CA/CX

(passed 8-0)
Sabbagh absent

RESOLUTION 05-04

TO AUTHORIZE EXPENDITURES FROM THE INDUSTRIAL DEVELOPMENT FUND FOR ATTAINMENT OF BENCHMARKS BY THE SCHULTE CORPORATION 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 ("Thomson 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 (the "CRED Revenues"); 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, the Schulte Corporation ("Schulte") has proposed renovating a building in the Indiana Enterprise Center (IEC), more particularly described in Exhibit A, attached hereto and incorporated herein by reference, having an address of 1500 S. Patterson Drive, Bloomington, Indiana (the "Property"), in which Developer intends to renovate approximately 630,000 square feet for use as a manufacturing and distribution facility, at an estimated cost of approximately $4,243,989 (the "Project"); and

WHEREAS, the City wishes to reimburse Schulte, pursuant to IC 36-7-13-18(b), for up to $1,000,000 of its cost of constructing the Project; and

WHEREAS, Schulte's expenditure of at least $1,000,000 for construction and related costs of the elements of the Project listed herein shall constitute the "Benchmark" for purposes of payment by the City of up to $1,000,000, as provided in IC 36-7-13-18(b) and herein; and

WHEREAS, elements of the Project for which expenditures may count towards the Benchmark are:

• New 20,000 sq. ft. Two-story Office	$1,382,495
• Two-story Glass Façade & Employee Area	$ 415,808
• Interior Climate & Environmental Improvements	$ 401,556
• Air Make-up Units for Manufacturing Areas	$ 319,005
• New Employee Entrance	$ 240,663

The improvements listed above have a total estimated cost of $2,759,527; and

WHEREAS, after Schulte has expended $1,000,000 or more on work listed above, the City will verify completion of said work and expenditures to its reasonable satisfaction prior to commencement of payment; and

WHEREAS, Schulte intends to fill 168 full-time positions on the Property by the end of 2005 (the "Original Employees"), and intends to add 223 additional full-time positions after completion of the Project (the "New Employees"); and

WHEREAS, for purposes of this resolution, the CRED Revenue attributable to the Original Employees shall be called the "Base Revenue" and the CRED Revenue attributable to the New Employees plus the CRED Revenue that is derived from the state gross retail and use taxes generated by Schulte's sales within the Thomson CRED district shall be called the "New CRED Revenue;" and

WHEREAS, after Schulte has attained the Benchmark, the City will commence making annual payments to Schulte of 75% of the New CRED Revenues or $450,000 of the New CRED Revenues, whichever is less. The City intends to retain 100% of the Base Revenue, and 25% of the New CRED Revenues; and

WHEREAS, after attainment of the Benchmark, payments towards this reimbursement will be made as provided herein until either $1,000,000 has been paid or the CRED district terminates; and

WHEREAS, Schulte has entered into separate agreements with a number of customers for products to be manufactured on the Property, including Organized Living, Do It Best Corporation, Storables USA Inc., Builders Insulation Company Inc., and Solutions for Organized Living; and

WHEREAS, Schulte and the City will enter into a financing agreement containing the terms and conditions of the benchmark payments; and

WHEREAS, the Bloomington Industrial Development Advisory Commission (BIDAC) approved its Resolution 05-04 on April 26, 2005 recommending to the Common Council approval of the Benchmark as provided herein; 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 223 new jobs, and will contribute to the economic vitality of the area;

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 Benchmark as a benchmark pursuant to Indiana Code 36-7-13-18(b), and hereby authorizes the Schulte Corporation to receive payments from the IDF as provided herein for attainment of the Benchmark in an amount not to exceed $1,000,000.

SECTION 2. After the Schulte Corporation's attainment of the Benchmark, the City shall pay the Schulte Corporation up to $1,000,000 by making payments annually of 75% of the CRED revenues derived from state income taxes and COIT paid by Schulte Corporation employees in the Thomson CRED district and from state retail and use taxes generated by Schulte Corporation's sales in the Thomson CRED district or $450,000 of said CRED revenues, whichever is less, until either $1,000,000 has been paid or the Thomson CRED district terminates, as partial reimbursement for Schulte Corporation'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 Schulte Corporation's employment and sales on the Property, as provided herein, and all other conditions and provisions stated herein.

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 $1,000,000 to the Schulte Corporation as a result of attaining construction benchmarks at the Indiana Enterprise Center.

Signed copies to:

legal(5)	Schulte
Controller	CA/CA(3)
Econ Dev.	Clerk
BIDAC	file

EXHIBIT A

Parcel I - Part of the Northwest Quarter of Section 8 and part of the Southeast Quarter and Southwest Quarter of Section 5, all in Township 8 North, Range 1 West, being Seminary Lots 169 through 172 and part of Lots 56, 167 and 168 as recorded in Deed Book A, Pages 54 & 55 in the Office of the Recorder of Monroe County, Indiana, described as follows:

Commencing at an 8 inch x 8 inch limestone monument at the Southwest corner of the Northwest quarter of said Section 8; thence on an assumed bearing of North 01 degrees 50 minutes 26 seconds West along the west line thereof a distance of 609.78 feet to a 5/8" rebar with a yellow cap marked "Schneider Engineering Corp." (hereinafter referred to as "capped rebar"), said point being on the south line of a 150 foot wide electric easement (Deed Record 120, Page 600); thence continuing North 01 degrees 50 minutes 26 seconds West along said West line a distance of 710.30 feet to an 8 inch x 8 inch limestone monument at the Northwest corner of the South half of said Northwest quarter; thence South 88 degrees 36 minutes 44 seconds East along the North line thereof a distance of 1163.07 feet to an 8 inch x 8 inch limestone monument; thence North 0 degrees 59 minutes 12 seconds West a distance of 840.00 feet to the **Point of Beginning**; thence continuing North 00 degrees 59 minutes 12 seconds West a distance of 482.84 feet to an 8 inch x 8 inch limestone monument on the North line of said Northwest quarter; thence South 88 degrees 21 minutes 18 seconds East along the North line thereof a distance of 12.75 feet to a capped rebar distant 127.00 feet West of the Southeast corner of Seminary Lot 177; thence North 02 degrees 45 minutes 14 seconds West parallel with the East line of said Seminary Lot 177 a distance of 876.65 feet to a capped rebar on the North line of Lot 177; thence South 88 degrees 21 minutes 18 seconds East along said North line and the projection thereof a distance of 135.25 feet to a capped rebar in the centerline of a vacated 16.5 foot alley; thence North 02 degrees 45 minutes 14 seconds West along the alley centerline a distance of 110.93 feet to a capped rebar distant 94.38 feet North of the South line of Seminary Lot 167; thence South 87 degrees 58 minutes 37 seconds East parallel with the South line of Seminary Lots 167 and 168 a distance of 1326.41 feet to railroad spike on the West line of Seminary Lot 57, said point being on the East line of the vacated 33 foot right of way of Walker Street; thence South 02 degrees 45 minutes 14 seconds East along said East line a distance of 174.34 feet; thence South 89 degrees 53 minutes 32 seconds East a distance of 80.32 feet; thence South 01 degrees 33 minutes 58 seconds West a distance of 1225.92 feet; thence South 89 degrees 17 minutes 06 seconds West a distance of 1473.07 feet to the **Point of Beginning**, containing 48.86 acres, more or less.

Parcel II - Easement for ingress and egress as shown in Grant of Easement dated December 30, 1998 and recorded January 4, 1999, in Deed Record 480, page 745 as Instrument Number 900096.