_\_\_\_\_, County, Indiana, do hereby certify that there were no  
(County Name)

remonstrances filed on the proposed Cumulative \_\_\_\_\_ Fund  
(Name of Fund)

as adopted by the \_\_\_\_\_  
(Name of Adopting Body)

on \_\_\_\_\_, 2\_\_\_\_\_. Notice of Submission to the Department of Local  
(Day/Month) (Year)

Government Finance was published on \_\_\_\_\_  
(Date(s) of Publication)

in the \_\_\_\_\_ newspaper.  
(Name of Newspaper(s))

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_.

\_\_\_\_\_  
Auditor

APPENDIX F

ORDINANCE/RESOLUTION ESTABLISHING  
CUMULATIVE CAPITAL DEVELOPMENT FUND  
UNDER INDIANA CODE \_\_\_\_\_  
(CODE CITATION)

BE IT RESOLVED by the \_\_\_\_\_  
(Adopting Body)  
of \_\_\_\_\_, County, Indiana that a need now exists for the establishment  
(Name of County)

a Cumulative Capital Development Fund for the following purposes:

*{Unit may set out selective uses as provided by the establishing statute or the unit may state "For all uses as set out in IC \_\_\_\_\_."} (Do not publish this statement "as is.")*

BE IT FURTHER RESOLVED that this Board will adhere to the provisions of  
Indiana Code \_\_\_\_\_. The proposed fund will not exceed:

\$ \_\_\_\_\_ per \$100 of assessed valuation beginning with taxes payable in 20 \_\_\_\_\_,  
\$ \_\_\_\_\_ per \$100 of assessed valuation payable in 20 \_\_\_\_\_, and  
\$ \_\_\_\_\_ per \$100 of assessed valuation payable in 20 \_\_\_\_\_ and thereafter, continuing until  
reduced or rescinded.

BE IT FURTHER RESOLVED that proofs of publication of the public hearing held  
on the \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_, and a certified copy of this resolution be  
submitted to the Department of Local Government Finance of the State of Indiana as provided by  
law. This Cumulative Fund is subject to the approval of the Department of Local Government  
Finance.

Duly adopted by the following vote of the members of said  
\_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.  
(Adopting Body)

AYE

NAY

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attest: \_\_\_\_\_, Fiscal Officer

APPENDIX G

NOTICE TO TAXPAYERS OF HEARING ON PROPOSED CUMULATIVE CAPITAL DEVELOPMENT FUND

Notice is hereby given the taxpayers of \_\_\_\_\_, \_\_\_\_\_, County, Indiana, that the \_\_\_\_\_ will meet at \_\_\_\_\_

\_\_\_\_\_ o'clock am/pm on \_\_\_\_\_, 2\_\_\_\_, at the \_\_\_\_\_

\_\_\_\_\_ for the establishment of a Cumulative Capital Development \_\_\_\_\_

Fund under the provisions of Indiana Code \_\_\_\_\_ for the purposes as follows: \_\_\_\_\_

{Unit may set out selective uses as provided by the establishing statute or the unit may state "For all uses as set out in IC \_\_\_\_\_."} (Do not publish this statement "as is.")

The tax will be levied on all taxable real and personal property within the taxing district and will not exceed:

- \$ \_\_\_\_\_ per \$100 of assessed valuation payable in 20\_\_\_\_,
\$ \_\_\_\_\_ per \$100 of assessed valuation payable in 20\_\_\_\_, and
\$ \_\_\_\_\_ per \$100 of assessed valuation payable in 20\_\_\_\_, and thereafter,

continuing until reduced or rescinded. Taxpayers appearing at such hearing shall have the right to be heard thereon. The proposal for establishment of the Cumulative Capital Development Fund is subject to approval by the Department of Local Government Finance, which will require a Notice of Submission to be given to the taxpayers by publication.

Upon publication of the Notice of Submission, fifty (50) or more taxpayers in the taxing district may file a petition with the County Auditor not later than thirty (30) days after publication, setting forth their objections to the proposed levy.

Dated this \_\_\_\_\_, day of \_\_\_\_\_, 2\_\_\_\_

\_\_\_\_\_  
(Adopting Body)  
\_\_\_\_\_  
\_\_\_\_\_

## RESOLUTION 12-08

### **Resolution of the City of Bloomington, Indiana, Consenting to a New Borrower in Connection with the Economic Development Revenue Bonds, Series 2012 (1302 South Rogers, LLP Project), of the City and Approving Certain Amending Financing Documents in Connection Therewith**

WHEREAS, the Common Council of the City of Bloomington, Indiana (the “Council” and the “City”, respectively) has, pursuant to Ordinance 10-19, adopted December 1, 2010, and Indiana Code 36-7-11.9 and -12 (collectively, the “Act”), authorized and approved the issuance by the City of its Economic Development Recovery Zone Facility Bonds, Series 2010 (1302 South Rogers, LLC Project) (the “Bonds”); and

WHEREAS, the Bonds were issued by the City on December 30, 2010 in the principal amount of \$2,000,000 and were purchased by Regions Bank (the “Bank”) with the proceeds of the Bonds loaned to 1302 South Rogers, LLC (the “Borrower”) for application on the costs of real estate and the construction thereon of a medical office facility at 1302 South Rogers Street in the City (the “Project”); and

WHEREAS, the Council has been advised by the Bank and the Borrower that the Borrower intends to sell the Project to South Rogers Medical Office Facility, LLC (the “New Borrower”) which, in connection with such transaction, will assume all obligations of the Borrower in connection with the Bonds; and

WHEREAS, except as described above, the Council has been advised that the terms and provisions of the Bonds will remain the same, that the New Borrower will continue to operate the Project in accordance with the Act and that the Bank, as holder of the Bonds, will consent to the proposed transaction; and

WHEREAS, the Council has been further advised by Bose McKinney & Evans LLP, bond counsel in connection with the issuance of the Bonds, that (i) it is necessary to amend certain of the financing documents in connection with the sale of the Project to the New Borrower and the assumption by the New Borrower of the obligations of the Borrower under the Bonds and (ii) such amendments require the approval of the Council; and

WHEREAS, the Council, having reviewed the forms of financing documents attached hereto and considered the information presented to it, finds that such documents should be approved and that the City should consent to the acquisition of the Project and assumption of the Borrower’s obligations on the Bonds by the New Borrower;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Bloomington, Indiana, as follows:

SECTION 1. The City hereby consents to the acquisition of the Project by the New Borrower and the assumption by the New Borrower of the Borrower’s obligations under the Bonds.

SECTION 2. Subject to and in accordance with the provisions of Section 4 of this resolution, the First Supplemental Trust Indenture and Mortgage, to be dated as of the date of closing by the New Borrower on the acquisition of the Project from the Borrower (the “Supplemental Indenture”), between the City and Regions Bank, as trustee (the “Trustee”), which supplements and amends the Trust Indenture and Mortgage, between the City and the Trustee, dated as of December 1, 2010, is hereby approved substantially in the form submitted at this meeting, a copy of which Supplemental Indenture is attached hereto and incorporated herein and in the minute books of the Council.

SECTION 3. Subject to and in accordance with the provisions of Section 4 of this resolution, the First Supplemental Loan Agreement, Mortgage and Security Agreement, to be dated as of the date of closing by the New Borrower on the acquisition of the Project (the "Supplemental Loan Agreement"), between the City and the New Borrower, which supplements and amends the Loan Agreement, Mortgage and Security Agreement, between the City and the Borrower, dated as of December 1, 2010, is hereby approved substantially in the form submitted at this meeting, a copy of which Supplemental Loan Agreement is attached hereto and incorporated herein and in the minute books of the Council.

SECTION 4. The forms of the Supplemental Indenture and the Supplemental Loan Agreement attached hereto or described herein and approved and adopted hereby are substantially final forms, and the City hereby authorizes the Mayor and the Clerk to approve such changes in form or substance to such instruments and documents as may be necessary or appropriate to accomplish the purposes of this resolution, with any such approval to be conclusively evidenced by such authorized execution of such instruments or documents.

SECTION 5. The Mayor and the Clerk, together and/or individually, are hereby authorized and directed to execute such documents and instruments, and to take any and all other actions on behalf of the City, as may be necessary to accomplish the purposes of this resolution.

SECTION 6. All ordinances or resolutions and parts of ordinances or resolutions in conflict herewith are hereby repealed.

SECTION 7. If any sections, sentence or provision of this resolution, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are declared to be severable.

SECTION 8. This resolution shall be in full force and effect from and after its passage by the Council and approval of the Mayor of the City.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
TIMOTHY MAYER, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

## **Synopsis**

This resolution amends Ord 10-19, which authorized the issuance of Economic Development Revenue Bonds, Series 2012 (1302 South Rogers, LLP Project) of the City, by consenting to a new borrower for the bonds and approving amendments to financing documents relating to those bonds.



ATTORNEYS AT LAW

TO: Adam Wason, Assistant Director of Economic and Sustainable Development  
CC: Cindy Kinnarney, Vice President  
FROM: Dennis Otten  
DATE: May 18, 2012  
RE: City of Bloomington Economic Development Recovery Zone Facility Bonds,  
Series 2010 (1302 South Rogers, LLC Project) – Change of Borrower Entity

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As we discussed, we are requesting placement on the Common Council's agenda for consideration of a Resolution approving amendments to certain financing documents delivered in connection with the above-referenced bonds (the "Bonds"). We would like to have this matter placed on the Council's agenda as soon as possible so that the transaction can be completed. Below is a summary of the request, along with additional information.

*Summary*

The purpose of the amendments is to reflect the change of the original borrower entity on the Bonds, 1302 South Rogers, LLC (the "Original Borrower") to a new borrower entity, South Rogers Medical Office Facility LLC (the "New Borrower"). This is necessary since the New Borrower will be acquiring the project financed with the proceeds of the Bonds (the "Project") from the Original Borrower and, in connection therewith, will be assuming all payment obligations on the Bonds. Any amendments to the financing documents in connection with the Bonds require the approval of the Common Council of the City.

*Additional Information*

On December 30, 2010, the City of Bloomington, Indiana (the "City") issued the Bonds in the principal amount of \$2,000,000 to assist the Original Borrower with the financing of the cost of constructing the Project, a medical office facility located at 1302 South Rogers Street in the City. The Bonds were issued in accordance with Indiana Code 36-7-12. Pursuant to the terms of the Bonds, the Original Borrower is obligated under the various financing documents delivered in connection therewith (e.g., the loan agreement, note and trust indenture) to own the Project and provide for all of the debt service payments on the Bonds. The Bonds were purchased by and are currently held by Regions Bank (the "Bank").

Page Two

The Original Borrower has been in negotiations for the sale of the Project and the assumption of the payment obligations on the Bonds with the New Borrower. The New Borrower will continue to operate the Project as a medical office facility and will assume all obligations and covenants of the Original Borrower under the Bonds.

In order for this transaction to be completed, certain of the financing documents delivered in connection with the Bonds will need to be amended to reflect the New Borrower as the owner of the Project and the entity obligated to provide for the payment of debt service on the Bonds. The documents include, principally, the Trust Indenture and Mortgage, dated December 1, 2010, between the City and the Bank (the "Indenture") and the Loan Agreement, Mortgage and Security Agreement, dated December 1, 2010, between the City and the Original Borrower (the "Loan Agreement"). In order to amend the Indenture, the Loan Agreement, and any related financing documents, the Common Council of the City will need to approve those amendments by Resolution.

Therefore, we are requesting placement on the agenda for the Common Council as soon as possible to consider a Resolution approving amendments to the financing documents in connection with the Bonds to reflect the transaction described above. I will be providing you with forms of the proposed Resolution, as well as the forms of proposed amendments to the Indenture, Loan Agreement and other financing documents.

If you need any additional information or have any questions, please do not hesitate to contact me at 317-684-5307 or [dotten@boselaw.com](mailto:dotten@boselaw.com).

**FIRST SUPPLEMENTAL TRUST INDENTURE  
AND MORTGAGE**

**between**

**CITY OF BLOOMINGTON, INDIANA**

**and**

**REGIONS BANK,**

**as Trustee**

---

**Dated as of \_\_\_\_\_, 2012**

**Securing**

**\$2,000,000**

**City of Bloomington, Indiana**

**Economic Development Recovery Zone Facility Bonds, Series 2012  
(1302 South Rogers, LLC Project)**



## **FIRST SUPPLEMENTAL TRUST INDENTURE AND MORTGAGE**

This First Supplemental Trust Indenture and Mortgage is made and dated as of \_\_\_\_\_, 2012 (the "First Supplemental Indenture"), by and between the City of Bloomington, Indiana (the "Issuer") and Regions Bank, as Trustee (the "Trustee"), which supplements and amends a Trust Indenture and Mortgage dated as of December 1, 2010 (the "Original Indenture", as supplemented by this First Supplemental Indenture, the "Trust Indenture"), under the circumstances summarized in the following recitals, and pursuant to Section 9.01 of the Original Indenture. The capitalized terms not defined in the recitals and granting clauses being used herein are as defined in the Original Indenture.

### WITNESSETH:

WHEREAS, pursuant to the Original Indenture, the Issuer has issued \$2,000,000 of its Economic Development Recovery Zone Facility Bonds, Series 2010 (1302 South Rogers, LLC Project) (the "Bonds"), dated December 30, 2010, which Bonds were purchased and are currently held by Regions Bank (the "Bank"); and

WHEREAS, the proceeds of the Bonds have been loaned to 1302 South Rogers, LLC (the "Borrower"), pursuant to the Loan Agreement, Mortgage and Security Agreement, dated as of December 1, 2010, between the Issuer and the Borrower (the "Original Loan Agreement") to finance the cost of the Project (as defined in the Original Indenture) and the Borrower's obligation to repay such loan was evidenced by the Borrower's Promissory Note, dated December 30, 2010, payable to the Issuer (the "Note"); and

WHEREAS, the Borrower has determined to sell the Project to South Rogers Medical Office Facility, LLC (the "New Borrower") and, in connection therewith, the New Borrower has agreed to assume all of the Borrower's obligations under the Original Loan Agreement, the Bonds and the Note; and

WHEREAS, the Bank has consented to this First Supplemental Indenture which supplements and amends the Original Indenture to reflect the acquisition of the Project by the New Borrower and the assumption by the New Borrower of the obligations of the Borrower under the Original Loan Agreement, the Bonds and the Note; and

WHEREAS, concurrently with the execution of this First Supplemental Indenture, the Issuer and the New Borrower have executed a First Supplemental Loan Agreement, Mortgage and Security Agreement, dated the date hereof, which supplements and amends the Original Loan Agreement to reflect the acquisition of the Project by the New Borrower and the assumption by the New Borrower of the obligations of the Borrower under the Original Loan Agreement, the Bonds and the Note; and

WHEREAS, the Issuer has approved this First Supplemental Indenture pursuant to its

Resolution No. \_\_\_\_\_, adopted by the Issuer on June \_\_\_\_, 2012;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

## **ARTICLE I**

### **DEFINITIONS**

Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Original Indenture. Unless the context or use indicates another meaning or intent, the following words and terms as used in this Supplemental Indenture shall have the following meanings:

“Borrower” means 1308 South Rogers, LLC.

“Indenture” means the Trust Indenture and Mortgage dated as of December 1, 2010, between the City and the Trustee, as supplemented by the First Supplemental Trust Indenture and Mortgage, dated as of \_\_\_\_\_, 2012, including any amendments and supplements thereto.

“New Borrower” means South Rogers Medical Office Facility, LLC.

## **ARTICLE II**

### **AMENDMENT AND ASSUMPTION OF OBLIGATIONS**

Section 2.01. Amendment to Reflect New Borrower. The Original Trust Indenture is amended to reflect the New Borrower wherever the Borrower is used or referred to.

Section 2.02. Assumption of Obligations. The New Borrower assumes all of the obligations of the Borrower under the Original Indenture, the Bonds and the Note. The parties to this Supplemental Indenture acknowledge and agree that the Borrower shall not be subject to any further liability or obligation under the Original Indenture, the Bonds or the Note and that any and all such liabilities and obligations are hereby assumed by the New Borrower.

## **ARTICLE III**

### **MISCELLANEOUS PROVISIONS**

Section 3.01. Ratification of the Original Indenture. This Supplemental Indenture shall form a part of the Original Indenture. Except as otherwise set forth in this Supplemental Indenture, the terms of the Bonds shall be governed by the Original Indenture. In all respects not inconsistent with the terms and provisions of this Supplemental Indenture, the Original Indenture is hereby continued, ratified, approved and confirmed.

Section 3.02. Counterparts. This Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 3.03. Waiver of Requirements. The Issuer and the Trustee by execution of this Supplemental Indenture, and the Borrower and the Bank by the execution of their consent hereto, hereby waive any and all other requirements contained in the Original Indenture and the Bonds which are conditions precedent or required prior to the (i) execution and delivery of this Supplemental Indenture; and (ii) the assumption of the obligations of the Borrower by the New Borrower under the Original Loan Agreement, the Note and the Bonds.

IN WITNESS WHEREOF, the City of Bloomington, Indiana, has caused these presents to be signed in its name and behalf by the Mayor and its corporate seal to be impressed hereon and attested by the Clerk of the City, and to evidence its acceptance of the trusts hereby created, Regions Bank, has caused these presents to be signed in its name and behalf by its duly authorized officer and the same to be attested by its duly authorized officer, all as of the date and year first above written.

CITY OF BLOOMINGTON, INDIANA

[SEAL]

By: \_\_\_\_\_  
Mark Kruzan, Mayor

ATTEST:

\_\_\_\_\_  
Regina Moore, Clerk

REGIONS BANK, as Trustee

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_



STATE OF INDIANA        )  
  ) SS:  
COUNTY OF MONROE    )

Before me, a Notary Public in and for said County and State, personally appeared Mark Kruzan and Regina Moore, by me known and by me known to be the Mayor and City Clerk, respectively, of the City of Bloomington, Indiana, who acknowledged the execution of the foregoing “First Supplemental Trust Indenture and Mortgage” on behalf of the City of Bloomington, Indiana.

WITNESS my hand and Notarial Seal this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
(Printed Signature)

My Commission Expires:

\_\_\_\_\_

My County of Residence:

\_\_\_\_\_

STATE OF TENNESSEE     )  
   ) SS:  
COUNTY OF DAVIDSON    )

Before me, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_ and \_\_\_\_\_, each by me known to be an Authorized Officer of Regions Bank, as Trustee, who acknowledged the execution of the foregoing “First Supplemental Trust Indenture and Mortgage” on behalf of said corporation.

WITNESS my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
(Printed Signature)

My Commission Expires:

\_\_\_\_\_

My County of Residence:

\_\_\_\_\_

This instrument was prepared by Dennis H. Otten, Attorney at Law, 111 Monument Circle, Suite 2700, Indianapolis, Indiana 46204.

ACKNOWLEDGEMENT AND CONSENT TO  
FIRST SUPPLEMENTAL TRUST INDENTURE AND MORTGAGE

1302 South Rogers, LLC, as the Borrower, and Regions Bank, as holder of the Bonds, hereby: (i) acknowledge receipt of the foregoing First Supplemental Trust Indenture and Mortgage; (ii) consent to the amendment to the Original Indenture contained herein; (iii) consent to the execution and delivery of this Supplemental Indenture; (iv) hereby waive any additional notice they may be entitled to pursuant to the Original Indenture, the Note or the Bonds; and (v) waive any and all other requirements contained in the Original Indenture, the Note or the Bonds which are conditions precedent or required prior to: (a) the execution and delivery of this Supplemental Indenture; and (b) the assumption of the Borrower's obligations by the New Borrower under the Supplemental Indenture, the Bonds and the Note.

Dated \_\_\_\_\_, 2012.

REGIONS BANK

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Its: \_\_\_\_\_

1302 SOUTH ROGERS, LLC

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Its: \_\_\_\_\_

**FIRST SUPPLEMENTAL  
LOAN AGREEMENT, MORTGAGE AND SECURITY AGREEMENT**

**Dated as of \_\_\_\_\_, 2012**

**By and Between**

**THE CITY OF BLOOMINGTON, INDIANA**

**and**

**SOUTH ROGERS MEDICAL OFFICE FACILITY, LLC**

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**CITY OF BLOOMINGTON, INDIANA  
ECONOMIC DEVELOPMENT RECOVERY ZONE  
FACILITY BONDS, SERIES 2010  
(1302 SOUTH ROGERS, LLC PROJECT)**

The City of Bloomington, Indiana has assigned its rights hereunder to Regions Bank, Nashville, Tennessee, as Trustee, pursuant to a Trust Indenture and Mortgage dated as of December 1, 2010, as supplemented and amended by a First Supplemental Trust Indenture and Mortgage dated as of \_\_\_\_\_, 2012.

**FIRST SUPPLEMENTAL LOAN AGREEMENT, MORTGAGE  
AND SECURITY AGREEMENT**

This First Supplemental Loan Agreement, Mortgage and Security Agreement, dated as of \_\_\_\_\_, 2012 (the "First Supplemental Loan Agreement"), and entered into by and between the City of Bloomington, Indiana, a political subdivision of the State of Indiana (the "City") and South Rogers Medical Office Facility, LLC (the "New Borrower"), supplements and amends the Loan Agreement, Mortgage and Security Agreement, dated as of December 1, 2010 (the "Original Loan Agreement"), entered into by and between the City and 1302 South Rogers, LLC (the "Borrower").

WITNESSETH:

WHEREAS, the City has issued \$2,000,000 of its Economic Development Recovery Zone Facility Bonds, Series 2010 (1302 South Rogers, LLC Project) (the "Bonds"), dated December 30, 2010, which Bonds were purchased and are currently held by Regions Bank (the "Bank"); and

WHEREAS, the proceeds of the Bonds have been loaned to the Borrower pursuant to the Original Loan Agreement to finance the cost of the Project (as defined in the Original Loan Agreement) and the Borrower's obligation to repay such loan was evidenced by the Borrower's Promissory Note, dated December 30, 2010, payable to the City (the "Note"); and

WHEREAS, the Borrower has determined to sell the Project to the New Borrower and, in connection therewith, the New Borrower has agreed to assume all of the Borrower's obligations under the Original Loan Agreement, the Bonds and the Note; and

WHEREAS, the Bank, the Borrower and the City, by its Resolution No. \_\_\_\_\_, adopted \_\_\_\_\_, 2012, have consented to this First Supplemental Loan Agreement; and

WHEREAS, concurrently with the execution of this First Supplemental Loan Agreement the City and Regions Bank, as trustee (the "Trustee"), have executed a First Supplemental Trust Indenture and Mortgage, dated the date hereof, which supplements and amends the Trust Indenture and Mortgage, dated December 1, 2010, to reflect the acquisition of the Project by the New Borrower and the assumption by the New Borrower of the obligations of the Borrower under the Original Loan Agreement, the Bonds and the Note;

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

## GRANTING CLAUSE

In consideration of the premises, the Loan of the proceeds of the Bonds to be made by the City, the acceptance of the Note by the City, and other good and valuable consideration, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest payable on the Note and the performance of all of the covenants of the New Borrower contained herein, the New Borrower has executed and delivered this Supplemental Loan Agreement and by these presents does pledge, mortgage, convey and assign to the City, its successors and assigns forever, all right, title and interest of the New Borrower in and to the Mortgaged Property.

To have and to hold all and singular the foregoing property, whether now owned or hereafter acquired, unto the City, its successors and assigns, forever; provided, however, that this Supplemental Loan Agreement is executed upon the express condition that if the New Borrower shall pay or cause to be paid all indebtedness secured hereby and shall keep, perform and observe all and singular the covenants and promises expressed in the Note, and this Supplemental Loan Agreement to be kept, performed and observed by the New Borrower, then this Supplemental Loan Agreement and the rights hereby granted shall cease, determine and be void; otherwise, this Supplemental Loan Agreement shall remain in full force and effect.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto do hereby agree as follows:

## ARTICLE I

### DEFINITIONS

Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Original Loan Agreement. Unless the context or use indicates another meaning or intent, the following words and terms as used in this Supplemental Loan Agreement shall have the following meanings:

“New Guarantor” means \_\_\_\_\_, \_\_\_\_\_, each of whom has personally guaranteed the repayment of a portion of the Loan to the Purchaser.

“Indenture” means the Trust Indenture and Mortgage dated as of December 1, 2010, between the City and the Trustee, as supplemented by the First Supplemental Trust Indenture and Mortgage, dated as of \_\_\_\_\_, 2012, including any amendments and supplements thereto.

“New Borrower” means South Rogers Medical Office Facility, LLC, and its successors and assigns. The notice address of the New Borrower is:

South Rogers Medical Office Facility, LLC

\_\_\_\_\_  
Bloomington, Indiana \_\_\_\_\_

**(End of Article I)**

**ARTICLE II**

**AMENDMENT AND ASSUMPTION OF OBLIGATIONS**

Section 2.01. Amendment to Reflect New Borrower. The Original Loan Agreement is amended to reflect the New Borrower wherever the term Borrower or 1302 South Rogers, LLC is used or referred to.

Section 2.02. Amendment to Reflect New Guarantor. The Original Loan Agreement is amended to reflect the New Guarantor wherever the term Guarantor is used or referred to.

Section 2.03. Assumption of Obligations. The New Borrower assumes all of the obligations of the Borrower under the Original Loan Agreement, the Bonds and the Note. Notwithstanding the provisions of Section 10.02(a), the parties to this Supplemental Loan Agreement acknowledge and agree that the Borrower shall not be subject to any further liability or obligation under the Original Loan Agreement, the Bonds or the Note and that any and all such liabilities and obligations are hereby assumed by the New Borrower.

**(End of Article II)**

**ARTICLE III**

**MISCELLANEOUS PROVISIONS**

Section 3.01. Ratification of the Original Loan Agreement. This First Supplemental Loan Agreement shall form a part of the Original Loan Agreement. Except as otherwise set forth in this First Supplemental Loan Agreement, the terms of the Note shall be governed by the Original Loan Agreement. In all respects not inconsistent with the terms and provisions of this First Supplemental Loan Agreement, the Original Loan Agreement is hereby continued, ratified, approved and confirmed.

Section 3.02. Counterparts. This First Supplemental Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 3.03. Waiver of Requirements. The City and the New Borrower by execution of this First Supplemental Loan Agreement, and the Borrower and the Bank by the execution of their consent hereto, hereby waive any and all other requirements contained in the Original Loan Agreement and the Note which are conditions precedent or required prior to the (i) execution and delivery of this First Supplemental Loan Agreement; and (ii) the assumption of the obligations of the Borrower by the New Borrower under the Original Loan Agreement, the Note and the Bonds.

IN WITNESS WHEREOF, the City of Bloomington, Indiana has caused this First Supplemental Loan Agreement to be executed in its corporate name with its corporate seal hereunto affixed by its Mayor and attested by its City Clerk, and South Rogers Medical Office Facility, LLC has caused this First Supplemental Loan Agreement to be executed in its corporate name by its duly Authorized Officer. All of the above occurred as of the date first above written.

CITY OF BLOOMINGTON, INDIANA

By: \_\_\_\_\_  
Mark Kruzan, Mayor

[SEAL]

ATTEST:

By: \_\_\_\_\_  
Regina Moore, City Clerk

SOUTH ROGERS MEDICAL OFFICE  
FACILITY, LLC

By: \_\_\_\_\_  
\_\_\_\_\_, Managing Member

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Member



STATE OF INDIANA        )  
  ) SS:  
COUNTY OF MONROE    )

Before me, a Notary Public in and for said County and State, personally appeared Mark Kruzan and Regina Moore, by me known and by me known to be the Mayor and City Clerk, respectively, of the City of Bloomington, Indiana, who acknowledged the execution of the foregoing “First Supplemental Loan Agreement, Mortgage and Security Agreement” on behalf of the City of Bloomington, Indiana.

WITNESS my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
(Printed Signature)

My Commission Expires:  
\_\_\_\_\_

My County of Residence:  
\_\_\_\_\_

STATE OF INDIANA        )  
  ) SS:  
COUNTY OF MONROE    )

Before me, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, by me known to be the Managing Member and member and, respectively, of South Rogers Medical Office Facility, LLC, who acknowledged the execution of the foregoing “First Supplemental Loan Agreement, Mortgage and Security Agreement” on behalf of said corporation.

WITNESS my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
(Printed Signature)

My Commission Expires:  
\_\_\_\_\_

My County of Residence:  
\_\_\_\_\_

This instrument was prepared by Dennis H. Otten, Attorney at Law, 111 Monument Circle, Suite 2700, Indianapolis, Indiana 46204.

ACKNOWLEDGEMENT AND CONSENT TO  
FIRST SUPPLEMENTAL LOAN AGREEMENT, MORTGAGE  
AND SECURITY AGREEMENT

1302 South Rogers, LLC, as the Borrower, and Regions Bank, as holder of the Bonds, hereby: (i) acknowledge receipt of the foregoing First Supplemental Loan Agreement; (ii) consent to the amendment to the Original Loan Agreement contained herein; (iii) consent to the execution and delivery of this First Supplemental Loan Agreement; (iv) hereby waive any additional notice they may be entitled to pursuant to the Original Loan Agreement, the Note or the Bonds; and (v) waive any and all other requirements contained in the Original Loan Agreement, the Note or the Bonds which are conditions precedent or required prior to: (a) the execution and delivery of this First Supplemental Loan Agreement; and (b) the assumption of the Borrower's obligations by the New Borrower under the Original Loan Agreement, the Bonds and the Note.

Dated \_\_\_\_\_, 2012.

REGIONS BANK

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Its: \_\_\_\_\_

1302 SOUTH ROGERS, LLC

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Its: \_\_\_\_\_