(passed 9-0)

RESOLUTION 08-11

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 twelve hundred (1200) jobs and leaving vacant a two hundred (200) acre, 1.8 million square foot industrial facility; and,

WHEREAS, in 1997, the Common Council of the City of Bloomington 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 City of 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 et seq. 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 by law; 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 the Common Council; and,

WHEREAS, whereas in 2004 Cook Pharmica, LLC located its company in the Indiana Enterprise Center ("IEC"), which is within the CRED district, and now intends to further expand its operations, investing Eighty Four Million, Fifty One Thousand, Five Hundred and Sixty Three Dollars ($84,051,563) in building renovation and improvements, machinery and equipment over the next three (3) years (the "Project"); and,

WHEREAS, when complete and fully operational in 2010, the expansion will add more than one hundred thirty (130) manufacturing and maintenance positions requiring both skilled and unskilled labor. It will also bring more than forty five (45) new professional positions in engineering and quality control, and more than twenty five (25) positions in business operations, IT and logistics – totaling more than two hundred (200) new, full-time jobs with an annual payroll of Nine Million, Two Hundred Twenty Five Thousand, Five Hundred and Eighty Eight Dollars ($9,225,588); and,

WHEREAS, the Common Council of the City of Bloomington wishes to reimburse Cook Pharmica, pursuant to IC 36-7-13-18(b), for attainment of project benchmarks in an amount not to exceed Two Million Dollars ($2,000,000); and,

WHEREAS, elements of the Project for which expenditures may count towards the attainment of project benchmarks include the following estimates, which total Seven Million, Six Hundred Twenty Nine Thousand, One Hundred Dollars ($7,629,100):

90% Design Engineering	$2,000,000
Underground work	$ 237,400
Structural steel	$ 617,500
Construction drawings	$ 500,000
Emergency generator	$ 550,000
Walls & ceiling	$3,724,200

WHEREAS, Cook Pharmica's expenditure of at least Two Million Dollars ($2,000,000) for 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 project benchmarks, for purposes of Indiana Code 36-7-13-18(b); and,

WHEREAS, reimbursement by the City to Cook Pharmica of up to Two Million Dollars ($2,000,000) for attainment of the project benchmarks shall be made using CRED Revenues received by the City that are derived from the Indiana income tax and COIT paid by persons employed by Cook Pharmica, and CRED revenues that derive from state gross retail and use taxes generated by Cook Pharmica's sales within the Thomson CRED district; and,

WHEREAS, the City shall make annual payments of seventy five percent (75%) of said CRED revenues, until either Two Million Dollars ($2,000,000) has been paid or the CRED district terminates; and,

WHEREAS, Cook Pharmica has entered into a separate agreement with another entity for use of the Project site on the Property for fill and finish services; and,

WHEREAS, Cook Pharmica and the City shall enter into a financing agreement containing the terms and conditions of the benchmark payments; 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 206 new jobs, and will contribute towards the development of a life sciences initiative proposed for Bloomington and Monroe County; and,

WHEREAS, BIDAC has approved, by resolution, reimbursement as described above to Cook Pharmica and recommends that the Common Council approve the same.

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

Section1. Pursuant to Indiana Code 36-7-13-18(b), the City shall reimburse Cook Pharmica for attainment of the Project Benchmark, as described in Section 2 below. The following elements of the Project which have an estimated total of Seven Million, Six Hundred Twenty Nine Thousand, and One Hundred Dollars ($7,629,100), may count towards attainment of the benchmarks:

90% Design Engineering	$2,000,000
Underground work	$ 237,400
Structural steel	$ 617,500
Construction drawings	$ 500,000
Emergency generator	$ 550,000
Walls & ceiling	$3,724,200

Section 2. Payment by the City, upon Cook Pharmica's attainment of project benchmarks, is authorized up to Two Million Dollars ($2,000,000) to

Cook Pharmica by making payments annually of seventy five percent (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. Said payments shall continue to be made until either Two Million Dollars ($2,000,000) has been paid or the Thomson CRED district terminates. Said payments shall serve as partial reimbursement for Cook Pharmica's expenditures on the Project, in compliance with the provisions of IC 36-7-13-18 and are 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.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 17th of SEPTEMBER, 2008.

Susan Sandberg

SUSAN SANDBERG, President
Bloomington Common Council

ATTEST:

Regina Moore

REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 18th day of SEPTEMBER, 2008.

Regina Moore

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 18th day of SEPTEMBER, 2008.

Mark K

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

In accordance with state law, this resolution authorizes reimbursement to a Bloomington-based corporation, Cook Pharmica, LLC, upon completion of certain approved investments made to their real property located within the City's Community Revitalization Enhancement District ("CRED"). The total reimbursement will not exceed Two Million Dollars ($2,000,000) and will be made by making annual payments out of the Industrial Development Fund ("IDF"), a non-reverting fund which receives County Option Income Taxes as well as Indiana retail, use, and income taxes generated within the CRED District that exceed a base amount. The IDF supports industrial development and expansion within the CRED District that serves the City of Bloomington.

Signed copies to:
legal(10)
controller
webmistress
ECONDEV.

CA/CA(3)
clerk
file