



To: Council Members
From: Council Office
Re: Weekly Packet Memo
Date: November 5, 2004

Packet Related Material

Memo

Agenda

Calendar

Notices:

Notice of Special Session on Wednesday, November 10th, 2004

Annexation Ordinances Ready for Public Hearing at the Special Session on November 10th:

See Annexation Packet distributed on September 1st, 2004

Hoadley Quarries Area

Ord 04-25 An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (Hoadley Quarries Area)

Rhorer/Gordon Area

Ord 04-26 An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (Rhorer/Gordon Area)

St. James/ East Wingfield/ Rolling Hills Area

Ord 04-27 An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (St. James/ East Wingfield/ Rolling Hills Area)

For Further Information:

Please contact Susan Clark, Controller, at 349-3416 or clarks@bloomington.in.gov

Items Ready for Final Action at Special Session:

Annual Schedule

- Memo from Daniel Sherman, Attorney/Administrator, Office of Common Council

Contact: Daniel Sherman at 349-3562 or shermamd@bloomington.in.gov

Items Ready for Discussion at Committee of the Whole:

Res 04-21 To Designate an Economic Revitalization Area, Approve a Statement of Benefits, Authorize a Period of Tax Abatement, and Declare Intent to Waive Certain Statutory Requirements - Re: 1500 S. Patterson Drive (Schulte Corporation, Petitioner)

- EDC Res 04-04; Map of PUD and ERA; Summary of Application; Application; Company Narrative; Ex. A (Legal Description); Statement of

Benefits; Ex. B (Improvements to Real Estate); Site and Floor Plans; Ex. C (Investments in New Manufacturing Equipment); Tax Calculations for Improvements to Real Estate; Tax Calculations for New Manufacturing Equipment; Estimated Employment Figures; Summary of Benefits for Hourly Employees and Salary Employees; Redevelopment Commission Res 04-45; Estimated TIF Revenues; Community Involvement; Excerpts from Tax Abatement Guidelines

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

Ord 04-34 To Amend Title 7 of the Bloomington Municipal Code Entitled “Animals” (Amending Chapter 7.48 Entitled “Adopted Animals” in Order to Codify Adoption Fees and Increase Fees Related to a New Spay/Neuter Service Conducted by the Animal Shelter)

(Please see the packet distributed on October 30th, 2004 for the November 3rd, 2004 Regular Session for the relevant legislation, summary, and materials)

Contact: Julio Alonso at 349-33516 or alonsoj@bloomington.in.gov

Ord 04-35 To Amend Title 12 of the Bloomington Municipal Code Entitled "Streets, Sidewalks And Storm Sewers" and to Amend Title 2 Entitled “Administration and Personnel” (Modifying the Duties, Fines, Citation Authority, and Collection Procedures Related to the Shoveling of Snow from Sidewalks within the City’s Right-of-Way)

(Please see the packet distributed on October 30th, 2004 for the November 3rd, 2004 Regular Session for the relevant legislation, summary, and materials)

Contact: Susie Johnson at 349-3420 or johnsons@bloomington.in.gov

Memo

Chair of Committee of the Whole Meeting: Rollo

Reception, Special Session, and Committee of the Whole on November 10th, 2004

On Wednesday evening there will be a reception with the Delta Sigma Theta sorority (6:30 p.m.), a Special Session and a Committee of the Whole. The reception and the items to be considered at these meetings are briefly described below. *Please bring your Annexation Packet dated September 1st, 2004, and the weekly packets distributed on October 29th and November 5th, 2004 to the meetings next week.*

Reception with Delta Sigma Theta Sorority

There will be a reception with the Delta Sigma Theta sorority at 6:30 p.m. followed by a brief presentation at our Special Session. Delta Sigma Theta is an African-American service-oriented sorority who has a real interest in meeting and talking with their local elected officials. As most of you may recall, we met with them for a similar occasion about a year ago.

Items for Consideration at Special Session

Presentation by Delta Sigma Theta Sorority

Three Annexation Ordinances Ready for Public Hearing

The City is considering the annexation of three areas this year. The resolutions adopting the fiscal plans were approved by the Council on September 8th. The ordinances are scheduled for a public hearing next week and for final action on December 15th. *The legislation, summaries, and other background material were assembled into an Annexation Book which you received in early September and should bring to the meeting.*

Approval of Annual Schedule for 2005

The Council is scheduled to adopt an Annual Schedule for 2005. A copy of the proposed schedule and an explanatory memo appear in this packet as well as in the last week's packet. Please let me know if you have any questions about the schedule before Wednesday.

Items for Discussion at Committee of the Whole

Res 04-21

To Designate an ERA, Approve Statement of Benefits, Authorize a Period of Tax Abatement for Improvements to Real Estate and the Installation of Equipment, and Waive Certain Statutory Requirements – Re: 1500 South Patterson Drive (Schulte Corporation, Petitioner) *Please see this packet for the summary, legislation, and background material.*

Ord 04-34

To Amend Chapter 7.48 of the BMC Entitled “Adopted Animals” in Order to Codify Adoption Fees and Increase Fees Related to a New Spay/Neuter Service Conducted by the Animal Shelter. *Please see the packet distributed on October 29th for the related materials.*

Ord 04-35

To Amend Title 12 of the Bloomington Municipal Code Entitled "Streets, Sidewalks And Storm Sewers" and Title 2 Entitled “Administration and Personnel” in order to Modify the Duties, Fines, and Citation and Collection Procedures Related to the Shoveling of Snow from Sidewalks within the City’s Right-of-Way. *Please see the packet distributed on October 29th for the related materials.*

**Committee of the Whole - Item 1 - Res 04-21
Designating an Economic Revitalization Area (ERA), Approving a Statement of Benefits, Authorizing a 10-Year Tax Abatement, and Declaring Intent to Waive Certain Statutory Requirements
- Re: 1500 South Patterson Drive
(Schulte Corporation, Petitioner)**

Two Pieces of Legislation Required Over Two Cycles of the Council

The first of three items for discussion on Wednesday is **Res 04-21**, which would take the initial step in granting a tax abatement for the Schulte Corporation project at Building Four of the Indiana Enterprise Center. Tax abatements, in general, require two resolutions that are heard over two succeeding legislative cycles. In this case, the first one designates the property as an Economic Revitalization Area (ERA), approves the statement of benefits, authorizes a 10-year tax abatement for improvements on real estate and a five-year tax abatement on equipment, and declares an intent to waive certain statutory requirements regarding the timing of the development.

The second resolution needed for tax abatements confirms the first one and, in this case, formally waives the statutory requirements. *Please note that statute requires that we hold a legally-advertised public hearing before adopting this “confirming” resolution. The resolution is scheduled for final action at the Regular Session on December 1, 2004.*

Schulte Corporation Project

The Schulte Corporation is a family owned business that has been manufacturing and selling home storage and organizational products since the 1970's. It moved its manufacturing facilities to Bloomington in 1986 and is in the process of investing approximately \$20 million in order to expand and move those operations from Liberty Drive to Building Four of the Indiana Enterprise Center. That level of investment is impressive given the trend toward shifting manufacturing to countries with low wages and little regulation. Schulte makes this move as a result of an incentive package offered by the City, State and County totaling a little under \$1 million for the installation of a new road and new sewer lines.

The investment includes purchasing a 48.9-acre site at cost of about \$5.4 million, renovating the building and grounds at a cost of about \$6.18 million, and installing equipment at a cost of about \$7.8 million. Schulte had been using a portion of that building as a distribution center with a work force of about 21 employees. According to its five-year plan, Schulte will move approximately 147 existing employees from its Liberty Drive site to the Building Four site and will add approximately 223 new employees over the next five years. The annual payroll for existing employees will exceed \$4.22 million and will exceed \$6.55 million for new employees after five years.

The improvements to Building Four will include a landscaped parking lot, a formal business entrance with glass front and an atrium for offices, two floors of manufacturing and inventory space, a training center, and cafeteria.

ERA Designation. As mentioned above, **Res 04-21** makes four 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 is justified here by the site's well-known recent history. As you all recall, the former owner, Thomson Consumer Electronics, left the City in 1998 and, in the process, laid-off 1,200 employees as well as reduced the City's annual revenues by \$1 million in property taxes and by \$350,000 in County Option Income Taxes. Since that time, the City has taken a number of measures to return the property to productive use. These included retaining the Urban Land Institute as a consultant, adopting a Planned Unit Development to implement some of its recommendations, encouraging the marketing of the site, instituting a CREED district, demolishing Building One, and extending Patterson Drive through the site. While these efforts have helped draw some businesses to

the site, the site still has experienced a cessation of growth and is burdened by structures ill suited for today's businesses.

Statement of Benefits. Second, the resolution approves the Statement of Benefits. In so doing, it 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:

- investing \$6.18 million to convert the existing warehouse into an office, manufacturing, and training facility;
- investing \$7.65 million to install new manufacturing equipment;
- retaining 168 existing jobs (with annual payroll of about \$4.22 million) and creating approximately 223 new permanent jobs by 2009 (with an annual payroll of about \$6.55 million *(Please see the Estimate of Employment Figures and Summary of Employee Benefits for a list of jobs, compensation, and benefits expected through 2009. These documents indicate that all but a handful of employees would receive compensation and benefits in excess of \$10.00 per hour within 90 days of their employment. The benefits include health and life insurance, paid time off, and a 401(k) pension plan.*

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 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 about 10 years old and do not reflect current land use and other city policies. Under the guidelines, this project would receive a presumptive period of abatement of 6 years for the physical improvements and 5 years for the installation of new equipment, with one factor which would increase the period of abatement and one that might decrease it. The factor increasing the period of abatement is the prospect of high paying jobs and the factor that could decrease the period of abatement is the need for major public infrastructure improvements at an additional cost to the City.

Waiver of Statutory Requirements. Fourth, the resolution declares an intent to waive certain statutory requirements regarding the timing of development. Statute requires that the initiation of redevelopment, the installation of the new manufacturing, and the installation of new research and development equipment occur after the submission of a completed statement of benefits, after the designation of the ERA, and the making of certain findings of facts by the

Common Council. The petitioner has asked the Council to waive those requirements in order to get the project underway as soon as possible. This resolution declares your intent to waive those requirements after the statutorily-required public hearing, which is scheduled for the December 1, 2004 Regular Session.

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 \$607,513 and would forego approximately \$595,483 in taxes on improvements to real estate over the 10-year abatement. In addition, the property owner would also pay approximately \$126,263 and forego approximately \$228,408 in taxes on the equipment over its 5-year abatement.

Parcel in Thomson-Walnut-Winslow TIF District – Need for Redevelopment Commission Approval of Tax Abatement The Redevelopment Commission is required by statute (I.C. 6 -1.1-12.1-2(l)) to approve tax abatements for properties within a Tax Increment Finance (TIF) district. This property is located within the Thomson - Walnut - Winslow TIF district and the Commission approved this tax abatement at its November 1st, 2004 meeting. (See Redev Com Res 04-45). Ron estimates that this project will generate approximately \$1.29 million more in TIF revenues through the year 2018 after accounting for the abatement. (Please see TIF Revenue Calculations).

**NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL SPECIAL SESSION
AND
COMMITTEE OF THE WHOLE
7:30 P.M., WEDNESDAY, NOVEMBER 10, 2004
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON**

I. ROLL CALL

II. AGENDA SUMMATION

III. PRESENTATIONS

IV. PUBLIC HEARINGS ON PROPOSED ANNEXATIONS

1. Ordinance 04-25 An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (Hoadley Quarries Area)
2. Ordinance 04-26 An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (Rhorer/Gordon Area)
3. Ordinance 04-27 An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (St. James/ East Wingfield/ Rolling Hills Area)

V. APPROVAL OF COMMON COUNCIL ANNUAL SCHEDULE FOR 2005

VI. ADJOURNMENT (*and Immediately Reconvene for*)

COMMITTEE OF THE WHOLE

Chair: Dave Rollo

1. Resolution 04-21 To Designate an Economic Revitalization Area, Approve a Statement of Benefits, Authorize a Period of Tax Abatement, and Waive Certain Statutory Requirements – Re: 1500 S. Patterson Drive (Schulte Corporation, Petitioner)

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

2. Ordinance 04-34 To Amend Title 7 of the Bloomington Municipal Code Entitled “Animals” (Amending Chapter 7.48 Entitled “Adopted Animals” in Order to Codify Adoption Fees and Increase Fees Related to a New Spay/Neuter Service Conducted by the Animal Shelter)

Asked to Attend: Julio Alonso, Director of Public Works
Laurie Ringquist, Director of Animal Control

2. Ordinance 04-35 To Amend Title 12 of the Bloomington Municipal Code Entitled "Streets, Sidewalks And Storm Sewers" and To Amend Title 2 Entitled “Administration And Personnel” (Modifying the Duties, Fines, and Citation and Collection Procedures Related to the Shoveling of Snow from Sidewalks within the City’s Right-of-Way)

Asked to Attend: Susie Johnson, Director of Housing and Neighborhood Development

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
November 8, 2004 – November 13, 2004
Date: November 5, 2004

Monday, November 8, 2004

4:00 pm Community and Family Resources Commission, Hooker Room
4:00 pm Commission on the Status of Black Males, McCloskey
4:30 pm Plat Committee, Planning Department, Kelly
5:30 pm Plan Commission, Council Chambers

Tuesday, November 9, 2004

3:30 pm Housing Trust Fund Board, McCloskey
5:00 pm West Kirkwood Improvement Meeting, Council Chambers
5:30 pm Bloomington Community Arts Commission, Kelly
5:30 pm Public Transportation Corporation Board, Transportation Center – 130 W. Grimes

Wednesday, November 10, 2004

4:00 pm Bloomington Housing Quality Appeals, McCloskey
4:00 pm Solid Waste Management District, SWM Facilities – 3400 Old SR 37
4:00 pm EPA Grant Public Hearing, Hooker Room
7:30 pm Common Council – Special Session, Council Chambers
immediately followed by
Common Council – Committee of the Whole, Council Chambers

Thursday, November 11, 2004

City Holiday: Veteran's Day – Offices Closed.

Friday, November 12, 2004

There are no meetings scheduled for today.

Saturday, November 13, 2004

9:00 am Bloomington Community Farmers' Market, Showers Common



City of Bloomington
Office of the Common Council

MEETING NOTICE

THE COMMON COUNCIL WILL HOLD A
SPECIAL SESSION MEETING ON
NOVEMBER 10, 2004, AT 7:30 P.M.

THE SPECIAL SESSION WILL PRECEDE A
PREVIOUSLY-SCHEDULED
COMMITTEE OF THE WHOLE MEETING.

BOTH MEETINGS WILL BE HELD IN THE
COUNCIL CHAMBERS, LOCATED AT 401
NORTH MORTON STREET.

Posted and Distributed: November 10, 2004

**Annexation Ordinances –
Ready for Statutorily Required Public Hearing
at the Special Session on November 10th, 2004**

Hoadley Quarries Area

Ord 04-25 An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (Hoadley Quarries Area)

Rhorer/Gordon Area

Ord 04-26 An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (Rhorer/Gordon Area)

St. James/ East Wingfield/ Rolling Hills Area

Ord 04-27 An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (St. James/ East Wingfield/ Rolling Hills Area)

Note

These ordinances and the accompanying resolutions approving the fiscal plans for providing services to these areas are all contained in the annexation packet distributed on September 1st, 2004. This annexation packet may also be found online at:

http://bloomington.in.gov/egov/docs/1094079635_438691.pdf

In accordance with a statutorily established time-frame, the Common Council:

- approved resolutions adopting the fiscal plans for these annexations at a Special Session on September 8th, 2004;*
- will hold a public hearing on the annexation ordinances at the Special Session on November 10th, 2004; and*
- is scheduled to take final action on them at its Regular Session on December 21st, 2004.*

**Draft COMMON COUNCIL
MEETING SCHEDULE AND LEGISLATION DEADLINES FOR THE YEAR 2005
(Subject to Revision by Common Council)**

<u>DEADLINE FOR ORDINANCES: E- MAILED TO CCL BY NOON</u>	<u>DEADLINE FOR RESOLUTIONS: E-MAILED TO CCL BY NOON</u>	<u>REGULAR SESSION 1st READING FOR ORDS.</u>	<u>COMMITTEE DISCUSSION</u>	<u>REGULAR SESSION FINAL ACTION</u>
Mon. Dec. 20 (2004)	Mon. Dec. 20 (2004)	¹ Jan. 3	¹ Jan. 3	Jan. 19
Mon. Jan. 10	Fri. Jan. 14	Jan. 19	Jan. 26	Feb. 2
Mon. Jan. 24	Mon. Jan. 31	Feb. 2	Feb. 9	Feb. 16
Mon. Feb. 7	Mon. Feb. 14	Feb. 16	Feb. 23	Mar. 2
Mon. Feb. 21	Mon. Feb. 28	Mar. 2	Mar. 9	Mar. 16
Mon. Mar. 7	Mon. Mar. 14	Mar. 16	Mar. 23	² Apr. 6
Mon. Mar. 21	Wed. Mar. 30	² Apr. 6	Apr. 13	Apr. 20
Mon. Apr. 11	Mon. Apr. 18	Apr. 20	Apr. 27	May 4
Mon. Apr. 25	Mon. May 2	May 4	May 11	³ May 18
Mon. May 9	Mon. May 16	May 18	May 25	June 1
Mon. May 23	Fri. May 27	June 1	June 8	June 15
Mon. June 6	Mon. June 13	June 15	June 22	² July 6
Mon. June 20	Wed. June 29	² July 6	July 13	³ July 20
Wed. July 6	Wed. July 13	³ July 20	³ July 27	⁴ Aug. 3
AUGUST RECESS				
Wed. Aug. 24	Wed. Aug. 24	⁵ Sep. 7	⁵ Sep. 14	Sep. 21
Mon. Sep. 12	Mon. Sep. 19	Sep. 21	Sep. 28	Oct. 5
Mon. Sep. 26	Mon. Oct. 3	Oct. 5	Oct. 12	Oct. 19
Fri. Oct. 7	Mon. Oct. 17	Oct. 19	Oct. 26	Nov. 2
Mon. Oct. 24	Mon. Oct. 31	Nov. 2	Nov. 9	Nov. 16
Fri. Nov. 4	Mon. Nov. 14	Nov. 16	⁶ Nov. 30	Dec. 7
Mon. Nov. 21	Wed. Nov. 30	Dec. 7	Dec. 14	⁴ Dec. 21
YEAR END RECESS				
2005: Mon. Dec. 19 (2005)	Mon. Dec. 19 (2005)	¹ Tue. Jan. 3 (2006)	¹ Tue. Jan. 3 (2006)	Wed. Jan. 18 (2006)

Deadlines for Legislation: The deadline for submitting legislation and all accompanying materials, including a summary memo, is noon on the date listed. For information on the manner for submitting these materials, please inquire with the Council Office.

Unless otherwise indicated, the Council meets on the first four Wednesdays of the month in the Council Chambers of the Showers Center, 401 North Morton, at 7:30 p.m. The following footnotes explain some of the exceptions to that schedule:

1. There will be an annual Organizational Meeting on this date when the Council elects officers and gives legislation first reading. The meeting is held on the first Monday in January, except when it is a legal holiday, in which case the meeting is held on the first Tuesday. (IC 36-4-6-8; BMC 2.04.050(d)) This meeting will be immediately followed by a Committee of the Whole.
2. There will be two weeks between the Committee of the Whole and the Regular Session due to the occurrence of a fifth Wednesday in these months.
3. There will be a Council Budget Retreat in the Cascades Golf Course Club House (3550 N. Kinser Pike) at 9:00 a.m. on Saturday, May 21st and departmental budget hearings in the Council Chambers at 7:00 p.m. on Monday, July 18th, Tuesday, July 19th, Thursday, July 21st, Monday, July 25th, and Tuesday, July 26th, 2004. A Special Session may be held after the departmental hearing on Monday, July 25th in order to take action on at least one of the budget related legislation.
4. Since the Council will have a brief recess after first meeting in August and the second Regular Session in December, no legislation will be introduced for first reading at these meetings. (BMC 2.04.060 (e) & (g))
5. The Council will consider the City Budget for 2006 as well as routine legislation during the first legislative cycle in September. The public hearing on the City Budget will be held during the Committee of the Whole that will be held immediately after the Regular Session on Wednesday, September 7th and final adoption is scheduled for a Special Session on Wednesday, September 14th.
6. There will not be a Committee of the Whole meeting on the fourth Wednesday of November, which is the night before the Thanksgiving Holiday (BMC 2.04.050(f)). However, given the fifth Wednesday in November this year, that meeting will be held on that evening.



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

To: Council Members
From: Council Office
Re: Approving the Annual Schedule for Year 2005 on November 10th
Date: October 29, 2004

Contents

Memo with Highlights of Meeting and Scheduling Issues
Proposed Annual Schedule for 2005

Memo

The Council should set its schedule for next year by mid-November so that our calendar can be finished before our Intern, Jenny Stavros-Turner, leaves for winter vacation. The Council typically meets on the first four Wednesdays of the month, with Regular Sessions being held on the first and third Wednesday and Committees of the Whole being held on the second and fourth Wednesday.

Explanation of the Schedule Sheet. The Annual Schedule presents these meetings in legislative cycles which appear as 21 rows with 5 columns. The rows indicate the 21 legislative cycles next year. Legislative cycles begin with a Regular Session, are followed by a Committee of the Whole, and end with another Regular Session. The 5 columns indicate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>	<u>Column 5</u>
Deadline for Filing Ordinances	Deadline for Filing Resolutions	Regular Session When Ordinances are Introduced	Committee of the Whole When Ordinances and Newly Introduced Resolutions are Discussed	Regular Session When Ordinances and Resolutions are Ready for Final Action

Deadlines. The deadline for legislation generally falls 10 days before the meeting when legislation is scheduled to be introduced. This is typically the Monday of the week before that meeting (or, in other words, the Monday of the week the Council packet for that meeting goes out). However, on months with 5th Wednesdays, the deadline is often set at least two weeks before the meeting the legislation is scheduled to be introduced. This conforms to our local code and allows time for staff to take time off from work.

Explanation of the Footnotes. The footnotes in the Annual Schedule indicate those occasions when the Council does not meet on a Wednesday or does not follow the usual four-Wednesdays-a-month routine.

Religious Holidays. Please note that this calendar schedules a Committee of the Whole on Yom Kippur (October 12th). You may want to cancel or hold that meeting the week before if the workload permits. There may be other religious holidays you may want to observe and for that reason a copy of the IU "Five-Year Religious Holidays Calendar" is available in the Council Office or can be found on the web at http://www.indiana.edu/~deanfac/rel_hol_cal.html.

Please review it and be prepared to vote on the schedule on November 10th.

Proposed Annual Schedule - Highlights and Issues

January

Monday, January 6th Organizational Meeting and Committee of the Whole

Wednesday, January 12th No Meeting (See above)

March

Wednesday, March 30th No Meeting - Fifth Wednesday

May

Saturday, May 21st Budget Retreat at Cascades clubhouse

June

Wednesday, June 29th No Meeting - Fifth Wednesday (Independence Day Holiday falls on the following Monday, July 4th)

July

Wednesday, July 6th The Council will meet on the first Wednesday in July (which falls two days after July 4th)

Monday, July 18th Start of Departmental Budget Hearings
(Through)

Tuesday, July 26th End of Departmental Budget Hearings

August

Wednesday, August 3rd August Recess begins after Regular Session

September

Wednesday, September 7th August Recess ends with Regular Session immediately followed by Committee of the Whole to discuss 2006 Budget

Wednesday, September 14th Council will hold Special Session to take action on 2006 budget immediately followed by Committee of the Whole

October

Wednesday, October 12th Falls on the Yom Kippur. *The Council may want to consider holding this meeting after the previous Regular Session or canceling the meeting if the workload permits.*

November

Wednesday, November 23rd 4th Wednesday – No Meeting - Night Before Thanksgiving

Wednesday, November 30th 5th Wednesday – To be used for the Committee of the Whole during the second legislative cycle in November.

December

Wednesday, December 21st Last meeting of the year

RESOLUTION 04-21

TO DESIGNATE AN ECONOMIC REVITALIZATION AREA, APPROVE A STATEMENT OF BENEFITS, AUTHORIZE A PERIOD OF TAX ABATEMENT, AND WAIVE CERTAIN STATUTORY REQUIREMENTS

- Re: 1500 S. Patterson Drive
(Schulte Corporation, Petitioner)

- WHEREAS, Schulte Corporation (“Petitioner”) has filed an application for designation of property it owns at 1500 S. Patterson Drive, Bloomington, Indiana as an “Economic Revitalization Area” (“ERA”) pursuant to IC 6-1.1-12.1 et. seq.; and
- WHEREAS, according to this material, the Petitioner wishes to renovate the building commonly known as Building Four of the Indiana Enterprise Center (IEC), install new manufacturing equipment, and make improvements to the land, to expand its manufacturing operations (the “Project”); and
- WHEREAS, the Petitioner has also submitted a statement of benefits to the Council and must, prior to March 1st of each subsequent year of the tax abatement, provide the County Auditor and the Common Council with further information showing the extent to which the Petitioner has complied with the statement of benefits; and
- WHEREAS, the Economic Development Commission has reviewed the Petitioner’s application and Statement of Benefits and passed Resolution 04-04 recommending that the Common Council designate the building as an ERA, approve the statement of benefits, and authorize a ten year period of abatement on the real estate and a five year period of abatement for the new manufacturing equipment; 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; and
- WHEREAS, since the property is also located in the Thomson Walnut Winslow TIF district, I.C. 6-1.1-12.1-2(l) requires the Redevelopment Commission to approve this tax abatement, which approval was granted on November 1, 2004; and
- WHEREAS, IC 6-1.1-12.1-11.3 authorizes the Common Council, after holding a public hearing, to waive the requirements that, prior to the commencement of redevelopment or installation of the manufacturing and research and development equipment to be abated, the area be designated an ERA, the completed statement of benefits be submitted to the Common Council, and the Council make the required findings of fact; and
- WHEREAS, Petitioner’s request for a waiver of the above requirements should be considered at a public hearing, and the Clerk of the City shall publish a notice of the passage of this resolution requesting that persons having objections or remonstrances to the designation or to the waiver of the statutory requirement that the initiation of redevelopment and installation of the manufacturing and research and development equipment occur after the ERA designation, statement of benefits submission, and findings of fact may appear before the Common Council at a public hearing on December 1, 2004; and

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 totality of benefits of the Project entitle the owner of the property or its successor(s) to a deduction from the assessed value of the related improvements to real estate for a period of ten (10) years and from the assessed value of the new manufacturing equipment for a period of five (5) years.

SECTION 2. In granting this designation and deduction the Common Council incorporates I.C. 6-1.1-12.1-12. It 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 or to the waiver of the project commencement requirements appear before the Common Council at a public hearing on December 1, 2004.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2004.

MICHAEL DIEKHOF, 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 _____, 2004.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2004.

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This resolution designates the property located at 1500 S. Patterson Drive as an Economic Revitalization Area (ERA), approves a Statement of Benefits, and authorizes a ten-year period of abatement for the real estate improvements and a five-year period of abatement for the new manufacturing equipment proposed by the petitioner, Schulte Corporation. It is seeking a tax abatement in order to renovate Building Four of the Indiana Enterprise Center for use as a manufacturing facility and install new manufacturing equipment. Petitioner is also requesting waiver of the statutory requirements that an ERA be designated, a statement of benefits submitted, and findings of fact made before redevelopment of the property or installation of the equipment can occur. The resolution also declares the intent of the Council to hold a public hearing on December 1, 2004 to hear public comment on the ERA designation and the waiver of the project commencement requirements before voting on a resolution confirming these actions.

**RESOLUTION 04-04
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, and on new manufacturing equipment installed within the ERA;

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, Schulte Corporation ("Petitioner") has applied for tax abatement on, and has submitted a Statement of Benefits regarding, its proposed project at 1500 S. Patterson Drive in Bloomington, Indiana, which consists of renovating Building Four and its site in the Indiana Enterprise Center for expanded manufacturing operations and installing new manufacturing equipment; and

WHEREAS, Indiana Code 6-1.1-12.1-11.3 allows the Common Council, after conducting a public hearing on the request, to waive noncompliance with certain statutory requirements for tax abatement, including the following:

IC 6-1.1-12.1-11.3(a)(2) Failure to submit the completed statement of benefits form to the designating body before the initiation of the redevelopment or rehabilitation or the installation of new manufacturing equipment or new research and development equipment, or both, for which the person desires to claim a deduction under [IC 6-1.1-21.1].

IC 6-1.1-12.1-11.3(a)(3) Failure to designate an area as an economic revitalization area before the initiation of the (A) redevelopment; (B) installation of new manufacturing equipment or new research and development equipment, or both; or (C) rehabilitation for which the person desires to claim a deduction under IC 6-1.1-12.1].

IC 6-1.1-12.1-11.3(a)(4) Failure to make the required findings of fact before designating an area as an economic revitalization area or authorizing a deduction for new manufacturing equipment or new research and development equipment, or both, under section 2,3 or 4.5 of [IC 6-1.1-12.1].

WHEREAS, Petitioner wishes to start construction on the Project immediately and intends to request that the Common Council waive Petitioner's noncompliance with the above statutory requirements, pursuant to IC 6-1.1-12.1-11.3, and requests a recommendation of said waiver from the Economic Development Commission;

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 to real estate and a five year tax abatement on the proposed installation of new manufacturing equipment; 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 1500 S. Patterson Drive in Bloomington, Indiana, as an ERA and approve said Statement of Benefits regarding improvements to said building and site proposed by Petitioner and approve a ten year tax abatement on said real estate improvements and a five year tax abatement on said installation of new manufacturing equipment.

Approved this _____ day of _____, 2004

Dick McGarvey, President
Bloomington Economic Development Commission

Joyce Poling, Secretary
Bloomington Economic Development Commission

Tax Abatement Applicant Summary

To: City of Bloomington Common Council
From: Ron Walker, Director of Economic Development
Date: October 26, 2004
Regarding:

Resolution: 04-21 & 04-22
Applicant: Schulte Corporation
Project Address: 1500 S. Patterson Drive
Phone: 812-334-8839
Applicant Contact: Patrick Taylor

Tax Abatement Information:

Project Summary: Schulte Corporation is an existing business that recently announced they will locate their manufacturing and distribution facility in the Indiana Enterprise Center. Schulte is a manufacturer of home storage and organization products with national and international product distribution. ***The company plans to invest approximately \$20 million, retain 168 jobs and create 223 jobs in the next five years. The City of Bloomington and State of Indiana participated in an incentive package to facilitate the location of Schulte Corporation at the Indiana Enterprise Center. As part of the incentive package, the Office of the Mayor supported a tax abatement request on real estate improvements and new manufacturing equipment.***

Real Estate Improvement Value: \$6,186,168
Personal Property Improvement Value: \$7,652,000

Current Zoning: Heavy Industrial

Existing Site: The site is within the Thomson Walnut Winslow TIF District and within the Thomson CRED. The property contains a 630,000 square foot former Thomson warehouse building (Building 4) built in 1992. The property is landlocked by adjacent property owners.

Job Creation: The applicant estimates that the project will create 223 new jobs in the next five years, as well as retain 168 jobs.

Projected New Annual Wages: By 2009 the annual payroll for the *new* jobs is estimated to be \$6,553,478 which results in an average salary of \$29,388 or \$14.13 per hour, excluding benefits.

Requested Tax Abatement Term: The owner is requesting a 10-year abatement for real property improvements and a 5-year abatement for new manufacturing equipment.

Recommendation: The Office of the Mayor supports this project and recommends a 10-year abatement for real property improvements and a 5-year abatement for new manufacturing equipment.

Project Overview & Recommendation:

In 1997 Thomson Consumer Electronics announced that they would close their facility, which included Building 4, and lay off 1,200 employees. In addition to the income loss associated with the 1,200 jobs (approximately \$39 million annually) the City experienced a decline of over \$1 million in property tax revenues and \$350,000 in COIT revenues.

A coordinated effort was initiated to redevelop the site and several economic tools were put into place to encourage new investment. A neighborhood strategies plan and a PUD were completed. To assist in marketing and business attraction the name of the site was changed to the “Indiana Enterprise Center.”

In 2002 Schulte Corporation began looking at sites, both in and outside of Indiana, for a facility to locate their expanding manufacturing and distribution facilities. In June 2004 Schulte Corporation purchased the 49 acre site for their new manufacturing and distribution facility. The City of Bloomington and State of Indiana offered a combined incentive package to retain the company. Support for a 10-year tax real property abatement and a 5-year personal property abatement was included in the incentive letter from Mayor Kruzan.

On July 21, 2004 the State of Indiana announced that Schulte Corporation would remain in Bloomington and expand their manufacturing and distribution operations. On October 18, 2004 Schulte Corporation submitted a tax abatement application.

After reviewing the application, the Office of the Mayor determined that the project met the criteria for designation as an “Economic Revitalization Area” because the site has become undesirable for or impossible of normal development and occupancy because of such factors as:

- Cessation of growth
- Existence of sub-standard or obsolescent structures
- Deterioration of character of occupancy
- The facility is technologically obsolete
- The obsolescence may lead to a decline in employment and tax revenues

The project also addresses the city’s goals and objectives listed in the tax abatement policy guidelines as well as having additional community benefits:

- The project facilitates the expansion of employment opportunities
- The project will encourage the retention of an existing business
- The project utilizes space that has been vacant for the previous six years
- The project will encourage additional development in the Thomson Walnut

Winslow TIF district, generating increased revenues for public infrastructure or other uses

- The project will generate increased revenues for the Thomson CRED, which may be used for public infrastructure or other uses

The new investment and improvements at 1500 S. Patterson Drive will generate an additional \$1.3 million dollars in TIF property tax revenues over the life of the TIF district. Combined with the existing tax assessment, the total property tax revenue will be approximately \$3.1 million through 2018 (the final year of TIF designation).

Without the petitioner's investment, the project site will generate only \$1.8 million in the same time period. The abatement and tax values are provided in the application packet.

As mentioned previously, Schulte expects to create approximately 223 new jobs through 2009. These new jobs will pay an average wage of \$14.13 per hour. Schulte's current average wage for existing jobs is \$12.08 per hour. The proposed hiring timeline, job classifications and wage structure is provided in the application packet. Schulte implements a progressive wage structure that rewards employees for training and seniority. Employees receive a wage increase 90 days after their start date, 12 months after their start date, and annually thereafter. Employee benefits are valued at 19.4% of wages. Therefore, wages and benefits combined will average \$16.87 for new employees. A list of benefits is included in the abatement application.

In addition to the growth of employment, Schulte Corporation will relocate their Training University from its current home in Cincinnati, Ohio. The Training University serves employees, sales representatives and vendors and could serve up to 30 individuals per month to Bloomington.

Schulte Corporation is a basic manufacturer of home storage and organization products. The company moved to Monroe County in 1986 and has continued to invest in their operations here. It is increasingly difficult for U.S. manufacturing facilities to remain competitive in the face of international competition, but Schulte has committed to growth and investment in Bloomington. ***This situation makes the tax abatement even more critical to the long-term success of the company.***

Schulte's expansion plans come at a very good time for Bloomington workers. As many other manufacturers are reducing employment levels, Schulte remains committed to Bloomington. They provide the types of jobs that many of our community's manufacturing workers are qualified to hold.

If approved for a 10-year abatement, the petitioner's increased property tax liabilities will be phased in, allowing the investor to recoup some of the costs of the investment and improve cash flow in the most critical period of the relocation and expansion. Under a 10-year abatement term on real estate improvements, the public sector will collect just over half of the property tax revenue that they would collect without the abatement – assuming that the project could be implemented as planned. After the 10 year period, the

public sector will collect 100 percent of the increased property taxes from the real estate improvements. Equipment abatements are more difficult to predict due to the effect depreciation has on property taxes generated on equipment. Generally, the public sector will collect less than the total value of the abatement (although less than the value of the abatement to the owner, it is entirely new tax revenue for the public).

The Office of the Mayor supports this project and recommends a 10-year property tax abatement for real property improvements and a 5-year tax abatement on new manufacturing equipment for Schulte Corporation at 1500 S. Patterson Drive. This project will help revitalize Bloomington's largest industrial area into a new, thriving employment center.

City of Bloomington

Property Tax Abatement Program

Schulte Corporation Expansion Project Application

October 18, 2004

1. OWNERSHIP:

- A. Privately Held, Family Owned Company, John Kokenge – Principal Owner – 12115 Ellington Ct. Cincinnati, OH 45249-1000 (513) 489-9300
- B. 100% Ownership
- C. Not applicable
- D. Not applicable

2. PROPERTY DESCRIPTION:

- A. 1500 South Patterson Drive, Bloomington, IN 47403
Building 4, Indiana Enterprise Center - 48.9 acres
- B. See Exhibit A attached

3. CURRENT STATUS OF PROPERTY:

- A. Zoning - Heavy Industrial
- B. Building was built in 1992. No known upgrades to building since it was originally built. Lighting, ventilation, air conditioning, plumbing and security system were recently inspected and repaired to allow use of half of the building as a Distribution Center for Schulte Corporation.
- C. Building is currently being used as a Distribution Center for Schulte Corporation. There are approximately 21 employees of Schulte working at this facility.
- D. Current appraised value of land and building is \$6,300,000. Current appraised value of real estate improvements is estimated to be \$6,186,168. Current property tax assessment is \$138,571 (Tax Year 2003).
- E. No known unique historical structures or aesthetic improvements exist with current property.

4. PROPOSED IMPROVEMENTS:

- A. Site renovation will include building a parking lot, formal front entrance to building on the west side, ADA and visitor parking spaces, access roads with formal entrance gates to property, removal of the rampways connecting Building 4 to Building 3, landscaping, a formal park area for employees to take breaks outside, outdoor lighting, security systems, and signage. Total cost of Site Plan estimated to be \$1,148,001.

Electrical substation will be constructed including 2 transformers that will provide power to the building and processes used by Schulte. Power will be distributed throughout the building. Total cost is estimated to be \$1,711,605.

Two-story office structure will be built to include a formal lobby entrance, employee entrance, cafeteria, training room, administrative offices, restrooms, conference rooms, telephone and computer wiring. Total cost is estimated to be \$1,338,901.

Interior renovation of building to include separating the Manufacturing from the Distribution Center by building walls, adding utilities for water, sanitary sewer, natural gas, compressed air, air make-up, heating and cooling, telephone, computer, fire protection, adding skylights and windows for natural lighting, building interior structures for support departments. Total cost is estimated to be \$1,987,661.

Exhibit B contains a detailed description of the proposed real property improvements.

The proposed personal property additions include approximately \$7.8 million in new manufacturing equipment. Exhibit C describes the equipment expected to be purchased and installed at the new facility.

- B. Sketches of Site Plan, Office Structure and Plant Layout included.
- C. Access road to be built by City to allow access to property from Allen Street without egress across Cook Pharmica property. Estimated cost of road is \$747,000. Water system improvements will be made to provide separate water mains to the various properties in the Indiana Enterprise Center. Estimated cost of water system improvements is \$250,000.
- D. Start date of project for renovating Building 4 is estimated to be October 25th, 2004. Completion date is estimated to be December 31st, 2009.
- E. Because Schulte Corporation is currently landlocked at its property on 2000 Liberty Drive, it was necessary to look for new facilities to grow the company. The property in the Indiana Enterprise Center was chosen to relocate the existing jobs and expand and grow new jobs. Existing jobs that will be relocated to this property are 168. New job growth over the

next five years is estimated at another 223 jobs. Jobs include unskilled, semi-skilled, skilled and salaried positions. See below for payroll figures.

PAYROLL FIGURES

NET NEW JOBS

Year	Number of Full-Time Positions	Payroll
2004	29	\$721,777
2005	55	\$1,434,537
2006	84	\$2,328,039
2007	124	\$3,527,853
2008	172	\$4,975,775
2009	223	\$6,553,478

JOBS RETAINED

Number of Fulltime Positions	Job Title	Skill Level	Current Hourly Wage W/O Fringe	Current Hourly Wage W/ Fringe
62	Gen Op's 1	unskilled	\$ 9.63	\$ 11.50
28	Gen Op's 2	unskilled	\$ 10.27	\$ 12.26
28	Special Op's	semi-skilled	\$ 10.49	\$ 12.53
13	Lead Technician	skilled	\$ 12.11	\$ 14.46
12	Maintenance	skilled	\$ 14.69	\$ 17.54
25	Salaried	skilled	\$ 20.72	\$ 24.74

168

- F. The City will benefit from the revitalization of the Indiana Enterprise Center, which has been a vacant, large industrial site for over 5 years. Schulte will renovate the property including beautification of the site making it an attractive, industrial park where jobs will be created. Schulte will be building and relocating our Training University to this property from Cincinnati where customers, sales reps and employees will be trained on Schulte products, how to install them and how to market and sell them. Because Schulte Corporation uses various companies in the City of Bloomington to provide products and services to help manage and grow

the business, the City will benefit from jobs and taxes maintained or created as a result of Schulte's investments in these companies. A good example of this is the fact that Schulte has chosen a local architect and local builder to renovate the existing property. In addition, Schulte has and will continue to invest in the well being of the community by donating time, money and products to the various charities and institutions of the City of Bloomington.

5. ELIGIBILITY:

- A. In 1998, Thomson Consumer Electronics closed its television assembly plant in Bloomington, Indiana eliminating over 1200 jobs and leaving vacant a 200-acre, 1.8 million square feet industrial facility. The property consisted of four buildings. Building 4 of this property has been vacant since 1998. As a large, vacant warehouse, located in a remote section of the property where it is not visible from public streets, it has not attracted any interest since being vacated. In 1999, a Community Revitalization Enhancement District (CREED) was established at this site to help develop this property for industrial use and is being redeveloped as the Indiana Enterprise Center.

B. Jobs Retained:

90 unskilled jobs averaging \$11.74/hour with benefits
28 semi-skilled jobs averaging \$12.53/hour with benefits
13 skilled positions averaging \$14.46/hour with benefits
12 Skilled Trades positions averaging \$17.54/hour with benefits
25 salaried positions averaging \$24.74/hour with benefits
New Jobs Created (over next 5 years, wages in Year 5):
128 unskilled jobs averaging \$14.49/hour with benefits
44 semi-skilled jobs averaging \$14.88/hour with benefits
14 skilled positions averaging \$16.76/hour with benefits
12 Skilled Trades positions averaging \$20.33/hour with benefits
25 salaried positions averaging \$28.68/hour with benefits

Employee Benefits:

Medical Insurance
Vacation
Short Term Disability
Life Insurance/Accidental Death and Dismemberment
Profit Sharing (Salaried Only)
401(k) Plan
Flexible Benefit Plan –125
Annual Performance Review with Merit Increases
Direct Deposit
Credit Union
Supplemental Insurances

Company Narrative

SCHULTE Corporation is the leading provider of high-quality home storage and organization products with national and international product distribution. SCHULTE's manufacturing and distribution facilities are located in Bloomington, Indiana and headquartered in Cincinnati, Ohio.

The company began in 1919 as a manufacturer of plumbing products. George and Jack Schulte worked out of a garage in Norwood, Ohio, making plumbing parts that were molded and finished by hand to ensure quality. After World War II, SCHULTE expanded its product line to include bathroom fixtures. In 1958, they opened a new manufacturing facility in Cincinnati, Ohio and by the 1970's had outgrown it. A new facility opened in Blue Ash at the same time the company introduced wire shelving with an epoxy powder coating. The shelving line took off, and SCHULTE added a manufacturing plant in Bloomington, Indiana to accommodate the growth in 1986. The bathroom fixture business was sold in the 1990's and all manufacturing and distribution was consolidated in Bloomington. In 1995, the Tru-Space Company was purchased and SCHULTE added melamine (wood products) to its line of products. With the addition of the Tru-Space line, space became an issue at the present location and the Distribution Center was moved to a separate facility. In 2004, SCHULTE purchased a 630,000 sq. ft. building in Bloomington and will be renovating it to allow relocation of the Distribution Center and manufacturing facilities.

SCHULTE produces a complete line of ventilated shelving with a patented hardware mounting system and accessories, an economy ventilated shelving line, freedomRail adjustable hardware, stor-drawer systems, activity organizers, and a complete line of custom wood closets.

SCHULTE products are available at select specialty retail stores and hardware stores, and through an extensive network of dealers and distributors nationwide. The company provides builders, professional installers, dealers, and retailers the opportunity to offer unique, innovative products that are not available at discount stores.

The company currently employs 168 at the Bloomington, Indiana facilities and 35 at its headquarters in Cincinnati, Ohio.

SCHULTE Corporation remains a family owned business.

Schedule A

EXHIBIT A

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

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

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

Chicago Title Insurance Company

This Commitment is valid only if Schedule B is attached.
Schedule A consists of 2 page(s)



STATEMENT OF BENEFITS

State Form 27167 (R7 / 12-01)

Prescribed by the Department of Local Government Finance

FORM
SB - 1

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** a person installs the new manufacturing equipment and / or research and development equipment, or **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, or prior to installation of the new manufacturing equipment and / or research and development equipment, **BEFORE** a deduction may be approved.
3. To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PPME and / or 322 ERA / PPR & DE, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of: (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PPME and / or 322 ERA PPR & DE must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and / or research and development equipment becomes assessable, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
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 Schulte Corporation							
Address of taxpayer (street and number, city, state and ZIP code) 2000 Liberty Drive Bloomington, IN 47403							
Name of contact person PATRICK TAYLOR		Telephone number (812) 334-8839 x15					
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body Common Council of the City of Bloomington		Resolution number					
Location of property 1500 South Patterson Drive Bloomington		County Monroe	Taxing district Penny City				
Description of real property improvements and / or new manufacturing equipment and / or research and development equipment (use additional sheets if necessary) See Attached Exhibits B+C		ESTIMATED					
		Start Date	Completion Date				
		Real Estate	10/25/04 10/1/05				
		New Mfg Equipment	12/27/04 12/31/09				
R & DE							
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 168	Salaries \$4,222,504	Number retained 168	Salaries \$4,222,504	Number additional 223	Salaries \$6,553,478		
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		Machinery		Research and Development Equipment	
		Cost	Assessed Value	Cost	Assessed Value	Cost	Assessed Value
Current values		5,462,500	6,300,000				
Plus estimated values of proposed project		6,186,168		7,652,000			
Less values of any property being replaced							
Net estimated values upon completion of project							
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER					
Estimated solid waste converted (pounds) N/A		Estimated hazardous waste converted (pounds) N/A					
Other benefits: Revitalize Indiana Enterprise Center. Investment in goods and services of companies in Bloomington and the state of Indiana. Reuse old, vacant industrial site. Retain 168 jobs, their wages and benefits. Create 223 new jobs.							
SECTION 6		TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.							
Signature of authorized representative Patrick Tyle				Title VP of Operations		Date signed (month, day, year) 10/17/04	

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; | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. Installation of new manufacturing equipment; | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. Installation of new research and development equipment; | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4. Residentially distressed areas | <input type="checkbox"/> Yes <input type="checkbox"/> No |
- C. The amount of deduction applicable for redevelopment or rehabilitation is limited to \$ _____ cost with an assessed value of \$ _____.
- D. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.
- E. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.
- F. Other limitations or conditions (specify) SEE RES 04-21 & RES 04-22 FOR FURTHER RESTRICTIONS

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 or 4.5

EXHIBIT B
SCHULTE EXPANSION PROJECT
Real Property Improvements

- West side of building will be renovated to create the formal business entrance. Some of the prefab concrete slabs will be removed to install a glass facade. A cul-de-sac drop-off road up to the formal entrance will be constructed. ADA and visitor parking spots will be provided near the entrance.
- A two lane east-west access road will be built on the south end of the building, connecting with the existing road on the west side of the building and to a road that the City will build on the east side. City estimates road on east side to be completed by July 2005. This will require grading the land on the south of the building and providing for drainage.
- A formal gateway entrance complete with landscaping will be installed on the southeast side of the property where employees and visitors will enter the property.
- An employee parking lot with landscaping will be constructed and located on the west side of the building. The existing ramp to this lot on the southwest side of the building will be widened and improved.
- Stairs leading from the parking lot down to the building will be constructed.
- Outdoor lighting will be added to all sides of the building as well as in the parking lot area.
- Landscaping will be installed around the perimeter of the building to enhance the look of the property.
- A two-story office structure approx. 20,000 sq. ft. will be built to include a formal lobby entrance, administrative offices, cafeteria, restrooms, large training room and conference rooms. Walls will be noise attenuating.
- The large training room will be built with platform seating, areas for hands-on training and installation of Schulte products.
- An Employee Outside Break Area in a park like setting will be constructed off the cafeteria. This area will be fenced off and contain landscaping, picnic tables and shelters to create a nice environment for our employees to take breaks.
- Windows and skylights will be installed to bring in natural lighting into the office and manufacturing areas.
- Interior walls will be constructed to partition off the Distribution Center from Manufacturing. Walls will be constructed in the Manufacturing area to partition off the different process departments.
- Interior lighting will be added throughout the building.
- Flatbed pits will be constructed on the inside of the building to allow flatbed trailers to be loaded and unloaded inside the building.
- A canopy will be built to extend over a portion of the Distribution Center office on the north end of the building. The canopy will blend in to the building façade.
- Water, natural gas and sanitary sewer lines will be installed and distributed throughout the building.
- Building heat/air systems will be installed in the building. Finishing Department needs to have a positive pressure. Welding Department negative. Melamine Department can be positive or neutral.
- Ventilation system needs to be designed to handle the Welding process emissions.
- A structure needs to be built to house the Mechanical, Electrical Rooms, Maintenance, Machine Shop, Parts Crib and Chemical Storage areas.

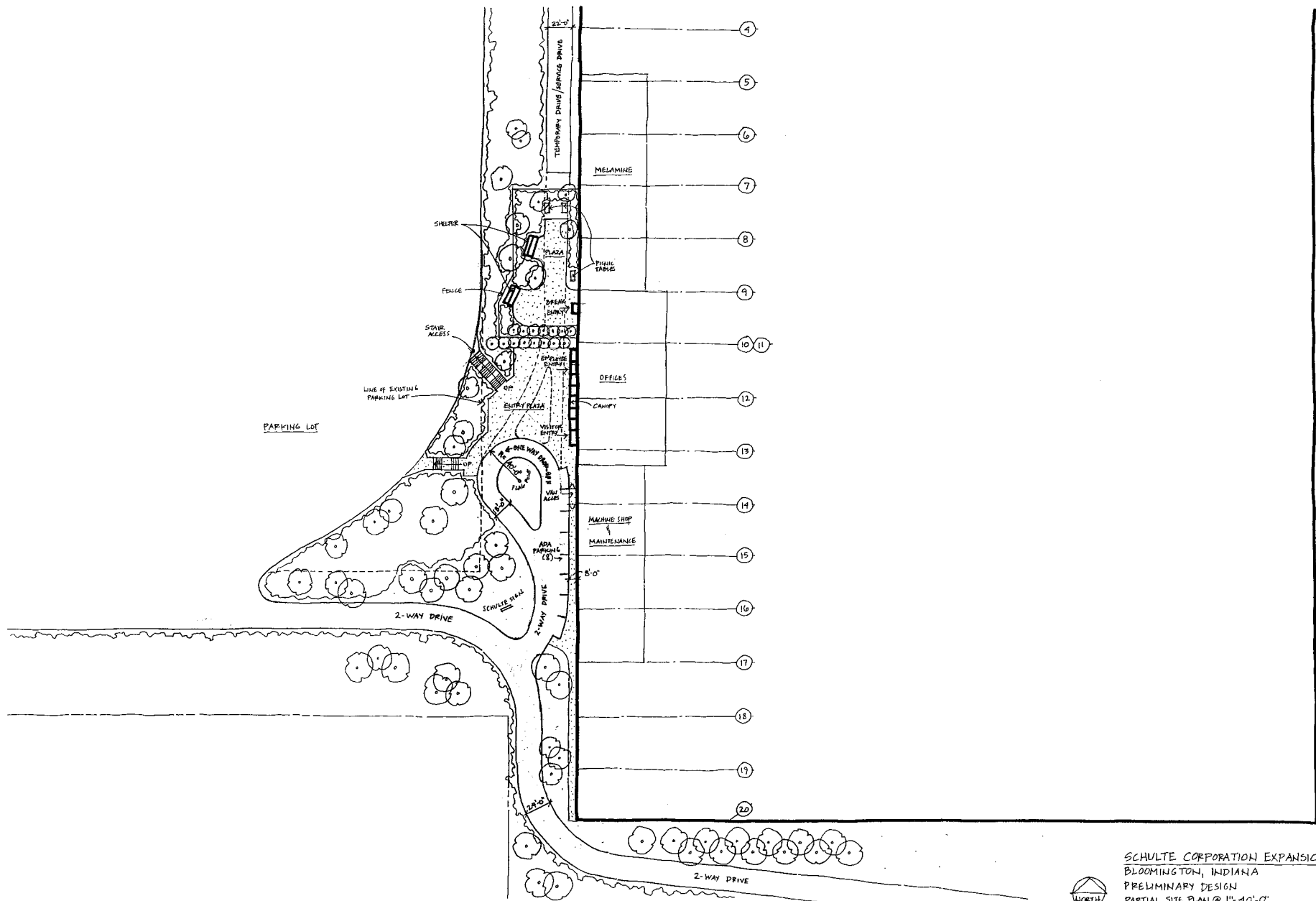
Tax Abatement Calculations for Real Property Improvements

Schulte Corporation

Using 2003 Payable 2004 Tax Rate and AV Estimates

Improvements	\$	6,186,659
Tax Rate		1.9445
Annual Taxes without Abatement	\$	120,300

Year	Abatement Percent	Abatement	Taxes Payable	Taxes Abated
1	100%	\$ 6,186,659	\$ -	\$ 120,300
2	95%	\$ 5,877,326	\$ 6,015	\$ 114,285
3	80%	\$ 4,949,327	\$ 24,060	\$ 96,240
4	65%	\$ 4,021,328	\$ 42,105	\$ 78,195
5	50%	\$ 3,093,330	\$ 60,150	\$ 60,150
6	40%	\$ 2,474,664	\$ 72,180	\$ 48,120
7	30%	\$ 1,855,998	\$ 84,210	\$ 36,090
8	20%	\$ 1,237,332	\$ 96,240	\$ 24,060
9	10%	\$ 618,666	\$ 108,270	\$ 12,030
10	5%	\$ 309,333	\$ 114,285	\$ 6,015
Total Taxes to be Paid:				\$ 607,513
Total Value of Abatement:				\$ 595,483



SCHULTE CORPORATION EXPANSION
 BLOOMINGTON, INDIANA
 PRELIMINARY DESIGN
 PARTIAL SITE PLAN @ 1"=10'-0"
 CHRISTINE MATHEU, ARCHITECT
 29 SEPT 2004 #0403

EXHIBIT C
SCHULTE EXPANSION PROJECT
New Manufacturing Equipment Investments

With the growth of our wire shelving business, we will be investing in resistance welding lines and their supporting equipment. The raw material that is feed in to these lines is produced off Wire Straightening equipment, which requires 4 machines for every weld line. After the wire shelf comes off the weld lines, it is powder coated in large, multi-station, spray booth coating lines.

In our melamine wood product line, we will be investing in sawing, drilling, and edgebanding work centers. Equipment to package these products will also be purchased.

To grow our Stor-Drawer Basket Systems, we will be investing in additional welding, bending and trimming equipment.

Automated assembly and packaging equipment will be purchased to produce all our hardware, which is used to mount our products to the end users walls. In addition, tooling will be purchased to manufacture our hardware out of plastic and metal stampings.

Material handling equipment to move materials from one process to another as well as equipment to pick, pack and ship product from our Distribution Center will be purchased to help grow the business. Additional material storage equipment will be purchased for both Manufacturing and Distribution.

Finally, we will be investing in Maintenance and Tool Room equipment to support our manufacturing.

Estimated Costs – New Manufacturing Equipment

Welding Lines	\$2,320,000
Wire Straightening Equipment	\$480,000
Powder Coating Lines	\$1,800,000
Melamine Machining Equipment	\$1,080,000
Stor-Drawer Basket Equipment	\$155,000
Hardware Assembly/Packaging Equipment	\$370,000
Tooling For Hardware	\$660,000
Material Handling/Storage Equipment	\$700,000
Maintenance/Tool Room Equipment	<u>\$87,000</u>
TOTAL	\$7,652,000

Tax Abatement Calculations for Personal Property

Schulte Corporation

Using 2003 Payable 2004 Tax Rate and AV Estimates

Assessed Value of Personal Property \$ 7,652,000

Tax Rate 2.3175

Abatement Term 5 years

Year	True Tax Value	A.V. without Abatement	Abatement Percent	Abatement	Taxes Payable	Taxes Abated
1	40%	\$3,060,800	100%	\$ 3,060,800	\$ -	\$ 70,934
2	56%	\$4,285,120	80%	\$ 3,428,096	\$ 19,862	\$ 79,446
3	42%	\$3,213,840	60%	\$ 1,928,304	\$ 29,792	\$ 44,688
4	32%	\$2,448,640	40%	\$ 979,456	\$ 34,048	\$ 22,699
5	30%	\$2,295,600	20%	\$ 459,120	\$ 42,560	\$ 10,640
Total Taxes to be Paid:					\$	126,263
Total Value of Abatement:					\$	228,408

Schulte Corporation Tax Abatement Application

Estimated employment figures as submitted on May 25, 2004.

* Starting wage increases after 90 days of training, after 1 year of training and annually thereafter.

Year	Number of Full-time Positions	Job Title	Skill Level	Hourly Starting Wage W/O Fringe	Hourly Starting Wage W/ Fringe	Ave. Hourly Wage W/O Fringe	Ave. Hourly Wage W/ Fringe
2004	4	Gen Op's 1	unskilled	\$7.54/8.24/10.24 - *	\$9.00/9.84/12.23 - *	\$ 10.24	\$ 12.23
2004	12	Gen Op's 2	unskilled	\$8.35/9.05/10.75 - *	\$9.97/10.81/12.84 - *	\$ 10.75	\$ 12.84
2004	4	Special Op's	semi-skilled	\$8.35/9.05/10.75 - *	\$9.97/10.81/12.84 - *	\$ 10.75	\$ 12.84
2004	2	Lead Technician	skilled	\$9.48/10.13/12.11 - *	\$11.32/12.10/14.46 - *	\$ 12.11	\$ 14.46
2004	2	Maintenance	skilled	\$14.69	\$17.54	\$ 14.69	\$ 17.54
2004	5	Salaried	skilled	\$20.72	\$24.74	\$ 20.72	\$ 24.74
Total		29					

Year	Number of Full-time Positions	Job Title	Skill Level	Hourly Starting Wage W/O Fringe	Hourly Starting Wage W/ Fringe	Ave. Hourly Wage W/O Fringe	Ave. Hourly Wage W/ Fringe
2005	11	Gen Op's 1	unskilled	\$7.77/8.49/10.55 - *	\$9.27/10.13/12.59 - *	\$ 10.55	\$ 12.59
2005	19	Gen Op's 2	unskilled	\$8.60/9.32/11.07 - *	\$10.27/11.13/13.22 - *	\$ 11.07	\$ 13.22
2005	10	Special Op's	semi-skilled	\$8.60/9.32/11.07 - *	\$10.27/11.13/13.22 - *	\$ 11.07	\$ 13.22
2005	4	Lead Technician	skilled	\$9.76/10.43/12.47 - *	\$11.66/12.46/14.89 - *	\$ 12.47	\$ 14.89
2005	3	Maintenance	skilled	\$15.13	\$18.07	\$ 15.13	\$ 18.07
2005	8	Salaried	skilled	\$21.34	\$25.48	\$ 21.34	\$ 25.48
Total		55					

Year	Number of Full-time Positions	Job Title	Skill Level	Hourly Starting Wage W/O Fringe	Hourly Starting Wage W/ Fringe	Ave. Hourly Wage W/O Fringe	Ave. Hourly Wage W/ Fringe
2006	19	Gen Op's 1	unskilled	\$8.00/8.74/10.86 - *	\$9.55/10.44/12.97 - *	\$ 10.86	\$ 12.97
2006	27	Gen Op's 2	unskilled	\$8.86/9.60/11.40 - *	\$10.58/11.46/13.62 - *	\$ 11.40	\$ 13.62
2006	16	Special Op's	semi-skilled	\$8.86/9.60/11.40 - *	\$10.58/11.46/13.62 - *	\$ 11.40	\$ 13.62
2006	6	Lead Technician	skilled	\$10.06/10.75/12.85 - *	\$12.01/12.83/15.34 - *	\$ 12.85	\$ 15.34
2006	5	Maintenance	skilled	\$15.58	\$18.61	\$ 15.58	\$ 18.61
2006	11	Salaried	skilled	\$21.98	\$26.25	\$ 21.98	\$ 26.25
Total		84					

Schulte Corporation Tax Abatement Application

Year	Number of Full-time Positions	Job Title	Skill Level	Hourly Starting Wage W/O Fringe	Hourly Starting Wage W/ Fringe	Ave. Hourly Wage W/O Fringe	Ave. Hourly Wage W/ Fringe
2007	33	Gen Op's 1	unskilled	\$8.24/9.00/11.19 - *	\$9.84/10.75/13.36 - *	\$ 11.19	\$ 13.36
2007	36	Gen Op's 2	unskilled	\$9.12/9.89/11.75 - *	\$10.89/11.81/14.03 - *	\$ 11.75	\$ 14.03
2007	24	Special Op's	semi-skilled	\$9.12/9.89/11.75 - *	\$10.89/11.81/14.03 - *	\$ 11.75	\$ 14.03
2007	8	Lead Technician	skilled	\$10.36/11.07/13.23 - *	\$12.37/13.22/15.80 - *	\$ 13.23	\$ 15.80
2007	8	Maintenance	skilled	\$16.05	\$19.17	\$ 16.05	\$ 19.17
2007	15	Salaried	skilled	\$22.64	\$27.03	\$ 22.64	\$ 27.03
Total		124					

Year	Number of Full-time Positions	Job Title	Skill Level	Hourly Starting Wage W/O Fringe	Hourly Starting Wage W/ Fringe	Ave. Hourly Wage W/O Fringe	Ave. Hourly Wage W/ Fringe
2008	51	Gen Op's 1	unskilled	\$8.49/9.27/11.53 - *	\$10.13/11.07/13.76 - *	\$ 11.53	\$ 13.76
2008	46	Gen Op's 2	unskilled	\$9.40/10.19/12.10 - *	\$11.22/12.16/14.45 - *	\$ 12.10	\$ 14.45
2008	34	Special Op's	semi-skilled	\$9.40/10.19/12.10 - *	\$11.22/12.16/14.45 - *	\$ 12.10	\$ 14.45
2008	11	Lead Technician	skilled	\$10.67/11.40/13.63 - *	\$12.74/13.61/16.27 - *	\$ 13.63	\$ 16.27
2008	10	Maintenance	skilled	\$16.53	\$19.74	\$ 16.53	\$ 19.74
2008	20	Salaried	skilled	\$23.32	\$27.84	\$ 23.32	\$ 27.84
Total		172					

Year	Number of Full-time Positions	Job Title	Skill Level	Hourly Starting Wage W/O Fringe	Hourly Starting Wage W/ Fringe	Ave. Hourly Wage W/O Fringe	Ave. Hourly Wage W/ Fringe
2009	70	Gen Op's 1	unskilled	\$8.74/9.55/11.87 - *	\$10.44/11.41/14.17 - *	\$ 11.87	\$ 14.17
2009	58	Gen Op's 2	unskilled	\$9.68/10.49/12.46 - *	\$11.56/12.53/14.88 - *	\$ 12.46	\$ 14.88
2009	44	Special Op's	semi-skilled	\$9.68/10.49/12.46 - *	\$11.56/12.53/14.88 - *	\$ 12.46	\$ 14.88
2009	14	Lead Technician	skilled	\$10.99/11.74/14.04 - *	\$13.12/14.02/16.76 - *	\$ 14.04	\$ 16.76
2009	12	Maintenance	skilled	\$17.03	\$20.33	\$ 17.03	\$ 20.33
2009	25	Salaried	skilled	\$24.02	\$28.68	\$ 24.02	\$ 28.68
Total		223					

Schulte Corporation Tax Abatement Application

Net new Indiana resident employment level and payroll during each phase (cumulative, excluding bonuses, overtime and fringe benefits).

Year	Number of Full-Time Positions	Payroll	Average Annual Wage	Average Hourly Wage	Average Hourly Wage + Fringe Benefits
2004	29	\$721,777	\$24,888.86	\$11.97	\$14.29
2005	55	\$1,434,537	\$26,082.49	\$12.54	\$14.97
2006	84	\$2,328,039	\$27,714.75	\$13.32	\$15.91
2007	124	\$3,527,853	\$28,450.43	\$13.68	\$16.33
2008	172	\$4,975,775	\$28,928.92	\$13.91	\$16.61
2009	223	\$6,553,478	\$29,387.79	\$14.13	\$16.87

Current Employment (retained employment)

Number of Fulltime Positions	Job Title	Skill Level	Current Hourly Wage W/O Fringe	Current Hourly Wage W/ Fringe	Payroll
62	Gen Op's 1	unskilled	\$ 9.63	\$11.50	\$ 1,241,884.80
28	Gen Op's 2	unskilled	\$ 10.27	\$12.26	\$ 598,124.80
28	Special Op's	semi-skilled	\$ 10.49	\$12.53	\$ 610,937.60
13	Lead Technician	skilled	\$ 12.11	\$14.46	\$ 327,454.40
12	Maintenance	skilled	\$ 14.69	\$17.54	\$ 366,662.40
25	Salaried	skilled	\$ 20.72	\$24.74	\$ 1,077,440.00
168					\$ 4,222,504.00

SCHULTE Corporation
BENEFITS Summary-Bloomington (Hourly Employees)
January 1, 2004

Medical Insurance

Anthem PPO

Single Plan: Plan 1 \$12.25/week; Plan 2 \$9.00/week; Plan 3 \$5.00/week

Plus Spouse Plan: Plan 1 \$46.25/week; Plan 2 \$38.25/week; Plan 3 \$28.75/week

Plus Children Plan: Plan 1 \$43.00/week; Plan 2 \$35.50/week; Plan 3 \$26.25/week

Family Plan: Plan 1 69.00/week; Plan 2 \$57.00/week; Plan 3 \$42.00/week

Office Visit: \$20

Prescriptions: \$12 generic and brand (formulary)/\$24 (non-formulary)

Eligibility: salaried employees 30-days after continuous employment

Eligibility: hourly employees 90-days after continuous employment

Vacation

After 1 year – 1 week of paid vacation

After 2 years – 2 weeks of paid vacation

After 5 years – 3 weeks of paid vacation

After 15 years – 4 weeks of paid vacation

Short Term Disability

7-day waiting period for illness

No waiting period injury

\$80.00 per week for 26 weeks

Life Insurance/Accidental Death & Dismemberment

Company paid, one times annual salary up to a maximum of \$50,000 and to the nearest \$5,000. \$25,000 policy minimum.

401(k) Plan

Eligibility requires six-months of employment, plan entry dates are January 1st or

July 1st. Employees may defer up to 50% of gross wages (or as per HCE limit). The Company match is 100% for the first 3% deferred and 55% of the next 5% deferred. Base salary, as well as any bonus payments that are made, will be eligible for 401(k) contribution.

Flexible Benefit Plan-125

SCHULTE offers a Flexible Spending Plan, 125 to employees that have at least 30 days of continuous employment. The Plan allows employees to put aside pre-tax dollars to pay for insurance premiums, dependant care and/or health related expenses that are not covered under other insurance plans.

Performance Review

Performance will be reviewed annually.

Direct Deposit

SCHULTE allows employees to direct deposit all or a portion of their paychecks to the bank of their choice.

Credit Union

The company is affiliated with credit union that employees may join.

Supplemental Insurances

Supplemental Life and Long-term Disability are available.

SCHULTE Corporation
BENEFITS Summary-Bloomington (Salaried Employees)
January 1, 2004

Medical Insurance

Anthem PPO

Single Plan: Plan 1 \$12.25/week; Plan 2 \$9.00/week; Plan 3 \$5.00/week

Plus Spouse Plan: Plan 1 \$46.25/week; Plan 2 \$38.25/week; Plan 3 \$28.75/week

Plus Children Plan: Plan 1 \$43.00/week; Plan 2 \$35.50/week; Plan 3 \$26.25/week

Family Plan: Plan 1 69.00/week; Plan 2 \$57.00/week; Plan 3 \$42.00/week

Office Visit: \$20

Prescriptions: \$12 generic and brand (formulary)/\$24 (non-formulary)

Eligibility: salaried employees-30 days after continuous employment

Vacation

Negotiated first year, 2 weeks 2nd year, 3 weeks after 5 years

Sick Time

Paid sick time

Short term disability

Company paid, based on years with the company, up to 26 weeks of full pay

Life Insurance/Accidental Death & Dismemberment

Company paid, one times annual salary up to a maximum of \$50,000 and to the nearest \$5,000.

Profit Sharing

Effective on start date, the SCHULTE Corporation Profit Sharing Bonus Plan is contingent upon certain levels of consolidated profit achieved. Eligibility is based on annual salary. Distributions will be made on a quarterly basis as net profit goals are achieved.

401(k) Plan

Eligibility requires six-months of employment, plan entry dates are January 1st or July 1st. Employees may defer up to 50% of gross wages (or as per HCE limit). The Company match is 100% for the first 3% deferred and 55% of the next 5% deferred. Base salary, as well as any bonus payments that are made, will be eligible for 401(k) contribution.

Flexible Benefit Plan-125

SCHULTE offers a Flexible Spending Plan, 125 to employees that have at least 30 days of continuous employment. The Plan allows employees to put aside pre-tax dollars to pay for insurance premiums, dependant care and/or health related expenses that are not covered under other insurance plans.

Performance Review

Performance will be reviewed annually.

Direct Deposit

SCHULTE allows employees to direct deposit all or a portion of their paychecks to the bank of their choice.

Credit Union

The company is affiliated with credit union that employees may join.

Supplemental Insurances

Supplemental Life and Long-term Disability are available.

04-45
RESOLUTION
OF THE
REDEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA

WHEREAS, Indiana Code 6-1.1-12.1-2(l) provides that when property located in an Economic Revitalization Area (ERA) for tax abatement purposes is also in a Tax Increment Finance (TIF) allocation area, the Redevelopment Commission must approve the application for the abatement prior to the filing of the deduction application with the County Auditor; and

WHEREAS, Schulte Corporation has applied for tax abatement for improvements to real estate and on new manufacturing equipment on the property it has acquired in the Indiana Enterprise Center, 1500 S. Patterson Drive, Bloomington, Indiana (the "Project"), located in the Thomson Walnut Winslow TIF Area, which request has been approved by the Economic Development Commission and is pending before the Common Council; and

WHEREAS, the Thomson Walnut Winslow TIF fund does not capture tax increment revenues attributable to personal property such as equipment, but only captures revenues attributable to improvements to real estate; and

WHEREAS, the Thomson Walnut Winslow TIF fund (the "Fund") contains sufficient monies to meet the obligations that have been approved to date for payment from the Fund, and the approval of the Project will not impair the ability to meet obligations imposed upon the Fund;

NOW, THEREFORE, BE IT RESOLVED BY THE BLOOMINGTON REDEVELOPMENT COMMISSION THAT:

The application for property tax abatement for the Project described above should be, and hereby is, approved, subject to final approval by the Bloomington Common Council.

BLOOMINGTON REDEVELOPMENT COMMISSION

David Walter, President

ATTEST:

Michael Gentile, Secretary

Date

TIF Revenue Calculations -Thomson Walnut Winslow TIF District

Schulte Corporation

Using 2003 Payable 2004 Tax Rate and AV Estimates

Improvements \$ 6,186,659
Tax Rate 2.6009

Pay Year	Abatement Percent	Net Valuation of Increment	Tax Rate*	New TIF Revenue
2006	100%		2.6009	
2007	95%	\$ 309,333	2.6009	\$ 8,045
2008	80%	\$ 1,237,332	2.6009	\$ 32,182
2009	65%	\$ 2,165,331	2.6009	\$ 56,318
2010	50%	\$ 3,093,330	2.6009	\$ 80,454
2011	40%	\$ 3,711,995	2.6009	\$ 96,545
2012	30%	\$ 4,330,661	2.6009	\$ 112,636
2013	20%	\$ 4,949,327	2.6009	\$ 128,727
2014	10%	\$ 5,567,993	2.6009	\$ 144,818
2015	5%	\$ 5,877,326	2.6009	\$ 152,863
2016	0%	\$ 6,186,659	2.6009	\$ 160,909
2017	0%	\$ 6,186,659	2.6009	\$ 160,909
2018	0%	\$ 6,186,659	2.6009	\$ 160,909
Total TIF Revenues				\$ 1,295,315.95

Schulte Corporation
COMMUNITY INVOLVEMENT

IU Kelly School of Business – Partnership with IU – Working with undergrad and MBA classes to provide business projects to students

Ivy Tech State College – Providing part time employment for students to do projects for Schulte

South Central Indiana Corporate Training Partnership (Ivy Tech) – Schulte is a member and use their training programs for our employees

Habitat For Humanity Housing – Donate products and materials

St. Vincent dePaul Society – Donate time for collecting and distributing used furniture to those in need. Donate our parking lot for parking their furniture truck.

Bloomington High School North - Contribute to the Science Team to participate in the National Science Olympiad

Newspapers in Education - Contribute to provide subscriptions of the Herald Times to classrooms in the Monroe County Community School Corporation

Community Kitchen of Monroe County - Donate turkeys at Thanksgiving, hams at Christmas

Fraternal Order of Police - Annual donation to Christmas Clothe-A-Child

Wildcare (provides treatment for injured wild animals) – Donate shelving

Wonderlab – donated shelving, provided product for their Silent Auction and sponsored a table at their Science Night Out event

Hoosier Youth Philharmonic (HYP) – donate door prizes for Bloomington North and South High School Orchestras

Teacher Warehouse – donate shelving to store materials that are distributed to teachers to be used in classrooms

Member of the Greater Bloomington Chamber of Commerce

Member of the Indiana Chamber of Commerce

Member of Park 37 Committee

Member of the South Central Indiana Human Resources Association

**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).

