

RESOLUTION 09-15

**TO AUTHORIZE EXPENDITURES FROM ANNUAL REVENUES
GENERATED AND RECEIVED BY THE INDUSTRIAL DEVELOPMENT FUND
TO SUPPORT AN ECONOMIC DEVELOPMENT PROJECT
(Envisage Technologies, Inc. at Fountain Square Mall in the Downtown CRED)**

WHEREAS, in 2004, a Community Revitalization Enhancement District ("CRED") was established pursuant to Indiana Code 36-7-13 in a portion of the City's downtown, 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 Industrial Development Fund (IDF) for use by the City as provided in IC 36-7-13; and,

WHEREAS, Envisage Technologies, Inc. ("Developer"), a high-tech software company founded in 2001 in Bloomington, Indiana, intends to relocate its business to Fountain Square Mall offices within the Downtown CRED ("Facility"); and

WHEREAS, pursuant to I.C. 36-7-13-18, Developer will enter into a separate agreement with a third-party for the use or operation of the financed Facility; and,

WHEREAS, Developer, currently a 34-employee company, as a result of this relocation intends to expand its high-tech business by 2012 through the addition of 23 new full-time jobs and additional new annual payroll of \$2,212, 862 ("Project"), with no employee earning less than the City's Living Wage pursuant to BMC 2.28; and,

WHEREAS, pursuant to I.C. 36-7-13-18, the City may establish goals or benchmarks concerning the development or redevelopment of property by a developer and the City may provide that a developer that meets or exceeds the goals or benchmarks shall be paid a specified fee from the IDF; and

WHEREAS, the City wishes to define the following as said Benchmarks:

- relocation of Envisage Technologies, Inc. and its current number of non-contract employees to Fountain Square Mall in the City's downtown CRED, and
- annual retention of Developer's current level of employment and payroll (34 jobs, \$2,401,944); and

WHEREAS, the City wishes to utilize a portion of CRED revenues as generated by the Developer from its annual State income tax withholdings ("Withholdings") to pay the Developer upon completion of Benchmarks ("Reimbursement"), provided that equal or greater that amount of revenues in a given year is received that year into the City of Bloomington IDF from the State of Indiana Department of Revenue; and

WHEREAS, pursuant to the terms herein, for the first year ("Year One") that Developer contributes Withholdings toward the City's CRED revenues and meets or exceeds Benchmarks, the City shall reimburse the developer an amount equal to 80% of those potential revenues generated by Developer, annually thereafter for the following four years, the Reimbursement shall be paid according to the following schedule:

Year Two	75%
Year Three	60%
Year Four	40%
Year Five	20%; and,

WHEREAS, the Reimbursement shall be completed with Year Five; and

WHEREAS, in any given year in Years One through Five in which the developer does not meet or exceed Benchmarks, the City shall not pay the Reimbursement for that year; and

WHEREAS, in the years in which Benchmarks are met or exceeded by Developer, and pursuant to the terms herein, the City shall utilize the total Withholdings generated by Developer, including jobs retained and added, in the calculation to determine the amount of Reimbursement that year; and

WHEREAS, on June 30, 2009, the City of Bloomington Industrial Development Advisory Commission ("BIDAC") adopted Resolution 09-02 recommending the City enter into an economic development financing agreement with Developer and use the IDF to pay the Developer according to the five-year schedule herein; and

WHEREAS, BIDAC Resolution 09-02 also recommended that the City forego the portion of Withholdings generated by Developer which would otherwise be recaptured by the CRED but instead which the State of Indiana Economic Development Corporation ("IEDC") shall utilize to offset Economic Development for a Growing Economy Tax ("EDGE") Credits it provides to Developer; and

WHEREAS, the City understands that the portion of Withholdings which will be retained by the State for EDGE purposes will follow the annual schedule below:

Year One	20%
Year Two	25%
Year Three	40%
Year Four	60%
Year Five	80%
Years Six – Ten	100%;

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

SECTION 1. (a) The Common Council hereby authorizes payment by the City from the Industrial Development Fund of a percentage of State income tax withholdings paid by Envisage Technologies, Inc.'s employees in the Downtown CRED, on account of the attainment of the above stated Benchmarks by Envisage Technologies, Inc., per the following annual schedule, 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 equal or greater than the amount which would be attributable to Envisage's employment at the Facility, as provided herein, and all other conditions and provisions stated herein:

- 80% of the amount of Envisage's State Withholdings in Year One,
- 75% in Year Two
- 60% in Year Three
- 40% in Year Four
- 20% in Year Five

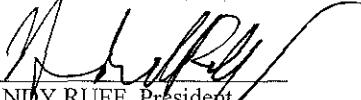
(b) The Common Council also authorizes the City of Bloomington to enter into an economic development financing agreement with the Developer to include the terms and conditions of the reimbursement payment.

SECTION 2. The Common Council also hereby authorizes that the City of Bloomington agree to forego the remaining portion of State Income Tax Withholdings generated by Developer which would otherwise be recaptured by the CRED but instead which the State of Indiana Economic Development Corporation shall utilize to offset Economic Development for a Growing Economy Tax Credits it provides to Developer per the following annual schedule for the first 10 years in which Envisage is located in the CRED:

Year One	20%
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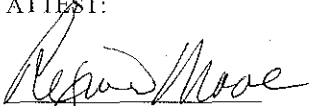
Year Two	25%
Year Three	40%
Year Four	60%
Year Five	80%
Years Six – Ten	100%

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 15th day of JULY, 2009.


 ANDY RUFF, President
 Bloomington Common Council

SIGNED and APPROVED by me upon this 16th day of JULY, 2009.


 MARK KRUZAN, Mayor
 City of Bloomington

ATTEST:

 REGINA MOORE, Clerk
 City of Bloomington

SYNOPSIS

In accordance with state law, this resolution authorizes a five-year payment schedule to be expended from the Industrial Development Fund ("IDF") to Envisage Technologies, Inc. (Developer) to assist with the high technology company's relocation and expansion in the Downtown Community Revitalization Enhancement District ("CRED"). The annual reimbursements will be a scheduled portion of the state income tax withholdings paid by the Developer's employees. The resolution also authorizes the City to enter into an economic development financing agreement with the Developer to include the terms and conditions of the annual payments. The IDF supports industrial development and expansion within CREDs that serve the City of Bloomington. The resolution also authorizes the City of Bloomington to agree to forego from deposit into the IDF the remainder of state income tax withholdings which are to be utilized by the State of Indiana to provide the Developer with a 10-year Economic Development for a Growing Economy tax credit.

Note: This resolution was revised after it was released in the Council Legislative Packet and before it was introduced at the Regular Session of the Council. The revision corrected a typographical error in the fifth whereas clause.

- Copies to:
- Petitioner
 - Dir Ec Development
 - Industrial Dev Ad Commission
 - Clerk 2
 - CA/PA 3
 - Controller 2
 - Legal 10

**RESOLUTION 09-02
OF THE CITY OF BLOOMINGTON
INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION**

**TO AUTHORIZE EXPENDITURES FROM ANNUAL REVENUES
GENERATED AND RECEIVED BY THE INDUSTRIAL DEVELOPMENT FUND
TO SUPPORT AN ECONOMIC DEVELOPMENT PROJECT**

WHEREAS, in 2004, a Community Revitalization Enhancement District ("CRED") was established pursuant to Indiana Code 36-7-13 in a portion of the City's downtown, 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 Industrial Development Fund (IDF) for use by the City as provided in IC 36-7-13; and,

WHEREAS, Envisage Technologies, Inc. ("Developer"), a high-tech software company founded in 2001 in Bloomington, Indiana, intends to relocate its business to Fountain Square Mall offices within the Downtown CRED ("Facility"); and,

WHEREAS, pursuant to I.C. 36-7-13-18, Developer will enter into a separate agreement with a third-party for the use or operation of the financed Facility; and,

WHEREAS, Developer, currently a 34-employee company, as a result of this relocation intends to expand its high-tech business by 2012 through the addition of 23 new full-time jobs and additional new annual payroll of \$2,212, 862 ("Project"), with no employee earning less than the City's Living Wage pursuant to BMC 2.28; and,

WHEREAS, pursuant to I.C. 36-7-13-18, the City may establish goals or benchmarks concerning the development or redevelopment of property by a developer and the City may provide that a developer that meets or exceeds the goals or benchmarks shall be paid a specified fee from the industrial development fund shall be paid a specified fee from the IDF; and,

WHEREAS, the City wishes to define the following as said Benchmarks:

- relocation of Envisage Technologies, Inc. and its current number of non-contract employees to Fountain Square Mall in the City's downtown CRED, and
- annual retention of Developer's current level of employment and payroll (34 jobs, \$2,401,944); and,

WHEREAS, the City wishes to utilize a portion of CRED revenues as generated by the Developer from its annual State income tax withholdings ("Withholdings") to pay the Developer upon completion of Benchmarks ("Reimbursement"), provided that equal or greater that amount of revenues in a given year is received that year into the City of Bloomington IDF from the State of Indiana Department of Revenue; and,

WHEREAS, pursuant to the terms herein, for the first year ("Year One") that Developer contributes Withholdings toward the City's CRED revenues and meets or exceeds Benchmarks, the City shall reimburse the developer an amount equal to 80% of those potential revenues generated by Developer, annually thereafter for the following four years, the Reimbursement shall be paid according to the following schedule:

Year Two	75%
Year Three	60%
Year Four	40%
Year Five	20%; and,

WHEREAS, the Reimbursement shall be completed with Year Five; and,

WHEREAS, in any given year in Years One through Five in which the developer does not meet or exceed Benchmarks, the City shall not pay the Reimbursement for that year; and,

WHEREAS, in the years in which Benchmarks are met or exceeded by Developer, and pursuant to the terms herein, the City shall utilize the total Withholdings generated by Developer, including jobs retained and added, in the calculation to determine the amount of Reimbursement that year; and,

WHEREAS, the City agrees to forego the portion of Withholdings generated by Developer which would otherwise be recaptured by the CRED but instead which the State of Indiana Economic Development Corporation ("IEDC") shall utilize to offset Economic Development for a Growing Economy Tax ("EDGE") Credits it provides to Developer; and,

WHEREAS, the City understands that the portion of Withholdings which will be retained by the State for EDGE purposes will follow the annual schedule below:

Year One	20%
Year Two	25%
Year Three	40%
Year Four	60%
Year Five	80%
Years Six - Ten	100%; and,

WHEREAS, the Developer and the City will enter into a financing agreement containing the terms and conditions of the Reimbursement payment;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BLOOMINGTON INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION THAT:

SECTION 1. The Commission hereby recommends to the Common Council that it:

1. Authorize payment by the City from the Industrial Development Fund of a percentage of State income tax withholdings paid by Envisage Technologies, Inc.'s employees in the Downtown CRED, on account of the attainment of the above-stated Benchmarks by Envisage Technologies, Inc., per the following annual schedule, 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 equal or greater than the amount which would be attributable to Envisage's employment at the Facility, as provided herein, and all other conditions and provisions stated herein:
 - 80% of the amount of Envisage's State Withholdings in Year One,
 - 75% in Year Two
 - 60% in Year Three
 - 40% in Year Four
 - 20% in Year Five
2. Authorize the City of Bloomington to enter into an economic development financing agreement with the Developer to include the terms and conditions of the reimbursement payment.

SECTION 2. The Commission hereby recommends to the Common Council that it:

1. Authorize the City of Bloomington to agree to forego the remaining portion of State Income Tax Withholdings generated by Developer which would otherwise be recaptured by the CRED but instead which the State of Indiana Economic Development Corporation shall utilize to offset Economic Development for a

Growing Economy Tax Credits it provides to Developer per the following annual schedule for the first 10 years in which Envisage is located in the CRED:

Year One	20%
Year Two	25%
Year Three	40%
Year Four	60%
Year Five	80%
Years Six - Ten	100%

BLOOMINGTON INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION

	Signature		
	Yay	Nay	Abstain/Absent
Danise Alano	<i>Danise Alano</i>		
Rhonda Hinds	<i>Rhonda Hinds</i>		
Roger Kent	<i>Roger Kent</i>		
Don Moore		<i>Don Moore</i>	
Joyce Poling			
Gary Shelley	<i>Gary Shelley</i>		
Sen. Vi Simpson			

Richard Rampley *Richard Rampley*

	5	1	2
VOTE TOTAL	Yay	Nay	Ab

Joyce Poling + Vi Simpson not present.

Approved this 30 day of June, 2009.