

APPROPRIATION ORDINANCE 23-02

**TO SPECIALLY APPROPRIATE FUNDS FROM THE GENERAL FUND FOR
CONSTRUCTION OF THE TRADES DISTRICT TECH CENTER AND ASSOCIATED
CONSTRUCTION MANAGEMENT SERVICES**

- WHEREAS, the Trades District is a 12-acre portion of the Bloomington Certified Technology Park (“CTP”) owned by the City of Bloomington Redevelopment Commission (“RDC”); and
- WHEREAS, the Trades District is envisaged as a place of innovation, business attraction and job creation and a catalyst to support high technology sector growth; and
- WHEREAS, on October 12, 2021, the US Economic Development Administration (EDA), awarded the City of Bloomington (“City”) as co-applicant with the RDC and the Bloomington Economic Development Corporation (“BEDC”), a \$3.5 million CARES Act Recovery Assistance Grant to support the construction of the Trades District Technology Center (“Tech Center”) as a Class A office building within the CTP to support growth in tech-focused industries and to foster emerging tech startups; and
- WHEREAS, the Tech Center's purpose includes growing industries and fostering emerging startups that are engaged in "high technology activity," as that term is defined in Indiana Code 36-7-32-7; and
- WHEREAS, the Tech Center will be located at Maker Way and North Madison Street in the Trades District and is within a federally recognized Opportunity Zone, which is a development tool designed to attract capital investment to economically distressed areas; and
- WHEREAS, the Tech Center is a proposed three-story 22,000-square-foot building that will house small-to-medium tenant office spaces as well as meeting space and shared amenities; and
- WHEREAS, in addition to the EDA’s multi-million dollar support of the Tech Center as a means of expanding economic development and tech industry growth in Bloomington, the Indiana University Public Policy Institute has indicated the need to diversify the types of jobs available within the local economy, identified technology as an emerging industry sector providing sustainable, higher paying jobs, and concluded that the estimated economic impact of the Tech Center over 10 years is \$218 million, including 866 private sector jobs (530 direct jobs and 336 indirect and induced jobs) and \$51.5 million in leveraged private investment; and
- WHEREAS, construction and activation of the Tech Center will build on and provide support to other key economic development initiatives in the area including the continuing success of The Mill, the City-owned award-winning center for entrepreneurship and coworking space located in the historic Showers Dimension Mill building, one of the fastest growing co-work facilities and the home of IU Ventures, The Flywheel Fund and several successful early-stage tech companies; Eurton Qualified Opportunity Fund, LLC’s purchase and renovation of the Showers Administration Building; the Kiln Collective’s purchase and renovation of the Showers Kiln Building; and achieving full occupancy of the Trades District Parking Garage facility; and

WHEREAS, The Dimension Mill, Inc. is a nonprofit corporation operating within the Trades District with a mission, among other things, to promote and facilitate entrepreneurship, including high technology startups and related industries; and

WHEREAS, on January 27, 2023, the City of Bloomington and the RDC executed a Trades District Management Agreement with The Dimension Mill, to manage the development of the Trades District Tech Center and market the Trades District development, a copy of which Agreement is attached to this Ordinance as Exhibit A and incorporated herein by reference; and

WHEREAS, pursuant to the Trades District Management Agreement, The Dimension Mill will oversee the development of the Tech Center and engage in broader marketing, promotion and development of the Trades District, which efforts are consistent with the City's Comprehensive Plan, Certified Technology Park Master Plan, and Unified Development Ordinance, and are being led by former US Assistant Secretary of Commerce for Economic Development and former Bloomington Mayor John Fernandez; and

WHEREAS, as part of these efforts, The Dimension Mill will serve as the City's and RDC's agent in securing construction management services for the Tech Center construction; and

WHEREAS, The Dimension Mill has conducted focus groups with numerous local tech companies and other partners to advise on Tech Center design and development; and

WHEREAS, the IU Innovation and Commercialization Office (ICO) and the Ivy Tech Gayle & Bill Cook Center for Entrepreneurship have committed to deliver in-kind consulting and advisory services to companies through the Tech Center, which will contribute to the success of the Tech Center and its tenants; and

WHEREAS, in accordance with the City's Green Building Program, the Tech Center's design will meet or exceed LEED Silver Certification and include features, such as solar panels, low-emitting materials, green roofing, and exterior workspaces, that align with and support the City's sustainability goals, and together with collaboration spaces and social hubs, will also align with evolving needs of companies in the post-COVID work environment; and

WHEREAS, the City and the Dimension Mill expect that the Tech Center will advance Bloomington and the South Central Indiana tech industry employment growth and technology commercialization, contribute to a stronger brand for the region in technology, and connect growing tech companies to Indiana University's innovation and commercialization assets, NSWC Crane's tech transfer programs, 16 Tech in Indianapolis and national and international networks; and

WHEREAS, the City and The Dimension Mill expect the public contract bidding process for construction of The Tech Center to begin in late summer 2023, with construction starting in Q3 2023 and the project being completed in 2025; and

WHEREAS, at the time of the City's grant application to the EDA in 2020, the RDC committed \$1,958,3980 toward the required local funding match from its Consolidated Tax Increment Financing District ("Consolidated TIF"), reflecting a preliminary project cost estimate, prior to completion of the design process, of approximately \$5.5 million; and

WHEREAS, Tech Center development was delayed during the COVID-19 pandemic, and the project has been impacted by the inflationary pressures impacting the construction industry; and

WHEREAS, as a result, based upon updated pre-bid design estimates, the total Tech Center project estimated cost is now \$8,519,771, as further detailed in the budget statement in Appendix 1 to The Dimension Mill's March 20, 2023 memorandum attached to this Appropriation Ordinance as Exhibit B and incorporated by reference herein; and

WHEREAS, this new estimate has resulted in the need for an additional appropriation of \$3,061,391 to fully fund construction of the Tech Center; and

WHEREAS, although the proposed location of the Tech Center lies just outside the boundaries of the Downtown Community Revitalization District ("CRED district"), the purpose, focus, and activities of the Tech Center involve economic development and revitalization with an emphasis on the technology sector, and thus align fully with the purpose of that CRED district and the Industrial Development Fund ("IDF"), which is to enable the City to pursue opportunities for economic and industrial development and high-quality employment in or serving the City; and

WHEREAS, given the statutory expiration of the Thomson and Downtown CRED districts, the Bloomington Industrial Development Advisory Commission ("BIDAC") will meet on March 31, 2023 and in accordance with Indiana Code 36-7-13-19, consider BIDAC Resolution 23-01 declaring the CRED districts terminated, their purpose and the purposes of the IDF accomplished, and all related bonds and other obligations fully paid, and dissolving the BIDAC, a copy of which Resolution is attached hereto as Exhibit C and incorporated by reference herein; and

WHEREAS, following passage of BIDAC Resolution 23-01, the City Controller will transfer the balance of the IDF as of December 31, 2022, totaling \$17,269,342.40, to the City's General Fund, as required by Indiana Code 36-7-13-9, and will similarly transfer any residual amounts that may hereafter be received from the State in connection with any final reconciliation of the IDF; and

WHEREAS, upon transfer to the City's General Fund, the former IDF funds may continue to be appropriated by the Council for use in supporting economic development and revitalization projects, in the former CRED districts and other appropriate locations in the City; and

WHEREAS, for the reasons cited above, the Council supports appropriating \$3,061,391 of the former IDF funds transferred to the General Fund, to leverage the EDA's \$3.5 million grant and establish a Class A, LEED Silver Certified technology startup and accelerator facility;

WHEREAS, notice of a hearing on said appropriation has been duly given by publication as required by law, and the hearing on said appropriation has been held, at which all taxpayers and other interested persons had an opportunity to appear and express their views as to such appropriation; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing an additional appropriation of the City have been complied with in accordance with Indiana law;

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

SECTION 1: For the purposes of enabling the construction of the Trades District Tech Center, the following additional sums of money are hereby appropriated and ordered set apart from the General Fund for the purposes herein specified, subject to the laws governing the same:

| | | AMOUNT REQUESTED |
|--|---|---------------------|
| General Fund (Fund#101)- Economic & Sustainable Development | | |
| | Classification – 3 Services and Charges | 3,061,391 |
| | | |
| | Total Economic & Sustainable Development | 3,061,391 |
| | | |
| | Total General Fund | 3,061,391 |
| | | |
| General Fund (Fund#101) | | 3,061,391 |
| | | |

SECTION 2: There is hereby appropriated the sum of Three Million, Sixty-One Thousand, Three Hundred Ninety-One (\$3,061,391) Dollars (\$) out of the General Fund, to help cover costs of construction of the Trades District Tech Center including the cost of construction management services secured by The Dimension Mill as agent of the City and the RDC. Such appropriation shall be in addition to all appropriations provided for in the existing 2023 budget and shall continue in effect until the completion of the described purposes.

SECTION 3. Each of the Mayor and the Controller is hereby authorized and directed, for and on behalf of the City, to execute and deliver any agreement, certificate or other instrument or take any other action which such officer determines to be necessary or desirable to carry out the intent of this Ordinance, including the filing of a report of an additional appropriation with the Indiana Department of Local Government Finance, which determination shall be conclusively evidenced by such officer's having executed such agreement, certificate or other instrument or having taken such other action, and any such agreement, certificate or other instrument heretofore executed and delivered and any such other action heretofore taken are hereby ratified and approved.

PASSED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this ____ day of _____, 2023.

SUE SGAMBELLURI, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this ____ day of _____, 2023.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this ____ day of _____, 2023.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This ordinance appropriates \$3,061,391 from the General Fund to help pay for construction of the Trades District Tech Center and associated construction management services secured by The Dimension Mill.