(Passed 8-0) Sabbagh absent

RESOLUTION 05-03

TO AUTHORIZE EXPENDITURES FROM THE INDUSTRIAL DEVELOPMENT FUND FOR ATTAINMENT OF BENCHMARKS BY COOK PHARMICA LLC AT THE INDIANA ENTERPRISE CENTER

WHEREAS, in 1998, Thomson Consumer Electronics closed its television assembly plant in Bloomington, Indiana, eliminating 1200 jobs and leaving vacant a 200 acre, 1.8 million square foot industrial facility; and

WHEREAS, in 1997, the Common Council created, pursuant to Indiana Code 36-7-13-4, an Industrial Development Fund (IDF), which is a special fund used for the purposes of industrial development and expansion in or serving the City of Bloomington; and

WHEREAS, in 1997, the Common Council also established the Bloomington Industrial Development Advisory Commission (BIDAC), which has the responsibility to make recommendations to the Common Council for expenditures from the IDF; and

WHEREAS, in 1999, a Community Revitalization Enhancement District ("CRED") was established pursuant to Indiana Code 36-7-13 upon the former Thomson site, in which the portion of County Option Income Tax ("COIT") and Indiana retail, use and income taxes generated within the CRED that exceeds a base amount is deposited by the State of Indiana ("State") into the City's IDF for use by the City as provided in IC 36-7-13; and

WHEREAS, Indiana Code 36-7-13-18 provides that a developer who proposes to enter into or has entered into a financing agreement with a local government unit for development or redevelopment of a facility in a CRED district and has entered into a separate agreement with some other person for use or operation of the financed facility may receive specified payments from the IDF upon attainment of goals or benchmarks on the site, as approved by the BIDAC and Common Council; and

WHEREAS, Cook Pharmica LLC ("Cook Pharmica") has proposed renovating a building in the Indiana Enterprise Center (IEC) having an address of 1300 S. Patterson Drive, Bloomington, Indiana, more particularly described in Exhibit A, attached hereto and incorporated herein by reference (the "Property"), in which Developer intends to renovate approximately 100,000 square feet for use as a pharmaceutical manufacturing facility, at an estimated cost of approximately $19,000,000 (the "Project"); and

WHEREAS, Cook Pharmica will also construct a 12" water main that will connect to an existing 24" main near the intersection of Rogers and Hillside and an existing 12" main north of Patterson Drive (the "Water Main"), approximately as depicted on Exhibit B, attached hereto and incorporated herein by reference, with an estimated construction cost of $270,000 plus an allotment for rock removal, for a total not-to-exceed cost of $370,000 to construct the Water Main, which will provide water service to the Property and to other facilities in the IEC; and

WHEREAS, Cook Pharmica intends to employ at least 200 people full-time on the Property by the end of 2008; and

WHEREAS, the City wishes to reimburse Cook Pharmica, pursuant to IC 36-7-13-18(b), for attainment of the Project Benchmark in an amount not to exceed $2,000,000, and for attainment of the Water Main Benchmark in the amount of $370,000 or the actual cost of constructing the Water Main, whichever is less; and

WHEREAS, elements of the Project for which expenditures may count towards the Project Benchmark shall be as follows:

- New Roof $2,300,000
- Building Separation and Painting $ 250,000
- Exterior Parking Lots and Landscaping $2,100,000
- Exterior Façade Improvements $ 650,000
- New Lobby Entrance $1,760,000
- Ditch Clearing and Cleaning $ 250,000
- Backup Power Generation $ 775,000
- Cooling Tower $ 265,000

The improvements listed above have a total estimated cost of $8,350,000; and

WHEREAS, Developer's expenditure of at least $2,000,000 for performance of any of the work listed above, and documentation of said expenditures and verification of said work to the City's reasonable satisfaction, shall constitute attainment of the Project Benchmark, and Developer's completion of construction of the Water Main to the City's reasonable satisfaction shall constitute attainment of the Water Main Benchmark, for purposes of Indiana Code 36-7-13-18(b); and

WHEREAS, reimbursement by the City to Developer of up to $2,000,000 for attainment of the Project Benchmark shall be made using CRED Revenues that are derived from the Indiana income tax and COIT paid by persons employed on the Property by Developer, and CRED revenues that derive from state gross retail and use taxes generated by Developer's sales within the Thomson CRED district; and

WHEREAS, after Cook Pharmica attains the Project Benchmark, the City shall make annual payments of 75% of said CRED revenues or $450,000 of said CRED revenues, whichever is less, until either $2,000,000 has been paid or the CRED district terminates; and

WHEREAS, after Cook Pharmica attains the Water Main Benchmark, the City shall make annual payments to Cook Pharmica of 100% of the CRED revenues that are generated within the Thomson CRED district, deposited in the IDF by the State, and are not committed by the City towards any other project or agreement, until $370,000 or the actual cost of constructing the Water Main, whichever is less, has been paid; and

WHEREAS, Cook Pharmica has entered into a separate agreement with a third party for use of the Project site on the Property for development of bulk drug substances; and

WHEREAS, the Bloomington Industrial Development Advisory Commission (BIDAC) approved its Resolution 05-03 on April 26, 2005 recommending to the Common Council approval of the Project Benchmark and Water Main Benchmark as provided herein; and

WHEREAS, on May 18, 2005 the Bloomington Industrial Advisory Commission (BIDAC) adopted Resolution 05-05, which replaced Resolution 05-03 and differs from it by approving an increase in the reimbursement for Water Main construction costs from $250,000 to a maximum of $370,000 in order to account for the costs of rock removal; and

WHEREAS, Cook Pharmica and the City will enter into a financing agreement containing the terms and conditions of the benchmark payments as provided in this resolution; and

WHEREAS, the redevelopment of the IEC serves an important public purpose, and the Project is desirable for the area, in that it offers a significant investment that will enhance the tax base of the City of Bloomington and Monroe County, will create 200 new jobs, and will contribute towards the development of a life sciences initiative proposed for Bloomington and Monroe County;

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

SECTION 1. The Common Council hereby establishes the Project Benchmark and the Water Main Benchmark as benchmarks pursuant to Indiana Code 36-7-13-18(b), and hereby authorizes Cook Pharmica LLC to receive payments from the IDF as provided herein for attainment of the Project Benchmark in an amount not to exceed $2,000,000 and for the Water Main Benchmark in an amount not to exceed $370,000 or the actual cost of construction of the Water Main, whichever is less.

SECTION 2. After Cook Pharmica's attainment of the Project Benchmark, the City shall pay Cook Pharmica up to $2,000,000 by making payments annually of 75% of the CRED revenues derived from state income taxes and COIT paid by Cook Pharmica employees in the Thomson CRED district and from state retail and use taxes generated by Cook Pharmica's sales in the Thomson CRED district or $450,000 of said CRED revenues, whichever is less, until either $2,000,000 has been paid or the Thomson CRED district terminates, as partial reimbursement for Cook Pharmica's expenditures on the Project, in compliance with the provisions of IC 36-7-13-18 and subject to the City of Bloomington's receipt from the State of Indiana of CRED revenues attributable to Cook Pharmica's employment and sales on the Property, as provided herein, and all other conditions and provisions stated herein.

SECTION 3. After Cook Pharmica's attainment of the Water Main Benchmark, the City shall pay Cook Pharmica $370,000 or the actual cost of construction of the Water Main, whichever is less, by making annual payments of 100% of the CRED revenues that are generated within the Thomson CRED district, deposited in the IDF by the State, and are not committed by the City towards any other project or agreement, until $370,000 or the actual cost of constructing the Water Main, whichever is less, has been paid.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 18th day of MAY, 2005.

ANDY RUFF, President

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 19th day of MAY, 2005.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 19th day of MAY, 2005.

MARK KRUZAN, Mayor

SYNOPSIS

This resolution authorizes expenditure from the Industrial Development Fund of up to $2,370,000 to Cook Pharmica LLC as a result of attaining construction benchmarks at the Indiana Enterprise Center.

Note: On May 18, 2005, the Common Council adopted this resolution with an amendment (Am 01) which raised the maximum reimbursement for construction of the water line from $250,000 to $370,000 to account for the cost of rock removal.

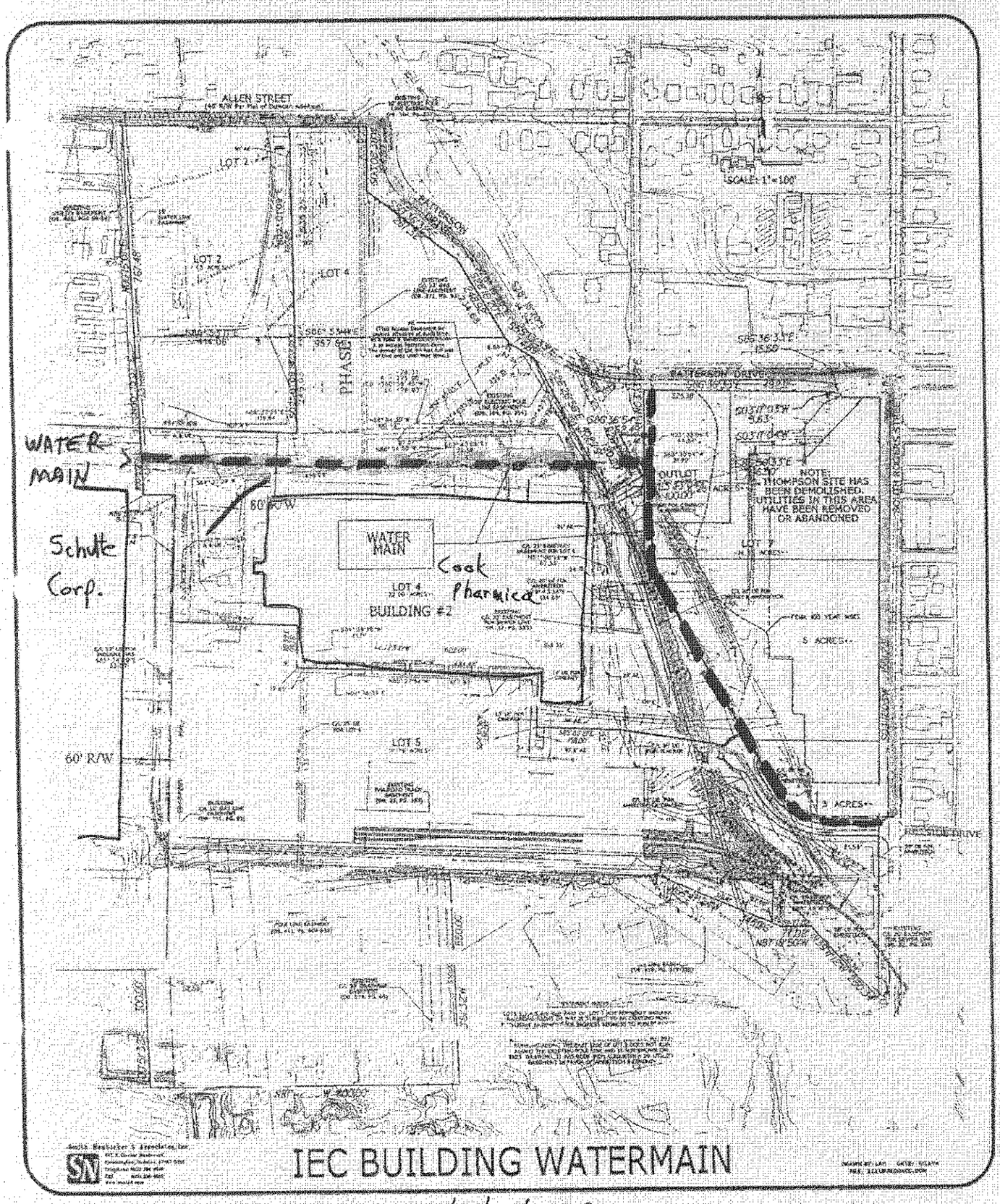
Signed copies to:
legal(5)
Controller
Econ Dev.
Cook Pharmica
CA/CA(3)
Clerk
file
utilities
BIDAC

LEGAL DESCRIPTION FOR BUILDING 2 PARCEL AT THE INDIANA ENTERPRISE CENTER (27.27 ACRES, MORE OR LESS)

A part of the Southeast Quarter of Section 5, Township 8 North, Range 1 West, being a part of Seminary Lots 56 and 57 as recorded in Deed Book A, Pages 54 and 55 in the office of the Recorder of Monroe County, Indiana more particularly described as follows:

COMMENCING at an 8" x 8" limestone monument at the southwest corner of the Northwest Quarter of Section 8, Township 8 North, Range 1 West; thence on an assumed bearing NORTH 01 degree 09 minutes 55 seconds East on the west line thereof 1320.08 feet to a limestone monument at the northwest corner of the South Half of said Northwest Quarter; thence SOUTH 85 degrees 36 minutes 23 seconds East on the north line thereof a distance of 1163.07 feet to an 8" x 8" limestone monument; thence NORTH 02 degrees 01 minutes 09 seconds East a distance of 1322.84 feet to an 8" x 8" limestone monument on the north line of said Northwest Quarter; thence SOUTH 85 degrees 20 minutes 57 seconds East on the north line thereof 12.75 feet to a 5/8" rebar with yellow cap marked "Schneider Engineering Corp" at a Southwestern Corner of Land now formerly owned by New Asset Subsidiary LLC (Instr#2001006582) said point being 127.00 feet west of the southeast corner of Seminary Lot 177; thence NORTH 00 degrees 15 minutes 07 seconds East parallel with the East line of said Seminary Lot 177 a distance of 876.65 feet to a 5/8" rebar with yellow cap marked "Schneider Engineering Corp" on the north line of said Lot 177; thence SOUTH 85 degrees 20 minutes 57 seconds East on said north line and the projection thereof 135.25 feet to a 5/8" rebar with yellow cap marked "Schneider Engineering Corp" in the centerline of a vacated 16.5' alley; thence NORTH 00 degrees 15 minutes 07 seconds East on said alley centerline 110.93 feet to a 5/8" rebar with yellow cap stamped "Schneider Engineering Corp" said point being 94.38 feet north of the south line of Seminary Lot 167; thence SOUTH 84 degrees 58 minutes 16 seconds East parallel with the south line of Seminary Lots 167 and 168, 1326.41 feet to a railroad spike on the west line of Seminary Lot 57, said point being on the east line of the vacated 33' right-of-way of Walker Street and the western boundary of Land now or formerly owned by Bloomington LLC (D.B. 480, Pg 775-776) and the POINT OF BEGINNING; thence SOUTH 84 degrees 58 minutes 16 seconds East 407.43 feet on the south line of land of DJM & JMM Real Estate LLC, (Instr# 2003016378) to a 5/8" rebar with cap set; thence NORTH 02 degrees 01 minutes 09 seconds East 780.28 feet on the east line of said Land of DJM & JMM Real Estate LLC; to a chiseled "x" set on the South Right-of-Way of Allen Street; thence on said South Right-of-Way SOUTH 86 degrees 53 minutes 11 seconds East 199.87 to a railroad spike set; thence leaving said South Right-of-Way and on the westerly Right-of-Way of Patterson Drive the following four (4) courses: thence 1) SOUTH 03 degrees 08 minutes 38 seconds West 164.80 feet to a railroad spike set; thence 2) SOUTH 50 degrees 36 minutes 32 seconds East 287.32 feet to a 5/8" rebar with cap set; thence 3) SOUTH 28 degrees 16 minutes 20 seconds East 248.92 feet to a railroad spike set; thence 4) SOUTH 55 degrees 13 minutes 33 seconds East 74.89 feet to a 5/8" rebar with cap set; thence leaving said Right-of-Way SOUTH 26 degrees 26 minutes 56 seconds East 402.79 feet to a P.K.Nail found; thence NORTH 63 degrees 33 minutes 04 seconds East 100.00 feet to a 5/8" rebar found stamped "Bledsoe Tapp"; thence NORTH 26 degrees 26 minutes 56 seconds West 120.20 feet to a 5/8" rebar with cap set; thence SOUTH 86 degrees 36 minutes 54 seconds East 62.49 feet to a railroad spike set; thence SOUTH 03 degrees 13 minutes 38 seconds West 311.47 feet to a 5/8" rebar with cap set; thence SOUTH 26 degrees 26 minutes 56 seconds East 600.32 feet to a 5/8" rebar with cap set; thence NORTH 85 degrees 24 minutes 52 seconds West 583.41 feet to a 5/8" rebar with cap set; thence NORTH 04 degrees 31 minutes 36 seconds East 200.14 feet to a rebar with cap set; thence NORTH 85 degrees 23 minutes 21 seconds West 622.00 feet chiseled "x" set; thence NORTH 04 degrees 36 minutes 39 seconds East 109.76 feet to a railroad spike set; thence NORTH 85 degrees 23 minutes 21 seconds West 323.74 feet to a mag nail found; thence NORTH 04 degrees 34 minutes 19 seconds East 326.98 feet to a railroad spike found; thence NORTH 86 degrees 53 minutes 11 seconds West 80.32 feet to a 5/8" rebar with cap marked "Schnieder Corp"; thence NORTH 00 degrees 15 minutes 07 seconds East 174.34 feet to the POINT OF BEGINNING.

EXHIBIT A



IEC BUILDING WATERMAIN

Exhibit B