

RESOLUTION 97-16

**TO MODIFY RESOLUTION 97-14 DESIGNATING
AN ECONOMIC REVITALIZATION AREA**

**Re: 633 North Morton Street
(Prairie Dog Corporation, Petitioner)**

WHEREAS, Prairie Dog Corporation ("Petitioner") has filed an application for designation of the property located at 633 North Morton Street as an "Economic Revitalization Area" ("ERA") pursuant to IC 6-1.1-12.1 et. seq.; and

WHEREAS, Petitioners seeking designation of their property as an ERA must submit to the Common Council a Statement of Benefits and must, prior to March 1st of each year, provide the Monroe County Auditor and the Common Council with information showing the extent to which there has been compliance with the Statement of Benefits; and

WHEREAS, Petitioner has purchased and installed new manufacturing equipment at 633 North Morton and wishes to obtain tax abatement on the equipment; and

WHEREAS, Petitioner's application and Statement of Benefits have been reviewed by the Economic Development Commission, which passed a resolution recommending that the Common Council approve the ERA designation and a ten-year abatement on the new equipment; and

WHEREAS, the Common Council has investigated the area and reviewed the application, as well as the Statement of Benefits, which is attached hereto and made a part hereof, and found the following:

- A. The estimate of the cost of the new manufacturing equipment is reasonable for equipment of that type;
- B. The estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- C. The estimate of the annual salaries of these individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- D. Any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment; and
- E. The totality of benefits is sufficient to justify the deduction; and

WHEREAS, on October 1, 1997, the Common Council adopted Resolution 97-14, which approved the ERA designation with a ten (10) year period of abatement for the new manufacturing equipment; and

WHEREAS, the Clerk of the City published a notice of the passage of that resolution, which requested that persons having objections or remonstrances to the designation or to the waiver of the statutory requirement that the installation of the manufacturing equipment occur after the ERA designation appear before the Common Council at a public hearing on October 15, 1997; and

WHEREAS, the Common Council has heard and reviewed all such objections and remonstrances to the designation and waiver;

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

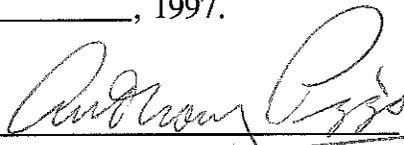
SECTION I. The Common Council finds and determines that the area described should be designated as an "Economic Revitalization Area" as set forth in I.C. 6-1.1-12.1-1 et. seq.;

and, the Common Council further finds and determines that the Petitioner or its successors shall be entitled to a deduction from the assessed value of the new manufacturing equipment designated in the attached Statement of Benefits for a period of ten (10) years if the equipment is acquired in accordance with I.C. 6-1.1-12.1-4.5.

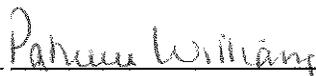
SECTION 2. In granting this designation and deduction the Common Council incorporates I.C. 6-1.1-12.1-12 and also expressly exercises the power set forth in I.C. 6-1.1-12.1-2(I)(5) to impose additional, reasonable conditions on the rehabilitation or redevelopment beyond those listed in the Statement of Benefits. In particular, failure of the property owner to make reasonable efforts to develop and use the land and improvements in a manner that complies with local code are additional reasons for the Council to rescind this designation and deduction.

SECTION 3. Pursuant to I.C. 6-1.1-12.1-11.3, the Common Council finds and determines that two statutory provisions shall be waived. These provisions require that a completed statement of benefits be provided to the Common Council and that the Common Council designate the ERA before installation of the new manufacturing equipment is initiated.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 15th day of October, 1997.


ANTHONY PIZZO, President
Bloomington Common Council

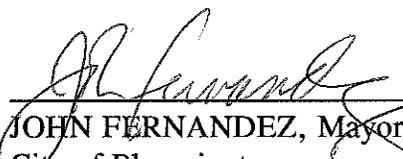
ATTEST:


PATRICIA WILLIAMS, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 16th day of October, 1997.


PATRICIA WILLIAMS, Clerk
City of Bloomington

SIGNED AND APPROVED by me upon this 16 day of October, 1997.


JOHN FERNANDEZ, Mayor
City of Bloomington

SYNOPSIS

This resolution affirms as well as modifies Resolution 97-14. First, it affirms the determination made in the previous resolution to designate 633 North Morton as an Economic Revitalization Area and grant a ten (10) year period of abatement for new manufacturing equipment. And second, it modifies the previous resolution by waiving two statutory provisions requiring that the installation of the new manufacturing equipment be initiated after submittal of the Statement of Benefits and designation of the Economic Revitalization Area.

Signed copies to:
Petitioner
Mayor's Office (Randy Boyd)
MC Assessor

MC Auditor
Clerk's File
Legal

**STATEMENT OF BENEFITS**

State Form 27167 (R3 / 11-91)

Form SB - 1 Is prescribed by the State Board of Tax Commissioners, 1989

The records in this series are CONFIDENTIAL according to IC 6-1.1-35-9

**FORM
SB - 1****INSTRUCTIONS:**

1. This statement must be submitted to the body designating the economic revitalization area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment, or BEFORE the redevelopment or rehabilitation of real property in which the person wishes to claim a deduction. A statement of benefits is not required if the area was designated an ERA prior to July 1, 1987 and the "project" was planned and committed to by the applicant, and approved by the designating body, prior to that date. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation or prior to installation of the new manufacturing equipment, BEFORE a deduction may be approved.
3. To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PP, New Machinery, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of: (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PP must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment is installed, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and June 14 of that year.
4. Property owners whose Statement of Benefits was approved after July 1, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)

SECTION 1 TAXPAYER INFORMATION	
Name of taxpayer Prairie Dog Corp.	
Address of taxpayer (street and number, city, state and ZIP code) 501 N. Morton Street Suite 203	
Name of contact person Timothy J. Boeglin	Telephone number (812) 333-1981

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT		
Name of designating body Bloomington Common Council	Resolution number	
Location of property 501 N. Morton Street/633 N. Morton Street	County Monroe	Taxing district Bloomington
Description of real property improvements and / or new manufacturing equipment to be acquired (use additional sheets if necessary) New manufacturing equipment (see Attachment)	Estimated starting date 7/97	
	Estimated completion date 7/98	

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number	Salaries	Number retained	Salaries	Number additional	Salaries
28	\$685,000	28	\$685,000	60	\$1,200,000

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT				
	Real Estate Improvements		Machinery	
	Cost	Assessed Value	Cost	Assessed Value
Current values				
Plus estimated values of proposed project			\$1,019,484	
Less values of any property being replaced				
Net estimated values upon completion of project			\$1,019,484	

SECTION 5 OTHER BENEFITS PROMISED BY THE TAXPAYER
All employees provided paid medical and life insurance, vacation, sick days and a pension plan including profit sharing and 401(k).

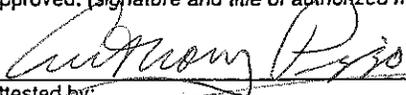
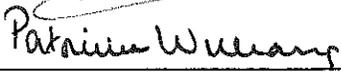
SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative 	Title President	Date signed (month, day, year) 7/19/97

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

- A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.
- B. The type of deduction that is allowed in the designated area is limited to:
1. Redevelopment or rehabilitation of real estate improvements; Yes No
 2. Installation of new manufacturing equipment; Yes No
 3. Residentially distressed areas Yes No
- C. The amount of deduction applicable for new manufacturing equipment installed and first claimed eligible for deduction after July 1, 1987, is limited to \$ _____ cost with an assessed value of \$ _____.
- D. The amount of deduction applicable to redevelopment or rehabilitation in an area designated after September 1, 1988 is limited to \$ _____ cost with an assessed value of \$ _____.
- E. Other limitations or conditions (specify) SEE COUNCIL RESOLUTIONS RES 97-14 & RES 97-16
- F. The deduction for new manufacturing equipment installed and first claimed eligible for deduction after July 1, 1991 is allowed for:
- 5 years 10 years

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member) 	Telephone number (812) 344-3408	Date signed (month, day, year) 10.1.97
Attested by: 	Designated body Bloomington Common Council	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4 or 4.5 Namely: (see tables below)

NEW MANUFACTURING EQUIPMENT		
For Deductions Allowed Over A Period Of:		
Year of Deduction	Five (5) Year Percentage	Ten (10) Year Percentage
1st	100%	100%
2nd	95%	95%
3rd	80%	90%
4th	65%	85%
5th	50%	80%
6th		70%
7th		55%
8th		40%
9th		30%
10th		25%

REDEVELOPMENT OR REHABILITATION OF REAL PROPERTY IMPROVEMENT			
For Deductions Allowed Over A Period Of:			
Year of Deduction	Three (3) Year Deduction	Six (6) Year Deduction	Ten (10) Year Deduction
1st	100%	100%	100%
2nd	66%	85%	95%
3rd	33%	66%	80%
4th		50%	65%
5th		34%	50%
6th		17%	40%
7th			30%
8th			20%
9th			10%
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*Original
Entered*

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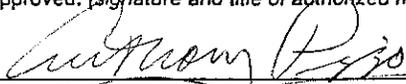
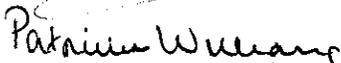
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Attachment "A"
Anticipated Equipment Purchases

Pre-Press Equipment - Currently On Order

Mac Workstations (2)	\$12,610	
Software	\$5,500	
Linotype Image Setter	<u>\$88,298</u>	
		\$106,408

Pre-Press Equipment - To Be Purchased

Mac Workstation (1)	\$6,305	
PC Workstations (5)	\$15,000	
Flatbed Scanner	\$10,000	
Light Table	\$3,000	
Additional Software	<u>\$15,000</u>	
		\$49,305

Post-Press Equipment - Currently On Order

Dies	\$974	
Practix Rotary Press	\$44,780	
DAR Sheeter	\$25,000	
Mfgr Supply Travel Head Die Cutter	\$109,300	
Hudson Platen Press	\$20,000	
Shelving	\$4,000	
Universal Bearings (8)	\$677	
Laminator	\$3,500	
Heidelberg GTO 4/c Printing Press	<u>\$288,000</u>	
		\$496,231

Post-Press Equipment - To Be Purchased

Paper Cutter	\$20,000	
Heat Press	\$45,000	
Laminator	\$3,500	
Plate Maker	<u>\$5,000</u>	
		\$73,500

Miscellaneous Equipment to Be Purchased

Furniture	\$6,000	
Telecommunications (phones, routers)	\$6,000	
Dies	\$4,000	
Delivery van	\$7,500	
Electrical equipment	<u>\$7,000</u>	
		\$30,500

Total		<u>\$30,500</u>	\$755,944
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501 N. Morton St., Suite 203 • Bloomington IN 47404

Phone: 800 217-4161

812 333-1981

Fax: 812 333-1331

Makers of

CompacTime

The Computer Promotions Experts
est 1987/40

July 7, 1997

Randy Lloyd
Executive Assistant for Economic Development
P.O. Box 100
Showers Center City Hall
401 N. Morton St.
Bloomington, IN 47402

Dear Randy:

As I mentioned to you, the equipment list we provided you several weeks ago as part of our Property Tax Abatement application has become out-dated. Attached is a revised list.

In short, we have significantly increased our estimate of the equipment we will need in order to set up production. The increase is primarily due to (1) a recent decision to bring a large chunk of our printing in-house rather than outsourcing it as originally planned (this decision resulted in the purchase of a \$288,000 printing press) and (2) a growing realization that our original equipment estimates were overly conservative.

I greatly appreciate the assistance the City and you in particular have provided us. Please feel free to give me a call with any questions or comments.

Sincerely,

Timothy J. Boeglin
President

TAX ABATEMENT CALCULATIONS FOR MACHINERY

FOR: Prairie Dog Corp.

Using 1997 payable 98 Tax Rate and A.V. Estimates

Equipment Cost	1,019,484		Depreciation Percent	40%
Bloomington City			True Tax Value	\$407,794
Property Tax Rate	11.11400%		Assessed Value (1/3)	\$135,931
Replacement Credit	13.41050%		Estimated Annual Tax	\$13,081
Net Tax Rate	9.62356%			

5 YEAR TAX ABATEMENT			Petitioner's T. A.	Taxes W/O
Year	Percentage	Deduction	Payment	Abatement
1	100%	13,081	0	13,081
2	95%	12,427	654	13,081
3	80%	10,465	2,616	13,081
4	65%	8,503	4,578	13,081
5	50%	6,541	6,541	13,081
Total Abatement		51,018	14,390	65,407

10 YEAR TAX ABATEMENT				
Year	Percentage	Deduction		
1	100%	13,081	0	13,081
2	95%	12,427	654	13,081
3	90%	11,773	1,308	13,081
4	85%	11,119	1,962	13,081
5	80%	10,465	2,616	13,081
6	70%	9,157	3,924	13,081
7	55%	7,195	5,887	13,081
8	40%	5,233	7,849	13,081
9	30%	3,924	9,157	13,081
10	25%	3,270	9,811	13,081
Total Abatement		87,645	43,169	130,814

11/11/97
 BULLOCK AND
 PARTNERS

CORRECTED TAX CALCULATIONS
 9/19/97

4) PROPOSED IMPROVEMENTS:

- A. Improvements will include electrical
- B. Sketch of finished layout of production facility is attached.
- C. No public improvements will be necessary.
- D. Should be fully operational by 8/1/97.
- E. The following employees will be retained as a result of the project:

- 1 Manager @ \$150,000/annual salary
- 1 Manager @ \$ 50,000/annual salary
- 1 Chief Technology Officer @ \$34,000/annual salary
- 1 Pre-Press/Graphic Artist @ \$29,000/annual salary
- 1 Customer Service Manager @ \$27,500/annual salary
- 1 Accounting Manager @ \$27,500/annual salary
- 2 Digital Art Coordinators @ \$26,500/annual salary
- 1 Assistant Customer Service Manager @ \$25,000/annual salary
- 1 Controller @ \$22,500/annual salary
- 8 Customer Service Reps @ \$18,200/annual salary
- 2 Accounting Clerks @ \$8.00/hour
- 1 Bookkeeper @ 7.50/hour
- 1 Receptionist @ \$7.75./hour
- 1 General Counsel @ \$20,000/annual salary
- 5 Part-time Helpers @ \$6.50/hour (no benefits)

Benefits include paid medical and life insurance, paid holidays, paid vacation, paid sick days, and a pension plan that includes profit sharing and 401(k).

Total annual estimated payroll = \$685,000

- F. Beneficial effects include retention of 27 current jobs, creation of approximately 22 new jobs.

5) ELIGIBILITY:

- A. Area was targeted for such assistance by the Redevelopment Commission.

- B. The following new positions will be created:

- 1 Manager @ approx. \$135,000/annual salary
- 1 Manager @ approx. \$ 41,600/annual salary
- 1 Manager @ approx. \$ 30,000/annual salary
- 2 Couriers @ approx. \$8 .00/hour
- 5 Packaging/Shipping Clerks @ approx. \$8.00/hour
- 5 General Laborers @ approx. \$7.00/hour
- 7 Production line workers @ approx. \$7.00/hour

APPLICATION FOR PROPERTY TAX ABATEMENT PROGRAM

1) OWNERSHIP:

- A. The property is owned by the Winkler Family Trust U-T-A dated 11/5/86.

Robert A. Winkler, Trustee
Deanna C. Winkler, Trustee
2161 W. Madero Avenue
Mesa, Arizona 85202-6436
602-838-6060
Tax ID #311-34-9383

The company leasing the property is Prairie Dog Corp., an Indiana "C" Corporation.

Timothy J. Boeglin, President/Owner
714 S. Woodlawn Ave.
Bloomington, IN 47401
812-331-8092
Federal Tax I.D.#36-3564505
State Tax I.D.#0005846692

- B. n/a
C. n/a
D. n/a

2) PROPERTY DESCRIPTION:

- A. 633 North Morton Street, Bloomington, Indiana 47404. Lots #1 and #2 of the Hunter's Addition to the City of Bloomington. Dimensions of property are 132 feet by 198 feet.

- B. Legal description (Warranty Deed) is attached.

3) CURRENT STATUS OF PROPERTY:

- A. Current zoning designation is CG (General Commercial). Lynne Friedmeyer, Bloomington Zoning/Development Coordinator, has advised that the proposed use does not constitute a change in use, and therefore, that no variance or change in zone designation is required.
- B. Current improvements and age of building are not known. The building is composed of three different sections. The South Section is 5000 square feet (100 feet by 50 feet). The West Section is 2596.73 square feet (28.33 feet by 41.66 feet) and includes a loading dock. The North Section is a 2400 square foot storage area (40 feet by 60 feet). It is not known when these additions were made. A diagram of the property/building is attached.
- C. Building is currently vacant. It was recently vacated by Graphic Impressions, Inc. Their number of employees is unknown.
- D. Estimate of current market value of land and building is \$450,000.
- E. No unique historical structure or aesthetic improvements are known.

Attachment "B"
(Other Benefits Promised By The Taxpayer)

A. Jobs Retained

- 1 Manager @ \$150,000/annual salary
- 1 Manager @ \$ 50,000/annual salary
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Benefits include paid medical and life insurance, paid holidays, paid vacation, paid sick days, and a pension plan that includes profit sharing and 401(k).

Total annual estimated payroll = \$685,000

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- 2 Couriers @ approx. \$8 .00/hour
- 5 Packaging/Shipping Clerks @ approx. \$8.00/hour
- 5 General Laborers @ approx. \$7.00/hour
- 7 Production line workers @ approx. \$7.00/hour

Employee benefits will include paid medical and life insurance, paid holidays, paid vacation, and paid sick days.

Total annual estimated payroll = \$500,000

REVISED
RESOLUTION 97-03
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA

WHEREAS, the Economic Development Commission of the City of Bloomington, Indiana, recognizes the need to stimulate growth and to maintain a sound economy within the corporate limits of the City of Bloomington, Indiana; and

WHEREAS, the Indiana Code at 6-1.1-12.1 et. seq. provides for the designation of "Economic Revitalization Areas" (ERAs) within which property taxes may be abated on improvements to real estate and on eligible new manufacturing equipment; and

WHEREAS, in addition to the ERA designation, an applicant for tax abatement must receive Common Council approval of the Statement of Benefits resulting from the proposed project; and

WHEREAS, the Common Council of the City of Bloomington in Ordinance 97-06 gave to the Economic Development Commission the responsibility for making recommendations to the Council regarding requests for tax abatement; and

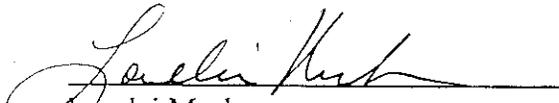
WHEREAS, Prairie Dog Corporation has applied for tax abatement on, and has submitted a Statement of Benefits regarding, new manufacturing equipment it plans to purchase and install in its facility at 633 N. Morton Street; and

WHEREAS, the Economic Development Commission has met and considered Prairie Dog Corporation's application and Statement of Benefits; and

WHEREAS, the Economic Development Commission was informed of the provisions of IC 6-1.1-12.1-11.3 allowing the Common Council to waive the requirement that a completed statement of benefits be submitted to the Council before the manufacturing equipment is installed, and the Commission favors approval of such a waiver if needed;

NOW, THEREFORE, BE IT RESOLVED that the Economic Development Commission of the City of Bloomington does hereby recommend to the Common Council that it designate Prairie Dog Corporation's facility at 633 N. Morton as an ERA and approve said Statement of Benefits regarding the new manufacturing equipment proposed by Prairie Dog Corporation to be installed at 633 N. Morton in Bloomington, Indiana. If the equipment is installed prior to submission of the Statement of Benefits to the Council, the Economic Development Commission further recommends that the Council approve a waiver of the requirement that the Statement of Benefits be submitted before installation of the equipment, as allowed by IC 6-1.1-12.1-11.3.


Dick McGarvey


Lorelei Meeker
Secretary

Approved this 31 day of July, 1997

**RESOLUTION 97-04
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA**

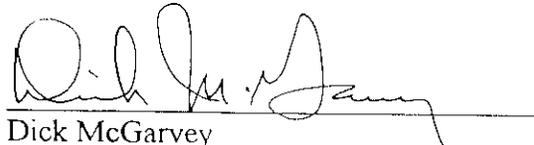
WHEREAS, the City of Bloomington Common Council has established the Bloomington Industrial Incentive Loan Fund and has approved guidelines and procedures for use of the Fund; and

WHEREAS, procedures for the Industrial Incentive Loan Fund require that an application be made to the Economic Development Commission of the City of Bloomington, and following approval by the Economic Development Commission, the application shall be forwarded to the Bloomington Common Council for approval by resolution; and

WHEREAS, K. P. Pharmaceutical Technologies, Inc. d/b/a Bio-Pharm Partners has filed an application for an Industrial Incentive Loan through the Bloomington Industrial Incentive Loan Fund which has been submitted to the Economic Development Council of the City of Bloomington for its approval;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Economic Development Commission does hereby approve the Industrial Incentive Loan Fund Application in the amount of \$100,000 to K. P. Pharmaceutical Technologies, Inc., d/b/a Bio-Pharm Partners for a maximum term of five years subject to an interest rate of 6.12% with collateral

FURTHER, said approval is a commitment preceding the required approval of the City of Bloomington Common Council and the execution of a promissory note, loan agreement, security agreement, and other documents necessary to secure the loan, together with all terms and conditions contained in Common Council Resolution 86-06 creating the Industrial Incentive Loan Fund and subsequent amendments to the Industrial Incentive Loan Fund.



Dick McGarvey
President



Lorelei Meeker
Secretary

Approved this 31 day of July, 1997