



New 501c3– City of Bloomington Capital Improvements (CBCI) Frequently Asked Questions

As of January 26, 2023

This is an exciting time for Bloomington, with several significant, special projects and opportunities underway for the City.

After months of research, outreach, and discussion with various experts, the City of Bloomington has determined that a new nonprofit 501c3 organization offers the best option to assist the City with special work beyond the scope of its core missions to advance this unprecedented level of project activity. The preliminary steps needed to create a 501c3 nonprofit have been taken and outlined in a memo shared with City Council and the community on January 13 (<https://bton.in/l3303>).

Over the coming weeks and months, the City will continue engagement with a wide variety of stakeholders to further outline the nonprofit's initial scope of responsibilities, explore funding opportunities, recruit board members, and complete the remaining organizational steps.

This FAQ answers common questions we've received, and will be updated on a regular basis. If you have any questions or concerns, we'd love to hear from you. Send us an email at mayor@bloomington.in.gov or call 812-349-3406.

What is the overall purpose of the nonprofit?

The City of Bloomington currently oversees a significant number of major projects involving city ownership of land and structures that do not involve core municipal services yet provide great added value and benefit to the city. Such projects include arts-sector projects, jobs and technology-sector related projects, and Hopewell (the former hospital site on West 2nd Street).

A new 501c3 nonprofit organization, closely affiliated with the city administration, can focus on some of these existing projects and future similar projects. A nonprofit offers a good combination of efficiency, accountability, and appropriate alignment of resources and mission – including specialties and expertise brought in for particular initiatives. A 501c3, as proposed, would operate with transparency and accountability to the City Administration, City Council, and the Bloomington community.

How will the new 501c3 nonprofit, the City of Bloomington Capital Improvements (CBCI), be funded? Are there additional fundraising expectations for the board, and how will those work?

- The Administration plans to work with the City Council, the new nonprofit board (when appointed), and community partners in the coming weeks and months to complete the

remaining organizational steps and to consider funding options and any potential future property transfers.

- Categories of funding could include:
 - Tax Increment Financing (TIF) funding relevant to the projects (overseen by the City's Redevelopment Commission)
 - 2023 program/project management funding from the City budget
- 501c3s are structured to allow additional fundraising, including:
 - Pursuing federal funding
 - Pursuing state funding
 - Raising funds from the private sector
- There are no plans for CBCI actively to pursue philanthropic donations/private funding at this time.

Unless the nonprofit contracts for City services, the administrative work of running a nonprofit will require extra personnel and take away from core responsibilities. How would this be addressed?

The Administration has taken the initial steps to launch a nonprofit, including filing Articles of Incorporation, obtaining a federal Employer Identification Number (EIN), preparing bylaws and a draft 501c3 application to guide its launch, and creating a conflict of interest policy. Once appointed, the CBCI board will begin organization efforts, including developing staffing plans, establishing advisory committees to leverage community expertise, and working with City staff to formalize workflows and processes. Administrative support from city departments by contract is possible. Specific details will be considered in the future. Extensive collaboration and coordination among city departments will be crucial to the success of the nonprofit and to the projects.

What authority will CBCI have? Can it negotiate as the City, issue funding, finalize contracts for City properties, etc.?

- Indiana law broadly empowers nonprofit organizations like CBCI to pursue their missions, including entering into contracts; hiring and paying officers and staff; getting insurance; dealing with real and personal property; and doing all other things otherwise lawful and necessary or convenient to further their affairs.
- The Administration and City Council will determine specific authorities vested in CBCI over the coming weeks and months. A few examples could include:
 - Managing City-owned properties
 - Promoting and/or overseeing City properties and initiatives
 - Negotiating leases/services for City-owned properties
- Some authorities that CBCI will need to function effectively:
 - Sufficient budget resources to perform its work
 - Ability to hire staff
 - Ability to negotiate contracts

What will CBCI's relationship be to current management companies like Constellation, Dimension Mill, Inc., BCT Management, etc.?

- The City is extremely grateful to Constellation, Buskirk Chumley Theater Management, and Dimension Mill for their ongoing leadership, commitment, and work to further enhance the quality of life in Bloomington via the public facilities they manage and promote, and through their broader community programming efforts.
- Existing contracts and relationships such as those mentioned will continue in place
- Outreach to the management of these organizations/companies will continue in the coming weeks and months to collaborate with them, and other partners
- CBCI may in the future assume some of the City's role as it relates to the management of relationships with these organizations/companies, but it is up to the City Administration to decide if/how this happens

Will this new nonprofit affect the engagements with the U.S. Economic Development Administration (EDA) in the context of the Trades District Technology Center grant project?

The City does not anticipate that CBCI will be involved in the EDA project in the near term, given the recently approved RDC agreement with The Mill (<https://bton.in/RJVPf>). If for any reason, The Mill seeks CBCI engagement in that project, the City will engage with the EDA to ensure any proposed change would be consistent with EDA and grant guidelines.

What will CBCI's relationship be with other stakeholders? (e.g., developers, promoters, the BEDC, etc.)

- In connection with any projects or properties in which CBCI becomes engaged, it will work closely with all stakeholders in the community
- CBCI will also work closely with City departments, similarly to how current consultants/contractors work on City projects

How will the City Council engage in or relate to the work of CBCI?

- Council would continue in all of its current roles related to projects or properties in which CBCI may engage, including:
 - Approving annual City budgets
 - Approving \$5 million+ purchases by the RDC
- Council's role would expand to include:
 - Appointing a member of the CBCI board who will play an active role in all CBCI activities
 - Reviewing the annual CBCI budget
 - Approving \$5 million+ purchases of property by the CBCI
 - Receiving annual reports from CBCI
 - Participating, if desired, in regular public CBCI board meetings

On a broader level, how will CBCI make it easier/better to do business with/in Bloomington?

- CBCI is designed to accelerate work on important community projects
- CBCI activities can allow City staff to focus on their core work
- CBCI streamlines the property management and development review activity where applicable, which will provide partners with a more predictable evaluation path regarding City-owned and City-managed properties
- The CBCI staff/board will be able to specialize, increase capacity, and assemble relevant expertise to facilitate projects and streamline interactions with business partners
- Business partners/tenants will have a responsive organization to address specific property-level needs and opportunities
- The level of city staff commitment that would be required to pursue maximum success in the range of these initiatives in the coming years would require challenging and significant increases in city budgets and staffing. The 501c3 offers more efficiencies, not sustainable with current city staffing levels

Will a non-profit like CBCI, with its five-member board, have the bandwidth and expertise to manage/oversee so many projects? What kind of staffing model is envisioned for CBCI?

- The several large projects identified for potential CBCI activity, while distinct, are also interrelated in their connection to the downtown community's quality of life and progress. City departments currently manage these projects in addition to the vast and many other responsibilities they carry daily. In comparison, CBCI will be focused on a few key, related projects.
- Staffing of CBCI will be critical, as will partnerships
- Any transfer of tasks and responsibilities from current City staff to CBCI will be done thoughtfully and with planning and full collaboration for success.