



Bloomington Urban Enterprise Association Board Meeting

December 11, 2024

11:30 a.m.

In-Person CityHall-1-McCloskey Conference Room

Join Zoom Meeting

<https://bloomington.zoom.us/j/84576005312?pwd=SERpaXRLenV0U0J6dXlCNTVGVMNPUT09>

Meeting ID: 845 7600 5312

Passcode: 953182

- **Roll Call:**

Virginia Githiri - Board member

Andrea de la Rosa - Exec Dir. BUEA,

Kate Rosenberger - Board Member

Jane Kupersmith - Board Member

Phil Emerson - Board Member

Heather Robinson - Board member,

Mary Morgan - Board member

Michael Hover - Board member

Bill Faulkner - DuCharme, McMillan and Associates

Holly Warren, Bloomington Arts Commission - online.

- **Approval of minutes from November 2024.**

- Michael Hover -Motion.
- Virginia Githiri - Second
- Passes unanimously 7-0

- **New Business**

- **Public Hearing: Reading of Resolution 24-01 to waive the late enterprise zone investment deduction applications (Form EZ-2), Catalent, Indiana, LLC.**
 - The board discussed the amended filing for Catalyst 23 Pay 24 EZ. Errors in the initial claim required refiling, but the amended filing was submitted after the deadline. Formal written approval from the governing body is needed to accept the amended filing. This approval is critical for two reasons: (1) ensuring the city receives significant revenue from the corrected

filing, and (2) securing the participation fee that supports ongoing city initiatives. The filing amendment has already been reviewed by the county, but the BUEA is required to approve the amended filing as the governing body. Notably, the original filing was submitted on time, and only the amended filing requires approval.

- Mr. Faulkner noted that the original filing was timely but included an overlap between assets on the abatement and those subject to the EZ, resulting in a duplicate claim. This issue was identified after the filing was submitted. The correction process caused the amended filing to be late. The matter was resolved in collaboration with the auditor's office, the assessor, and the county attorney. The corrections ensure no over-claims and that filings are accurate moving forward for 23 Pay 24 and 24 Pay 25 cycles. Appreciation was expressed for the assistance in resolving the issue and aligning the filings.
- Mr. Amerson raised concern regarding projections that the corporate community does not anticipate future growth in Monroe County. This concern was based on sessions attended about the county's economic future, which highlighted uncertainties. Particular emphasis was placed on potential impacts to underrepresented populations in the community.
- Ms. Kupersmith countered that the discussion pertains to past investments made by Catalent, which are entitled under state statutes, rather than future investments in the community. While there has been public discussion about Monroe County and Bloomington's growth trajectory, this is unrelated to the current topic. Additionally, publicly available information about Catalent's acquisition by another company was mentioned as exciting but not relevant to the discussion. It was acknowledged that DuCharm, Mc Millian and Associates is not at liberty to discuss future investments. Ms. Kupersmith also referenced the past decade's developments to demonstrate good faith.
- Mr. Amerson expressed concern about the lack of significant Black-owned businesses in the city, noting that the oldest such business is a barbershop. While it was acknowledged that this is not directly actionable by Mr. Faulkner, Mr. Amerson emphasized his deep concern and wanted it noted for the record.
- There were no statements by the public during the hearing.

○ **Approval of Resolution 24-01 to waive the late enterprise zone investment deduction applications (Form EZ-2), Catalent, Indiana, LLC.**

- Michael Hover -Motion.
- Mary Morgan - Second
- Passes 6-0-1
- Phil Amerson - abstains

● **January Meeting Date**

- Discussion was held regarding the January 2025 meeting date. Due to the holidays and the office closure on January 1st, it was suggested to push the meeting back from January 8th to January 15th. A motion was made to officially change the meeting date from January 8th to January 15th, aligning with the third Wednesday of the month.

- **Approval of to change next meeting from 1/8/25 to 1/15/25 .**
 - Jane Kupersmith -Motion.
 - Mary Morgan - Second
 - Passes unanimously 7-0
- Calendar invites for the adjusted January 15th meeting will be sent out, along with updates to other meeting dates. It was clarified that meetings will continue to be held at noon. One member noted they would likely join via Zoom due to a class schedule. It was also mentioned that the electronic meeting policy will be resent to ensure everyone is informed.

- **Unfinished Business**

- **2025 Budget Discussion**

- The meeting focused on discussing the budget, following up on a brief discussion from the previous meeting. Ms. Warren provided information on the arts incubator last time, but other budget areas were not addressed. It was proposed that Mrs. de la Rosa provide an overview of the entire budget, allowing the group to later focus on specific areas with changes or additions. The group agreed with this approach. Highlights included:

- **Income:**

- A projected decrease in income (~\$80,000 difference between 2024 and 2025) due to:
 - EZID income reductions as companies phase out of the program.
 - Reduced RF loan interest as loans decrease.
 - Unpredictable refunded AIEZ amounts, with a conservative estimate used for the budget.
 - Projections from the EZID loan program based on loans issued by four financial institutions.

- **Expenditures:**

- **Administrative Costs:**

- Professional services and management: \$50,000 for a renewed staff agreement.
- Insurance: Projected to double to \$7,000.
- Accounting and tax services: Remain at \$1,500.
- Project administration: Increased by \$13,000 for consulting services to expand the EZID program, allowing staff to focus on recruitment of smaller businesses.
- Strategic planning: \$10,000 allocated for external support, aiming to enhance the program's impact efficiently.

- Marketing and advertising: \$10,000, with a focus on promoting the EZID program and other grant initiatives.

- **Grants and Education:**

- MCCSC annual contribution: \$50,000.
- Economic independence scholarship: \$15,000.
- Lemonade Day: \$67,500.
- Ivy Tech annual agreement: \$45,000.
- Economic enhancement scholarship: \$10,000.
- Dimension Mill zone day passes: \$1,000.
- Unbudgeted grants: \$10,000 for flexibility.

- The board discussed potential impacts on DEI (Diversity, Equity, and Inclusion) programming and funding due to changes in the presidential administration. Additionally concerns about longer-term implications for funding and programming in light of administrative changes. It was noted that these changes would ultimately depend on board decisions and future developments.

- **Financial Report**

- Mrs. Gilliland presented the financials for September, covering both income and expenses.

- **Income:**

- Total income for September: \$8,088.79
 - Sources of income: Banking interest, loan late fees, and loan interest.
 - Additional income from CD interest: \$441.70
 - Net income for the month: \$5,735.49

- **Balance Sheet:**

- Total checking and savings balance as of September 30th: \$2,960,683.31
 - Total assets: \$3,115,129.69

- **Budget vs Actual:**

- `Income through September: 32.6% of the budgeted amount, totaling \$175,470.62.
 - Expenses: 26.3% of the budgeted amount, totaling \$134,158.93.
 - Net income through September: \$45,554.37

- Mr. Amerson expressed concerns of the institutions holding funds and whether they could be encouraged to adopt more equitable hiring and investment practices. It was noted that while some local banks support the community, four of the banks holding funds are not locally owned, limiting local influence. A suggestion was made to ask these institutions for reports on their investments in minority-owned businesses and to consider moving funds to minority- or women-owned banks. There

was also a call to explore diversifying the organization's accounts and investing in interest-earning options. These points were recommended for further discussion as part of the ongoing strategic planning process, with additional conversations to follow after the legislative meeting in January.

- The group discussed the growing amount of funds and the opportunity to activate more of these resources next year. While there's no immediate need to keep a large sum of money, it's important to ensure it's placed effectively for the organization. Mrs. Gilliland emphasized that the current spending rate is not high, and expenses should increase in the October and November reports, getting closer to the budget goal. The December expenses should be included in the January meeting. The January meeting is scheduled for the 15th, at which point Q4 data will be available.

- **Approval the September Financials**

- Michael Hover -Motion.
- Mary Morgan - Second
- Passes unanimously 7-0

- **Unfinished Business**

- **2025 Budget Discussion cont.**
 - Holly Warren presented the following information: The BAC is leasing 10,000 square feet from Secretly Group located in Bloomington. This warehouse, across from the community garden, will be transformed into an artist studio, workshop, exhibition, and performance space. The project aims to provide 20-25 individual studios and shared spaces with specialized equipment for artists in ceramics, textiles, printmaking, and more. It will also offer a space for teaching classes and reintroduce resources previously available at Ivy Tech's Waldron Arts Center, such as ceramics kilns. The need for such spaces was confirmed through an artist feasibility study in 2022, as studio space is a top priority for local artists. The project will not only support artists with workspace but also offer exhibition and performance opportunities, especially for non-traditional art forms. The goal is to retain local talent that might otherwise move to cities like Indianapolis, Cincinnati, or Chicago for similar resources.
 - Currently, the project has limited funding, enough to start operations in 2025 with a cohort of 10 artists. These artists will also participate in professional development workshops, including grant writing and networking opportunities. Future phases will involve expanding the program, opening the space to the broader community, and enhancing the facility.
 - The group is seeking \$100,000 from BUEA to build an ADA-compliant entrance and fund additional space build-out, including permanent walls for studios. This funding will also support programming, such as workshops and artist visits. Additionally, they are applying for funding from Ready 2.0, which requires local matching funds. This BUEA contribution would help meet those matching requirements and elevate the project's impact.
 - The discussion continued highlighting the significant wealth gap in Bloomington, which was first flagged in the 2022 Trahan Arts feasibility study. This study revealed a critical lack of affordable studio space for working artists, making it difficult for them to remain in the community. The research conducted by Dee and Matthew this year further emphasized the severity of this gap,

ranking Bloomington among the most egregious in terms of wealth disparity. This gap is contributing to artists leaving the community.

- The arts incubator is expected to enhance the area and become a destination point for tourists. The vision is for the incubator to serve as a focal point that naturally directs visitors through the entire city, highlighting key developments like the trades district, and convention center. This approach ensures that people experience the entirety of the city rather than just one part. Given the city's spread-out nature, making these connections will be crucial for creating a more cohesive and accessible urban experience.
- The partnership with Secretly Group is a key factor in the success of the arts incubator, with them offering a discounted rate on the space, which is a huge benefit. They view this as a long-term project, expecting it to last at least 20 years. The initial goal is to establish a dynamic space that attracts attention, but as plans have progressed, it's clear that the current 10,000 square feet won't fully meet the needs of all artists. To address this, there are discussions about connecting with other local resources, such as the Bloomington Creative Glass Center, and potentially expanding the network of artist spaces across the city. The vision is for this incubator to grow strategically, bringing together different types of artist resources that currently exist in isolated spaces, and creating a more collaborative environment for the creative community.
- The BAC will prioritize historically underrepresented artists in all initiatives. In the past, certain artists had better access to grants and resources, but they are focusing on making opportunities more accessible to artists of color. The goal is to ensure that the application process is inclusive and accessible.
- The budget for the project is still being finalized. It includes building out spaces such as a stage, a formal gallery, offices, and a kitchen. Additionally, funding is being sought for staff and a consultant to work with the initial cohort of artists and community stakeholders to ensure the development meets the artists' most urgent needs. The current estimate is around \$3.5 million, with a more precise number available by the end of the week.
- The local match for the project is a 4:1 ratio, with 4 public to 1 private funding. Since the project is adjacent to Switchyard Park, the city's investments in that space can be counted toward the match. Additionally, staff time and funds from the general and Ed Lit budgets for next year will also contribute.
- Mrs. de la Rosa emphasized that the project aligns with one of the city's economic development goals. Ms. Morgan suggested that for future strategic planning, it would be beneficial for the group to have a clear articulation of these city goals.
- Ms. Githrir had questions of residency status for the artist cohort was raised, with concerns about defining the area and verifying residency. The response highlighted that the primary goal is to prioritize local artists, but the project is open to regional collaboration, especially with counties such as Owen, Brown, and Jasper, which have limited access to similar resources. The process for verifying residency will involve checking addresses using the city's GIS tools to confirm if they fall within the city limits or designated zone. There was also discussion about possibly allowing some non-residents if needed to fill spaces, to ensure the project's sustainability. The aim is to strike a balance between supporting local artists and offering exposure to regional talent.
- The discussion concluded with positive feedback on the proposed arts incubator, acknowledging its potential to anchor the downtown area and contribute to Bloomington's identity as an arts destination.

There was strong support for the project's alignment with the city's mission and its contribution to the surrounding community, especially in the context of economic development. The project's role in connecting different districts in the city was also highlighted. Additionally, a suggestion was made to include signage in the space acknowledging BUEA's support, similar to previous projects. Ms. Warren appreciated the feedback and confirmed that the space would be designed with physical accessibility in mind.

- The budget for 2025 has seen an increase in several key areas:
 - **Historic Facade Grant:** Increased by \$10,000 due to higher demand this year, leaving \$260,000 for arts and culture, assuming the incubator is included.
 - **Zone Improvement Grants:** There is a significant increase across nearly every line item within this category, particularly for small business and community support, which provides small dollar grants.
 - **Climate Resiliency Grant** (\$20,000) is a new initiative, with funds being administered by the Sustainability Department and targeting businesses or initiatives benefiting the entire Zone.
 - **Direct Assistance Grants:** Increased to \$25,000, these are for small, quick-turnaround grants (under \$1,000) for emergencies like broken windows or small repairs. These grants will be administered by the office without needing Board approval, offering more flexibility in activation.
 - **Other Budget Adjustments:**
 - **Small Business Safety and Security:** Increased to \$35,000.
 - **Business Building Improvement:** Increased by \$5,000, with \$35,000 total allocated.
 - **Business Accessibility Modifications:** \$25,000.
 - **Total Zone Improvement Grants:** Now at \$135,000.
- **Other Program Considerations:** Efforts to explore early childhood education grants are still in progress, with the aim to finalize details in late 2025.

The total Grant sponsorship budget is set at **\$538,500**, but the total projected income for 2025 is **\$458,780**, resulting in a **net deficit of \$175,720**. Despite the deficit, the reserves and potential to spend all the allocated funds will make it manageable. The goal is to fully utilize the budget, which could drive long-term improvements for the community.
- The primary challenge highlighted is bandwidth—having enough staff to manage the increase in funds and ensure all the programs are executed properly. Expanding administrative capacity is seen as a solution to alleviate this pain point and make full use of the available budget.
- Ms. Githrir shared challenges with her establishment between historic preservation and accessibility upgrades. For historic buildings, grants require a Certificate of Appropriateness for any improvements. This includes renovations to improve accessibility, such as ramps or entrances, which often require approvals from Historic Preservation if it involves a listed structure.
- Ms. Rosenbarger asked for details about mobile vendors possibly qualifying for grants if they meet residency requirements within the Zone. The board reached a consensus that residency and business address would be qualifying. More exploration into commercial kitchen location as a qualifying factor is needed.

- **Future Discussions:**

- Ms. Kupersmith - regarding the RRF Loan Program and its forgiveness aspects, which had been previously mentioned in the last meeting. It was acknowledged that while there has been significant progress on this program, it is not yet ready for full implementation. Staff expressed their commitment to providing an update on the program in the form of a memo in January. The program's current status, being accounted for as an asset, means it does not fit within the current budget. Staff emphasized that the RRF Loan Program remains a priority and will be revisited in future discussions. A memo will be brought to the Board in January to update on the status of the **RRF Loan Program** and forgiveness, as it hasn't reached its full implementation yet.
- Overall, the discussion reflected excitement about the new opportunities for small businesses and the arts incubator, with the recognition that more administrative support will be needed to manage these initiatives successfully. The team also acknowledged the challenges of historic preservation when it comes to accessibility but highlighted the importance of continuing to make improvements.
- **Approval of the 2025 BUEA Budget.**
 - Phil Amerson -Motion.
 - Virginia Githriri - Second
 - Passes unanimously 7-0
- **General Discussion:**
 - There was a discussion about public awareness, with one member sharing their experience as a past business owner who was unaware of the local resources available to entrepreneurs. The suggestion was made to hold public information sessions to inform the community about these opportunities, with the idea that even small participation rates could lead to meaningful impacts. Volunteers were offered to help with these efforts.

In closing, the team acknowledged the hard work being done and the need to bring in additional help to manage the increasing workload. The meeting concluded with gratitude for everyone's contributions and a commitment to continue strategic planning into the new year.

Meeting Adjourned: 12:30 PM