

RESOLUTION 80-28

Inducement Resolution for Economic Development
Revenue Bonds for St. Regis Paper Company

- WHEREAS, the City of Bloomington, Indiana (the "Issuer"), has heretofore issued its Economic Development First Mortgage Revenue Bonds, Series 1977 (Sentinel Printing, Inc. Project), which Bonds were issued in a total amount of One Million One Hundred Thousand Dollars (\$1,100,000) and were dated as of April 1, 1977; and
- WHEREAS, the proceeds of such Bonds were used by the Issuer to finance the construction of certain facilities, which facilities were leased to Sentinel Printing, Inc. ("Sentinel"), which facilities were leased by the Issuer to Sentinel pursuant to a Lease Agreement dated as of April 1, 1977, with a term expiring on April 1, 1992; and
- WHEREAS, Sentinel has now terminated all operations in said leased facilities and wishes to dispose of and St. Regis Paper Company ("St. Regis"), a New York corporation, desires to acquire all of Sentinel's interest in said facilities, leasehold or otherwise; and
- WHEREAS, St. Regis proposes to construct an addition to said facilities and that the same be financed by the issuance by the Issuer of additional bonds pursuant to the Mortgage and Indenture of Trust between the Issuer and First National Bank of Bloomington, as Trustee, which Mortgage and Indenture of Trust is dated as of April 1, 1977; and
- WHEREAS, the Issuer is authorized by IC 18-6-4.5 (the "Act") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, construction and equipment of said facilities, and said facilities to be either sold or leased to a company or directly owned by a company; and
- WHEREAS, St. Regis has advised the Bloomington Economic Development Commission ("Commission") and the Issuer that it proposes that the Issuer acquire, construct and equip additional facilities to the facilities originally leased to Sentinel and lease such facilities to St. Regis. Said additional facilities to consist of (1) an approximate 18,000-square foot Butler-type addition to the existing facilities at 305 North Curry Pike; (2) six high-speed bag machines coupled with in-line two-color and three-color flexographic printing presses; (3) a surplus film slitter; and (4) two surplus bag machines ("Project"); and
- WHEREAS, the diversification of industry and increase of job opportunities (80 new jobs) to be achieved by the acquisition, construction, and equipping of the Project will be of public benefit to the health, safety and welfare of the Issuer and its citizens; and
- WHEREAS, it would appear that the financing of the Project would be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and
- WHEREAS, the acquisition and construction of the Project will not have an adverse competitive effect on any similar facility already constructed or operating in Monroe County, Indiana;

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

SECTION I. The Common Council hereby finds and determines that promotion of diversification of economic development and job opportunities in and near Bloomington, Indiana, is desirable to preserve the health, safety and general welfare of the citizens of the Issuer, and that it is in the public interest that the Commission and the Issuer take such action as

they lawfully may to encourage economic development, diversification of industry and promotion of job opportunities in and near the Issuer.

SECTION II. The Common Council hereby finds and determines that the issuance and sale of economic development revenue bonds in an amount of approximately four million and no/100 dollars, (\$4,000,000) of the Issuer under the Act for the acquisition and construction of the Project and the leasing of the Project to St. Regis will serve the public purposes referred to above in accordance with the Act.

SECTION III. In order to induce St. Regis to proceed with the acquisition of the leasehold and all other interests of Sentinel in the existing facility, and the acquisition and construction of the Project, the Common Council hereby finds and determines that (i) it will take or cause to be taken such actions pursuant to the Act as may be required to implement the aforesaid financing or as it may deem appropriate in pursuance thereof; provided that all of the foregoing shall be mutually acceptable to the Issuer and St. Regis, and (ii) it will adopt such resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary and advisable for the authorization, issuance and sale of said economic development revenue bonds, and (iii) it will use its best efforts to assist St. Regis in procuring the issuance of additional economic development revenue bonds, if such revenue bonds become necessary for re-funding or refinancing the outstanding principal amount of the economic development revenue bonds, for completion of the Project, and for additions to the Project, including the costs of issuing additional bonds.

SECTION IV. All costs of the Project incurred after the adoption of the inducement resolution of the Issuer, including reimbursement or repayment to St. Regis of moneys expended by the applicant for planning, engineering, interest paid during construction, underwriting expenses, attorney and bond counsel fees, and acquisition and construction of the Project will be permitted to be included as part of the bond issue to finance the Project and the Issuer will lease the same to St. Regis for such purposes.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 6th day of November, 1980.

Tomilea Allison
Tomilea Allison, President
Bloomington Common Council

ATTEST:

Nora M. Connors
Nora M. Connors, City Clerk

SIGNED and APPROVED by me upon this 10th day of November, 1980.

Francis X. McCloskey
Francis X. McCloskey, Mayor
City of Bloomington

SYNOPSIS

IC 18-6-4.5 authorizes cities to issue revenue bonds for the financing of economic development facilities. St. Regis Paper Company would like to take over Sentinel Printing, which has terminated its bag-manufacturing operations at 305 North Curry Pike. This \$4,000,000 bond would allow St. Regis to acquire, construct and equip additional facilities at the plant, resulting in 80 new jobs in the community.

REPORT OF THE BLOOMINGTON ECONOMIC DEVELOPMENT
COMMISSION CONCERNING THE PROPOSED FINANCING OF
ECONOMIC DEVELOPMENT FACILITIES FOR ST. REGIS PAPER COMPANY

The Bloomington Economic Development Commission proposes to recommend to the Common Council of the City of Bloomington that it provide funds for acquisition and construction of additional economic development facilities for St. Regis Paper Company. Such additional economic development facilities will consist of 1) an approximate 18,000 square foot Butler-type addition to the existing facilities; 2) six high-speed bag machines coupled with in-line two-color and three-color flexographic printing presses; 3) a surplus film slitter; and 4) two surplus bag machines. The facility will be located at 305 North Curry Pike, in Monroe County, Indiana. The total cost for the construction and equipping of the facilities is presently estimated to be in an amount of approximately \$4,000,000, including incidental costs of issuance of the economic development revenue bonds.

No public facilities will be made necessary on account of the proposed facilities.

The acquisition and construction of the facility will not have an adverse competitive effect on any similar facilities already constructed or operating in or near Bloomington, Indiana.

It is further estimated that upon the completion of the new facilities and start of operations, the new operation will employ approximately 80 new employees with an estimated payroll of approximately \$1,400,000 annually.

City Council and EDC each adopt St. Regis Company bond resolutions

By MIKE WRIGHT
H-T Staff Writer

Plans were set in motion Thursday for a \$4 million economic development bond issue to finance the St. Regis Paper Co.'s acquisition and expansion of Sentinel Printing at 305 N. Curry Pike.

THE ECONOMIC Development Commission and the City Council each adopted an inducement resolution for the bond issue for the New York firm. Once the bonds are sold and bond counsel approves the issue, St. Regis will return to both government entities for final authority to issue the bonds.

St. Regis will convert the Sentinel plant into a plastic

bag manufacturer for bakery and other food items. Sentinel has been closed since April but St. Regis plans to reopen the plant this winter.

A news release from the company says St. Regis will employ about 80 workers and the plant will operate on a seven-day-a-week basis by the end of 1981. The expansion project will nearly triple the size of the facility to 28,000-square-feet.

St. Regis has projected annual output for the plant at about 300 million printed bags, 60 million plain bags and 4.3 million pounds of plastic film roll stock.

AT A NEWS conference, St. Regis officials said they

Backup

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know of no pollutant effects that could result from the operation of the plant.

In other business, the City Council:

- Approved changes to the city's zoning code, including: a provision to allow a temporary variance for sidewalk construction with developments; establishment of a new conditional use category that would allow the Plan Commission to approve duplexes in single family residential zones on lots that face or abut a less restrictive zone; establishment of detailed landscaping requirements for new developments; a provision that requires screening of trash dumpsters from the street or adjacent property; and reduction of setback requirements in certain areas.

- Approved budget transfers for several city departments to cover expenses for travel, gasoline, office supplies, repair parts, salaries and utilities.

- Approved an appropriation of \$16,593.16 to the motor vehicle highway fund. The money was received from insurance payments, an auction used equipment and contractual services.

- Delayed until the next meeting an ordinance that would create a Bloomington Arts Commission.

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St. Regis to acquire Sentinel Printing Co.

H-T Report

Officials from the St. Regis Paper Co. announced plans today to acquire and expand the Sentinel Printing Co. on Curry Pike through a \$2.7 million economic development bond issue.

MAYOR FRANK MCCLOSKEY said this morning the New York City firm also will assume the obligations of the \$1.1 million bond issue that Sentinel used in 1977 to build the plant.

The expanded plant, which will continue to manufacture polyethylene bakery bags, will add about 80 jobs, McCloskey said. The bond issue request will go before the city's Economic Development Commission later this week, or early next week, he added.

"I'm very happy to get a blue-chip firm like the St. Regis company," McCloskey said.

Sentinel, which employs about eight people, was the first to take advantage of the economic development bonds with its 1977 bond issue. Interest on such bonds is tax free.

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St. Regis is in four key markets

H-T Report

St. Regis, the New York-based corporation that announced this week it will be opening a plant in Bloomington, is a diversified, forest-based enterprise that is international in scope.

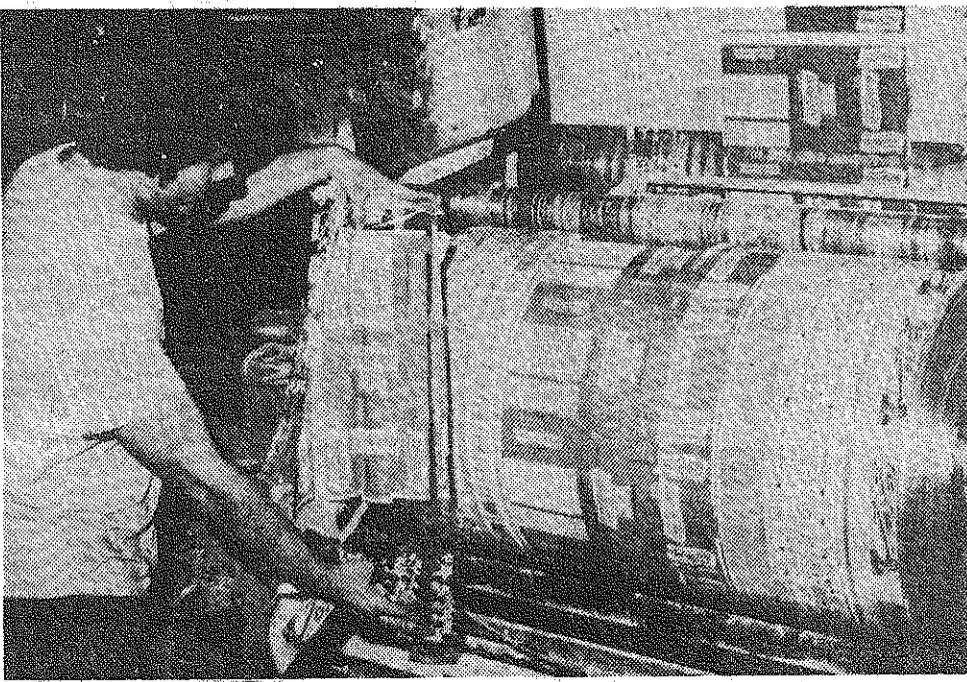
St. Regis produces a wide variety of products in 148 plants in 10 countries. Its affiliates operate 87 additional plants in 29 countries.

In Bloomington St. Regis will be purchasing the leasehold interest of Sentinel Printing Inc.'s polyethylene extrusion plant on North Curry Pike and will convert and expand the facility for use primarily as a plastic bakery and food bag manufacturing plant.

The Sentinel plant, the first constructed by economic development bonds authorized by the City of Bloomington, has been closed for six months.

St. Regis officials announced they intend to add new, modern equipment to the facility and reopen it this winter and expand it in 1981. When the expansion is completed the St. Regis Bloomington plant is expected to employ approximately 80 workers.

St. Regis was attracted to Bloomington first because of the availability of the Sentinel



Machines such as this, which manufacture plastic packaging for the bakery and food industry, will be installed by St. Regis Paper Company at its newly-acquired Bloomington facility.

plant. The company is already in the plastic bag manufacturing elsewhere in the country through its Flexible Packaging Division with headquarters in Dallas, Tex.

The Bloomington plant will nearly triple in size, from 10,000-square feet to 28,000-square feet. Six high-speed bag

manufacturing machines, coupled with two- and three-color flexographic

printing presses, plus other equipment, will be added to the existing two extrusion lines.

St. Regis has projected annual output for the plant at about 300 million printed bags, 60-million plain bags and 4.3 million pounds of plastic film roll stock.

W. Clifford McGahee, general manager for the Flexible Packaging Division, said the move to Bloomington was particularly attractive because it will give the company an improved chance to be competitive in the Midwest, an area that had been previously supplied from another region.

St. Regis is a fully-integrated forest-based products company whose business segments are kraft and recycled fiber, printing paper, newsprint, construction products, packaging, converted products and energy resources.

Net earnings for the first nine months of 1980 increased 11 percent for St. Regis to \$134.9 million on revenues of \$2.05 billion. Per share results improved 9.9 percent for the first nine months to \$4.11 versus \$3.74.