

A Letter Regarding the Monroe County Capital Improvement Board's Inquiry about Property Owned by the Bloomington Redevelopment Commission

Monday, May 6, 2024

Dear Bloomington Redevelopment Commission:

We, the undersigned members of the Bloomington Common Council, are writing to share our views regarding the inquiry posed by the Monroe County Capital Improvement Board (CIB) about property owned by the Redevelopment Commission (RDC). Specifically, we understand the CIB has asked whether RDC property near the Monroe County Convention Center would be available for the proposed convention center expansion project and, if so, at what cost to the CIB (if any).

The city council is the city's fiscal body and the unit responsible for approving any future appropriations of the city's food and beverage tax proceeds, including in support of bonds for the proposed convention center expansion. One major area of discussion and concern in recent city council meetings has been the potential expansion of the project to draw on city resources in excess of the food and beverage tax proceeds.

It is our view that the City of Bloomington should limit its expenditures on the convention center expansion project to the food and beverage tax revenues previously identified for that purpose. As such, we are requesting that the RDC answer the CIB's inquiry as follows. Any land owned by the RDC that may be considered for an expanded convention center site must be purchased by the CIB (or other entity, for example, a hotelier) for, at minimum, the price the RDC paid to acquire the property. Specifically, in the case of the RDC property west of College Avenue and between Third and Fourth Streets (sometimes referred to as the former Bunger & Robertson property), this would be a minimum purchase price of \$6,895,000. The RDC may also want to consider asking for a higher purchase price if an appraisal indicates a fair market value above \$6,895,000.

Notably, the RDC purchased this property in two parts—a larger purchase of \$4,995,000 in 2019 and a smaller purchase of \$1,900,000 in 2023—totaling \$6,895,000. As you know, RDC purchases of \$5 million or more require formal approval by the city council (IC 36-7-14-2.5). However, the two-phase nature of this property acquisition meant the city council never approved the RDC's purchases, although the property costs in aggregate exceeded the threshold that normally requires city council approval.

The city council has at no point expressed support for the use of TIF revenues for the proposed convention center expansion. The city has limited revenue sources, and any use of TIF or other revenues on the proposed convention center expansion represents an opportunity cost, diverting resources away from other pressing city needs.

Thank you for your consideration as you deliberate on a response to the CIB's inquiry. If you wish to delay action so that a city council opinion on the matter can be formalized via motion or resolution in a public meeting, please do so.

Sincerely,

Isabel Piedmont-Smith, District 1 (Council President)

Andy Ruff, At Large (Council Vice President)

Kate Rosenbarger, District 2

Hopi Stosberg, District 3

Dave Rollo, District 4

Sydney Zulich, District 6

Isak Asare, At Large

Matt Flaherty, At Large