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It is far past time for the Capital Improvements Board to step into the light.

For years, MCANA has asked for better public accountability and transparency about the authority, operations and responsibilities of the CIB. For the most part there have been no answers – and no acknowledgement that the public has a right to even ask the questions. The recent announcement that the CIB was facing an approximate \$40 million shortfall in operating funds and also has to come up with another approximately \$40 million to satisfy bond obligations by this summer should be a real wake up call that this is an agency in crisis – a crisis for which we, the public, are on the hook.

For some reason that defies explanation, the CIB has seemingly been given a “free pass” by multiple mayors to operate in what appears to be a nearly autonomous fashion. While other municipal corporations, such as the library or county health department are scrutinized, criticized and demoralized by our elected officials, the CIB is entrusted with some of the City’s most valuable assets with little oversight. When City departments such as Indy Parks, that provide services to ALL Marion County residents, come up short in their budgets, they are told to “suck it up” and find a way to cut expenses – new taxes are not put on the table as an option. That does not seem to be the case for the CIB.

The CIB needs to answer some questions before going to the community with its hand out. A LOT of questions. Questions that have been asked many times, but for which incomplete or vague answers have routinely been put forth as sufficient.

What is the complete list of assets managed on behalf of the City by the CIB? Where can the public easily see and understand the complete DETAILED budget of the CIB, including all expenses and revenue streams? What is the outstanding debt owed by the CIB, ie., bonds, contracts, etc.? What are the exact financial requirements of agreements with the Indianapolis Colts, the Indianapolis Pacers and the Indianapolis Indians?

But perhaps the question we all hear most often – how much money has been collected from the extra restaurant tax and how has it been spent? Has the CIB refinanced any bonds since its inception and generated additional cash from that refinancing? If so, how was the cash used and was the long term debt of the CIB extended because of the refinancing? If bonds were financed, what additional amount has been paid in interest?

We often hear that the venues operated by the CIB generate thousands of jobs. There is no doubt that it takes people to run the facilities and handle events, but I think we need a clearer understanding of the financial impacts of the sports facilities and the convention center. Everyone certainly understands that restaurants, hotels, parking lots and taxi services see an increase in business when there is an event at Conseco or Lucas Oil Stadium. But how many jobs are generated by direct employment at CIB operated facilities? How many are part-time, full-time, year-round or seasonal? What wage scale do they provide? Has a complete quantitative fiscal analysis of the CIB facilities and associated events been conducted to verify a net financial benefit to Indianapolis?

What other ancillary costs are incurred by taxpayers related to the operations of the CIB facilities that might not be otherwise incurred, i.e., IMPD security, improvements to streets, curbs, lighting in nearby areas, etc.?

Additionally, the Mayor needs to publically revisit and resolve the conflict of interest issue that was raised when he appointed Robert Grand to head the CIB. Grand's law firm represents the owners of the Pacers. In light of the recent announcement that the Pacers will be looking for an additional \$15 million to stay in town, it is easy to see why the conflict issue is going to come up again.

Average taxpayers are struggling to keep their own heads above water. Many have had wages frozen for years, been asked to take on more responsibilities as companies downsize and have experienced reductions in hours. It is more than reasonable for those taxpayers to ask whether contracts and agreements subsidizing multi-million dollar professional sports teams can be renegotiated to help the CIB navigate through its own economic crisis. Or perhaps an Indianapolis Sports Foundation could be established to seek outside partnerships and donations such as IMCPL and Indy Parks have.


Perhaps in looking for solutions to the "short-range" CIB financial crisis, Mayor Ballard should request a PILOT (Payment In Lieu Of Taxes) from the airport authority, which could then be directed to more carefully monitored CIB coffers. A layman's review of the airport budget indicates that they had a positive year end balance of \$650 million dollars. Since the vast amounts of land controlled by the airport are not subject to property taxes, any city services they receive are "free." Asking them to pitch in seems reasonable.

A venue tax for events specific to the CIB facilities is probably the least onerous of the "taxes" that have been proposed as a partial solution to the staggering debt of the CIB. And that may have to be part of the solution.

Perhaps, with FULL disclosure, we will find that the CIB is doing the best it can in difficult circumstances. Perhaps, we will find that years of less than forthright dealings have finally caught up with the CIB.

Before any final decision is made, the CIB needs to be held up to the light and be as transparent as every other agency is expected to be and there needs to be time and true opportunity for adequate public input and debate. In 2012, Indianapolis will be hosting the Superbowl. Let's use this opportunity to cast off the shadows of doubt that surround the CIB so that we can all stand with absolute pride behind our home teams and our City. That could be a true legacy for the people that THIS mayor leaves behind, since no one else has been willing to do it.

Sincerely,



Catherine A. Burton, President