

RESOLUTION 95-19

**TO CONFIRM RESOLUTION 95-18 WHICH DESIGNATED THE PROPERTY
LOCATED AT 1104 S. Morton Street
AS AN "ECONOMIC REVITALIZATION AREA" (ERA)
(Jerden Industries, Inc., Petitioner)**

WHEREAS, Jerden Industries, Inc. has filed an application for designation of the property located at 1104 S. Morton Street, as an "Economic Revitalization Area"; and

WHEREAS, the application has been reviewed by the Departments of Redevelopment and Planning, and the Redevelopment Commission has passed a resolution recommending to the Common Council the approval of the "Economic Revitalization Area" designation for said property and for said term of years; and

WHEREAS, petitioners seeking designation for their property as an Economic Revitalization Area must complete a Statement of Benefits and must, prior to March 1st of each year, provide the county Auditor and the Common Council with information showing the extent to which there has been compliance with the Statement of Benefits; and

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

- A. the estimate of the value 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. the installation of the new manufacturing equipment has received approval from the Departments of Planning and Redevelopment, is consistent with the Growth Policies Plan, and is expected to be installed and used in a manner that complies with local code;
- E. the totality of benefits is sufficient to justify the deduction; and

WHEREAS, the property described above is part of the Southwest area as defined in the Redevelopment Department's Community Development and Housing Plan, and has experienced a cessation of growth;

WHEREAS, the Common Council adopted Resolution 95-18 on July 19, 1995, which designated the above property as an "Economic Revitalization Area," and published a notice of the passage of that resolution, which requested that persons having objections or remonstrances to the designation appear before the Common Council at its public meeting on August 2, 1995; and

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

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

1. The Common council hereby affirms its determination made in Resolution 95-18 that the area described above is an "Economic Revitalization Area" as set forth in Indiana Code 6-1.1-12.1-1 et. seq.; the Common Council further finds and determines that the owner of the property shall be entitled to a deduction from the assessed value of the property for a period of five (5) years if the machinery is installed pursuant to I.C. 6-1.1-12.1-4.5.

2. In granting this designation and deduction the Council is also expressly exercising the power set forth in I.C. 6-1.1-12.1-2(I)(5) to impose reasonable conditions on the rehabilitation or redevelopment. Failure of the property owner to make reasonable efforts to comply with these following conditions are additional reasons for the Council to rescind this designation and deduction:

- a. the improvements described in the application shall be commenced (defined as obtaining a building permit and actual start of installation) within twelve months of the date of this designation; and
- b. the new machinery shall be installed and used in a manner that complies with local code.

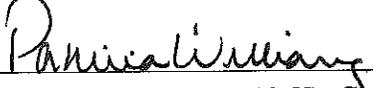
PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 2nd day of August, 1995.


IRIS KIESLING, President
Bloomington Common Council

SIGNED AND APPROVED by me upon this 3rd day of August, 1995.


TOMILEA ALLISON, Mayor
City of Bloomington

ATTEST:


PATRICIA WILLIAMS, Clerk
City of Bloomington

SYNOPSIS

This Resolution affirms the determination of the Common Council expressed in Resolution 95-18 which designated the property located at 1104 S. Morton Street, as an "Economic Revitalization Area" for a period of five (5) years.

Signed copies to:
Redevelopment Auditor
M.C. Assessor Petitioner
Treasurer.



STATEMENT OF BENEFITS

Slate 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:

- 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 for 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.
- 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 15 of that year.
- 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 Jerden Industries, Inc.	
Address of taxpayer (street and number, city, state and ZIP code) 1104 S. Morton, Bloomington, IN 47403	
Name of contact person William Jerden	Telephone number (812) 332-1762

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT		
Name of designating body Redevelopment Commission	Resolution number	
Location of property 1104 S. Morton	County Monroe	Taxing district 53009
Description of real property improvements and / or new manufacturing equipment to be acquired (use additional sheets if necessary) No acquisition of real estate or improvements to real estate is planned. However, the acquisition of personal property in the form of various computerized machine centers at an approximate cost of \$500,000 is planned for increased efficiency with the approval of this property tax abatement.		Estimated starting date Sept. 1995
		Estimated completion date June, 1997

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number	Salaries	Number retained	Salaries	Number additional	Salaries
48	1,125,000	No reduction	Estimated	5	100,000

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT				
	Real Estate Improvements		Machinery	
	Cost	Assessed Value	Cost	Assessed Value
Current values			2,380,460	270,880
Plus estimated values of proposed project	NO PROPOSED ABATEMENT		500,000	66,667
Less values of any property being replaced				
Net estimated values upon completion of project			2,880,460	337,547

SECTION 5 OTHER BENEFITS PROMISED BY THE TAXPAYER
In addition to increased compensation in terms of salaries to its employees, the Company also provides the following: 1) Pays medical insurance for both employees and their families, with a cost of \$60-\$300 per month; 2) Provides \$15,000 life insurance coverage; 3) Offers optional dental benefits; 4) Offers optional term life insurance in \$10,000 increments; 5) One week of sick pay after 3 years; 6) Vacation pay offered after 1 year varying from 1 week to 4 weeks depending on time employed; 7) Night shift differential offered for those working nights of 50¢ per hour.

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative <i>Wm Jerden</i>	Title President	Date signed (month, day, year) June 18, 1995

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 THE "NOW THEREFORE" CLAUSE IN THE REDEMPTION RESOLUTION
- 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) <i>x [Signature] [Signature], President</i>	Telephone number (812) 349-3408	Date signed (month, day, year) 7.19.95
Attested by: <i>[Signature] [Signature], City Clerk</i>	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%
10th			5%

1. Ownership:

A. Jerden Industries, Inc.
1104 S. Morton St.
Bloomington, IN 47401

Officers List:

President: William D. Jerden
100% shareholder of corporation
4140 Estate Court
Bloomington, IN 47401
(812) 332-1762

2. Property Description:

Property will be located at 1104 S. Morton, Bloomington, Indiana. The property to be added for which the property tax abatement is being requested consists of computerized machining centers and related components. This equipment is used to manufacture parts for various customers from roll stock to customer specifications.

3. Current Status of Property:

The corporation is located in the Bloomington Enterprise Zone ~~and in Subarea B of the downtown area designated as an Economic Revitalization Area.~~ Current designation of real property is not expected to change. There are no anticipated improvements to the real estate. The shareholder of the corporation owns the real estate which is leased to the corporation.

4. Proposed Improvements:

The corporation does not propose any improvements to the real estate. The shareholder owns additional real estate adjacent to the property leased by the corporation. To provide for expansion and additional space needs for this equipment, the additional space will be leased to the corporation. Being open space, no additional improvements are anticipated to be required to the real estate.

The anticipated start date will be September 1, 1995 and will encompass a two year period ending June 30, 1997. The estimated cost of the equipment to be purchased is approximately \$500,000 with specific identification as follows:

<u>Model Description</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost</u>
CNC-34A Miyano without Bar Feed	2	71,000	\$142,000
CNC-34A Miyano with Bar Feed	3	92,000	276,000
TSB-31 Miyano with accessories	2	47,000	<u>94,000</u>
Total			<u>\$512,000</u>

The equipment anticipated to be purchased are called Computer Numerical Control (CNC) turning, drilling and tapping centers.

At least half of the above equipment is expected to be ordered and installed by the end of the year if the abatement is approved. The above totals do not include sales tax on the equipment. The cost will vary depending on the international market and the value of the dollar in the market since the equipment being purchased is Japanese made.

There will be no elimination or replacement of existing equipment. It is anticipated that this equipment will produce at least five full time jobs over this period and potentially more if the equipment can be used on a second shift. The type of job created would be a machine operator capable of setting up the machine to different jobs to produce various parts for the customer.

In addition to creating jobs, the community will benefit by providing parts for other business in the community reducing their costs in shipping and inventory control, thereby encouraging these businesses to continue turning dollars within the community.

5. Eligibility:

The location of this business is in the Bloomington Enterprise Zone with the intent to increase business activity and jobs in this part of the City. The addition of this computerized equipment will improve productivity allowing the growth of the business in this area and maintain competitiveness with businesses outside the Bloomington area. The use of older equipment and the availability to maintain existing equipment at full capacity has increased backlogs and limited the corporation in bidding for jobs that the new equipment would provide.

It is estimated that an additional employee will be required with each piece of equipment added either directly in the operating of the machine center or indirectly in receiving and shipping as a result of the additional production. The salary range will be between \$6.00 and \$10.00 depending on the expertise required plus fringe benefits including full payment of medical insurance costs and up to four weeks of vacation and sick pay.

I hereby certify that the representations made in this application are true and I understand that if the above improvements are not commenced (defined as obtaining a building permit and actual start of construction) within 12 months of the date of the designation of the above area as an Economic Revitalization Area, the Bloomington Common Council shall have the right to void such designation.

OWNER

DATE

Wm. J. Jones

June 18, 1995

*All owners must sign; all general partners must sign; the president of the corporation must sign.

Please submit this Application along with a non-refundable fee of \$100.00. Checks should be made out to the City of Bloomington.

Redevelopment Department
220 East Third Street
Bloomington, Indiana 47402
(812) 331-6401