



City of Bloomington
Common Council

Legislative Packet

Committee of the Whole
14 December 2005

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

812.349.3409

council@bloomington.in.gov



Packet Related Material

**Memo
Agenda
Calendar**

Notices and Agendas:

Council Sidewalk Committee on Monday, December 12th at noon in the McCloskey Room

Legislation for Discussion:

Res 05-23 To Approve Application and Authorize Grant From the Business Investment Incentive Fund (Harmony Education Center – Rhino’s Youth Center, Petitioner)

- EDC Res 05-09; Memo from Ron Walker, Director of Economic Development; Application – Part One; Application – Part Two; Business Plan; Program Guidelines

Contact: Ron Walker at 349-3534 or walkerr@city.bloomington.in.gov

Res 05-22 To Designate an Economic Revitalization Area, Approve a Statement of Benefits, and Authorize a Period of Tax Abatement - Re: Glen Magna Way, Canada Farm PUD, Phase 1, Parcel E (Rogers Property Management, LLP, Petitioner)

- EDC Res 05-08; Map of ERA and Surrounding Area; Staff Report to the Council; Tax Calculations; Application; Ex. A (Legal Description); Ex. B (Depiction of Project – West Elevation and Site Plan); Ex. C (Benefits Package); Exh. D (Statement of Benefits); Exh. E (Additional Benefits); Excerpts from Tax Abatement Guidelines

Contact: Ron Walker at 349-3534 or walkerr@bloomington.in.gov

Ord 05-34 To Amend Title 10 of the Bloomington Municipal Code Entitled “Wastewater” (Wastewater Rate Adjustment)

(Please see the packet distributed for the December 7th Regular Session for the legislation, summary, and background materials.)

Contact: Vickie Renfrow at 349-3557 or renfrowv@bloomington.in.gov

Ord 05-35 An Ordinance to Authorize Issuance of Sewage Works Revenue Bonds (For Wastewater and Storm Water Projects)

(Please see the packet distributed for the December 7th Regular Session for the legislation, summary, and background materials.)

Contact: Vickie Renfrow at 349-3557 or renfrowv@bloomington.in.gov

Ord 05-33 To Amend Title 7 of the Bloomington Municipal Code Entitled “Animals” – Re: Extensive Amendments which Delete Chapter 7.12 (Licensing) and Make Changes to All the Other Chapters in the Title

(Please see the packet distributed for the December 7th Regular Session for the legislation, summary, and background materials.)

Contact: Julio Alonso at 349-3516 or alonsoj@bloomington.in.gov

Memo

Chair of Meeting: Mayer

Two Resolutions Join Three Ordinances for Discussion at the Committee of the Whole on December 14th

The Council will have a five-item agenda for the Committee of the Whole on Wednesday, December 14th. These are the last pieces of legislation for the year and include two resolutions regarding economic development initiatives (found in this packet) and three ordinances regarding wastewater rates and bonds, and an extensive revision to Title 7 (Animals) (found in the packet prepared for the December 7th Regular Session).

Item One - Res 05-23 - Authorizing a \$25,000 BIIF Grant to Harmony Education Center for Rhino’s Youth Center to Make Improvements to the Property at 323-331 South Walnut

Res 05-23 authorizes a \$25,000 non-profit initiative grant from the Bloomington Investment Incentive Fund (BIIF) program to the Harmony Education Center - Rhino’s Youth Center for improvements to the interior of its expanded facility at 323-331 South Walnut Street. The following paragraphs summarize the memo and application materials provided by Ron Walker, Director of Economic Development, and include additional information drawn from Rhino’s application under the Jack Hopkins Social Services Funding program.

History of Fund and Purposes of the BIIF

The City created the BIIF in 1986 (See Ord 86-04) with \$400,000 paid by certain west side industries in lieu of our annexation of them into the City. At the same time, the City established the guidelines for the program (See Res 86-06) and then significantly amended them in 1999 (See Res 99-17). As of mid- November, the fund had a balance of \$692,623, with one business disruption loan in the amount of \$19,970 outstanding and only \$12,500 expended out of the \$50,000 in other grants approved earlier this year. The small grant initiative is a relatively minor portion of the BIIF program. The program also includes low-interest loans targeting:

- The retention, expansion, and attraction of businesses within or contiguous with the City or within the Areas Intended for Annexation (AIFA);
- Businesses within the Downtown Development Opportunity Overlay (DDOO);
- Businesses forced to relocate due to public projects;
- Business supported child care facilities; and
- Businesses disrupted due to City public works projects.

Please note that the EDC discussed the lack of new loans and voted in September for staff not to encourage any more grants from this fund at this time.

Harmony Education Center – Rhino’s Youth Center Project

Harmony Education Center operates out of the old Elm Heights Elementary School and has been incorporated as a not-for-profit organization since 1974. It founded Rhino’s Youth Center as one of its divisions in 1992. Rhino’s mission is “to provide entertainment and engagement for youth of our community in a safe, alcohol, and other drug free environment.” In carrying out that mission, it offers after-school programs that “encourage youth to use their unique voice through the arts and media,” hosts a popular all-ages music club on the weekends, and gives youth a hand in running the facility and programs.

Rhino’s has acquired the remaining space in the strip mall it occupies and intends to expand its facilities as well as rent out some commercial space to help fund the facility and its operations. The entire renovations will cost approximately \$176,000 and include renovating the bathrooms, adding administrative and program areas including new studio space, installing crash doors and sprinklers, adding sound-proofing, and tinting windows. It has already raised nearly \$80,000, including

\$50,000 from the Bloomington Urban Enterprise Association and \$22,900 from the Jack Hopkins Social Services Funding Program and undertaken much of the work. It is seeking a \$25,000 grant from the BIIF for the sprinkler system, sound-proofing, and window-tinting which will cost about \$86,000.

Purpose of the Non-Profit Grant Initiative

The non-profit grant initiative offers small, matching grants to encourage capital investments to facilities owned or operated by non-profits in the Downtown Development Opportunity Overlay (DDOO) district. These non-profits must have a retail or commercial activity - such as performance venues, galleries, and retail shops - as their primary purpose. The grants may be as high as \$25,000 and must be matched by at least an equivalent amount of eligible project costs. They are in lieu of loans and may only be given to an entity once every five years.

Highlights of Harmony Education Center – Rhino’s Youth Center Application For Grant

The Economic Development Commission considered the application, found that it met the BIIF guidelines, and recommended approval with the adoption of EDC Res 05-09 on November 18th. The following bullet points briefly apply the program eligibility and evaluation criteria to this application. Please note that the small non-profit grant is part of the larger downtown loan program and that some of the evaluation criteria concern viability of loans and are not relevant to the approval of a grant. The comments in italics borrow from Ron Walker’s memo and also include my own effort to apply the information about this application to the criteria.

Eligibility

- **Non-Profit Owns the Real Estate and has a Retail or Commercial Activity as Its Primary Purpose** - *Harmony Education Center – Rhino’s Youth Center owns the property and is a non-profit entity. The renovated space will be used, in part, to continue the all-ages music club and will include rentable commercial space.*
- **Capital Improvements to Facilities in DDOO** – *It is requesting matching funds for a portion of the renovations at the facility at 323 – 331 South Walnut, which is located in the DDOO.*

- **50% Matching Funds** – *It is seeking \$25,000 for a capital improvement project worth \$86,000 and is raising funds for the match.*
- **No Other Program Funds in Last 5 Years** – *It has not received a previous grant from this fund and is not seeking a program loan for this project.*

Evaluation Criteria

- **Strength of the business plan or proposal** – *The Business Plan provided by Rhino’s Youth Center indicates that it has raised approximately \$80,000 of the \$176,000 needed for all the renovations and that the expansion will greatly improve its ability to serve local youth.*
- **Projected impact on the economic vitality of the downtown** – *The materials indicate that hundreds of people visit the all-ages music club almost every weekend.*
- **Use of grant to leverage other funds** – *The Business Plan indicates that the grant will be used as a “cornerstone for matching funds” and that, in addition to the \$80,000 in existing donations, it has garnered a verbal commitment from Ryan Fireprotection to donate labor and materials for the fire suppression equipment.*
- **Nature and extent of security/guarantees** - *N/A*
- **Credit history** - *N/A*
- **Increases or decreases in the tax base** - *The grant will be used to make improvements to real estate which is owned by a non-profit and will remain off the tax rolls.*
- **Other City or State incentives (i.e., tax abatements)** - *While the following may not be considered “incentives,” please note that the City awarded a \$22,900 Jack Hopkins Social Services grant to renovate the bathrooms and improve the heating and cooling system and that the BUEA also provided \$50,000 for other improvements.*
- **Nature and extent of equity participation** - *N/A*
- **Approval of owner of property** - *N/A*

- **Compatibility with historic character of the downtown** - *The project will make modest changes to the exterior of the 1960's strip mall.*

Item 2 - Res 05-22

Designating an Economic Revitalization Area (ERA), Approving a Statement of Benefits, and Authorizing a 10-Year Tax Abatement

- **Re: Glen Magna Way, Canada Farm PUD, Phase 1, Parcel E
(Rogers Property Management, LLP, Petitioner)**

Res 05-22 would take the initial step in granting a tax abatement for Rogers Property Management, LLP, to build a 39,000 s.f. structure to house Internal Medicine Associates (IMA) East on Glen Magna Way in the Canada Farm PUD just off South Sare Road.

Two Pieces of Legislation Required Over Two Cycles of the Council for Tax Abatements

Tax abatements, in general, require two resolutions that are heard over two succeeding legislative cycles. The first one typically designates the property as an Economic Revitalization Area (ERA), approves the statement of benefits, authorizes a period of tax abatement for improvements on real estate. Then the second one confirms the first after the Council holds a legally-advertised public hearing. *Please note that the public hearing will occur during the public comment on the confirming resolution which is scheduled for the Organizational Meeting/Regular Session on January 3, 2006.*

Rogers Property Management, LLP - IMA East Project

The following summary is based upon the memo and background material provided by Ron Walker, Director of Economic Development. Rogers Property Management, LLP, (RPM) is the real estate arm of the Internal Medicine Associates (IMA), which has been providing medical services at numerous locations throughout the community to residents of Bloomington and the surrounding counties for many decades. Many of you may recall the tax abatement granted to this entity in 1999 for the construction of the IMA facility on Landmark Avenue (Res 99-27). That facility serves as the headquarters of IMA and Southern Indiana Radiology of Indiana (SIRA) and has

more than met its commitments for that tax abatement. Those commitments included increased employment and payroll, and provision of indigent care.

The new facility would be just off South Sare Road in the undeveloped parcel E of the Canada Farm PUD, which was designated as an office and neighborhood convenience center when that PUD went into effect in 1996. RPM intends to invest \$4.72 million to purchase four acres and construct a one-story, 39,000 s.f. medical facility, known as IMA East, that will house seven family practitioners (three new), two cardiologists, two new nurse-practitioners, and twenty-five (seventeen new) support and technical staff. IMA will move its Auto Mall Road operations to the new and larger facility which it believes will be more convenient for residents of the south and east side. Please note that RPM will also invest about \$467,000 in medical equipment, which will not be part of this tax abatement.

Three Statutory Determinations

ERA Designation. As mentioned above, Res 05-22 makes three statutory determinations regarding the project. The first determination designates the property as an Economic Revitalization Area, which entails a finding that the property is not susceptible to normal growth and development. This designation is required for all tax abatements and, according to the memo from Ron Walker, is justified here because the neighborhood-serving retail and office component of this PUD “has received little interest by developers” since it went into effect almost 10 years ago and “the use of the site for retail has been compromised with the development of the retail strip mall on Old State Road 37.”

Statement of Benefits. The second determination approves the Statement of Benefits. In so doing, the resolution finds that the stated benefits are a reasonable and probable outcome of the development and, in their totality, justify the tax abatement. Those benefits include:

- Retaining 14 employees with a payroll of \$1.79 million and create 22 new positions with an additional payroll of \$1.28 million. Please note that IMA has a total of 371 employees spread-out over numerous locations;
- Paying a Living Wage to all its employees for the full 10-year period of abatement. Please note that the average wage of the staff (excluding doctors and nurse practitioners) will be \$12.21 per hour without benefits and \$15.87 per hour with benefits. (Please see the Application (Part (4)(e)) for a breakdown of employee salaries and Attachment C for a list of employee benefits);

- Investing approximately \$5.1 million at this site of which \$4.02 will be subject to the tax abatement;
- Expand IMA business by 20% with the addition of the new facility. Please note that about a third of the patients are drawn from out-of-county and are likely to spend money in the community and, if needing in-patient care, stay at Bloomington Hospital;
- *Note: Although the Ron's memo to the Council indicates that RPM is committing to continue its provision of indigent care and other contributions to the community, the Council Office has not received a written statement to that effect by the time the packet was distributed.*

Period of Abatement. Third, the resolution proposes a 10-year period of tax abatement for this project. Please note that the State legislature provides for a one to 10 year period of abatement and that the City of Bloomington has established local guidelines to help determine whether the project should receive a tax abatement and, if so, the number of years it should be abated.

These guidelines, however, are over 10 years old and do not reflect current land use and other City policies. That said, under the guidelines, this project would receive a presumptive period of abatement of zero years, with one factor favoring an increase and no factors that indicating a decrease in the period of abatement. The one factor favoring an increase in the period of abatement is the prospect of high paying jobs.

Tax Calculations – Real and Personal Property Ron Walker, Director of Economic Development, has provided estimates of the tax consequences of granting this abatement. Those calculations indicate that the property owner would pay approximately \$394,226 and would forego approximately \$386,419 in taxes on improvements to real estate over the 10-year abatement. Please note that petitioner is not seeking a tax abatement on approximately \$467,000 in new medical equipment.

**NOTICE AND AGENDA FOR
COMMON COUNCIL COMMITTEE OF THE WHOLE
7:30 P.M., WEDNESDAY, DECEMBER 14, 2005
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 NORTH MORTON**

Chair: Tim Mayer

1. Resolution 05-23 To Approve Application and Authorize Grant from the Business Investment Incentive Fund (Harmony Education Center – Rhino’s Youth Center, Petitioner)

Asked to Attend: Ron Walker, Director of Economic Development
 Representative of Petitioner

2. Resolution 05-22 To Designate an Economic Revitalization Area, Approve the Statement of Benefits, and Authorize a Period of Abatement- Re: Glen Magna Way, Canada Farm PUD, Phase I, Parcel E (Rogers Property Management, LLP, Petitioner)

Asked to Attend: Ron Walker, Director of Economic Development
 Representative of Petitioner

3. Ordinance 05-34 To Amend Title 10 of the Bloomington Municipal Code Entitled “Wastewater” (Wastewater Rate Adjustment)

Asked to Attend: Patrick Murphy, Director of Utilities

4. Ordinance 05-35 An Ordinance To Authorize Issuance of Sewage Works Revenue Bonds (For Wastewater and Storm Water Projects)

Asked to Attend: Vickie Renfrow, Assistant City Attorney

5. Ordinance 05-33 To Amend Title 7 of the Bloomington Municipal Coded Entitled “Animals”

-

Re: Extensive Amendments which Delete Chapter 7.12 (Licensing) and Make Changes to All the Other Chapters in the Title

Asked to Attend: Julio Alonso, Director of Public Works

City of
Bloomington
Indiana

City Hall
401 N. Morton St.
Post Office Box 100
Bloomington, Indiana 47402



Office of the Common Council
(812) 349-3409
Fax: (812) 349-3570
e-mail: council@bloomington.in.gov

To: Council Members
From: Council Office
Re: Calendar for the Week of December 12-16, 2005
Date: December 9, 2005

Monday, December 12, 2005

9:00 am Emergency Management Advisory Council, Council Chambers
12:00 pm Council Sidewalk Committee, McCloskey
3:00 pm Smokefree Policy Committee, Hooker Room
4:00 pm Martin Luther King Jr. Commission, McCloskey
4:30 pm Plat Committee, Kelly
5:00 pm Utilities Service Board, IU Research Park, 501 N. Morton Street Room 100B

Tuesday, December 13, 2005

4:00 pm Board of Park Commissioners, Council Chambers
4:00 pm Community and Family Resources Commission, McCloskey
5:30 pm Animal Control Commission, McCloskey
5:30 pm Bloomington Area Arts Commission, Kelly
5:30 pm Bloomington Public Transportation Corporation, 130 W. Grimes Lane
5:30 pm Board of Public Works, Council Chambers
5:30 pm Council for Community Accessibility, Dunlap
6:00 pm Commission on Sustainability, Monroe County Public Library, Room 1C

Wednesday, December 14, 2005

9:30 am Tree Commission, Rose Hill Cemetery Office, 930 W. Fourth Street
4:00 pm Bloomington Housing Quality Appeals, McCloskey
4:00 pm Commission on the Status of Black Males, Hooker Room
4:30 pm Environmental Resources Advisory Council, Showers Building Room 250
7:30 pm Common Council Committee of the Whole, Council Chambers

Thursday, December 15, 2005

8:00 am Bloomington Housing Authority Board of Commissioners, 320 N. Morton St Suite 113
5:30 pm Board of Zoning Appeals, Council Chambers
5:30 pm Community Development Block Grant, McCloskey
7:00 pm Environmental Commission, McCloskey

Friday, December 16, 2005

There are no scheduled meetings this day.



City of Bloomington
Office of the Common Council

MEETING NOTICE

Common Council Sidewalk Committee

The Common Council Sidewalk Committee will meet at 12:00 p.m. on Monday, December 5th and 12th, 2005 in the McCloskey Room at City Hall (401 N. Morton Street). The purpose of the meeting is to discuss sidewalk projects and make recommendations to the full Council regarding allocation of 2006 Alternative Transportation Funds and other committee matters. Because a quorum of the Council may be present, this meeting would also constitute a meeting of the Council as well as of this committee under the Indiana Open Door Law. For that reason, this statement is providing notice that this meeting will occur and is open for the public to attend, observe, and record what transpires.

Posted: Tuesday, November 15, 2005

RESOLUTION 05-23

**TO APPROVE APPLICATION AND AUTHORIZE GRANT FROM THE BUSINESS INVESTMENT INCENTIVE FUND
(Harmony Education Center – Rhino’s Youth Center, Petitioner)**

- WHEREAS, on March 5, 1986 the Common Council of the City of Bloomington established the Bloomington Industrial Incentive Loan Fund and approved and authorized Guidelines and Procedures for the use of the Industrial Incentive Loan Fund; and
- WHEREAS, on May 19, 1999 the Common Council in Resolution 99-17 amended the guidelines and procedures to the Bloomington Industrial Incentive Loan Fund, and renamed the program the Business Investment Incentive Fund; and
- WHEREAS, procedures established in Resolution 99-17 amended the program to permit the grant of up to \$25,000 to not-for-profit organizations within the Downtown Development Opportunity Overlay; and
- WHEREAS, procedures established in Resolution 99-17 require that an application be made to the Economic Development Commission of the City of Bloomington, and following approval by the Economic Development Commission, the application shall be forwarded to the Bloomington Common Council for approval by resolution; and
- WHEREAS, Harmony Education Center has filed an application for a Business Investment Incentive Grant, which application was approved by the Economic Development Commission in Resolution 05-09 and forwarded to the Common Council for its approval; and
- WHEREAS, according to the application, Harmony Education Center intends to use the grant to make interior capital improvements at 323-331 South Walnut Street, a newly acquired facility that contains the Rhino’s Youth Center. Among other items, the interior improvements will include the installation of a fire suppression (sprinkler) system, to be completed by December 31, 2006;

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

SECTION 1. A grant in the amount of twenty-five thousand dollars (\$25,000) from the City of Bloomington’s Business Investment Incentive Fund is hereby approved. The Controller of the City of Bloomington is hereby authorized to release funds in the amount specified and subject to the specific terms and conditions approved by the Economic Development Commission in Resolution 05-09, together with all terms and conditions contained in Resolution 99-17.

SECTION 2. This resolution shall be in full force and effect from the passage by the Common Council of the City of Bloomington and approval by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2005.

ANDY RUFF, President
Bloomington Common Council

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2005.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2005.

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This resolution approves and authorizes a grant from the City of Bloomington's Business Investment Incentive Fund to Harmony Education Center for the purpose of making capital improvements to the Rhino's Youth Center, 323-331 South Washington Street. Interior improvements will include the installation of a fire suppression (sprinkler) system, to be installed by December 31, 2006. The grant is in the amount of twenty-five thousand dollars (\$25,000). It is also subject to all specific terms and conditions contained in the City of Bloomington's Economic Development Commission resolution approving the grant, as well as, the guidelines and procedures contained in Common Council Resolution 99-17.

**RESOLUTION 05-09
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA**

WHEREAS, the City of Bloomington Common Council has established the Business Investment Incentive Loan Fund (the "Fund") and has approved guidelines and procedures for use of the Fund; and

WHEREAS, procedures for the Fund require that an application be made to the Economic Development Commission of the City of Bloomington, and following approval by the Economic Development Commission, the application shall be forwarded to the Bloomington Common Council for approval by resolution; and

WHEREAS, the Fund guidelines allow for the making of grants not to exceed \$25,000 to non-profit organizations in the Downtown Development Opportunity Overlay that have retail or commercial activities as a primary purpose; have funds available to match the grant amount; and have not received a grant in the five year period immediately preceding the grant disbursement; and

WHEREAS, the Harmony Education Center, parent organization to Rhino's Youth Center, has filed an application for a grant through the Fund which has been submitted to the Economic Development Commission of the City of Bloomington for its approval;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Economic Development Commission does hereby approve the Business Investment Incentive Grant Application in the amount of \$25,000 to Harmony Education Center;

FURTHER, said approval is a commitment preceding the required approval of the City of Bloomington Common Council and the execution of a funding agreement and any other documents deemed necessary by the City of Bloomington regarding the grant; verification by the City of the availability of required matching funds; completion of the five-year interval following the last grant by the City to Harmony Education Center and/or Rhino's Youth Center; and compliance with all terms and conditions contained in Common Council Resolution 86-06 creating the Fund and subsequent amendments to the Fund.

President
Bloomington Economic Development Commission

Approved this ____ day of November, 2005.



MEMORANDUM

**ECONOMIC DEVELOPMENT STAFF REPORT
CITY OF BLOOMINGTON COMMON COUNCIL
DECEMBER 14, 2005**

RESOLUTION: 06-02: TO APPROVE APPLICATION AND AUTHORIZE GRANT FROM THE BUSINESS INVESTMENT INCENTIVE FUND FOR HARMONY EDUCATION CENTER (RHINO'S YOUTH CENTER)

Any qualified for-profit or not-for-profit business owner and/or commercial property owner located within the City of Bloomington's Downtown Development Opportunity Overlay (DDOO) district demonstrating a commitment to the economic vitality of Bloomington's downtown is eligible to submit an application for projects permitted under the BILF guidelines.

Harmony Education Center, which founded Rhino's Youth Center in 1992 in the Downtown Development Overlay District (DDOO), is seeking a \$25,000 grant to make interior capital improvements to its newly acquired facility at 323-331 South Walnut Street. Rhino's Youth Center (RYC) provides entertainment and engagement for the youth of our community in a safe, alcohol tobacco and drug-free environment. The youth patrons of RYC themselves are given opportunities to produce and program events at the Center, as well as participate in several after-school programs that prepare them for future community involvement and careers.

On November 18, 2005, the Economic Development Commission adopted Resolution 05-09 approving the grant application.

The guidelines require the facility to be owned and/or operated by the eligible non-profit. The organization must have a retail or commercial activity as its primary purpose including, but not limited to, performance venues, galleries and retail shops.

With two full-time employees, RYC programs are primarily developed and operated by its youth volunteers. While widely known as an all-ages music and performance venue, the RYC also houses a youth radio recording studio and serves as a center for other after-school programs, such as the People's Park mural program.

Loans or grants to eligible businesses within the DDOO may be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of buildings; purchase of equipment; facade improvements; or infrastructure improvements

The BIILF grant will allow Harmony and Rhino's to complete interior renovations, including the installation of a fire suppression (sprinkler) system by the end of 2006, window tinting and sound reduction.

The maximum matching grant is 50% of total qualified project costs, with a maximum of \$25,000. An eligible non-profit can only receive one grant disbursement every 5 years. An eligible organization cannot receive both a loan and a grant.

The estimated total project cost for the above listed improvements is \$86,600. A \$25,000 BIILF grant would comprise 29 percent of the total project cost. A portion of donated labor and materials for the fire suppression system will be used to match BIILF funds, as well as funds raised from a community-wide fundraising campaign about to be undertaken by Rhino's and Rhino's youth. In addition, Rhino's has received a grant from the "set aside fund" of the Monroe County United Way.

Rhino's has already raised more than \$80,000 for the building purchase and renovations completed to date. Current investment in building renovations (in addition to the project for which this BIILF grant is sought) stands at approximately \$90,000.

Neither Rhino's nor Harmony has received a BIILF loan grant within the past 5 years.

Staff Recommendation: The Office of the Mayor supports awarding Harmony Education Center with a grant for Rhino's Youth Center from the Business Investment Incentive Fund and recommends approval of Resolution 06-02.



**CITY OF BLOOMINGTON
BUSINESS INVESTMENT INCENTIVE FUND
APPLICATION – Part 1**

RECEIVED

NOV 14 2005

OFFICE OF THE MAYOR

BLOOMINGTON, INDIANA

Please attach identification photos of all applicants.

APPLICANT AND LOAN/GRANT INFORMATION

Applicant name(s) Harmony Education Center/Rhino's Youth Center _____

Applicant Phone: 812-334-8349 _____ Applicant Email: rhinosdirector@ameritech.net _

Applicant Address: Harmony : 909 E 2nd, P.O. Box 1787 Bloomington In 47402 _____

Rhino's Youth Center: 327 S Walnut P.O. Box 1727, Bloomington In 47402 _____

Total amount requested \$25,000 _____ Date 11/10/05 _____

Purpose of loan/grant To support improvements of the buildings at 323-331 S Walnut _____

Total project cost , \$176,600 (\$90,000 –already completed renovations, \$71, 600 – sprinkler system, \$6,000 – soundproofing, and \$9,000 – window tinting) _____

For loan applicants only: List types and fair market value of the collateral or other repayment sources (accounts receivable, guarantees, etc.): _____

Loan/Grant Eligibility – please check one. *(Please refer to Business Investment Incentive Loan Fund Program Description for other terms of permissible use of funds and eligibility.)*

<input type="checkbox"/>	Business retention, expansion attraction	Loan requires total project cost minimum of \$250,000. Maximum loan amount is \$100,000 or 20% of total project cost, whichever is less.
<input type="checkbox"/>	Businesses in the Downtown Development Opportunity Overlay	Loan maximum amount is 50% of total project cost for projects with total cost at or under \$100,000, and 20% of any remaining project costs over \$100,000. Total loan amount maximum is not to exceed \$100,000.
<input type="checkbox"/>	Businesses in the Downtown Development Opportunity Overlay	Non-profit grant provides matching grant funds. Non-profit organization must have retail or commercial activity as its primary purpose. Maximum matching grant is 50% of total qualified project costs. Total grant is not to exceed \$25,000. One grant disbursement allowed every five years per eligible non-profit organization. Grant funds are in lieu of loan funds.
<input type="checkbox"/>	Business-supported child care facility	Loan requires total project cost minimum of \$250,000. Maximum loan amount is \$100,000 or 20% of total project cost, whichever is less.
<input type="checkbox"/>	Public-purpose induced business relocation	Loan requires total project cost minimum of \$250,000. Maximum loan amount is \$100,000 or 20% of total project cost, whichever is less. Maximum loan amount may be waived if dictated by public policy.

<input type="checkbox"/>	Business disruption bridge loan	Loan maximum amount of \$150,000 per public works project, \$35,000 limit for each qualified applicant.
--------------------------	----------------------------------------	---------------------------------------------------------------------------------------------------------

Have you been denied by any other lending institutions for this project? ___ Yes X No

Have you ever be turned down for a business loan? ___ Yes ___ No

If yes, institution's name _____

Date of denial _____ Amount requested _____

Reason stated for denial _____

Do you have plans over the next 6 months to apply for any funding from other financial institutions/lenders? (Please check one) ___ Yes X No

If yes, please explain _____

Name of financial institution/lender _____

Projected application date _____ Amount _____

Reason _____



**CITY OF BLOOMINGTON
BUSINESS INVESTMENT INCENTIVE FUND
APPLICATION – Part 2**

BUSINESS INFORMATION

Business name Harmony School Corporation/Rhino's division Phone 334-8349

Business address P.O. Box 1787, Bloomington, IN 47402

Type of business (please check one) Retail Service Manufacturing Wholesale

Business start-up date 1974 Federal Tax ID number 35-1554219

Business legal structure (Please check one)

Sole Proprietorship General Partnership LLC C Corp. S Corp. non-profit

Date of incorporation 1974 State IN NAICS code _____

List Company Officers and Directors

Name	Position in business	% Ownership
1. <u>Steve Bonchek</u>	<u>President</u>	<u>N/A</u>
2. <u>Daniel Baron</u>	<u>Secretary</u>	<u>N/A</u>
3. <u>Jesse Goodman</u>	<u>Treasurer</u>	<u>N/A</u>
4. <u>Lois Butler</u>	<u>At Large</u>	<u>N/A</u>
5. _____	_____	_____

How many days a week will the business be open? _____

Number of hours worked per week by owner _____

Current Number of Employees

Part-time @ Hourly rate range \$ _____ Hours worked per week _____

Full-time 2 @ Hourly rate range \$ 12 Hours worked per week _____

Family @ Hourly rate range \$ _____ Hours worked per week _____

Applicant(s) @ Hourly rate range \$ _____ Hours worked per week _____

Do you provide/plan on providing health benefits to your employees? Yes No

If yes, what plans and what cost is/will be involved?

No costs currently as neither employee has chosen the option for insurance

Projected Number of Employees

List approximate number of additional (new) positions that will be available once you receive the loan/grant. 0 Part-time 0 Full-time

Business Credit References (please attach additional sheets if necessary.)

1. Name Simanton Mechanical

Address 1297 N. Loesch Rd., Bloomington, IN 47404

Phone 333-1223 Account # _____

High credit _____ Contact person Dave Simanton _____

2. Name Cassady Electric _____

Address P.O. Box 53, Ellettsville, IN 47429 _____

Phone 876-1389 Account # _____

High credit _____ Contact person Mae Cassady _____

3. Name Kleindorfers Hardware _____

Address 1401 W. 5th St., Bloomington, IN 47404 _____

Phone 332-0487 Account # _____

High credit _____ Contact person _____

Bank Information

Name Bank One _____

Address P.O. Box 608, Bloomington, IN 47402 _____

Phone 331-4432 Account # 181132261 _____

Contact person Allison Trueblood _____

Do you currently have bank financing? _____ If yes, account # _____

Amount of loan _____ Structure of repayment _____

What assets are securing this loan? _____

Accountant Information

Name Stampfli Associates _____ Phone 339-0450 _____

Address 200 S. College Ave., P.O. Box 1447, Bloomington, IN 47402 _____

Attorney Information

Name Guy Loftman _____ Phone 339-4899 _____

Address 532 N. Walnut St., Suite A, Bloomington, IN 47404 _____

Is your business current on all local, state and federal taxes? yes _____

If no, explain _____

Harmony Education Center/Rhino's Youth Center

BIILF Application Addendum

Business Plan

1) Project Description

Harmony Education Center is a unique organization dedicated to substantive change in schools. Harmony serves as a setting in which inventive ideas can be applied and as a demonstration site from which other educators can learn. The synergistic power of Harmony Education Center lies in the relationship that exists among its 4 components: Harmony School, Rhino's Youth Center, the National School Faculty, and the Institute for Research. These relationships create a dynamic environment which fosters creative, working solutions to the complex challenges of educating today's young people.

Harmony founded Rhino's Youth Center in the spring of 1992. Rhino's mission is to provide entertainment and engagement for the youth of our community in a safe, alcohol, tobacco and other drug-free environment. After school programs encouraging youth to use their unique voice through the arts and media are offered along with weekend entertainment. The youth themselves have a hand in Rhino's operation and administration.

These monies requested will be used to support the improvements on the property at 323-331 S Walnut by the Harmony Education Center and to renovate the new Rhino's Youth Center space. Although the purchase of the building and the initial improvements

totaling \$90,000 (plus \$50,000 of rehab to the façade of the building through a grant from the Urban Enterprise Zone Board) have been completed, installation of a sprinkler system, sound reduction, and window tinting still need to be addressed at the Rhino's Youth Center space. Rhino's Youth Center intends to install the sprinkler system by the end of the 2006 calendar year.

This community need for this project and Rhino's programming is documented in the Monroe County 2003 Service Community Assessment of Needs (SCAN) it states that "there is a shortage of affordable after-school activities and tutoring between the hours of 3 and 6 pm." Further, it identifies a need to "provide more positive adult supervision and mentoring/role modeling as well as more opportunities and activities in the arts and business." In providing after-school and weekend activities for youth, Rhino's directly fills the need described in the SCAN assessment. The large number of youth waiting to enter Rhino's Youth Center on the weekends or on waiting lists to use equipment in the after school hours are testament to the community need as well.

It is no coincidence that in the years that Rhinos has been in operation, juvenile crime, and teen drug and alcohol abuse have declined locally.

Expanding Rhino's and meeting the needs of the youth it serves will greatly impact the community in many ways. The more youth Rhino's can reach the more positive effect on our community. In addition, the many community youth groups and social service organizations that partner with and use Rhino's resources will also be positively affected.

This request will also enable Rhino's Youth Center to leverage other community funding.

This grant will enable the Harmony Education Center , with approximately 35 full time employees, to implement capital improvements for Rhino's and encourage retail or commercial

activity in the rental spaces in the strip mall between 323 and 329 S Walnut.

2) Matching Funds

The funds will add to the nearly \$80,000 already raised for the improvement of the Rhino's Youth Center space and also be used as a cornerstone for matching funds and services in installing the sprinkler system. Verbal commitments of donated materials and labor have been made by Ryan Fireprotection.

3) Financial History

The Harmony Education Center has a solid financial history and reputation. Please see the attached most recent audit of the HEC's finances.



CITY OF BLOOMINGTON BUSINESS INVESTMENT INCENTIVE FUND APPLICATION

CERTIFICATION

The loan applicant herein certified that:

- To the best of the applicant's knowledge and belief, the data presented in this loan application is true and correct, and is provided for the purpose of obtaining or maintaining credit.
- The purpose described in this application has been duly, and legally authorized by the applicant.
- Upon approval of the funds requested, the applicant is willing and is duly and legally authorized to enter into a legally binding loan commitment and will comply with all of the provisions and conditions of any loan agreement.
- The applicant hereby authorizes the Loan Review Committee, its authorized agent and representatives, to investigate the applicant's credit worthiness, credit capacity, or business affairs.
- The applicant hereby authorizes any person, business, and/or financial institution having information pertaining to the applicant's credit worthiness credit capacity, or business affairs to release the same to the Loan Review Committee, its authorized agents or representatives.
- The applicant agrees to hold harmless the City of Bloomington, its officers, agents, and the City of Bloomington Loan Review Committee members and their respective organizations from liability as a result of actions and outcomes taken during or after the loan review process.
- I further certify that the individual(s) applying for the Business Investment Incentive Loan Fund are not in arrears on any payments, fees, charges, fines or penalties owed to the City of Bloomington, Indiana, including, but not limited to, City of Bloomington Utilities, Bloomington Transit, and any other City of Bloomington departments, boards or commissions.

Harmony Education Center
Company Name

Rhino's Youth Center
Company Name

[Signature]
By (Applicant's signature)

By (Co-applicant's signature)

Brod Wilhelm
Printed Name

Printed Name

Director, Rhino's Youth Center
Title


Title

11-14-05
Date

Date

Please return this completed application along with \$100.00 processing fee (if applicable) and appropriate attachments to:

Office of the Mayor, Economic Development
City of Bloomington
PO Box 100
Bloomington, IN 47402


Stampfli Associates, CPAs, P.C.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Harmony School Corporation
Bloomington, Indiana

We have audited the accompanying statement of assets, liabilities and net assets – cash basis of Harmony School Corporation (a nonprofit organization) as of August 31, 2004, and the related statement of support, revenue, expenses and changes in net assets – cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Substantial amounts of property and equipment were acquired by donation and purchase previous to the year ended August 31, 2003. In some cases assets were acquired more than ten years prior to 2003. Accounting records and documentation of these acquisitions are incomplete and it was not practicable for us to adequately audit the estimated amounts recorded.

As discussed in note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the property and equipment referred to above been susceptible to satisfactory audit tests, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and net assets of Harmony School Corporation as of August 31, 2004, and its support, revenue and expenses for the year then ended on the basis of accounting described in note 1.

Stampfli Associates

Bloomington, Indiana
December 6, 2004

CITY OF BLOOMINGTON

Business Investment Incentive Fund

OFFICE OF THE MAYOR
CITY OF BLOOMINGTON
P.O. BOX 100
BLOOMINGTON, IN 47402
812.349.3406 PHONE
812.349.3455 FAX

CONTACT: Danise Alano
EMAIL: alanod@bloomington.in.gov
Assistant Director of Economic Development



Business Investment Incentive Fund

I. PROGRAM DESCRIPTION

A. Purpose: The Business Investment Incentive Fund is a revolving loan fund created by the City of Bloomington to provide low interest loans to eligible businesses committed to improving the economic vitality of our community. The City of Bloomington offers this economic development tool to promote the retention, expansion, and attraction of a diverse business base. With certain exceptions, loan proceeds can be used for capital improvement projects and the purchase of eligible equipment.

II. ELIGIBILITY

A. Geographical Limitations: Only businesses within or contiguous to the City of

Bloomington's corporate boundaries or within an "Area Intended for Annexation" (AIFA) are eligible to seek assistance from the Business Investment Incentive Loan Fund. The area must be properly zoned and have or plan to have access to adequate infrastructure, including water, sewer, roads, and telecommunications. If the business is located within the AIFA or contiguous to the City's corporate boundary and eligible for annexation, then the applicant (and the property owner, if different) must agree to voluntary annexation. If the applicant is ineligible for annexation at the time the loan is approved, then the property owner must sign and record a waiver of remonstrance against future annexation.

B. Eligible Business Activities and Permissible Use of Funds: As the fund is intended to support and promote a diverse economic base, the following eligible activities have been targeted as the primary beneficiaries of loan proceeds:

1. Business retention, expansion, attraction: Any qualified business under these guidelines demonstrating a commitment to job growth, quality wages and benefits, and the overall economic vitality of the community is eligible to submit a loan application for permissible projects as identified by the guidelines. Eligible businesses range from basic manufacturing to high-tech service firms.

a. Permissible uses of funds: Loan proceeds shall be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of buildings; purchase of equipment; or infrastructure improvements.

b. Evaluation criteria: Certain factors shall be considered when evaluating any eligible loan application under this section. These factors shall include, but are not limited to, the following:

- 1) Strength of business plan or business proposal.
- 2) Projected new jobs to be created as a result of the project.
- 3) Overall projected impact on the economic vitality of the community.
- 4) Use of funds to leverage other sources of capital including venture, conventional, and grant funds.
- 5) Nature and extent of security/guarantees.
- 6) Credit history.
- 7) Expected tax base increases or decreases as a result of the project.
- 8) Any proposed tax abatements or other city/state sponsored incentives expected to be received for the proposed project.
- 9) Nature and extent of equity participation by principal owner(s).
- 10) Compatibility of façade projects and new construction in the Downtown Development Opportunity Overlay (DDOO) district with the historic character of downtown Bloomington. (Projects involving the demolition or removal of structures listed on the Local Historic register, or eligible for listing on the National Historic Register or that are contributing structures listed within a nationally or locally designated historic district will not be considered.)

c. Loan amounts: Applicants seeking loan funds under this section for qualified projects are eligible to borrow funds where the total project cost is a minimum of \$250,000. The maximum loan amount is \$100,000 or 20% of the total project cost, whichever is less.

2. Businesses within the Downtown Development Opportunity Overlay district:

Any qualified for-profit or not-for-profit business owner and/or commercial property owner located within the City of Bloomington's *Downtown Development Opportunity Overlay (DDOO)* district demonstrating a commitment to the economic vitality of Bloomington's downtown is eligible to submit a loan application for permissible projects as identified by the guidelines.

a. Permissible uses of funds: Loan proceeds shall be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of buildings; purchase of equipment; facade improvements; or infrastructure improvements.

b. Evaluation criteria: Certain factors shall be considered when evaluating any eligible loan application under this section. These factors shall include, but are not limited to the following:

- 1) Strength of business plan or business proposal.
- 2) Overall projected impact on the economic vitality of the downtown.
- 3) Use of funds to leverage other sources of capital including venture, conventional, and grant funds.
- 4) Nature and extent of security/guarantees.
- 5) Credit history.
- 6) Expected tax base increases or decreases as a result of the project.
- 7) Any proposed tax abatements or other city/state sponsored incentives expected to be received for the proposed project.
- 8) Nature and extent of equity participation by principal owner(s).
- 9) If applicant is not owner of property/building then approval of said owner is required.
- 10) Compatibility of facade projects and new construction in the Downtown Development Opportunity Overlay (DDOO) district with the historic character of downtown Bloomington. (Projects involving the demolition or removal of structures listed on the Local Historic register, or eligible for listing on the National Historic Register or that are contributing structures listed within a nationally or locally designated historic district will not be considered.)

c. Loan amount: If the business is making an application under this section as a DDOO eligible business, the maximum loan amount is 50% of total project costs at or under \$100,000 and 20% of any remaining project costs over \$100,000 with total loan not to exceed \$100,000.

d. Non-profit grant initiative: To encourage capital improvements to facilities owned and/or operated by eligible non-profit organizations within the DDOO district, eligible organizations may obtain matching grant funds for qualified projects. Eligible non-profit organizations are those within the DDOO district that have a retail or commercial activity as its primary purpose including, but not limited to, performance venues, galleries, and retail shops. The maximum matching grant is 50% of total qualified project costs with total grant not to exceed \$25,000. An

eligible non-profit organization can only receive one grant disbursement every 5 years. Grant funds are in lieu of loan funds. An eligible non-profit cannot receive both a loan and a grant.

3. Business-supported child care facility: Any qualified business or consortium of businesses can apply for a loan to provide a child care facility for the children of employees of the business or consortium of businesses first and for the general public second. The facility must be at the business site or in near proximity.

a. Permissible uses of funds: Loan proceeds may be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of buildings; purchase of child care equipment; or infrastructure improvements.

b. Evaluation criteria: Certain factors shall be considered when evaluating any eligible loan application under this section. These factors shall include, but are not limited to the following:

- 1) Strength of business plan or business proposal.
- 2) Projected number of employees to be served by the facility.
- 3) Projected number of general public, if any, to be served by the facility.
- 4) Use of funds to leverage other sources of capital including conventional financing and grant funds.
- 5) Collaboration with or impact on existing child care facilities.
- 6) Nature and extent of security/guarantees.
- 7) Credit history.
- 8) Any proposed city/state sponsored incentives expected to be received for the proposed project.
- 9) Nature and extent of equity participation by principal owner(s).
- 10) Compatibility of façade projects and new construction in the Downtown Development Opportunity Overlay (DDOO) district with the historic character of downtown Bloomington. (Projects involving the demolition or removal of structures listed on the Local Historic register, or eligible for listing on the National Historic Register or that are contributing structures listed within a nationally or locally designated historic district will not be considered.)

c. Loan amount: Applicants seeking loan funds under this section for qualified projects are eligible to borrow funds where the total project cost is a minimum of \$250,000. The maximum loan amount is \$100,000 or 20% of the total project cost, whichever is less.

4. Public purpose induced business relocation: Any qualified business that is required to relocate from its business location due to acquisition of the property by the City of Bloomington for a project serving a public purpose is eligible to submit a loan application for permissible projects as identified by the guidelines. “Relocate” as used in this subsection means that the business is required to move its primary business operations from the property.

a. Permissible uses of funds: Loan proceeds may be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of buildings; purchase of eligible equipment; or infrastructure improvements.

b. Evaluation criteria: Certain factors shall be considered when evaluating any eligible loan application under this section. These factors shall include, but are not limited to the following. The Common Council may waive one or more of these requirements if it finds that public policy so dictates.

- 1) Strength of business plan or business proposal.
- 2) Projected new jobs to be created as a result of the project.
- 3) Overall projected impact on the economic vitality of the community.
- 4) Use of funds to leverage other sources of capital including venture, conventional, and grant funds.
- 5) Nature and extent of security/guarantees.
- 6) Credit history.
- 7) Expected tax base increases or decreases as a result of the project.
- 8) Any proposed tax abatements or other city/state sponsored incentives expected to be received for the proposed project.
- 9) Nature and extent of equity participation by principal owner(s).
- 10) Projected public benefit of relocation.
- 11) Compatibility of façade projects and new construction in the Downtown Development Opportunity Overlay (DDOO) district with the historic character of downtown Bloomington. (Projects involving the demolition or removal of structures listed on the Local Historic register, or eligible for listing on the National Historic Register or that are contributing structures listed within a nationally or locally designated historic district will not be considered.)

c. Loan amount: Applicants seeking loan funds under this section for qualified projects are eligible to borrow funds where the total project cost is a minimum of \$250,000. The maximum loan amount is \$100,000 or 20% of the total project cost, whichever is less. If public policy dictates, the maximum loan amount can be waived.

5. Business disruption bridge loan: A qualified business that suffers significant loss of sales and revenues in an area determined to be economically distressed due to disruptions caused by a City of Bloomington public works project is eligible to submit a loan application for short-term operating capital costs. Businesses applying for loans under this section must have been in operation at their affected site for at least 12 months prior to the start of construction of the public works project. The Review Committee established under this section shall make the determination of the areas that are economically distressed due to City of Bloomington public works projects.

a. Permissible uses of funds: Applicants receiving loans under this section shall use the proceeds in order to meet minimum operational expenses, including but not limited to rent or mortgage, utilities, payroll, or other unavoidable expenses necessary to maintain the business at a minimum operational level.

b. Loan Review Committee: Applications received under this section shall be reviewed by a committee composed of the Director of Economic Development, the City Controller, the President of the Common Council, the Common Council

member whose district includes the affected business, and the President of the Economic Development Commission, or their designees. The loan committee shall be chaired by the Director of Economic Development.

c. Review process: The committee shall meet as often as is needed, but shall not meet less often than once per calendar year. Loans approved by the loan review committee established under this chapter do not require additional approvals from the Economic Development Commission or the Common Council. The Office of the Mayor will coordinate with the City's Legal Department the preparation of all necessary loan documents and a loan closing date.

d. Evaluation criteria: The loan review committee established under this section shall establish criteria for the acceptance, review and approval of loans, which shall at a minimum include, but not be limited to, the following:

- 1) Each business must demonstrate financial need for the loan in order to meet minimum operation expenses, including but not limited to rent or mortgage, utilities, payroll, or other unavoidable expenses necessary to maintaining the business at a minimum operational level.
- 2) Each business shall provide proof of sales figures for the current time period in which the business has experienced economic distress due to the public works project, along with proof of sales figures for the same time period in the prior calendar year.
- 3) Each business shall provide proof of similar expense levels required to generate the same level of sales in the current time period, compared to the sales levels for the same time period in the preceding calendar year.
- 4) Each business shall provide a plan that describes how the business will use loan proceeds; forecasted expenses and revenues for the period beginning with the first day of the month in which the loan is granted through the last day of the month preceding the month in which the loan is granted of the following year; and a proposed repayment schedule which shall provide for total repayment of the loan no later than one (1) year from the date on which the loan closing occurs.

e. Loan amounts and terms: Loans approved under this section shall be made with the following limitations and terms:

- 1) Subject to the availability of funds, a maximum of \$150,000 in loans may be made under this section.
- 2) A loan made under this section shall be limited to \$35,000 for each qualified applicant.
- 3) No interest shall be charged or accrue on loans before the date the public works project ceases causing significant disruption to the business. This date shall be determined by the loan review committee, in conjunction with the city department performing the project. Thereafter, interest on each loan shall accrue on a monthly basis at an annual rate of two percent of the unpaid balance of the loan on the last day of each month.
- 4) The loan review committee may submit claims for loans from the fund according to the City Controller's standard claim schedule or it may request

from the City Controller's office a special warrant for expedited release of moneys from the fund if it determines that the business receiving the loan has demonstrated a reasonable need for the loan proceeds before the date a check would be released pursuant to the standard claim schedule.

III. ADDITIONAL TERMS AND CONDITIONS

A. Term: The maximum term is five years, unless the loan is a business disruption bridge loan made under Section II. B. 5.

B. Rate: Except for business disruption bridge loans made under Section II. B. 5, the interest rate will be the highest interest rate currently available for other city fund investments at time of application. The interest rate assigned is good for a period of ninety days from date of application.

C. Payments: Except for business disruption bridge loans with a different approved payment schedule, principal and interest payments are to be made monthly. All payments are due on the first day of each month. Payments received after the tenth of the month will be assessed a 5% late fee. Loan payments are to be mailed to:

City of Bloomington
Controller's Office
P.O. Box 100
Bloomington, IN 47402

D. Non-relocation Clause: Unless specifically approved by the City Council, the borrower may not relocate the funded business activity or a significant part of the business activity. Failure to comply with this section is grounds for default.

E. Default: The loan may be declared in default and become due and payable within 30 days of written notice to the borrower for any of the following reasons:

1. Failure of borrower to disclose any and all facts pertinent to the loan approval or any misrepresentation of information.
2. Failure of borrower to make timely payments.
3. Failure of borrower to use loan funds as described in the loan application.
4. Failure of borrower to maintain mortgaged property, keep it insured and/or pay property taxes on it.
5. Failure to obtain approval for relocation of business.

6. Failure to comply with any material terms of the loan documents, including but not limited to, the loan agreement, mortgage, financing statement, and personal guaranty.

7. Failure to comply with voluntary annexation agreement or waiver of remonstrance agreement.

IV. APPLICATION PROCEDURE

A. The following application procedures apply to all loans except the business disruption bridge loan under Section II.B.5. The applicant will contact the Office of the Mayor for a pre-application meeting. At that meeting, the applicant will receive instruction for submitting a complete application for consideration. Except for those businesses applying under Section II. B. 5, upon completion, the applicant will submit the application, along with a \$100.00 processing fee, to the Office of the Mayor for review. If the application is determined to be complete and eligible, the Office of the Mayor will initiate the formal approval process.

B. If the application is submitted for formal approval, the Director of Economic Development shall schedule a meeting of the Economic Development Commission. At this public meeting the applicant will have an opportunity to present his/her proposal. The Economic Development Commission shall review the application based on the guidelines and either approve or deny.

C. If a loan is approved as is by the Economic Development Commission, it will be forwarded to the City Council in the form of a resolution for the Council's approval or denial.

D. If a loan is approved by the City Council, the borrower will sign all necessary loan documents for the loan. The borrower is responsible for securing all necessary lien documents, insurance documentation and title insurance policies as necessary. The Office of the Mayor will coordinate with the City's Legal Department the preparation of all necessary loan documents and a loan closing date.

V. SECURITY

A. Acceptable collateral includes a mortgage against real estate with at least 20% equity remaining after total project financing is secured, a lien against the cash value of life insurance, a lien against a Certificate of Deposit Account, a lien against qualified equipment, and/or any other acceptable and approved form of security.

B. Loans will be secured to the extent that such security is feasible and does not impair the ability of the borrower to conduct its activities and may be subordinated to other financing,

to and including a subordinated position on personal guarantees, as long as the city's loan is adequately secured.

VI. RELEASE OF FUNDS

A. Once City Council approval is granted the applicant must secure all supplemental loans, securities, and other conditional documentation or action within 90 days. Failure to comply with any terms, conditions, or other requirements within this time period may result in nullification of the approved loan.

B. All documentation must be on file with the Office of the Mayor and approved by the City of Bloomington's Legal Department prior to any release of funds.

C. Loan funds may be disbursed in full at time of closing or in two disbursements within the first year following approval. Lien documents for the total loan amount will be signed for each disbursement.

D. Claims for the payment of business disruption loan proceeds do not need approval of the Board of Public Works prior to disbursement.

RESOLUTION 05-22

**TO DESIGNATE AN ECONOMIC REVITALIZATION AREA, APPROVE THE STATEMENT OF
BENEFITS, AND AUTHORIZE A PERIOD OF ABATEMENT
- Re: Glen Magna Way, Canada Farm PUD, Phase I, Parcel E
(Rogers Property Management, LLP, Petitioner)**

- WHEREAS, Rogers Property Management, LLP (“Petitioner”) has filed an application for designation of the property at East Glen Magna Way, described as Parcel E, Phase I, in the Canada Farm PUD, Bloomington, Indiana, as an “Economic Revitalization Area” (“ERA”) for construction of a new building pursuant to IC 6-1.1-12.1 et. seq. (the “Project”); and
- WHEREAS, the Petitioner has also submitted a statement of benefits to the Common Council and must provide information in a timely fashion each year to the County Auditor and the Common Council showing the extent to which the Petitioner has complied with the Statement of Benefits; and
- WHEREAS, according to this material, the Petitioner wishes to construct a new building that will be leased to IMA (Internal Medicine Associates, Inc.) East for operation as a 39,000 square foot medical outpatient treatment facility; and
- WHEREAS, the Economic Development Commission has reviewed the Petitioner’s application and Statement of Benefits and passed Resolution 05-08 recommending that the Common Council designate the building as an ERA, approve the Statement of Benefits, and authorize a ten-year period of abatement for this project; and
- WHEREAS, the Common Council has investigated the area and reviewed the Application and Statement of Benefits, which are attached and made a part hereof, and found the following:
- A. the estimate of the value of the Project is reasonable;
 - B. the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the Project as proposed;
 - C. the estimate of the annual salaries of these individuals who will be employed or whose employment will be retained can be reasonably expected to result from the Project as proposed;
 - D. any other benefits about which information was requested are benefits that can be reasonably expected to result from the Project; and
 - E. the totality of benefits is sufficient to justify the deduction; and
- WHEREAS, the property described above has experienced a cessation of growth;

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

SECTION 1. The Common Council finds and determines that the area described above should be designated as an "Economic Revitalization Area" as set forth in I.C. 6-1.1-12.1-1 et. seq.; and, the Common Council further finds and determines that the Petitioner or its successors shall be entitled to an abatement of property taxes for the Project as provided in IC 6-1.1-12.1-1 et. seq. for a period of ten (10) years.

SECTION 2. In granting this designation and deduction the Common Council incorporates I.C. 6-1.1-12.1-12 and also expressly exercises the power set forth in I.C. 6-1.1-12.1-2(I)(5) to impose additional, reasonable conditions on the rehabilitation or redevelopment beyond those listed in the Statement of Benefits. In particular, failure of the property owner to make reasonable efforts to comply with the following conditions is an additional reason for the Council to rescind this designation and deduction:

- a. the improvements described in the application shall be commenced (defined as obtaining a building permit and actual start of construction) within twelve months of the date of this designation; and
- b. the land and improvements shall be developed and used in a manner that complies with local code.

SECTION 3. The Common Council directs the Clerk of the City to publish a notice announcing the passage of this resolution and requesting that persons having objections or remonstrances to the ERA designation appear before the Common Council at a public hearing on January 3, 2006.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2005.

ANDY RUFF, President
Bloomington Common Council

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2005.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2005.

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This resolution designates the property on East Glen Magna Way, described as Parcel E, Phase I, of the Canada Farm PUD as an Economic Revitalization Area (ERA) to allow Rogers Property Management, LLP, to receive a ten-year tax abatement for the construction of a medical outpatient treatment facility to be operated by Internal Medicine Associates and known as IMA East. The resolution also declares the intent of the Council to hold a public hearing on January 3, 2006 to hear public comment on the ERA designation.

**RESOLUTION 05-08
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA**

WHEREAS, the Economic Development Commission of the City of Bloomington, Indiana, recognizes the need to stimulate growth and to maintain a sound economy within the corporate limits of the City of Bloomington, Indiana; and

WHEREAS, the Indiana Code at 6-1.1-12.1 et. seq. provides for the designation of "Economic Revitalization Areas" (ERAs) within which property taxes may be abated on improvements to real estate;

WHEREAS, in addition to the ERA designation, an applicant for tax abatement must receive Common Council approval of the Statement of Benefits resulting from the proposed project; and

WHEREAS, the Common Council of the City of Bloomington in Ordinance 97-06 gave to the Economic Development Commission the responsibility for making recommendations to the Council regarding requests for tax abatement; and

WHEREAS, Rogers Property Management, LLP ("Petitioner") has applied for tax abatement on, and has submitted a Statement of Benefits regarding, its proposed project on East Glen Magna Way in the Canada Farm Commercial Center, located in Phase I, Parcel E of the Canada Farm PUD adjacent to South Sare Road in Bloomington, Indiana; and

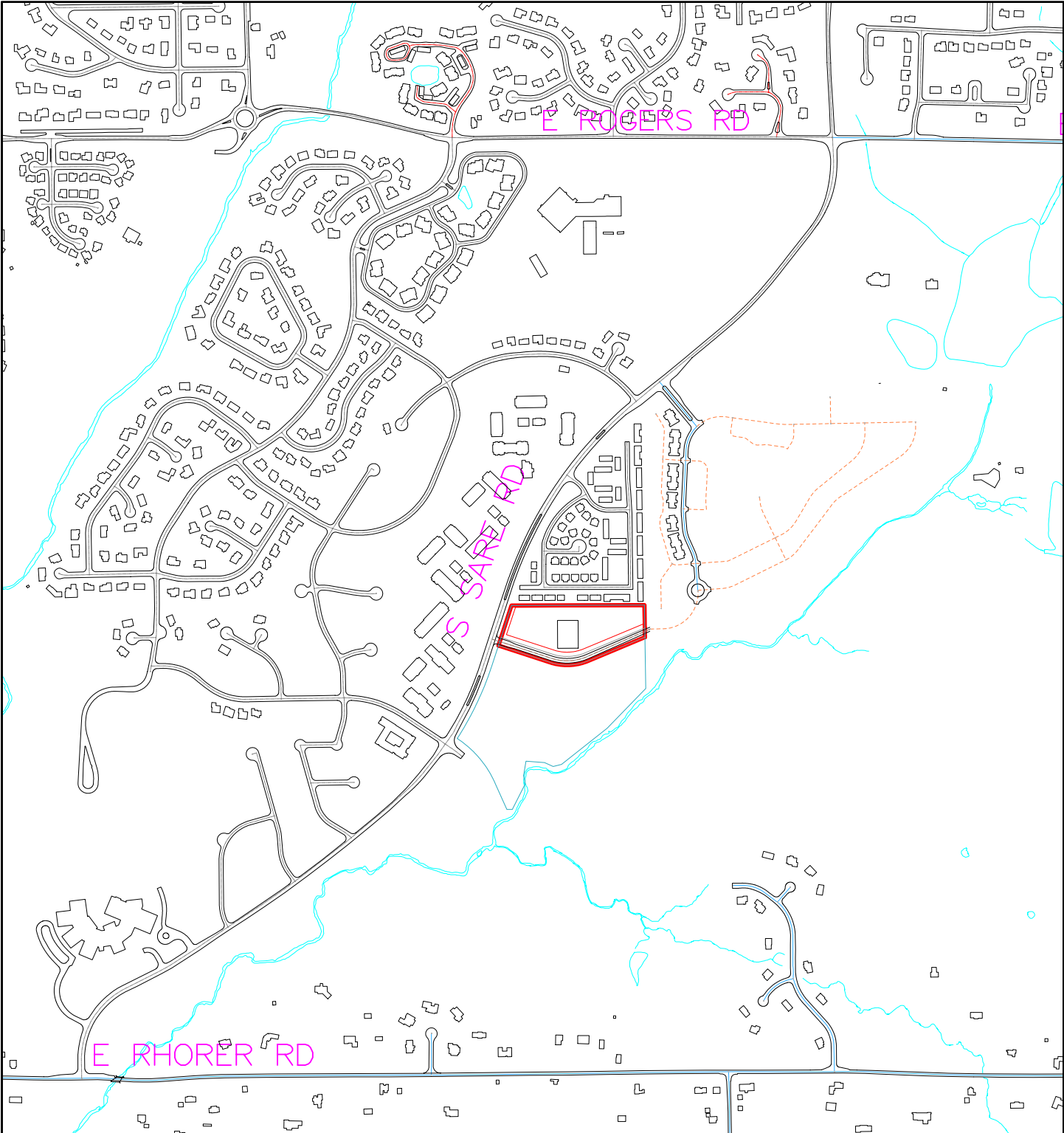
WHEREAS, the Economic Development Commission has met and considered Petitioner's application and Statement of Benefits, and has recommended a ten year tax abatement on the proposed improvements; and

NOW, THEREFORE, BE IT RESOLVED that the Economic Development Commission of the City of Bloomington does hereby recommend to the Common Council that it designate Canada Farm, Phase I, Parcel E in Bloomington, Indiana, as an ERA and approve said Statement of Benefits regarding improvements to said site proposed by Petitioner and approve a 10 year tax abatement on said improvements.

APPROVED this ___ day of _____, 2005.

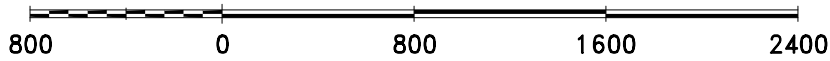
President
Bloomington Economic Development Commission

Secretary
Bloomington Economic Development Commission

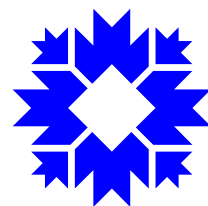


IMA East

By: goodmanr
8 Dec 05



City of Bloomington



Scale: 1" = 800'

For reference only; map information NOT warranted.



MEMORANDUM

**ECONOMIC DEVELOPMENT STAFF REPORT
CITY OF BLOOMINGTON COMMON COUNCIL
DECEMBER 14, 2005**

RESOLUTION: 05-22: DESIGNATE AN ERA FOR ROGERS PROPERTY MANAGEMENT, LLP TO CONSTRUCT A MEDICAL OUTPATIENT FACILITY (IMA EAST)

Indiana Law allows up to a 10 year abatement on the increased assessed valuation due to construction or rehabilitation improvements in the areas of the city where development needs to be encouraged.

Project Summary: Rogers Property Management, LLP. proposes to invest \$4,021,250 and build a 39,000 square foot medical outpatient treatment facility in the Canada Farm Commercial Center on South Sare Road (legal description recorded as Canada Farm, Phase I, Parcel E). The facility will be managed by Internal Medicine Associates, Inc. (IMA) and will house “IMA East” consisting of seven Family Medicine Physicians, two Cardiologists, two Nurse Practitioners, 25 support staff and diagnostic imaging services.

Real Estate Improvement Value: \$4,021,250

Current Zoning: Canada Farm PUD

Existing Site: Vacant lot. Utilities are stubbed at the perimeter of the parcel.

Job Creation: Petitioner estimates that the project will create 22 jobs and retain 14 current IMA jobs. Total employment at the site is anticipated to be 36.

Projected Annual Wages: At full employment total payroll is estimated to be \$3,081,563 which results in an average salary of \$86,000 and an average hourly wage of \$41.00. These figures exclude benefits, which are calculated to be 30 percent of wages. Additional wage information is provided later in this report.

Under Indiana Law the Bloomington Common Council designates specific properties of the City as “Economic Revitalization Areas (ERA)”. An ERA must have “... become undesirable for or impossible of, normal development and occupancy,” because of such factors as “cessation of growth, existence of substandard or obsolete structures and deterioration of character of occupancy.”

IMA proposes to build the outpatient and diagnostic center at the Canada Farm PUD. (This is an allowable use in the PUD) Although approved as a PUD almost 10 years ago, no com-

mercial development has occurred and the area has experienced only residential and institutional development (an assisted living center).

The commercial component of the Canada Farm PUD was intended to allow for neighborhood-serving retail and office use. The property has received little interest by developers and the use of the site for retail has been compromised with the development of the retail strip-mall on South Old State Road 37.

The new facility will be proximate to Bloomington's growing population on the East and southeast portions of our community. It will be nearby the Sterling House of Bloomington, an assisted living residence and to Jackson Creek Middle School. This facility is intended to serve a growing population center and to reduce the distance that patients are required to travel for medical care.

The tax abatement guidelines cite several goals and objectives, including: to encourage the retention of existing businesses and expand employment opportunities; to encourage the rehabilitation, preservation, and restoration of historic properties; to promote housing opportunities and economic development activities within the downtown; and to utilize vacant land for new development.

The project will facilitate a significant expansion for IMA. IMA estimates that the total project cost will be approximately \$5.1 million, including purchase of the land, cost of construction and all equipment costs. IMA currently employs 371 individuals with an annual of \$19.5 million. The IMA East project will help IMA retain 14 jobs and create 22 new employment opportunities.

The average starting wage for the new staff positions is estimated to be \$12.21 an hour without benefits or \$15.87 an hour with benefits. These averages account for starting wages only and do not include the wages paid to the providers (Doctors & Nurse Practitioners). IMA strives to hire locally-trained staff and works closely with Ivy Tech Community College and IU Bloomington toward that end.

IMA serves a regional market. Approximately 34 percent of IMA patients come into Bloomington from surrounding counties. The development of IMA East will allow for increased medical care and could lead to an increase in the number of patients admitted to Bloomington Hospital.

This project represents a significant expansion for IMA. In 1999, IMA received property tax abatement approval for the construction of a 74,000 square foot outpatient facility 500 and 550 Landmark Avenue. The facility is the headquarters facility for IMA and SIRA (Southern Indiana Radiology, Inc.). The development of IMA's facility on Landmark Avenue has spurred new commercial development in the area as well as enabled improved and expanded medical service for South Central Indiana. At the time of approval, IMA estimated that they would retain 271 and create 121. Payroll for the new jobs was estimated to be \$6,900,000 annually.

The original IMA project had numerous benefits. Aside from the significant capital investment and job creation, the abatement assured that the IMA facility would be located within the

City limits and continue to bring IMA patients to the City (approximately 35,000 patients are from surrounding counties).

As part of its abatement application, IMA pledged to provide \$900,000 in uncompensated health care, an indigent medication program, high school physicals and other forms of community involvement.

IMA has exceeded the estimates for investment, job creation and other benefits that were stated during the 1999 abatement approval process. In particular:

- Job creation was estimated to be 121 and is currently at 136
- New annual payroll was estimated to be \$6,900,000 and is currently \$12,044,193
- Pledged to provide \$900,000 in uncompensated health care and actually provided \$1,525,915 in uncompensated health care in 2004

In addition to the benefits mentioned above, IMA staff provided the following services in 2004:

- \$23,128 in staffing to support an Indigent Medication Program
- Echocardiograms at no charge to over 225 high school athletes. The cost of these donated services was equal to \$226,800
- Echocardiograms at no charge to 126 income IU athletes. The cost of these donated services was equal to \$127,008
- Supervision of the Cardiopulmonary Rehabilitation Program at the Monroe County YMCA and the Bloomington Hospital

This project will utilize vacant land, adjacent to a growing population center for the development of an outpatient facility and diagnostic center. The growth of Bloomington's medical sector complements the community's larger life sciences focus and, in this particular case, will lead to the creation of 22 new jobs with a average starting wage of \$15.87 an hour, including benefits.

Staff Recommendation: The Office of the Mayor supports a 10-year property tax abatement for real property improvements at Parcel E in Phase I of the Canada Farm PUD and recommends approval of Resolution 05-08.

Tax Abatement Calculations for Real Property Improvements

IMA East

Using 2004 Payable 2005 Tax Rate and AV Estimates

Improvements \$ 4,021,250
2005 County Tax Rate (Net) 1.9413%
Annual Taxes without Abatement \$ 78,065

Year	Abatement Percent	Abatement	Taxes Payable	Taxes Abated
1	100%	\$ 4,021,250	\$ -	\$ 78,065
2	95%	\$ 3,820,188	\$ 3,903	\$ 74,161
3	80%	\$ 3,217,000	\$ 15,613	\$ 62,452
4	65%	\$ 2,613,813	\$ 27,323	\$ 50,742
5	50%	\$ 2,010,625	\$ 39,032	\$ 39,032
6	40%	\$ 1,608,500	\$ 46,839	\$ 31,226
7	30%	\$ 1,206,375	\$ 54,645	\$ 23,419
8	20%	\$ 804,250	\$ 62,452	\$ 15,613
9	10%	\$ 402,125	\$ 70,258	\$ 7,806
10	5%	\$ 201,063	\$ 74,161	\$ 3,903
Total Taxes to be Paid:				\$ 394,226
Total Value of Abatement:				\$ 386,419

Rogers Property Management, LLP
550 Landmark Avenue
Bloomington, IN 47403
812-331-3407

15 October 2005

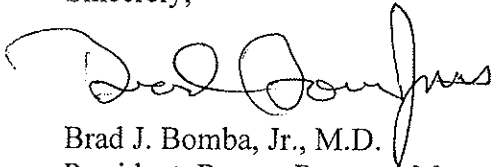
Mr. Ron Walker
Director of Economic Development
City of Bloomington
401 North Morton Street
P.O. Box 100
Bloomington, IN 47402

Dear Ron:

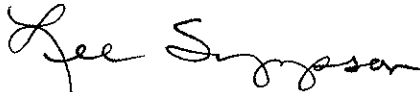
Please find enclosed the Rogers Property Management, LLP tax abatement application for the new outpatient treatment center being planned in the Canada Farm Commercial Center on South Sare Road.

Please review the enclosed application and contact me with questions regarding the project.

Sincerely,



Brad J. Bomba, Jr., M.D.
President, Rogers Property Management, LLP



Lee Simpson
Manager, Rogers Property Management, LLP

Enclosures

Rogers Property Management, LLP

Tax Abatement Application

15 October 2005

1. Ownership:

This property will be owned and developed by Rogers Property Management, LLP (RPM). The building will be leased by Internal Medicine Associates, Inc. (IMA). The current partners of RPM and their percentage interest are listed below:

<u>Partner Name</u>	<u>Address/Telephone Number</u>	<u>Percentage of Shares</u>
L.Annette Alpert	725 South Highland Bloomington, IN 47401 812-334-1090	5.67
Eric A. Bannec	3801 Woods Edge Bend Bloomington, IN 47401 812-333-1162	5.67
Philip Behn	3215 East Winston Bloomington, IN 47401 812-339-5518	1.04
Jitender P. Bhandari	3506 William Court Bloomington, IN 47401 812-323-8932	10.31
Brad J. Bomba, Jr.	1255 Fenbrook Lane Bloomington, IN 47401 812-339-5021	7.7
Colin Chang	2123 Bent Tree Drive Bloomington, IN 47401 812-330-8730	1.04
Russell J. Dukes	3620 Homestead Drive Bloomington, IN 47401 812-334-1819	6.18
Kay Fields	220 Wylie Road Bloomington, IN 47404 812-876-9850	0.52
Prodyot Ghosh	3404 Brookstone Court Bloomington, IN 47401 812-334-2234	6.18
Carter F. Henrich	628 Woodcrest Drive Bloomington, IN 47401 812-339-2708	5.67

Tom F. Hrisomalos	2705 Creekside Court Bloomington, IN 47401 812-339-3826	5.15
Susan Lee	4318 Crickett Knoll Drive Bloomington, IN 47401 812-339-1573	0.52
Wesley W. Ratliff	3710 Reed Court Bloomington, IN 47401 812-339-4415	5.67
Lawrence D. Rink	3507 Saddlebrook Court Bloomington, IN 47401 812-336-9082	6.70
Thomas Sharp	2920 Ramble Road West Bloomington, IN 47408 812-332-6934	6.18
John S. Strobel	2711 Silver Creek Drive Bloomington, IN 47401 812-339-5175	5.15
Gregory M. Sutliff	925 South Ballantine Road Bloomington, IN 47401 812-339-5052	10.31
James S. Touloukian	2332 Woodstock Place Bloomington, IN 47401 812-334-4045	10.31

2. Property Description:

RPM will build an outpatient treatment facility in the Canada Farm Commercial Center for IMA. This project will involve the following parcel of property as described below:

- a. Addresses, Lot Number and Dimensions – There will be one street address. The upper level will provide office space for physicians and nurse practitioners. The lower level will provide space for diagnostic imaging services. The address will be as follows:
 - i. IMA East, ???? East Glen Magna Way
- b. Legal Description – The legal description is recorded as Canada Farm, Phase I, Parcel E in Perry Township, Bloomington, Indiana (see Attachment A).

3. Current Status of Property:

- a. Current Zoning – PUD
- b. Current Improvements – The only improvements to this land at this time are rough grading and utilities for water, electricity, sanitary sewer, natural gas and telephone stubbed to the perimeter of the parcel. These improvements are being completed by the developer.
- c. Current Uses – Property is not currently in use.
- d. Market Value/Assessed Value/Property Tax Assessment – The market value of this property is \$700,000. Assessed value and property tax assessment are listed as \$23,200 on the Monroe County Property Assessment Detail Report for Parcel 015-04421-04.
- e. Unique Structures/Aesthetic Improvements – None

4. Proposed Improvements:

- a. Describe the Proposed Improvements and Projected Costs: RPM will construct a 39,000 square foot outpatient treatment facility on four acres of land in Canada Farm, Phase I. The outpatient treatment center will be the eastside home of IMA.

IMA is the premier multi-specialty medical group in Bloomington, Indiana. The medical staff consists of forty-seven physicians and five nurse practitioners. IMA offers the following medical specialties:

- i. Cardiology
- ii. Endocrinology
- iii. Family Medicine
- iv. Gastroenterology
- v. Hospitalist Program
- vi. Infectious Diseases
- vii. Internal Medicine
- viii. Oncology/Hematology
- ix. Physical Therapy
- x. Pulmonary Medicine
- xi. Rheumatology
- xii. Sports Medicine
- xiii. Urgent Care/Walk-In Clinic

The new outpatient treatment facility will house IMA East consisting of seven Family Medicine Physicians, two Cardiologists, two Nurse Practitioners and diagnostic imaging services. The estimated cost of the land, building and equipment are as follows:

	Total
Project Description	
A. Total Rental Area (Square Feet)	39,000
B. Land Area	174,240 (4 acres)
Cost	
A. Land Value	\$700,000
B. Construction Cost	\$4,021,250
Total Building Cost	\$4,721,250
C. Medical Office Equipment Cost	\$467,000
D. Diagnostic Equipment Cost	Leased
Total Equipment Cost	\$467,000
Total Project Cost	\$5,188,250

- b. Sketches of Finished Project – See Attachment B
- c. List any Public Improvements and Costs That Will Be Necessary: None
- d. List the Probable Start/Completion Dates of the Project: This project will be ready to start in early 2006. Completion of the project will occur within twelve to eighteen months following the start date.
- e. List the Type and Number of Jobs That Will Be Retained or Created by the Project: IMA currently employs three hundred seventy-one staff members. The medical staff consists of forty-seven physicians and five nurse practitioners. The medical staff is supported by three hundred seventeen additional professional (i.e. nurses, ultrasound/radiology technicians, administrators, etc.) and clerical staff members. The total salary for all members of the medical staff and support staff is approximately \$19,500,000 per year. All of these jobs will be retained.

In addition, IMA will see immediate growth in staff upon opening of the new outpatient treatment facility. The medical staff will increase by three physicians and two nurse practitioners. The support staff will increase by seventeen within 12 months of the opening of the new facility. The increase in support staff will be due to the addition of physicians, nurse practitioners and new diagnostic imaging services (see table on next page). The total average additional salaries for the new medical staff and support staff will be approximately \$1,285,901.

In acknowledgement of the City of Bloomington's Living Wage Policy, which has a minimum pay rate of \$8.50 or \$10.00 with benefits, IMA's current lowest starting wage is \$8.05 or \$10.47 with benefits. IMA's lowest pay range will be above \$8.50 or \$11.09 with benefits by January 1, 2007.

IMA Eastside Family Practice Office and Diagnostic Imaging Center

1/1/07 Projected Salaries

Providers

	Retained	New	Salary Range	Salary w/Benefits**	Annual Salary w/Benefits Range	Avg Add'l Salaries
Family Practice	4 *	3	\$150,000		\$150,000	\$450,000.00
Cardiologists	2	0	\$450,000		\$450,000	-0-
Nurse Practitioners	0	2	\$75,000		\$75,000	\$150,000.00

Clinic Staff

Medical Records Tech	1	2	\$8.53-\$11.32	\$11.09-\$14.72	\$23,067-\$30,618	\$53,685.00
Medical Assistant	2	2	\$8.90-\$11.89	\$11.57-\$15.46	\$24,066-\$32,157	\$56,223.00
Receptionist	1	2	\$9.01-\$10.70	\$11.71-\$13.91	\$24,357-\$28,933	\$53,290.00
Secretary	2	3	\$9.54-\$13.25	\$12.40-\$17.23	\$25,729-\$35,838	\$92,351.00
Nurse	2	3	\$18.00-\$28.00	\$23.40-\$36.40	\$48,672-\$75,712	\$186,576.00

Diagnostic Center Staff

Receptionist	0	1	\$9.01-\$10.70	\$11.71-\$13.91	\$24,357-\$28,933	\$26,645.00
Secretary	0	1	\$9.54-\$13.25	\$12.40-\$17.23	\$25,729-\$35,838	\$30,784.00
Nurse	0	1	\$18.00-\$28.00	\$23.40-\$36.40	\$48,672-\$75,712	\$62,192.00
X-ray Tech	0	1	\$16.00-\$27.54	\$20.80-\$35.80	\$43,264-\$74,464	\$58,864.00
CT Tech	0	1	\$19.50-\$25.79	\$25.35-\$37.43	\$52,728-\$77,854	\$65,291.00
						\$1,285,901

* Three Family Practice Physicians who will be relocating from IMA's Family Practice Office on Auto Mall Road and one Family Practice Physician who will be relocating from IMA's Family Practice Office on South Rogers Street.

** IMA Employee Benefits (see Attachment C)

- f. Describe Any Beneficial or Detrimental Economic Effect of the Project: The most obvious benefit to the Bloomington Community is the number of jobs retained as well as the number of new jobs that will be available with the project.

The new eastside location will help IMA continue to provide Bloomington and surrounding counties with high quality outpatient medical care. Many of the services provided by IMA are not available in surrounding counties which increases the number of patients and their families who visit Bloomington. IMA provides health care services to over 68,000 patients from Monroe County and 35,000 patients from surrounding counties.

Brown	2,910	Orange	1,536
Greene	7,072	Owen	7,267
Lawrence	16,215		

These patients and their families will utilize area restaurants, merchants and hotels, which is an added benefit to the entire community through increased revenues and increased tax dollars.

Because of the additional outpatient referrals from surrounding counties there will be an increase in the number of patients admitted to Bloomington Hospital. The increase in admissions helps Bloomington Hospital remain an extremely high quality inpatient facility, which is a major benefit to the citizens of Bloomington and surrounding counties.

5. Eligibility:

- a. Reasons Project Qualifies as an Economic Revitalization Area: RPM chose to construct the outpatient treatment facility on the southeast side of Bloomington due to the population base on the east side of the community. Of the three hundred plus medical providers in Monroe County, only thirteen are located in the southeast quarter of the city/county. All thirteen are within four blocks of East Third Street. The IMA East office will provide community members with the option of receiving health care services on the east side of Bloomington. We anticipate two hundred-fifty patients will visit this facility each day. The new eastside location will also serve as a traffic diversion from the busy flow along West Second Street. Many patients that currently seek services at the IMA Landmark Medical Center on Landmark Avenue would instead visit the IMA East office location, thus reducing the traffic on West Second Street.

- b. Estimated Number of New Employees and Retained Employees: Between 1999 and 2005 IMA has added:
 - i. Eighteen physicians and nurse practitioners
 - ii. One hundred support staff
 - iii. \$9 million in salaries
 - iv. \$15 million in real estate

IMA employs forty-seven physicians, five nurse practitioners and three hundred seventeen support staff members. The total salary for all members of the medical staff and other employees is approximately \$19,500,000 per year. All of these jobs will be retained.

IMA will see immediate growth with the opening of the new outpatient treatment center. The medical staff will increase by three physicians and two nurse practitioners. The support staff will increase by seventeen members within 12 months of the opening of the new facility. The average additional salaries for the new medical staff and support staff will be approximately \$1,285,901.

- c. Statement of Benefits: A completed Statement of Benefits form is included in this application (see Attachment D) along with a listing of Additional Benefits (see Attachment E).

Attachment A

Legal Description

TRACT 1:

A part of Section 15, Township 8 North, Range 1 West, Monroe County, Indiana, and being more particularly described as follows:

Parcel E in Canada Farm Subdivision, Phase I, as shown by the recorded plat thereof recorded in Plat Cabinet C, Envelope 183, in the office of the Recorder of Monroe County, Indiana

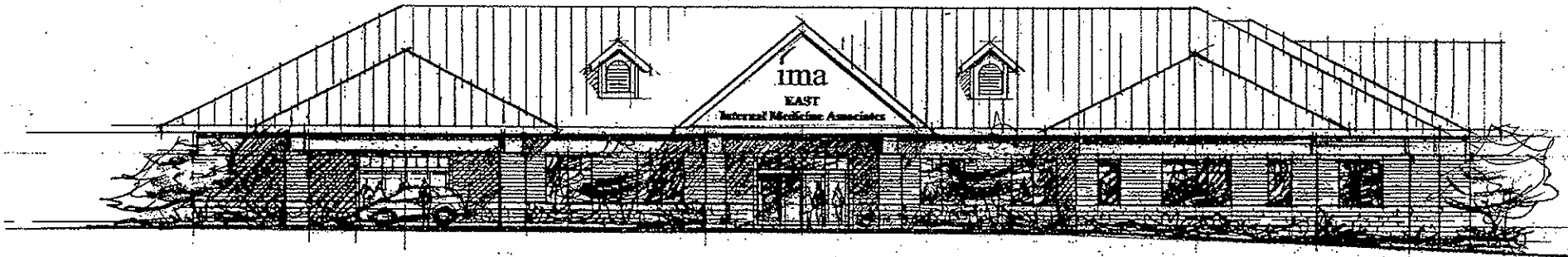
TRACT 2:

A part of Section 15, Township 8 North, Range 1 West, Monroe County, Indiana, and being more particularly described as follows:

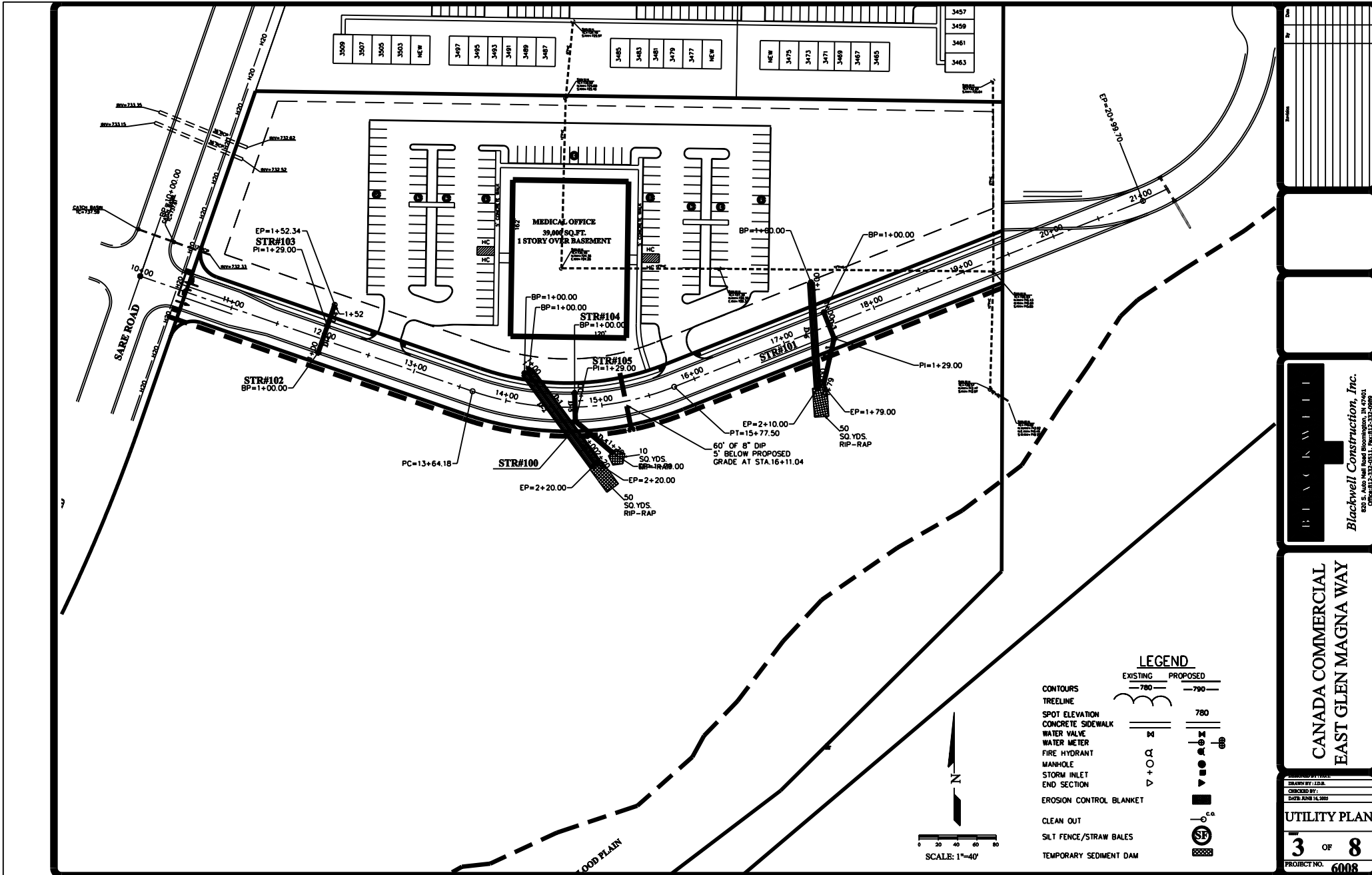
Parcel "F" in Canada Farm Subdivision, Phase I, as shown in the recorded plat thereof recorded in Plat Cabinet C, Envelope 103, in the office of the Recorder of Monroe County, Indiana.

Attachment B

Sketches of Finished Project



WEST ELEVATION



3457
3459
3461
3463

3465
3467
3469
3471
3473
3475
NEW

Blackwell Construction, Inc.
 820 S. Auto Mall Road Bloomington, IN 47401
 Office: 317-336-0511, Fax: 317-336-0989

**CANADA COMMERCIAL
 EAST GLEN MAGNA WAY**

DESIGNED BY: J.D.B.
 CHECKED BY: J.D.B.
 DATE: JUNE 14, 2005

UTILITY PLAN

PROJECT NO. **6008**



Benefits Package

Benefits are effective 1st of the month following date of hire.

- ❖ **Employees with health insurance can be seen by any IMA provider for \$10.00.**
*If you have no insurance the \$10.00 co-pay benefit **does not** apply. This benefit applies to FT, PT and PRN Employees.
- ❖ **If an employee has a procedure at IMA, Inc. they are responsible for \$10.00 co-pay and receive 50% discount for out of pocket expenses (subject to deductible).**

- ❖ **Health Insurance**

Employee	\$47.50/month (\$21.92 per paycheck)
Employee & Child (ren)	\$118.00/month (\$54.46 per paycheck)
Employee & Spouse	\$140.00/month (\$64.62 per paycheck)
Family	\$207.00/month (\$95.54 per paycheck)

- ❖ **Dental Insurance**

Employee	\$28.46/month (\$13.14 per paycheck)
Employee & Child	\$60.10/month (\$27.74 per paycheck)
Employee & Spouse	\$56.42/month (\$26.04 per paycheck)
Family	\$88.05/month (\$40.64 per paycheck)

- ❖ **Vision Insurance**

Employee	\$8.00/month (\$3.69 per paycheck)
Employee & Child	\$13.74/month (\$6.34 per paycheck)
Employee & Spouse	\$13.47/month (\$6.22 per paycheck)
Family	\$21.74/month (\$10.03 per paycheck)

- ❖ **Life Insurance (Company Paid \$20,000)**

- ❖ **Additional Life Insurance-Term and Universal (Voluntary)**

- ❖ **Long Term Disability (Company paid. Effective after 180 days. 60% Benefit Percentage. Maximum Monthly Benefit \$6,000.)**

- ❖ **Short Term Disability (Voluntary) Plan 1: Effective 8th day off work. Plan 2: Effective 16th day off work. 60% Benefit Percentage. Maximum Monthly Benefit \$4,000.**

- ❖ **AFLAC: (Voluntary)**
 - Dependent Child Care Reimbursement (Pre-tax Max. amt: \$5000)
 - Un-reimbursed Medical Care Expense Plan (Pre-tax Max amt: \$2000)
 - Cancer Policy, Accident Policy and Intensive Care Policy

❖ **401-K**

New hires are eligible but **must** be full-time and 21 years of age to participate in the IMA Retirement Plan. During the first year of employment only employee contributions are made. IMA will not match during this period.

After the completion of one year of service, the employee is eligible for the IMA Matching and Profit Sharing Programs. Employees must have worked at least 1000 hours to be eligible and must be 21 years old. The programs will be implemented either January 1st or July 1st following completion of their first year of service.

❖ **Tuition Reimbursement** (Eligible after 1 year of employment and must work full-time)

Max amount: \$1800/yr and 1 year of employment thereafter

Reimbursement: 90%-A

80%-B

❖ **PHO (Paid Hours Off)** are available to employees regardless of FT or PT status. These hours are used for vacation, holiday and sick days. PHO will accrue at different rates depending on your length of service. These may also be cashed in by request to the Human Resource Department with approval from your supervisor. PHO may not be used during probationary period.

❖ **Holidays Observed**

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

❖ **Bonus Bank at Work (ONB)**

Free Checking, Christmas and Vacation Clubs, ONB Investment Services and Trust/Asset Mgt, Direct Deposit, Free Bonus Check Card, TouchTone Banking, Free Online Banking

❖ **Membership in Members Choice Federal Credit Union**

❖ **IU Credit Union**

Savings Options Regular Savings, Money Market Savings, Special Savings, Certificates, IRA's, Direct Deposit, ATM, Flash Debit Card, Bank-by-Phone, Internet Banking, and Visa Online.

❖ **Crane Federal Credit Union** offers Savings and Checking Accounts, Low Interest Loans, VISA Credit Cards, Debit/ATM cards, Direct Deposit, Crane Web Connect, Bill Pay and E-statements.

❖ **Sam's Club Membership** (Company paid) Effective upon completion of probationary period.

- ❖ **Fitness Benefit** (Eligible to employees complete 1 year of continuous employment)
IMA will reimburse full-time employees 80% of the cost up to a maximum of \$250 per year. IMA will reimburse part-time employees who work an average of 20-30 hours per week during the previous year 80% of the cost up to a maximum of \$125. Eligible programs include, but not limited to, YMCA, SportsPlex, Curves, Weight Watchers, smoking cessation classes and fitness classes. This benefit does not cover the cost of exercise equipment.

- ❖ **Bloomington Country Club**
IMA employees are allowed to join under the IMA Corporate Membership. If an employee is interested in membership, they need to contact the Bloomington Country Club and inform them that they are an IMA employee. The BCC will give them information about annual costs.

- ❖ **Verizon Wireless Discount**
8% off monthly cell phone bill. 25% off any accessories (excluding phones). Contact Kevin Rogers at (812) 320-2481.

- ❖ **Rose's Scrub/Uniforms 20% off.**
2 Locations in Bloomington and Bedford

Please note that benefits are subject to change without notice.



**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (5-04)
Prescribed by the Department of Local Government Finance

**FORM
SB - 1 / RE**

ATTACHMENT D

INSTRUCTIONS:

1. This statement must be submitted to the body designating the economic revitalization area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, **BEFORE** a deduction may be approved.
3. To obtain a deduction, Form 322 ERA, Application for Deduction from Assessed Valuation of Structures in Economic Revitalization Areas, must be filed with the county auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor.
4. Property owners whose Statement of Benefits was approved after June 30, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4(d) and IC 6-1.1-12.1-4.5(e) effective July 1, 2000 apply to any statement of benefits filed on or after July 1, 2000. The schedules effective prior to July 1, 2000 shall continue to apply to those statement of benefits filed before July 1, 2000.

SECTION 1 TAXPAYER INFORMATION					
Name of taxpayer ROGERS PROPERTY MANAGEMENT, LLP					
Address of taxpayer (street and number, city, state and ZIP code) 550 LANDMARK AVENUE, BLOOMINGTON, IN 47403					
Name of contact person LEE SYMPSON				Telephone number 812-331-3407	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body BLOOMINGTON COMMON COUNCIL				Resolution number	
Location of property CANADA FARM, PHASE I, PARCEL E		County MONROE		Taxing district PERRY	
Description of real property improvements (use additional sheets if necessary) OUTPATIENT TREATMENT FACILITY				ESTIMATED	
				Start Date 1/1/06	Completion Date 7/1/07
Real Estate					
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 14	Salaries \$1,795,662	Number retained 14	Salaries \$1,795,662	Number additional 22	Salaries \$1,285,901
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.		Real Estate Improvements			
		Cost		Assessed Value	
Current values		\$700,000		\$23,200	
Plus estimated values of proposed project		\$4,021,250			
Less values of any property being replaced					
Net estimated values upon completion of project		\$4,721,250			
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER					
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____		
Other benefits:					

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative 	Title PRESIDENT	Date signed (month, day, year) 10/15/05

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.

B. The type of deduction that is allowed in the designated area is limited to:
 1. Redevelopment or rehabilitation of real estate improvements; Yes No
 2. Residentially distressed areas Yes No

C. The amount of deduction applicable for redevelopment or rehabilitation is limited to \$ _____ cost with an assessed value of \$ _____.

D. Other limitations or conditions (specify) PLEASE SEE RES 05-22, RES 06-01, APPLICATION! WILL MATERNAL PROVIDED BY RESOLUTION

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member)	Telephone number	Date signed (month, day, year)
Attested by:	Designated body	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.

Attachment E

Additional Benefits

1. IMA proposes to expand its business approximately 20% by year 2006. The major focus of this will be an eastside development, which will include office space for up to nine primary care physicians and specialists. Other services will include diagnostic services which are new to the Bloomington area and other expanded services, where the current wait time is significant.
2. Medicine continues to move to the outpatient arena and it is important that the Bloomington community have access to high quality, state-of-the-art and yet compassionate medical care in an outpatient setting.
3. IMA has helped the Bloomington community in multiple ways including:
 - a. Providing \$1.5 million per year in uncompensated healthcare
 - b. Running an indigent medication program that assists patients in obtaining cost-free medications from pharmaceutical companies (\$3 million in medications per year to the local community).
 - c. Performing physical examinations and echocardiograms on high school student athletes free of charge worth over \$225,000 per year.
 - d. Participating in many community health fairs.
 - e. Constructing a Habitat for Humanity home in 2005.
4. We have approximately 1,000 patients per day visit the Landmark Medical Center, 60% of who are from surrounding counties and spend money while in Monroe County daily.
5. Our activities are closely related to other institutions in Monroe and surrounding counties, such as:
 - a. Bloomington Hospital - IMA physicians serve as Directors of:
 - i. Medical Education
 - ii. Critical Care Units
 - iii. Cardiology
 - iv. Pulmonary
 - v. Gastroenterology
 - vi. Endocrinology
 - vii. Infectious Disease
 - viii. Cardiac Rehabilitation
 - ix. Diabetes Center
 - x. Hospitalist Program
 - xi. Investigational Review Board
 - b. Indiana University – IMA physicians serve as:
 - i. Clinical Professors of Medicine for the Indiana University School of Medicine.
 - ii. Directors of the Clinical Program for the Indiana University School of Medicine in Bloomington. We have 60 full-time medical students on the Bloomington campus.
 - iii. Internship preceptors for senior medical students.
 - iv. Medical Directors of Indiana University Sports Medicine Program.

- v. Medical Directors of Indiana University Adult Fitness Program.
IMA Physicians are involved in multiple research projects at the University.
- c. CHAP Clinic - We have been major supporters of the Community Health Access Program Clinic.
- d. YMCA
- e. Ivy Tech State College
 - i. Provide clinical rotations for nursing students.
 - ii. Contracted to utilize the training facilities at Ivy Tech to train our staff.
 - iii. Corporate and major donors to the Capital Campaign underway at Ivy Tech.
- f. Participated in the Save Crane and Growing Crane Programs.

Internal Medicine Associates
 Historical Overview
 2000 - 2004
 Bloomington, Indiana

	<u>2000</u>	<u>2004</u>	<u>Change</u>
Physicians/Nurse Practitioners	30	45	15
Employees	195	290	95
Salaries	\$11,000,000	\$19,241,672	\$8,241,672
Real Estate Value	\$1,761,000	\$12,000,000	\$10,239,000

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Uncompensated Healthcare	\$1,316,075	\$1,646,187	\$1,295,790	\$1,525,915
Indigent Medication Program	Not reported	\$12,900	\$13,450	\$23,128
High School Physicals/Echoes	Not reported	\$403,200	\$232,848	\$226,800
IU Athlete Echoes	Not reported	\$122,976	\$150,192	\$127,008
Community Health Fairs	Not reported	\$27,338	\$29,071	\$29,000

GUIDELINES TO BE USED BY THE REDEVELOPMENT COMMISSION IN
RECOMMENDING TERMS FOR TAX ABATEMENT

	Downtown subarea A	Downtown subarea B	Downtown subarea C	Miller Drive South Central Westside	Other Areas of City
Single family or condominium housing in Economic Development Target Areas	10 Above first floor only	10	10	3	0
Multi-family housing 20% affordable housing	10 Above first floor only	10	0	3	0
Industry/Manufacturing	0	6	0	0	6
Industry/Manufacturing Equipment	0	5	0	0	5
Office space 5,000sq.ft. minimum	3	3	0	0	0
Retail in EDTA only	3	3	0	0	0
Hotel/Convention Center	10	10	0	0	0

A project may be upgraded (ex: from 0 to 3 years) or downgraded (ex: from 6 to 3 years) at the discretion of the reviewing bodies based on such factors as the following:

Increase

1. Well-compensated permanent jobs will be created for residents of the city. Compensation may include wages and benefits such as childcare.
2. If project is a housing development, at least 50% of the units will be set aside and be affordable (HUD Fair Market rent) for low to moderate income individuals. (50-80% area median income)
3. A historic building is rehabbed according to the Secretary of the Interior Standards.
4. Project provides a major public infrastructure improvement paid by the developer.
5. The project is located in the downtown area.
6. If the project is a housing development the units are handicap accessible, and/or the units are designed for occupancy by senior citizens.

Decrease

1. The density of the area is increased by the project, except in the Downtown areas.
2. Historic buildings are not rehabilitated according to the Secretary of the Interiors Standards. Determinations on rehab standards shall be made by the City Historic Preservation Officer, following the guidelines established by the Department of the Interior, and may be appealed to the local Historic Buildings and Study Commission.
3. Project requires major public infrastructure improvements requiring additional cost to the city.
4. Project is not consistent with long range plans for the area.

Ineligible Projects

Projects will not be considered if a building permit has already been obtained or construction has been initiated. This is because the decision of the Council to designate the Economic Revitalization Area must be based on the finding that the area is "undesirable for normal development."

Projects that involve the demolition or removal of structures listed on the local Historic Register, or eligible for individual listing on the National Historic Register, or that are contributing structures within a nationally or locally designated historic district will not be considered for tax abatement. This is to encourage preservation of the cultural heritage of the community. Determinations on eligibility shall be made by the City Historic Preservation Officer, following the guidelines established by the Department of the Interior, and may be appealed to the local Historic Buildings and Study Commission.

The City Council has the right to void the tax abatement designation awarded to a project if the project has not been initiated within twelve (12) months of the reconfirmation date of the tax abatement resolution, or if the actual use is different than that approved.

Tax Abatement for the rehabilitation or development of real property is not eligible for the following types of facilities:

1. Private or commercial golf courses.
2. Country club.
3. Massage parlor.
4. Tennis club.
5. Skating facility (including roller skating, skateboarding, or ice skating).
6. Racquet sport facility (including any handball or racquetball court).
7. Hot tub facility.
8. Suntan facility.
9. Racetrack.
10. Any facility the primary purpose of which is:
 - a. retail food and beverage service;
 - b. automobile sales or service; or
 - c. other retail;unless the facility is located in an economic development target area as established by the Bloomington Economic Development Commission.
11. Residential, unless the facility is a multi-family facility that contains at least twenty percent (20%) of the units available for use by low and moderate income individuals or unless the facility is located in an economic development target area established under section 7 of Indiana statute (I.C. 6-1.1-12.1-7).

N

