



December 5, 2019

Dear Commissioners, City Councilors and County Councilors,

The City is writing this letter in an effort to reset the tone of our ongoing negotiations about the Convention Center expansion project. We believe we are close to agreement about how to resolve our differences. Therefore, we'd like to propose a path forward and a timeline.

The primary sticking point is the governance model for the project. At its most recent meeting, the group of 20 elected officials heard from jointly selected bond counsel, Bruce Donaldson of Barnes & Thornburg, about the advantages and limitations of CIBs versus 501(c)(3)s as governance models. We believe those discussions were very helpful and that both options need deeper consideration. To clarify some of the issues we need to address in whatever entity is formed, City staff drafted the attached brief memo on the two options under consideration. We believe it will be helpful for this discussion.

Creating a joint entity like this is in ways akin to an organizational merger, and our constituents and our community deserve a thorough process for choosing the vehicle that will manage a major community asset for decades to come. We would suggest that responsible and thoughtful parties agree to an organizational merger not in the abstract, but by drafting the essential terms of governing documents and then negotiating those essential terms before deciding on a final model. The City has proposed a reasonable amount of time, until December 31, 2019, to consider the proper entity for this venture. In these few weeks, the City and County can draft the essential terms of documents and negotiate them in advance so the parties understand what is at stake. We believe this is a time-honored and -tested way of coming to an agreement.

As of yesterday, we understand that the County does not think more time is required. The County Commissioners sent the City a letter at 5:15 PM on Wednesday, December 4th that asked the Mayor to commit in writing on or before noon tomorrow, Friday, December 6th, to "the creation of a CIB governance structure with full statutory authority." The letter also asked the City to

suspend a pending funding request to the City Council until a CIB is formed, and to commit to a 3-3-1 representation on the CIB's board. This letter requires at least a brief response so that the parties are clear on next steps. First, the City had already committed in a letter on December 3, 2019 to the creation of a governing entity with equal representation for the City and the County. Second, included with the Commissioners letter to the City was a draft CIB ordinance that the Commissioners are preparing to adopt, and which includes a provision that the 3 members appointed by the City would be appointed by the City Council. This is the kind of term that cannot be unilaterally determined by the County without discussion with its City partners. Finally, a deadline on the governance decision of less than 48 hours is impossible under the circumstances and given the importance of this decision, as we hope you understand after considering our points here.

The day before the Commissioners' letter, the Mayor sent this email:

Commissioners,

I'm disappointed of course that the F&B Commission didn't move forward today with the approval so the city can appropriate the funds needed for designing the convention center complex -- under governance to be determined -- but hopeful that the F&B Commission will act next week on the 10th.

In the meantime, I hope we can make progress on the governance specifics. I have agreed to your demand on equal representation on the governing body, despite some misgivings and concerns about overall equity in the governance structure. Onward we shall go. I have heard your preferences voiced for a CIB as opposed to a nonprofit. I think I understand some of the reasons, and welcome more understanding and shared consideration. I and city colleagues continue to view this as an open question, about which option is on balance preferable. I'm trying to keep an open mind as we evaluate the options in detail. And hope you will as well, as we gather more information from professionals and staff.

I'm ready to meet with you at your earliest convenience, individually or together, for discussions. I also would suggest our staffs should meet and try to develop a joint recommendation if possible. I know our city staff are ready to meet and discuss options, pros and cons, etc., expeditiously.

Please let me know your preference for how to tee up and evaluate the many considerations around governance options.

John

As this email illustrates, the City is ready to meet immediately with our county colleagues to discuss the essential terms for the proposed governance models with the goal of coming to agreement by or before December 31, 2019, unless both parties agree that the deadline should be extended to complete negotiations. To facilitate these discussions, we would propose that the City and the County each appoint teams of 3-4 members, much like entities handle labor negotiations, to begin this task.

In summary and in good faith, we cannot and will not commit to a CIB without further, more detailed discussion, and certainly not by noon on December 6. We respectfully request that the County agree the additional time we propose for working together is a reasonable step, and that the County Commissioners not move forward with establishing a CIB until we have worked over the next few weeks to consensus on a governing structure. We believe if our teams can meet, we can resolve these matters in a timely, respectful way, and to everyone's satisfaction. We look forward to your response and to beginning those discussions immediately.

Sincerely,



John Hamilton
Mayor, City of Bloomington



Dave Rollo
President, Bloomington Common Council