



# City of Bloomington Common Council

## Legislative Packet

Committee of the Whole

10 December 2008

Office of the Common Council  
P.O. Box 100  
401 North Morton Street  
Bloomington, Indiana 47402

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## Packet Related Material

### Memo

### Agenda

### Calendar

### Notices and Agendas:

*None*

### Legislation for Discussion at Committee of the Whole:

- **Res 08-16** To Approve the Interlocal Agreement Between Monroe County, Town of Ellettsville, and the City of Bloomington for Animal Shelter Operation for the Year 2009  
- Memo from Laurie Ringquist, Director of the Animal Care and Control Department; Interlocal Agreement; Calculation of Payment Amount and Source of Animals Received by the Shelter  
*Contact: Laurie Ringquist at 349-3870 or [ringquil@bloomington.in.gov](mailto:ringquil@bloomington.in.gov)*
- **Ord 08-13** To Vacate a Public Parcel - Re: A Portion of the Walnut Grove Right-of-Way Running Between and Intersecting with Portions of East Cottage Grove and East 11<sup>th</sup> Street (The Trustees of Indiana University, Petitioner)  
*Contact: Lynne Darland at 349-3529 or [darlandl@bloomington.in.gov](mailto:darlandl@bloomington.in.gov)*

*For Materials and Summary, Please Refer to the [December 3<sup>rd</sup> Council Legislative Packet](#)*

**Material Related to Res 08-17 and Res 08-18**

- **Memo to Council on Res 08-17 and Res 08-18**, from Danise Alano, Director of Department of Economic and Sustainable Development
- **Architectural Statement**
  
- **Res 08-17** To Authorize Expenditures from the Industrial Development Fund for Physical Infrastructure to Support an Economic Development Project at the Indiana Enterprise Center
  - Bloomington Industrial Advisory Commission Res 08-03
- **Res 08-18** To Authorize Expenditures from the Industrial Development Fund for Attainment of Benchmarks by IEC, LLC at the Indiana Enterprise Center
  - Bloomington Industrial Advisory Commission Res 08-04

**Memo**

**Four Items Ready for Discussion at the Committee of the Whole  
on December 10<sup>th</sup>**

There are four items ready for discussion at the Committee of the Whole next week. One item is an ordinance (**Ord 08-13** – Vacating a Portion of the Walnut Grove Right-of-Way) which can be found in the [\*December 3<sup>rd</sup> Council Legislative Packet\*](#) and the remaining three items are resolutions which can be found in this packet and are summarized herein.

**Res 08-16 Approving the Animal Control Interlocal Agreement  
with the County and Town of Ellettsville for 2009**

**Res 08-16** approves the execution of the *Interlocal Agreement* between the City, Monroe County, and Town of Ellettsville regarding the funding for Animal Shelter operations in 2009. Under the terms of the *Agreement*, the County will pay a total of \$258,650 and the Town of Ellettsville will pay of total of \$12,500 to the City for work we do on their behalf next year. This work includes the services done by the City in sheltering animals coming from the County and otherwise assisting in County operations (i.e., dispatching runs and giving information to callers), but is distinct from the City's animal control field operations, education program and volunteer program. The amount of payment is based upon a formula that takes into account the cost of shelter operations (which is about half the City's Animal Control budget), offsetting revenues and the percentage of shelter operations attributable to animals coming from the County during the previous year. Please note that the payment will go up about \$3,522 next year.

The formula works as follows:

**Projected Budget for Animal Shelter Operations for 2009** (including increases in expenses and offsetting adoption revenues) \$542,300 (*up \$27,631 from last year*)

**Percentage of Shelter Operations Attributable to County** (Based upon percentage of animals arriving from the County – 2,418 out of 4,816.) Please note that the number of animals handled by the Shelter dropped by 440 between 2006 and 2007. x 50 % (*down 2% from last year*)

**TOTAL** \$ **271,150** (*up \$3,522 from last year*)  
- \$ **12,500** (*paid by the Town of Ellettsville*)

**Res 08-17 and Res 08-18 – Authorizing Expenditures from the Industrial Development Fund (IDF) for Investments at the Thomson CRED (Otherwise Known as the Indiana Enterprise Center) (IEC, LLC, PPM, and the New Life Sciences Business Graduation Facility)**

**Res 08-17 and Res 08-18** bring forward recommendations from the Bloomington Industrial Advisory Commission (BIDAC) to expend money from the Industrial Development Fund (IDF) for certain investments in the Thomson Community Revitalization Enhancement District (Thomson CRED – but more commonly known as the “Indiana Enterprise Center”). The following summary is derived from a memo from Danise Alano, Director of the Department of Economic and Sustainable Development, two BIDAC resolutions and other material available in the Council Office.

**Overview of the Thomson CRED, IDF, and BIDAC**

In 1997 the City lost one of its largest industrial employers when Thomson closed its doors on South Rogers and left behind 1,200 unemployed workers, over 200 acres of land, about 1.8 million s.f. of vacant facilities, and a significant decline in tax revenues. In a concerted effort orchestrated by Mayor Fernandez, the City

brought State and local leaders together, sought advice from the Urban Land Institute and charted a course to revitalize the site. One of the more effective and enduring measures adopted at that time was the creation of the Thomson CRED district, IDF, and BIDAC. These three entities are enabled by statute and provide a mechanism whereby State taxes<sup>1</sup> generated by enterprises within the district are deposited in the IDF by the State and expended by the Council upon recommendation of the BIDAC.

These monies may be used to “enhance the value of real property... and make it more suitable for industrial and retail use.” Under statute, the City may levy taxes (no more than 1.067 cents per \$100 assessed valuation) and issue bonds based upon CRED revenues (which the City has *not* pursued). It may also enter into a financing agreement with a developer who intends to develop or redevelop a facility and has secured use of it by a third person. When entering into such a financing agreement, the City may establish goals or benchmarks for the developer to achieve before receiving a fee (per IC 36-7-13-18(b)).

I believe this is the one instance where State tax revenues (as opposed to local property tax revenues) are diverted from State coffers and deposited in these local funds for the purpose of economic development. Their number around the State is quite limited. Please note that the City now has a Downtown as well as the Thomson CRED.

### IDF Balance

According to the memo from Danise Alano, the IDF receives revenues from both of the Downtown and Thomson CREDs and had a balance last month of \$3.55 million. Approximately \$693,000 of that balance and another \$433,000 expected from June 30<sup>th</sup> tax receipts are attributable to the Thomson CRED. The remainder of the funds plus an additional \$1 million expected from the June 30<sup>th</sup> tax receipts are attributable to the Downtown CRED.

### The Project

First Capital is a local development and venture capital firm that purchased the Indiana Enterprise Center from Thomson about 10 years ago and has worked with

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<sup>1</sup> These taxes include the County Option Income Tax (COIT) and Indiana gross retail, use, and income taxes generated by these enterprises after a base amount. Please note that a “use tax” is a tax on business transactions for the purchase of tangible personal property that would otherwise be subject to the 7% sales tax if performed by an individual.

the economic development community over the years to develop the property. One of its subsidiaries, IEC, LLC, plans to invest about \$6.56 million to build a Gold-level LEED certified, 3-story, 30,000 s.f. Life Sciences Business Graduation Facility on the site of the now demolished Building #1. IEC, LLC has arranged for Predictive Physiology & Medicine, Inc. (PPM) to lease 10,000 s.f. of the building, with another 5,000 s.f. set aside for expansion and will target the remaining 15,000 s.f. to other life science companies. This building is one of four that may be built on the site.

PPM is a home-grown life sciences company that started “as an offshoot of Indiana University research and development” and is “focused on empowering consumers and physicians to take care of individual health and wellness.” It has developed a procedure for analyzing 600 different blood molecules and producing a person’s “bioprofile” that identifies “areas [where] health and wellness can be improved.” This bioprofiling service will be sold to medspas and boutique health programs at first and then directly to consumers. After two years as a tenant of the inVenture technology business incubator, in 2007 this 15-employee firm moved to a portion of the McDoel Grocery building, which is owned by First Capital Group and is located across the street from this project.

In the next three years, PPM plans to invest over \$10 million in new lab and IT equipment, hire 75 new full-time employees (many of whom will fill professional, technical, and administrative positions) with a payroll of \$3.527 million.

Res 08-17 – Authorizing Reimbursement of up to \$350,000 to IEC, LLC for Public and Site Improvements

**Res 08-17** authorizes the lump sum payment of \$350,000 to EIC, LLC (as developer) in reimbursement for, and upon completion of, certain infrastructure improvements at this site. Those improvements and their estimated values are as follows:

- |   |           |
|---|-----------|
| - A new North-South drive, including sidewalk and street trees        | \$287,000 |
| - S. Rogers Street enhancements, including sidepath, curbs, guttering | \$116,000 |
| - Stormwater system improvements                                      | \$100,000 |
| - Riparian Buffer, restoration and revegetation                       | \$175,000 |

This resolution also authorizes “clawback” provisions where, at the end of the CRED (2019), the developer will repay the City for the percentage of leased space

in the new facility that is rented to non-life science (non-qualified) tenants. Please see Alano's memo for an example of how the amount would be calculated.

Res 08-18 – Authorizing Reimbursement of Up to \$500,000 to IEC, LLC After PPM Reaches Benchmark Investments

**Res 08-18** authorizes payment of up to \$500,000 from the IDF to IEC, LLC after it has installed the HVAC and backup power systems in the new Life Science Business Graduation Facility. Briefly, the Council and BIDAC resolutions declare the intent to reimburse IEC, LLC once it has:

- entered into a financing agreement with the City for the installation of these systems;
- entered into a development agreement with a 3<sup>rd</sup> party to use or operate the facility (as required by I.C. 36-7-3.1-18) (in this case for PPM to use the facility); and
- verified that it has met the benchmarks set forth in the resolutions by spending at least \$500,000 toward the installation of the HVAC and backup power systems (which have a total estimated value of \$633,605). Please note that these systems are considered necessary for the operation of life science facilities.

The reimbursement will come from State taxes generated by the PPM enterprise in the Thomson CRED which Alano estimates will amount to a total of about \$2 million. Under terms of the resolution, the City would pay IEC, LLC up to 75% of those revenues each year until the \$500,000 had been paid or the CRED terminates. Please also note that IEC, LLC has committed to passing through this incentive to PPM by reducing its lease payments.

**NOTICE AND AGENDA  
BLOOMINGTON COMMON COUNCIL COMMITTEE OF THE WHOLE  
7:30 P.M., WEDNESDAY, DECEMBER 10, 2008  
COUNCIL CHAMBERS  
SHOWERS CENTER, 401 N. MORTON ST.**

**Chair:** Chris Sturbaum

1. Resolution 08-16 To Approve the Interlocal Agreement Between Monroe County, the Town of Ellettsville and the City of Bloomington for Animal Shelter Operation for the Year 2009  
Laurie Ringquist

Asked to Attend: Laurie Ringquist, Director, Animal Care and Control

2. Ordinance 08-13 To Vacate a Public Parcel – Re: A Portion of the Walnut Grove Right-of-Way Running Between and Intersecting with Portions of East Cottage Grove and East 11<sup>th</sup> Street (The Trustees of Indiana University, Petitioner)

Asked to Attend: Lynne Darland, Zoning and Enforcement Manager, Planning Representative of Petitioner

3. Resolution 08-17 To Authorize Expenditures from the Industrial Development Fund for Physical Infrastructure to Support an Economic Development Project at the Indiana Enterprise Center

Asked to Attend: Danise Alano, Director of Economic and Sustainable Development

4. Resolution 08-18 To Authorize Expenditures from the Industrial Development Fund for the Attainment of Benchmarks by IEC, LLC at the Indiana Enterprise Center

Asked to Attend: Danise Alano, Director of Economic and Sustainable Development





**City of Bloomington  
Office of the Common Council**

To: Council Members  
From: Council Office  
Re: Calendar for the Week of December 8-13, 2008

**Monday, December 8, 2008**

5:00 pm Utilities Service Board, Board Room, 600 E. Miller Dr.

**Tuesday, December 9, 2008**

1:30 pm Development Review Committee, McCloskey  
4:00 pm Board of Park Commissioners, Council Chambers  
5:30 pm Bloomington Public Transportation Corporation, Public Transportation Center, 130 W. Grimes Lane  
5:30 pm Board of Public Works, Council Chambers  
5:45 pm Bloomington Community Arts Commission, Kelly  
6:00 pm City of Bloomington Commission on Sustainability, McCloskey  
6:30 pm Sister Cities International, Dunlap

**Wednesday, December 10, 2008**

4:00 pm Board of Housing Quality Appeals, McCloskey  
4:15 pm Commission on the Status of Black Males, Hooker Room  
4:30 pm Environmental Resources Advisory Council, Showers Building, Suite 250  
7:30 pm Common Council Committee of the Whole, Council Chambers

**Thursday, December 11, 2008**

9:00 am Emergency Management Meeting, Council Chambers  
12:00 pm Housing Network, McCloskey  
3:30 pm Bloomington Historic Preservation Commission, McCloskey  
5:30 pm Commission on the Status of Women, McCloskey

**Friday, December 12, 2008**

*No meetings are scheduled for this date.*

**Saturday, December 13, 2008**

12:30 pm *Skate with Santa* – Celebrate the holidays on the ice with Santa and his friends, \$4 per person plus \$2 for skate rental, Frank Southern Ice Arena, 1965 S. Henderson St.

*Posted and Distributed: Friday, December 3, 2008*

**RESOLUTION 08-16**

**TO APPROVE THE INTERLOCAL AGREEMENT  
BETWEEN MONROE COUNTY, THE TOWN OF ELLETTSVILLE  
AND THE CITY OF BLOOMINGTON FOR  
ANIMAL SHELTER OPERATION FOR THE YEAR 2009**

WHEREAS, the Common Council of the City of Bloomington desires to contract with Monroe County and the Town of Ellettsville, through the authority of I.C. § 36-1-7-2, to provide services and facilities to Monroe County and the Town of Ellettsville for animal care and control in consideration of payment therefrom; and,

WHEREAS, an agreement has been reached between the City of Bloomington, Monroe County and the Town of Ellettsville to provide said services and facilities for 2009;

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 approves the Animal Shelter Interlocal Agreement for Fiscal Year 2009 and authorizes the Mayor, the Director of the Animal Shelter and the Clerk of the City of Bloomington to execute the Agreement.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
SUSAN SANDBERG, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED to me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

**SYNOPSIS**

This resolution authorizes execution, by the Mayor and Director of Animal Care and Control, of the Animal Shelter Interlocal Agreement for Fiscal Year 2009 between the City of Bloomington, Monroe County and Town of Ellettsville. The agreement provides that Monroe County shall pay the City of Bloomington the sum of \$258,650.00 for 2009 in return for the space the City provides to the County and services it renders on the County's behalf. The agreement further provides that the Town of Ellettsville shall provide the City of Bloomington the sum of \$12,500.00 for 2009 in return for the space the City provides the Town of Ellettsville and services it renders on the Town of Ellettsville's behalf.



MARK KRUZAN  
MAYOR

CITY OF BLOOMINGTON

401 N Morton St

Post Office Box 100

Bloomington IN 47402

LAURIE RINGQUIST  
DIRECTOR, C.O.B. ANIMAL SHELTER

DEPARTMENT OF PUBLIC WORKS

p 812.349.3870

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ringquil@bloomington.in.gov

### MEMORANDUM

**To: Common Council**

**From: Laurie Ringquist**

**Date: November 24, 2008**

**Re: Resolution 08-\_\_**

Indiana Code § 36-1-7 empowers the City of Bloomington to contract with Monroe County and Ellettsville to provide services and facilities to the County for animal care and control in return for payment.

This resolution is to authorize the Mayor and Director of the Animal Shelter to execute an interlocal agreement with Monroe County and Ellettsville regarding Animal Shelter operations. The City provides services and use of the Animal Shelter facilities to the County and Ellettsville. In return, the County and Ellettsville pay to the City a portion of the Animal Shelter operating costs each year.

The County and Ellettsville do not pay any costs associated with the volunteer program or the education program. The amount to be paid is calculated based on the percentage of animals from Monroe County the previous year times the projected Animal Shelter operations budget.

Feel free to contact me by email at [ringquil@bloomington.in.gov](mailto:ringquil@bloomington.in.gov) or by phone at 349-3870 at any time.



## **ANIMAL SHELTER INTERLOCAL AGREEMENT FOR FISCAL YEAR 2009**

**WHEREAS**, the City of Bloomington Animal Control Department operates the Animal Shelter for the care and control of animals; and,

**WHEREAS**, the City of Bloomington Animal Control Department enforces licensing, animal care and animal control ordinances within the corporate boundaries of the municipality, including impoundment, adoptions and euthanizing of animals of the Animal Shelter; and,

**WHEREAS**, the County Animal Management Officers exercise similar functions within the County, but utilize the Shelter premises and staff for impoundment, adoptions and euthanasia; and,

**WHEREAS**, the County Animal Management Officers exercise similar functions within the town limits of the Town of Ellettsville, but utilize the Shelter premises and staff for impoundment, adoptions and euthanasia; and,

**WHEREAS**, the City of Bloomington, Town of Ellettsville, and Monroe County are empowered pursuant to Indiana Code § 36-1-7 to contract together on the basis of mutual advantage to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local government;

**NOW, THEREFORE**, in consideration of the mutual terms, covenants, and conditions herein agreed, the parties agree as follows:

1. The duration of the Agreement shall be for one (1) year, commencing January 1, 2009 and ending on December 31, 2009.
2. The City of Bloomington ("City") agrees to provide the Town of Ellettsville ("Town") and Monroe County ("County") the following:
  - a. The impoundment, general animal care, adoption and euthanasia for the Town of Ellettsville and Monroe County.
  - b. Use of supplies and equipment in the City Animal Shelter by the County Animal Management personnel;
  - c. Assistance to the Town of Ellettsville and Monroe County in answering phone calls, dispatching service calls and explaining the Monroe County animal management laws to callers; and
  - d. Accept and record payments for County license fees, and to remit these funds to the County monthly.
3. Monroe County shall administer and enforce Monroe County Animal Management Laws, including relevant kennel regulations, within the Corporate limits of the Town of Ellettsville.
4. The County agrees to pay the City the sum of \$258,650.
5. The Town agrees to pay the City the sum of \$12,500.

6. The level of cooperation recited in this Agreement is intended to exist for the purpose of efficient and effective delivery of governmental services to the citizens of the City, Town, and County; however, the parties recognize that modifications may be required, either to the Agreement itself, or to the practices and procedures that bring the recitals contained within this document to fruition.
7. The City, Town, and County departments affected by the terms of this Agreement will continue to communicate and cooperate together to assure that the purposes of this Agreement are achieved on behalf of and to the benefit of the citizens of the respective political subdivisions.
8. Payments shall be made semi-annually to the Controller of the City of Bloomington, upon the timely submission by the City of a claim. Such claims should be submitted to the Monroe County Board of Commissioners, Room 322, Courthouse, Bloomington, Indiana 47404 and the Town Council of Ellettsville, 211 N. Sale Street, Ellettsville, Indiana, 47429.

**THE PARTIES**, intending to be bound, have executed this *ANIMAL SHELTER INTERLOCAL AGREEMENT FOR FISCAL YEAR 2009* on this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

TOWN OF ELLETTSVILLE, INDIANA

\_\_\_\_\_  
Dan Swafford, President  
Ellettsville Town Council

DATE: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
SANDRA HASH, Clerk/Treasurer

DATE: \_\_\_\_\_

CITY OF BLOOMINGTON

MONROE COUNTY COMMISSIONERS

\_\_\_\_\_  
MARK KRUZAN, MAYOR

\_\_\_\_\_  
PATRICK STOFFERS, PRESIDENT

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
LAURIE RINGQUIST, ANIMAL  
CONTROL DIRECTOR

\_\_\_\_\_  
IRIS KIESLING, VICE PRESIDENT

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
JOYCE POLING, MEMBER

DATE: \_\_\_\_\_

ATTEST:

ATTEST:

\_\_\_\_\_  
REGINA MOORE, CLERK

\_\_\_\_\_  
SANDY NEWMANN, COUNTY AUDITOR

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**CITY OF BLOOMINGTON/MONROE COUNTY  
INTERLOCAL AGREEMENT FOR ANIMAL CONTROL  
FY 2009 PROJECTED COSTS**

There are four components to the Animal Control Department budget:

- Animal Shelter Operations
- Animal Control Field Operations
- Education Program
- Volunteer Program

Monroe County pays the City of Bloomington a percentage of the Animal Shelter Operations program. The percentage is calculated as the percentage of animals Monroe County generated of the total number of animals handled the previous year.

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ANIMAL SHELTER OPERATIONS PROGRAM PROJECTED 2009 BUDGET = \$542,300  
(This includes requested budget increases and projected salary increases. Total is reduced by \$100,170 to reflect 2007 adoption revenues.)

2007 PERCENTAGE OF ANIMALS FROM MONROE COUNTY SOURCES

- Picked up by AMO's 541
- Strays brought in by county residents 819
- Animals relinquished by Monroe County residents 1,058

**Total number of Monroe County Animals 2,418**

Total number of animals handled by Shelter in 2007 4,816

Percentage of animals from Monroe County sources 50%

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ANIMAL SHELTER OPERATIONS PROGRAM BUDGET X 50% = 2009 INTERLOCAL AMOUNT

$$\$542,300 \times 50\% = \$271,150$$

**2009 PROJECTED MONROE COUNTY ANIMAL SHELTER COSTS \$271,150**



**DEPARTMENT OF  
ECONOMIC & SUSTAINABLE DEVELOPMENT**  
*Memorandum*

**To:** City of Bloomington Common Council

**CC:** Margie Rice, City Attorney; Mike Trexler, City Controller;  
Dan Sherman, Council Attorney

**From:** Danise Alano, Director

**Date:** December 1, 2008

**Re:** ***Resolution 08-17:*** To Authorize Expenditures from the IDF for Physical Improvements to Support an Economic Development Project at the Indiana Enterprise Center

***Resolution 08-18:*** To Authorize Expenditures from the IDF for Attainment of Benchmarks by IEC, LLC at the Indiana Enterprise Center

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This memo recommends the adoption by the Common Council of two resolutions related to the use of the City's Industrial Development Fund (IDF) to support an economic development project at the former Thomson Consumer Electronics site. This site was designated as a Community Revitalization Enhancement District (CRED) in 1998.

In a CRED, the City is able to capture a portion of County Option Income Tax (COIT) and Indiana gross retail, use<sup>1</sup> and income taxes generated within the district. Only the portion of taxes generated above a base amount, which is set when the CRED is established, are deposited by the State of Indiana into the City's IDF for use by the City.

The City's IDF, has a current balance of \$3,553,219, of which the Thomson CRED accounts for \$692,782 of that total. In addition, the Indiana Department of Revenue reports that the City's IDF will receive \$1 million in incremental tax revenue generated from the Downtown CRED, and \$432,924 generated from incremental tax revenue in the Thomson CRED. This is revenue generated for the fiscal year ending June 30, 2008.

Per Indiana statute (IC 36-7-13-3(e)), the City of Bloomington Industrial Development Advisory Commission (BIDAC) oversees the use of the IDF and makes recommendations to the Council to expend the funds "for the development of or to enhance the value of real property used for retail purposes and to make it more suitable to industrial or retail use."

According to IC 36-7-13-12.1(b), the City may address certain obstacles to redevelopment in CRED areas through IDF expenditures toward:

- (1) the acquisition of land;
- (2) interests in land;
- (3) site improvements;
- (4) infrastructure improvements;
- (5) buildings;

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<sup>1</sup> The Indiana use tax is a mirror of the State's sales tax (7%). It is assessed when any type of business entity (individual, partnership, corporation, etc) makes purchases of tangible personal property, unless that entity previously paid at least a 7% sales (retail) tax on the purchase to the vendor.



- (6) structures;
- (7) rehabilitation, renovation, and enlargement of buildings and structures;
- (8) machinery;
- (9) equipment;
- (10) furnishings;
- (11) facilities;
- (12) administration expenses associated with such a project;
- (13) operating expenses; or
- (14) substance removal or remedial action to the area.

***On November 12, 2008, BIDAC unanimously passed its Resolutions 08-03 and 08-04 recommending the approval of certain expenditures to support the economic development project discussed below.*** If the CRED had not been established, these funds would not have been captured in the first place and would therefore not be available to the City of Bloomington. The tax dollars instead would have been sent directly to the State and would be State revenue. The existence of the CRED enables the City of Bloomington to receive these funds back from the State for projects such as this one. It is important to note that subsequent to the formation of the City of Bloomington's CRED districts, the State significantly curtailed the use of CRED districts in Indiana. Fortunately, the City's CRED districts were already established, therefore the City can continue to benefit from the collection of the retail, use and income taxes in these areas.

### **THE PROJECT**

Starting as an offshoot of Indiana University research and development, PPM is a life sciences company focused on empowering consumers and physicians to take care of individual health and wellness. The company develops individual "bioprofiles" – summaries of an individual's health at the molecular level – through an innovative blood analysis procedure. From its beginning in 2005 until 2007, PPM was housed in the inVenture technology business incubator. In 2007, the company relocated to First Capital Group's building at 409 W. Patterson Drive in the Indiana Enterprise Center (IEC), across the street from the site of the former RCA/Thomson Consumer Electronics facility.

First Capital Group, a local commercial and industrial development and venture capital firm, has formed the limited liability company, IEC, LLC ("Developer") for the construction of a Life Sciences Business Graduation Facility in the IEC in the 1300-block of S. Rogers Street. The facility would be constructed on land which has been vacant for more than 10 years. The property is the site of the demolished Building #1 of the former Thomson facility. The site is partially in a floodway, which will require additional work from the Developer to receive various approvals through the Indiana Department of Natural Resources, as well as to adhere to specific UDO floodway/floodplain requirements.

On October 14, 2008, Governor Mitch Daniels and Mayor Mark Kruzan joined PPM and First Capital and other community representatives to announce that PPM will be the first tenant at the IEC Life Sciences Business Graduation Facility.

The IEC Life Sciences Business Graduation Facility will include a total of 30,000 square feet of flexible research and office space. This three-story building will include 10,000 square feet to immediately accommodate the immediate expansion plans of PPM. An additional 5,000 square feet would be reserved for further PPM expansion, and the remaining 15,000 would be built speculatively. The Developer intends to seek Gold-level LEED certification from the U.S. Green Building Council for the Facility. To reach Gold-level certification, a building must score 39-51 of a possible 69 points in the following areas: Sustainable Sites (14 points possible), Water Effi-

ciency (5), Energy & Atmosphere (17), Materials & Resources (13), Indoor Environmental Quality (15), and Innovation & Design Process (5).<sup>2</sup> **The total investment by the Developer is estimated at \$6.5 million.**

PPM's immediate expansion is driven by a planned new product launch. PPM's new product is a proprietary bioprofile platform (blood analysis services) for the consumer health and wellness market. With its technology, PPM will analyze 600 molecules of an individual's blood sample to find areas of health and wellness can be improved. The company first plans to sell its services through businesses, including medspas, sports medicine and executive health programs, and eventually through direct-to-consumer sales.

Over the next three years, **PPM will invest over \$10 million in new laboratory and information technology equipment and systems. PPM will add 75 new full-time positions** including scientists, laboratory technologists, informaticians (informatical technicians and/or mathematicians), and sales and administrative positions. **PPM's payroll will increase by \$3,527,000** due to the expansion.

### **RECOMMENDATION**

The Office of the Mayor and the Economic & Sustainable Development staff propose the utilization of a portion of CRED revenues (the Industrial Development Fund, or IDF) for the costs associated with completing public infrastructure and other site improvements at the IEC. In addition, we recommend the utilization of a portion of those CRED revenues which are generated by PPM to reimburse PPM and the Developer for costs associated with capital investments they will make in building and fitting the facility for laboratory and office space necessary to accommodate current and new operations. In addition, the Administration proposes to include clawback provisions designed to incentivize to the future leasing of the space to life science and technology business tenants.

#### **1) Public and Other Site Infrastructure. (Resolution 08-17)**

The City wishes to expend up to \$350,000 from the IDF to reimburse IEC, LLC for completed public and other site infrastructure improvements. The infrastructure to be completed and estimated associated costs includes the following:

- A new North-South drive,  
including sidewalk and street trees \$ 287,000
- S. Rogers Street enhancements,  
including sidepath, curbs, guttering \$ 116,000
- Stormwater system improvements \$ 100,000
- Riparian Buffer, restoration and revegetation \$ 175,000

When all public infrastructure is complete and expenditures total at least \$350,000, the City will issue the lump sum reimbursement of up to \$350,000 to the Developer.

As part of its Gold LEED Certification qualifications, the development includes the use of bioswales and permeable pavement treatments in the parking lot. Bioswales are landscape elements designed to remove silt and pollution from surface runoff water before it reenters the stormwater system and/or watershed.

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<sup>2</sup> U.S. Green Building Council: LEED for New Construction & Major Renovations, Version 2.2, October 2005.

In addition, a riparian buffer will be restored along the stream to the west of the property, which will help to stabilize the banks and intercept nutrients, sediments and pollution before stormwater enters the stream. The developer's site plan also includes a walking path adjacent to the stream connecting to the Hillside Drive extension.

**2) Attainment of Benchmarks. (Resolution 08-18)**

The City wishes to provide IEC, LLC with reimbursement of up to \$500,000 from CRED revenues generated by the expansion of PPM through a benchmark agreement under I.C. 36-7-13-18. PPM and IEC, LLC have proposed construction benchmark expenditures of \$500,000.

- HVAC Installation \$ 547,605
- Backup Power System Installation \$ 86,000

The improvements listed above have a total estimated cost of \$633,605. These two construction benchmarks – the heating, ventilation and air conditioning (HVAC) system and the backup power system – are specific to the building's intended use as a life sciences graduation facility.

*Payment to the company for the construction benchmarks will be based solely on the new CRED revenues generated by the employer.* This arrangement ties the actual reimbursement directly to the payroll of PPM. The City will reimburse IEC, LLC by making annual payments of 75 percent of the CRED revenues generated by the PPM, until they reach the total reimbursement amount. IEC, LLC is committed to passing through its incentives to the employer via reduced leasing rates of the facility.

This project will generate an estimated \$2,000,271 in CRED revenues from the growth in income tax over the life of the CRED, which is set to expire June 30, 2019. Given the reimbursement plan outlined above and the estimated employment growth as presented by PPM, the final reimbursement to IEC, LLC would occur in 2013.

**3) Clawback Provision.**

In order to encourage the effective and successful marketing of the remaining speculative space to additional life sciences or technology businesses, the City required the Developer to agree to the inclusion of a clawback provision in its Agreement with the City. The clawback provision is related to funds authorized by Resolution 08-17 only, as funds expended in Resolution 08-18 are already directly tied only to those revenues generated by the Project.

Below is a hypothetical clawback calculation based upon the terms of the clawback negotiated with PPM and IEC, which relates to the percentage of leasable space which is leased to qualified tenants (life sciences and technology businesses) including PPM.

**EXAMPLE, STEP ONE:**

**Calculate Percentage of Square Footage Leased to Non-Qualified Tenant over CRED lifetime**

Year in CRED	Total Leasable Sq Ft	% Leased: Qualified Tenant	% Leased: Non-Qualified	Resulting Sq Ft Leased to Non-Qualified Tenant
2009	30,000	50%	50%	15,000
2010	30,000	50%	50%	15,000
2011	30,000	50%	50%	15,000
2012	30,000	75%	25%	7,500
2013	30,000	75%	25%	7,500
2014	30,000	90%	10%	3,000
2015	30,000	90%	10%	3,000
2016	30,000	90%	10%	3,000
2017	30,000	100%	0%	-
2018	30,000	100%	0%	-
2019	<u>30,000</u>	100%	0%	-
<b>Total</b>	<b>330,000</b>			<b>69,000</b>

**EXAMPLE, STEP TWO:**

**Calculate Clawback Amount (of total \$350,000 IDF) owed to City**

Total Leasable Sq Ft	330,000
Cumulative Sq Ft Leased to Non-Qualified Tenants	69,000
% Leased to Non Qualified Tenants (69,000 / 330,000)	21%
Clawback Amount (21% * \$350,000)	<b>\$ 73,182</b>

**SUMMARY**

The administration strongly believes that the reimbursements proposed for IEC, LLC and the investments in the infrastructure related to the Project are appropriate expenditures for the CRED, and this is supported by BIDAC Resolutions 08-03 and 08-04.

We ask for the Common Council's approval of Resolutions 08-17 and 08-18 to facilitate the expansion of this Bloomington life sciences startup and the future attraction of additional life sciences and knowledge-based businesses to IEC Life Sciences Business Graduation Facility. Upon adoption of these resolutions, the City will enter into agreements with PPM and IEC, LLC pursuant to the terms discussed in this memo and outlined in the resolutions.

The overall design vision is to make a place where natural systems merge with leading-edge technologies in an effort to enhance Bloomington's economic, social, and environmental missions. To achieve this objective, there are three specific goals— site efficiency, building efficiency, and creating a sense of place. Overlaying the overall vision is a goal to achieve a high-level LEED Compliant Certification. Each element of the design supports this specific goal.

### GOAL 1 | SITE EFFICIENCY

The site plan is broken into 3 zones – the urban/neighborhood zone, the interior circulation zone, and the Restored Riparian Corridor Zone. Each of these three areas are designed with specific purpose as outlined below:

**Urban Zone:** The primary purpose of this area is to provide an urban edge to the site along Rogers Street. Therefore, 4 proposed building pads align at the east property line setback. The design of the building facades along Rogers should be scaled for both vehicular traffic and pedestrian traffic, with a palette of materials more humane and scaled to the context.

**Interior Circulation Zone:** This area is composed of a new extension road that feeds new parking zones that serve the campus. The parking is laid out in a highly efficient manner to allow zone 3 to be re-developed into a more naturalized stream corridor. The parking is also designed to satisfy BMP storm-water requirements by storing and treating water under the parking surface as well as in parking island bio-swales.

**Restored Riparian Corridor Zone:** By adopting an efficient plan for the developed portion of the site, it becomes possible to restore the existing stream-bed to a more naturalized stream morphology that supports the overall sustainable goals for the project. More importantly, this can have a positive ecological and storm-water control affect for The City of Bloomington.

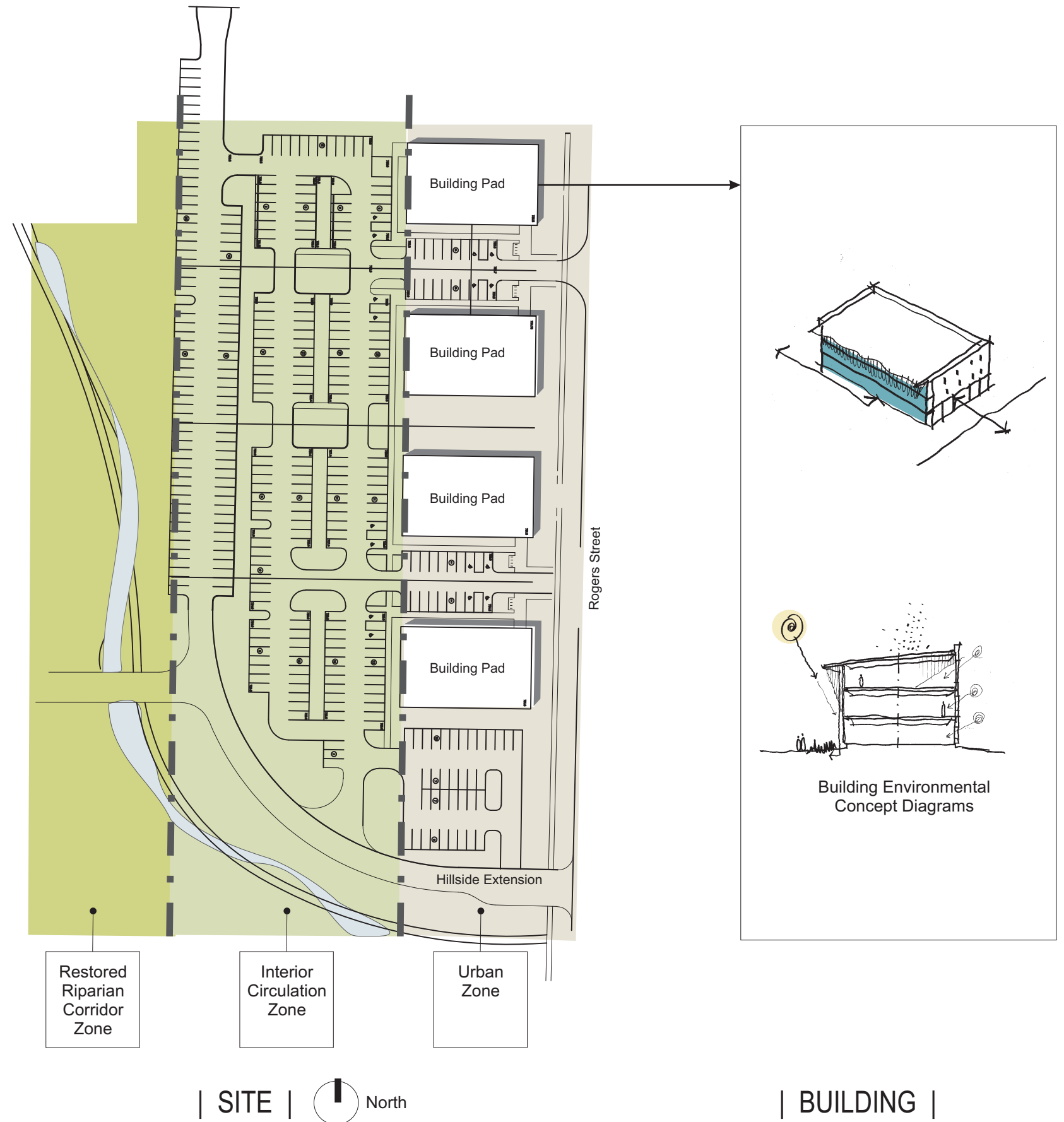
### GOAL 2 | BUILDING EFFICIENCY

When you take people out of the building, it is simply a container. The container really only has a few functions – provide a flexible layout for tenants, keep heat and cold out while allowing daylight in, and providing an identity or sense of place to its users and its context. The latter function is by far the most subjective and is covered in the last of the goals, while the first two are objective and quantifiable. It is the goal of this building to be as efficient as possible in both areas – a highly open, flexible floor plan that maximizes daylight and reduces heating and cooling costs. If done well, we believe when these goals can become truly beautiful and worthy of expression.

### GOAL 3 | SENSE OF PLACE

Places develop an identity through the architecture, the context/neighborhood/city, and the people who inhabit the place. The goal here is embody the vision for this place thru a sensitive organization of the site, organizing buildings to create a strong street edge and public face, selecting materials that reflect the industry and history of Bloomington, and in general expressing the design elements that will make this place unique and sustainable.

**What we are ultimately seeking is a balance – a balance of ecology, community, and economy.**



| PROJECT NARRATIVE |

| SITE | North

| BUILDING |

**RESOLUTION 08-17**

**TO AUTHORIZE EXPENDITURES FROM THE INDUSTRIAL DEVELOPMENT FUND FOR PHYSICAL INFRASTRUCTURE TO SUPPORT AN ECONOMIC DEVELOPMENT PROJECT AT THE INDIANA ENTERPRISE CENTER**

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, pursuant to Indiana Code 36-7-13, the Thomson Community Revitalization Enhancement District (“CRED”) was established 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; and,

WHEREAS, the IDF has a balance of \$3,553,219.37 (Thomson CRED balance of \$692,782.42) as of December 1, 2008; and,

WHEREAS, IEC, LLC (“Developer”) will invest a total of \$6,563,000 to construct a 30,000 square foot Life Sciences Business Graduation Facility in the Indiana Enterprise Center to facilitate the growth of life sciences sector companies in the city, and which will house Predictive Physiology & Medicine, Inc., (“PPM”) as its first tenant (the “Project”); and,

WHEREAS, PPM intends to expand its bioinformatics company, investing \$10,000,000 in equipment and systems and adding 75 new full-time positions with a payroll increase of \$3,527,000 over the next three years; and

WHEREAS, the Project includes the following public and other infrastructure improvements to be completed by the Developer at the following estimated costs (“Project Costs”):

- A new North-South drive, including sidewalk and street trees \$ 287,000
- S. Rogers Street enhancements, including sidepath, curbs, guttering \$ 116,000
- Stormwater system improvements \$ 100,000
- Riparian Buffer, restoration and revegetation \$ 175,000

WHEREAS, on November 12, 2008, the City of Bloomington Industrial Development Advisory Commission adopted Resolution 08-03 recommending the use \$350,000 from the IDF to reimburse the Developer upon completion of the construction of said infrastructure improvements; and,

WHEREAS, the City wishes to encourage the occupancy of the remaining space in the Life Sciences Business Graduation Facility by life sciences and technology companies (“Qualified Tenant”); and

WHEREAS, the Developer and the City will enter into a financing agreement containing the terms and conditions of the reimbursement payment, including a provision that IEC, LLC shall reimburse the City an amount of the total IDF reimbursement incentive (up to \$350,000) proportionate to the percentage of leasable space which was not leased to a Qualified Tenant, beginning at the time of the execution of the agreement and through to the termination of the agreement or expiration of the CRED, whichever is first (“Clawback Provision”);

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 authorizes the lump sum payment of Three Hundred and Fifty Thousand Dollars (\$350,000) from the IDF to Developer upon completion of infrastructure improvements related to the Project, including

- a. North-South Drive, including sidewalk and street trees
- b. S. Rogers Street, sidepath, curbs, guttering
- c. Stormwater system improvements
- d. Riparian Buffer, restoration and revegetation

SECTION 2. The Common 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 payment and clawback provisions.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
SUSAN SANDBERG, President  
Bloomington Common Council

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

#### SYNOPSIS

In accordance with state law, this resolution authorizes that Three Hundred and Fifty Thousand Dollars (\$350,000) be expended from the Industrial Development Fund (“IDF”) to reimburse the IEC, LLC (Developer) for certain site improvements it makes within the Thomson Community Revitalization Enhancement District (CRED). The Developer is making these improvements to facilitate the growth of life sciences sector companies in the City and has arranged for Predictive Physiology & Medicine, Inc. to be the first tenant in its future Life Sciences Business Graduation Facility. 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 payment and clawback provisions. The IDF supports industrial development and expansion within CRED Districts that serve the City of Bloomington.

**RESOLUTION 08-03  
OF THE CITY OF BLOOMINGTON  
INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION**

**TO AUTHORIZE EXPENDITURES FROM THE INDUSTRIAL  
DEVELOPMENT FUND FOR PHYSICAL INFRASTRUCTURE TO SUPPORT  
AN ECONOMIC DEVELOPMENT PROJECT AT THE  
INDIANA ENTERPRISE CENTER**

WHEREAS, in 1998, Thomson Consumer Electronics closed its television assembly plant in Bloomington, Indiana, eliminating 1,200 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 Consumer Electronics 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, the IDF has a current balance of \$3,553,219.37 (Thomson CRED balance of \$692,782.42) as of November 10, 2008; and,

WHEREAS, IEC, LLC (“Developer”) will invest a total of \$6,563,000 to construct a 30,000 square foot Life Sciences Business Graduation Facility in the Indiana Enterprise Center to facilitate the growth of life sciences sector companies in the city, and which will house Predictive Physiology & Medicine, Inc., (“PPM”) as its first tenant (the “Project”); and,

WHEREAS, PPM intends to expand its bioinformatics company, investing \$10,000,000 in laboratory and information technology equipment and systems to facilitate its new product expansion over the next three years; and,

WHEREAS, when complete and fully operational in 2009, the expansion will add 75 new full-time positions – including scientists, laboratory technologists,



informatitians (informatical technicians and/or mathematicians), and sales and administrative positions – with a payroll increase of \$3,527,000; and,

WHEREAS, the Project includes the following public and other infrastructure improvements to be completed by the Developer:

- A new North-South drive, including sidewalk and street trees \$ 287,000
- S. Rogers Street enhancements, including sidepath, curbs, guttering \$ 116,000
- Stormwater system improvements \$ 100,000
- Riparian Buffer, restoration and revegetation \$ 175,000

WHEREAS, including a \$50,300 contingency estimate, the total cost of said improvements is estimated at \$728,300 (the “Project Costs”); and,

WHEREAS, these improvements will facilitate the expansion of PPM as well as enhance the viability of further infill redevelopment at the site and adjacent properties; and,

WHEREAS, the City wishes to use \$350,000 from the Industrial Development Fund to reimburse the Developer upon completion of the construction of said infrastructure improvements; and,

WHEREAS, the City wishes to encourage the occupancy of the remaining space in the Life Sciences Business Graduation Facility by life sciences and technology companies (“Qualified Tenant”); and

WHEREAS, the Developer and the City will enter into a financing agreement containing the terms and conditions of the reimbursement payment, including a provision that IEC, LLC shall reimburse the City an amount of the total IDF reimbursement incentive (up to \$350,000) proportionate to the cumulative percentage of leasable space which was not leased to a Qualified Tenant, beginning at the time of the execution of the agreement and through to the termination of the agreement or expiration of the CRED, whichever is first (“Clawback Provision”);

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


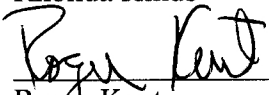

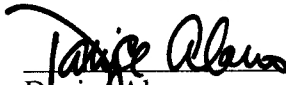
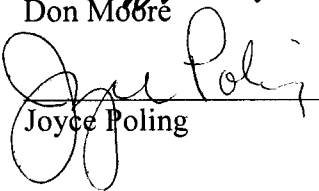
SECTION 1. The Commission hereby recommends to the Common Council that it:

1. Authorize the lump sum payment of Three Hundred and Fifty Thousand Dollars (\$350,000) from the IDF to Developer upon completion of infrastructure improvements related to the Project, including
  - a. North-South Drive, including sidewalk and street trees

- b. S. Rogers Street, sidepath, curbs, guttering
- c. Stormwater system improvements
- d. Riparian Buffer, restoration and revegetation

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 payment and clawback provisions.

BLOOMINGTON INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION

Rhonda Hinds	Yay	Nay		X	
	X		Richard Rampley	Yay	Nay
Roger Kent	Yay	Nay	Senator Vi Simpson	Yay	Nay
	✓			✓	
Don Moore	Yay	Nay	Danise Alano	Yay	Nay
	✓				
Joyce Poling	Yay	Nay			

VOTE TOTAL	5	0
	Yay	Nay

Approved this 12 day of November, 2008.

**RESOLUTION 08-18**

**TO AUTHORIZE EXPENDITURES FROM THE INDUSTRIAL DEVELOPMENT FUND FOR ATTAINMENT OF BENCHMARKS BY IEC, LLC AT THE INDIANA ENTERPRISE CENTER**

WHEREAS, in 1997, the Common Council established, pursuant to Indiana Code 36-7-13-4 the Bloomington Industrial Development Advisory Commission (“BIDAC”), which has the responsibility to make recommendations to the Common Council for expenditures from the Industrial Development Fund (“IDF”) for the purposes of industrial development and expansion in or serving the City of Bloomington; and,

WHEREAS, in 1999, the Thomson Community Revitalization Enhancement District (“CRED”) was established, 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 IDF; and,

WHEREAS, IEC, LLC (“Developer”) will invest a total of \$6,563,000 to construct a Life Sciences Business Graduation Facility in the Indiana Enterprise Center to facilitate the growth of life sciences sector companies in the city, and which will house Predictive Physiology & Medicine, Inc., (“PPM”) as its first tenant (the “Project”); and,

WHEREAS, PPM, a 15-employee bioinformatics company launched in Bloomington in 2005, intends to expand its operations, investing \$10,000,000 in laboratory and information technology equipment and systems to facilitate its new product expansion, and adding seventy-five (75) new full-time positions and \$3,527,000 in new payroll over the next three years; 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, pursuant to IC 36-7-13-18(b), BIDAC adopted its Resolution 08-04 recommending the establishment of “Project Benchmark” to reimburse the Developer in an amount not to exceed \$500,000 for expenditures in the attainment of site improvements (“Benchmarks”) related to completion of the Project; and

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

- HVAC Installation \$ 547,605
- Backup Power System Installation \$ 86,000

The improvements listed above have a total estimated cost of \$633,605; and

WHEREAS, Developer’s expenditure of at least \$500,000 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, for purposes of Indiana Code 36-7-13-18(b); and,

WHEREAS, reimbursement by the City to Developer of up to \$500,000 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 PPM, and CRED revenues that derive from state gross retail and use taxes generated by PPM; and,

WHEREAS, the City shall make annual payments not to exceed 75% of said CRED revenues generated annually by PPM, until either \$500,000 has been paid or the CRED district terminates; and,

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

WHEREAS, the redevelopment of area encompassed by the Thomson CRED, also known as the Indiana Enterprise Center, 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 75 new full-time jobs, and will enhance life sciences and technology sector development 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 as benchmarks pursuant to Indiana Code 36-7-13-18(b).

SECTION 2. The Common Council also, hereby, authorizes payment by the City, on account of attainment by IEC, LLC of the Project Benchmark, of up to \$500,000 to IEC, LLC by making payments annually not to exceed 75% of the CRED revenues derived annually from state income taxes and COIT paid by PPM employees in the Thomson CRED district and from state retail and use taxes generated by PPM's sales in the Thomson CRED district, until either \$500,000 has been paid or the Thomson CRED district terminates, as partial reimbursement for the Developer'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 PPM'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 \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
SUSAN SANDBERG, President  
Bloomington Common Council

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

## SYNOPSIS

In accordance with state law, this resolution authorizes reimbursement of no more than Five Hundred Thousand Dollars (\$500,000) to the IEC, LLC, (Developer) upon completion of certain approved investments made to their real property located within the Thomson Community Revitalization Enhancement District (“Thomson CRED”). The reimbursement will be paid annually out of the Industrial Development Fund (“IDF”), but not exceed more than 75% of the County Option Income Taxes and Indiana retail, use, and income taxes generated by Predictive Physiology & Medicine, Inc., (“PPM”) within the Thomson CRED. The IDF supports industrial development and expansion within the CRED District that serves the City of Bloomington.

**RESOLUTION 08-04  
OF THE CITY OF BLOOMINGTON INDUSTRIAL DEVELOPMENT  
ADVISORY COMMISSION**

**TO AUTHORIZE EXPENDITURES FROM THE INDUSTRIAL  
DEVELOPMENT FUND FOR ATTAINMENT OF BENCHMARKS  
BY IEC, LLC AT THE INDIANA ENTERPRISE CENTER**

WHEREAS, in 1997, the Common Council established, pursuant to Indiana Code 36-7-13-4 the Bloomington Industrial Development Advisory Commission (“BIDAC”), which has the responsibility to make recommendations to the Common Council for expenditures from the Industrial Development Fund (“IDF”) for the purposes of industrial development and expansion in or serving the City of Bloomington; and,

WHEREAS, in 1999, a Community Revitalization Enhancement District (“CRED”) was established upon the former Thomson Consumer Electronics site, also known as the Indiana Enterprise Center, 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 IDF; and,

WHEREAS, IEC, LLC (“Developer”) will invest a total of \$6,563,000 to construct a Life Sciences Business Graduation Facility in the Indiana Enterprise Center to facilitate the growth of life sciences sector companies in the city, and which will house Predictive Physiology & Medicine, Inc., (“PPM”) as its first tenant (the “Project”); and,

WHEREAS, PPM, a 15-employee bioinformatics company launched in Bloomington in 2005, intends to expand its operations, investing \$10,000,000 in laboratory and information technology equipment and systems to facilitate its new product expansion, and adding seventy-five (75) new full-time positions and \$3,527,000 in new payroll over the next three years; 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, pursuant to IC 36-7-13-18(b), the City wishes to establish “Project Benchmark” to reimburse the Developer in an amount not to exceed \$500,000 for expenditures in the attainment of site improvements (“Benchmarks”) related to completion of the Project; and

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

- HVAC Installation \$ 547,605
- Backup Power System Installation \$ 86,000

The improvements listed above have a total estimated cost of \$633,605; and

WHEREAS, Developer's expenditure of at least \$500,000 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, for purposes of Indiana Code 36-7-13-18(b); and,

WHEREAS, reimbursement by the City to Developer of up to \$500,000 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 PPM, and CRED revenues that derive from state gross retail and use taxes generated by PPM; and,

WHEREAS, the City shall make annual payments not to exceed 75% of said CRED revenues generated by PPM, until either \$500,000 has been paid or the CRED district terminates; and,

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

WHEREAS, the redevelopment of the Indiana Enterprise Center 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 75 new full-time jobs, and will enhance life sciences and technology sector development for Bloomington and Monroe County;

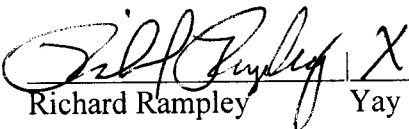
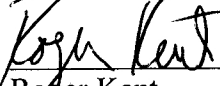
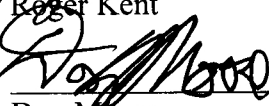
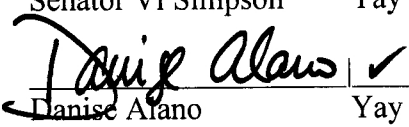
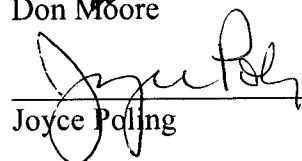
NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BLOOMINGTON INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION THAT:

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

1. Establish the Project Benchmark as benchmarks pursuant to Indiana Code 36-7-13-18(b); and,
2. Authorize payment by the City, on account of attainment by IEC, LLC of the Project Benchmark, of up to \$500,000 to IEC, LLC by making payments annually not to exceed 75% of the CRED revenues derived from state income taxes and

COIT paid by PPM employees in the Thomson CRED district and from state retail and use taxes generated by PPM's sales in the Thomson CRED district, until either \$500,000 has been paid or the Thomson CRED district terminates, as partial reimbursement for the Developer'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 PPM's employment and sales on the Property, as provided herein, and all other conditions and provisions stated herein;

BLOOMINGTON INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION

Rhonda Hinds	Yay	Nay		X	
	X		Richard Rampley	Yay	Nay
Roger Kent	Yay	Nay	Senator Vi Simpson	Yay	Nay
	✓			✓	
Don Moore	Yay	Nay	Danise Alano	Yay	Nay
	✓				
Joyce Poling	Yay	Nay			

	5	0
VOTE TOTAL	Yay	Nay

Approved this 12 day of November, 2008.