



## Packet Related Material

**Memo  
Agenda  
Calendar**

**Notices and Agendas:**

*None*

**Legislation for Discussion:**

**Res 04-08** 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: 1300 S. Patterson Drive (Cook Pharmica, LLC, Petitioner)

- EDC Res 04-03; Maps of PUD; Map of ERA; Summary of Application; Application; Exh A (Legal Description); Exh B1 and B2 (Two Renderings of the Building); Exh C (List of Positions and Salaries); Exh C Supplemental Information (Projected Positions Through 2008); Exh D (Summary of Employee Benefits); Exh E (Statement of Benefits and Attachment); Tax Calculations (Real and Personal Property); Estimated TIF Revenues; Excerpts of Guidelines

Contact: Ron Walker at 349-3534 or [walkerr@bloomington.in.gov](mailto:walkerr@bloomington.in.gov)

**Ord 04-09** To Amend the Bloomington Zoning Maps from RS 3.5/PRO6 To PUD and to Amend the Preliminary Plan for the Renwick Planned Unit Development (PUD) - Re: 2410 East Moores Pike (Ramsey Land Development, Petitioner)

*(Please see the packet distributed on 4/30 for the 5/5 Regular Session to read the legislation and related background material)*

Contact: Tom Micuda at 349-3459 or [micudat@bloomington.in.gov](mailto:micudat@bloomington.in.gov), or  
Pat Shay at 349-3524 or [shayp@bloomington.in.gov](mailto:shayp@bloomington.in.gov)

## Memo

**Chair of Meeting: Sabbagh**

## **Two Items on the Agenda for the Committee of the Whole on Wednesday, May 12, 2004**

There are two items on the Committee of the Whole agenda for Wednesday, May 12<sup>th</sup>. The first is a resolution (**Res 04-08**) which would give initial approval for a tax abatement for the Cook Pharmica project at Building 2 of the Indiana Enterprise Center. The information related to that legislation can be found in this memo and packet. The second is an ordinance (**Ord 04-09**) which would approve the Renwick PUD for the property known as Ramsey Farm and that information can be found in the packet distributed on April 30<sup>th</sup> for the May 5<sup>th</sup> Regular Session.

### **Committee of the Whole - Item 1 - Res 04-08 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: 1300 South Patterson Drive (Cook Pharmica, LLC)**

#### **Two Pieces of Legislation Required Over Two Cycles of the Council**

The first of two items for discussion on Wednesday is **Res 04-08**, which would take the initial step in granting a tax abatement for the large Cook Pharmica, LLC project at Building Two 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 equipment, and declares the 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, which is scheduled for action at the Regular Session on June 2, 2004.*

#### **Cook Pharmica, LLC Project**

Cook Pharmica, LLC is a new contract pharmaceutical manufacturing enterprise that intends to invest \$45 million in and around Building 2 of the Indiana Enterprise Center (IEC) and create 200 well-paying jobs over the next five years. As I understand it, this enterprise will take promising drug formulae from small or

undercapitalized companies and then develop manufacturing procedures, obtain government approvals, and otherwise ready them for the market. Cook Pharmica is seeking a tax abatement on \$36 million worth of improvements to real estate and new equipment. This includes \$19 million for improvements to the building and \$17 million for the installation of new manufacturing equipment (\$14.2 million) and new research and development equipment (\$3 million). One reason Cook Pharmica is seeking an abatement is the anticipated 3-year delay before it can begin selling any products and see a return on this immense investment.

Cook Pharmica has already purchased the 27 acre site containing Building 1 for about \$4.67 million. The building is about 40 years old and covers 430,000 s.f. A little over half of it is now leased by a number of tenants and used to receive, disassemble, sort, store and distribute various materials. These tenants will move to either Building 3 or 4. Cook Pharmica will then make cosmetic improvements to the exterior of the building and renovate about 100,000 s.f. of the interior for use as a pharmaceutical manufacturing facility.

According to Ron Walker, three levels of state government have agreed to pay for public improvements related to this project. Those improvements include a road and sidewalk as well as sewer and water lines at a cost of about \$775,000. The State of Indiana would contribute about \$150,000, the County would contribute \$50,000, and City would contribute about \$575,000 (out of CREED funds).

### **Item 1 - Resolution Designating the ERA, Approving the Statement of Benefits, Authorizing a 10-Year Abatement, and Declaring Intent to Waive Certain Statutory Requirements**

**ERA Designation.** As mentioned above, Res 04-08 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 1, and extending Patterson

Drive through the site. While these efforts have helped draw some businesses to the site, it still has experienced a cessation of growth and is burdened by obsolete structures.

**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 \$19 million to renovate the building which will include high tech, clean manufacturing rooms and will be completed within 20 months after work begins;
- investing \$17 million to install new manufacturing equipment (\$14 million) as well as new research and development equipment (\$3 million) during the years 2005 – 2008;
- creating approximately 150 temporary jobs during the construction and installation phase;
- creating 200 new permanent jobs by 2008 with a total payroll of \$9.46 million (Please see Exhibits C and D for a list of jobs, compensation, and benefits expected through 2008. These documents indicate that most of the employees will hold managerial, professional or technical positions and that the lowest paid employee would begin with salary and benefits package that equals about \$10.90 per hour. Exh D summarizes the generous package of benefits, which include health and life insurance, profit-sharing, paid time off, educational assistance, and access to subsidized fitness and food facilities.)

**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 1 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 as well as the installation of the new manufacturing and new research and development equipment occur after the submittal of a completed statement of benefits by the Petitioner and 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 June 2<sup>nd</sup> 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 \$1.86 million and would forego approximately \$1.83 million in taxes on improvements to real estate over the 10-year abatement. In addition, the property owner would also pay approximately \$560,446 and forego approximately \$834,689 in taxes on the equipment.

**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(1)) 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 May 3<sup>rd</sup> meeting. (See Redev Com Res 04-12) Ron estimates that this project will generate approximately \$2.5 million more in TIF revenues through the year 2018 after accounting for the abatement. (Please see TIF Revenue Calculations).

**Happy Birthday Timothy Mayer!**

**NOTICE AND AGENDA**  
**BLOOMINGTON COMMON COUNCIL COMMITTEE OF THE WHOLE**  
**7:30 P.M., WEDNESDAY, MAY 12, 2004**  
**COUNCIL CHAMBERS**  
**SHOWERS CENTER, 401 N. MORTON**

**Chair: David Sabbagh**

1. Resolution 04-08 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: 1300 S. Patterson Drive (Cook Pharmica, LLC, Petitioner)

Asked to Attend: Ron Walker, Executive Assistant for Economic Development  
Representative of Petitioner

2. Ordinance 04-09 To Amend the Bloomington Zoning Maps from RS 3.5/PRO6 to PUD and to amend the Preliminary Plan for the Renwick Planned Unit Development (PUD) – Re: 2401 East Moores Pike (Ramsey Land Development, Petitioner)

Asked to Attend: Tom Micuda, Director, Planning Department  
Representative of Petitioner

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](mailto:council@bloomington.in.gov)

**To: Council Members**  
**From: Council Office**  
**Re: Calendar for the Week of**  
**May 10, 2004 – May 15, 2004**  
**Date: May 7, 2004**

Monday, May 10, 2004

1:30 pm Mayor's Office – Fannie Mae Announcement, McCloskey  
4:00 pm Community & Family Resources Commission, Hooker Room  
4:00 pm Commission on the Status of Black Males, McCloskey  
4:30 pm Plat Committee, Kelly  
5:30 pm Plan Commission, Council Chambers

Tuesday, May 11, 2004

1:30 pm Development Review Committee, McCloskey  
3:30 pm Housing Trust Fund Board, McCloskey  
5:30 pm Jack Hopkins Social Services Funding Committee, McCloskey  
5:30 pm Bloomington Community Arts Commission, Kelly  
5:30 pm Public Transportation Corporation Board, Transit Center – 130 W. Grimes Ln.

Wednesday, May 12, 2004

2:00 pm Hearing Officer, Kelly  
3:30 pm Bloomington Municipal Facilities Corporation, Hooker Room  
4:00 pm Board of Housing Quality Appeals, McCloskey  
7:30 pm Common Council – Committee of the Whole, Chambers

Thursday, May 13, 2004

12:00 pm Housing Network, IU Research Park – 501 N. Morton St.  
4:00 pm Solid Waste Management District, SWM Facilities – 3400 Old SR 37  
5:30 pm Commission on the Status of Women, Hooker Room (Postponed from Thursday, May 6, 2004, due to State of the City Address)

Friday, May 14, 2004

1:30 pm Metropolitan Planning Organization – Technical Advisory Committee and Policy Committee, McCloskey

*Happy birthday, Tim Mayer!*

Saturday, May 15, 2004

7:00 am Bloomington Community Farmers' Market, Showers Common

**RESOLUTION 04-08**

**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: 1300 S. Patterson Drive  
(Cook Pharmica, LLC, Petitioner)**

- WHEREAS, Cook Pharmica, LLC (“Petitioner”) has filed an application for designation of property it owns at 1300 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 Two of the Indiana Enterprise Center (IEC), install new manufacturing equipment and new research and development equipment, and make improvements to the land, to house a new company engaged in pharmaceutical manufacturing (the “Project”); and
- WHEREAS, the Petitioner has also submitted a statement of benefits to the Council and must, in 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 04-03 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; and
- WHEREAS, since the property is also located in the Thomson Walnut Winslow TIF district, I.C. 6-1.1-12.1-2(1) requires the Redevelopment Commission to approve this tax abatement, which approval was granted on May 3, 2004;
- WHEREAS, pursuant to IC 6-1.1-12.1-11.3, the Petitioner has requested that the Council waive the statutory requirement that the initiation of redevelopment and installation of the new manufacturing and new research and development equipment occur after the submittal of a completed statement of benefits by the Petitioner and after the designation of the ERA and the making of certain findings of facts by the Common Council; and
- WHEREAS, the Common Council is favorably disposed to granting the foregoing waivers and has scheduled the statutorily required public hearing in order to consider the matter; and
- WHEREAS, the Clerk of the City shall publish a notice of the passage of this resolution requesting that persons having objections or remonstrances to the decision of the Council to designate the ERA and waive the foregoing statutory requirements may appear before the Common Council at a public hearing on June 2, 2004;

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 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. 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 designation of the ERA or to the waiver of the project commencement requirements appear before the Common Council at a public hearing on June 2, 2004.

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

\_\_\_\_\_  
MICHAEL DIEKHOFF, 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 1300 S. Patterson Drive as an Economic Revitalization Area (ERA), approves a Statement of Benefits, and authorizes a ten-year period of abatement for the project proposed by the petitioner, Cook Pharmica LLC. It is seeking a tax abatement in order to renovate Building Two of the Indiana Enterprise Center for use as a pharmaceutical manufacturing facility, and install new manufacturing and new research and development equipment. Petitioner is also requesting waiver of the statutory requirements that an ERA be designated, a statement of benefits be submitted, and findings of fact be made before redevelopment of the property or installation of the equipment occurs. The resolution also declares the intent of the Council to hold a public hearing on June 2, 2004 to hear public comment on the foregoing designation, approvals, and waivers before voting on a resolution confirming these actions.

**RESOLUTION 04-03  
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 and research and development equipment installed within the ERA; and

**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**, Cook Pharmica, LLC ("Petitioner") has applied for tax abatement on, and has submitted a Statement of Benefits regarding, its proposed project at 1300 S. Patterson Drive in Bloomington, Indiana, which includes real estate improvements, new manufacturing equipment, and new research and development 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 6-1.1-12.1].

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;

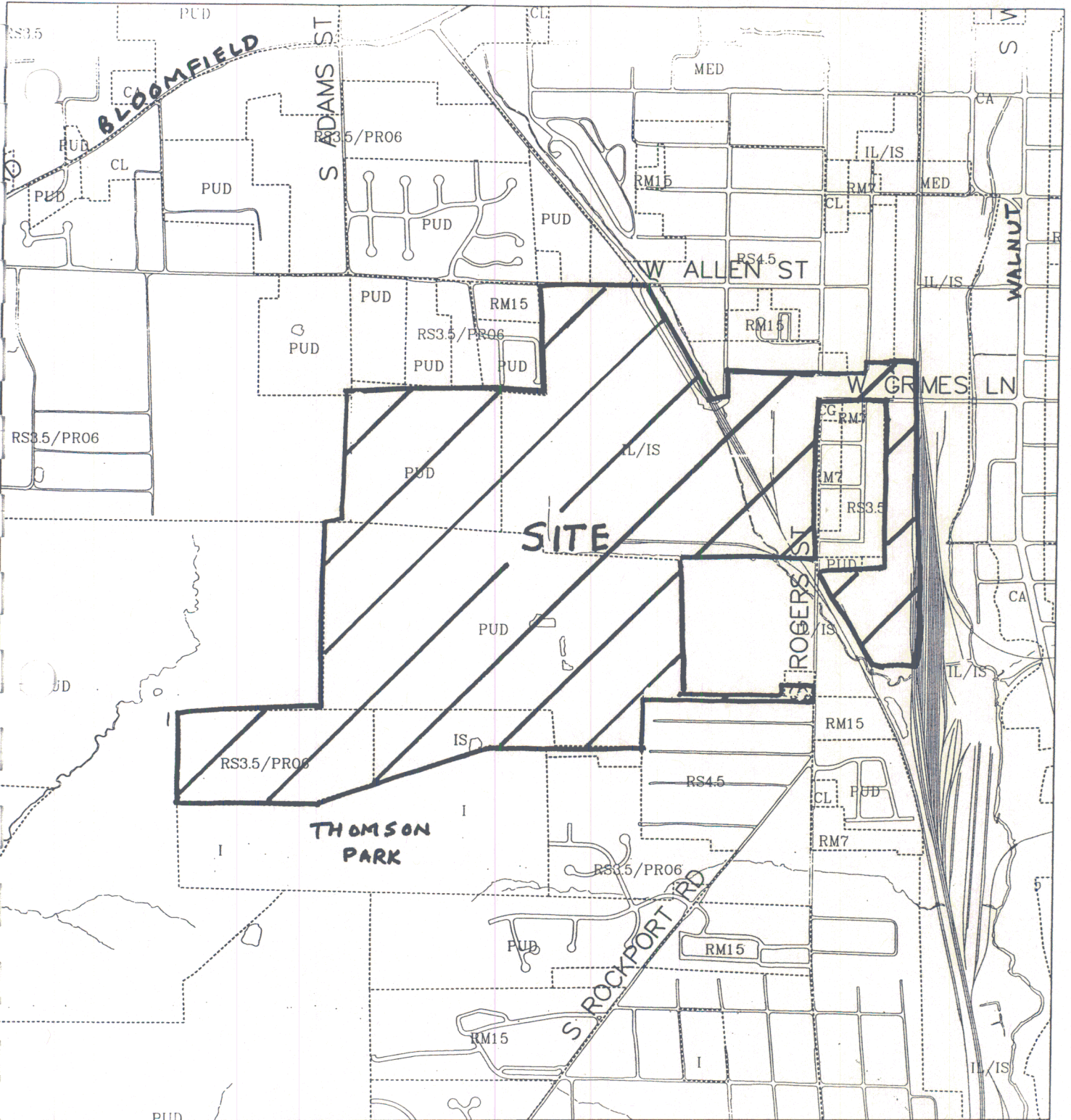
**WHEREAS**, the Economic Development Commission has met and considered Petitioner's application and Statement of Benefits, and has recommended a ten year tax abatement on the proposed improvements and a waiver of Petitioner's noncompliance with the requested statutory provisions;

**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 the property acquired by Cook Pharmica, LLC in the Indiana Enterprise Center, 1300 S. Patterson Drive, Bloomington, Indiana, as an ERA and approve said Statement of Benefits regarding improvements to said site proposed by Petitioner and approve a ten year tax abatement on said improvements.

**APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2004

\_\_\_\_\_  
Dick McGarvey, President  
Bloomington Economic Development Commission

\_\_\_\_\_  
Joyce Poling, Secretary  
Bloomington Economic Development Commission



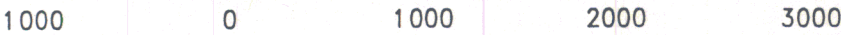
PUD - 41 - 98

Zoning Map

Thomson Site

By: shaym

27 Aug 98



City of Bloomington  
Planning Department



Scale: 1" = 1000'

For reference only; map information NOT warranted.





## **Tax Abatement Applicant Summary**

**To:** City of Bloomington Common Council  
**From:** Ron Walker, Director of Economic Development  
**Date:** May 3, 2004  
**Regarding:**

***Resolution:*** 04-08  
***Applicant:*** Cook Pharmica, LLC  
***Project Address:*** 1300 S. Patterson Drive  
***Phone:*** 812-330-2030  
***Applicant Contact:*** Ted Ferguson

### **Tax Abatement Information:**

***Project Summary:*** Cook Pharmica, LLC is a new business that recently announced that they will locate in the Indiana Enterprise Center. ***Cook Pharmica, LLC is a contract pharmaceutical manufacturer and plans to invest approximately \$45 million and create 200 jobs in the next five years.*** The City of Bloomington, State of Indiana and Monroe County participated in an incentive package to facilitate the location of Cook Pharmica 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, new manufacturing equipment and research and development equipment.

The applicant plans to renovate the building commonly known as Building 2 at the Indiana Enterprise Center. The facility will house Cook Pharmica, LLC. The 430,000 square foot building was built in 1965. The owner proposes to renovate the exterior and 100,000 sq. ft. of the facility; install new manufacturing equipment and new research and development equipment. The owner will also make improvements to the land at that address. a new company engaged in pharmaceutical manufacturing.

***Real Estate Improvement Value:*** \$19,000,000 (see attached application)

***Current Zoning:*** PUD

***Existing Site:*** Approximately 245,000 sq ft. is leased to several tenants for distribution center, disassembly and sorting, and warehousing. Another tenant leases 200 parking spaces.

***Job Creation:*** The applicant estimates that the project will create 200 new jobs in the next five years. An additional 150 temporary construction jobs are also estimated.

**Projected New Annual Wages:** By 2008 annual payroll is estimated to be \$9,455,921 which results in an average salary of \$47,280 or \$22.73 per hour, excluding benefits.

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

**Recommendation:** The Office of the Mayor supports this project and recommends a 10-year abatement.

### **Project Overview & Recommendation:**

In 1997 Thomson Consumer Electronics announced that they would be closing their facility, which included Building 2, and laying off 1,200 employees. In addition to the income loss associated with the loss of jobs (approximately \$39 million annually) the City lost over \$1 million in property tax revenues and \$350,000 in COIT revenues.

A coordinated effort was begun to plan for the redevelopment of the site. Several economic tools were put into place to encourage redevelopment and 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 2003 Cook Group, Inc. began looking at sites, both in and outside of Indiana, for the location of a new company engaged in pharmaceutical manufacturing. In April 2004 Cook Pharmica, LLC purchased the 27.27 acre site (containing what is often referred to as building 2) for the location of their manufacturing facility. The City of Bloomington, State of Indiana and Monroe County offered an incentive package to attract the company to the Indiana Enterprise Center. Support for a 10-year tax abatement was included in the incentive letter from Mayor Kruzan.

On April 22, 2004 Cook Pharmica, LLC submitted a tax abatement application requesting a 10-year abatement on real estate improvements, new manufacturing equipment, and new research and development equipment.

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 assist in retaining businesses
- The project strengthens Bloomington's position as a hub for life science companies
- The project utilizes space that has been periodically 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 create 200 jobs with great benefits and a high average wage

The new investment and improvements at 1300 S. Patterson Drive will generate greater property taxes than the underutilized property currently generates. ***Initial estimates show that the project site will generate \$3.5 million dollars in property tax revenues over the life of the TIF district. Without the petitioner's investment, the project site will generate only \$983,472 over the life of the TIF district (a difference of \$2.5 million).***

Cook Pharmica, LLC is entering a very investment intensive industry. ***It will take approximately three years before the company can begin selling any products. Prior to bringing in revenue, the company will invest in the building and equipment, hire and employ workers, and engage in the manufacturing process in order to validate the equipment and comply with all of the pertinent regulations. This situation makes the tax abatement even more critical to the long-term success of the company.***

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 affect 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, new manufacturing equipment, and research and development equipment for Cook Pharmica, LLC at 1300 S. Patterson Drive. This project will permit the revitalization of Bloomington's largest industrial area into a high technology, life sciences center with high employment and high wages.

**APPLICATION TO THE  
CITY OF BLOOMINGTON  
FOR PROPERTY TAX ABATEMENT**

**1. OWNERSHIP:**

- A. **Name of owner:**  
Cook Pharmica LLC  
P.O. Box 1608  
Bloomington, IN 47402  
(812) 331-1025
- B. **Percentage ownership:** 100%
- C. **Officer of limited liability company:**  
Jerry C. Arthur, President  
P.O. Box 1608  
Bloomington, IN 47402  
(812) 355-6743

**2. PROPERTY DESCRIPTION:**

- A. **Street address:** 1300 Patterson Drive (Building 2 at the Indiana Enterprise Center), Bloomington, Indiana.
- B. **Legal description:** Part of Seminary Lots 56 and 57 in the Office of the Recorder of Monroe County, Indiana, containing 27.27 acres, more or less. *See the legal description attached as Exhibit A.*

**3. CURRENT STATUS OF PROPERTY:**

- A. **Current zoning designation:** P.U.D.  
**Anticipated zoning changes:** None.
- B. **Current improvements to the property:** Improvements consist of Building 2 at the Indiana Enterprise Center (built in 1965 and consisting of approximately 430,000 square feet) which housed manufacturing of consumer electronics until 1998 and also associated parking areas and loading docks.
- C. **Current use of the property:** Approximately 245,000 square feet of the building is currently leased to several tenants who used the property as follows: 170,000 square feet for a distribution center; 40,000 square feet



for disassembly and sorting; and the remainder for warehousing. The Bloomington Hospital leases two hundred (200) parking spaces.

**D. Estimated current market value of land and improvements (27.27 acres, more or less, from three parcels and improvements on one parcel): \$4,675,000**

**2002/2003 assessed values:**

**Land (22 acres)/parcel 015-43770-00: \$1,268,100**

**Land (3.68 acres of 15.645 acres)/parcel 015-43770-01: \$242,868**

**Land (1.941 acres of 9.341 acres)/parcel 015-43780-00: \$101,752**

**Improvements (Building 2)/parcel 015-43770-00: \$1,999,900**

**2004 assessed values:**

**Land (22 acres)/parcel 015-43770-00: \$1,356,500**

**Land (3.68 acres of 15.645 acres)/parcel 015-43770-01: not reassessed yet**

**Land (1.941 acres of 9.341 acres)/parcel 015-43780-00: \$88,626**

**Improvements (Building 2)/parcel 015-43770-00: \$1,999,900**

**2003/payable 2004 tax assessments:**

**Land and improvements (22 acres and Building 2)/parcel 015-43770-00: \$63,546**

**Land (3.68 acres of 15.645 acres)/parcel 015-43770-01: \$4,723**

**Land (1.941 acres of 9.341 acres)/parcel 015-43780-00: \$1,979**

**E. Unique historical structure or aesthetic improvements: None**

**4. PROPOSED IMPROVEMENTS:**

**A. Proposed improvements and projected costs:** In 2004/2005, Owner proposes to renovate 100,000 square feet of Building 2, at an estimated cost of \$19,000,000 (excluding the purchase price of \$4,675,000), for use as a pharmaceutical manufacturing facility. That renovation would include the following items:

- New single-ply membrane roofing and rigid-board roof insulation.
- Cosmetic changes to the exterior of the building.
- Addition of green space to north side of building.
- Installation of new under floor plumbing and electrical power distribution.
- Insulation of roof and walls.
- Construction of office, laboratory, manufacturing and warehouse areas within the existing structure.
- Upgrades to one of two existing freight elevators that are currently out of service.
- Installation of new 4-pipe hot water/chilled water HVAC system.

- New plant steam boilers and piping system.
- New domestic water distribution system.
- New employee restrooms.
- High-purity water system.
- Clean steam boilers and piping system.
- Upgrades to or replacement of existing electrical switchgear.
- New natural gas service.
- New high-efficiency lighting.
- New electrical wiring.
- Standby power generators.
- New floor, wall and ceiling finishes consistent with pharmaceutical manufacturing.
- Employee locker rooms.
- New kitchen and cafeteria.
- Employee fitness center.
- Security and access control systems.
- New phone and data wiring, including connection to T1 or fiber optic network.
- Upgrades to existing passenger elevator or installation of new passenger elevator to make facility ADA compliant.
- Changes to existing fire protection system to separate Building 2 from other buildings on property.
- Material handling equipment for warehouse and loading docks.

Of the area described above, approximately 10,000 square feet would be dedicated to validated clean-room manufacturing of pharmaceutical product. Additional work in that area would include:

- Air-handling equipment sufficient to produce clean-room conditions.
- Sophisticated temperature, pressure and humidity control system.
- Employee gowning areas.
- Automated filling equipment.
- Sterilizers for packaging components and filling equipment.
- Lyophilization (freeze-drying) equipment.
- Formulation equipment, including scales and washing facilities.

Owner proposes to install the machinery described above, at a cost of \$14,200,000, between 2005 and 2008.<sup>1</sup> Additional research and development equipment will also be installed by 2008, at a total cost of \$3,000,000. This includes laboratory, testing, and sampling equipment to support pharmaceutical manufacturing.

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<sup>1</sup>Additionally, Owner proposes to spend approximately \$4,000,000 on furniture, fixtures, office equipment, and computers. These items do not qualify for tax abatement.

- B. **Sketches of finished project:** *See Elevations attached as Exhibits B-1 and B-2.*
- C. **Public improvements and costs:** Public infrastructure improvements (primarily roads and sidewalks, but also water and sewer) will be paid for by the State of Indiana (40%) and the City of Bloomington (by using CReED funds).
- D. **Probable start date:** June of 2004.  
**Probable completion dates:**  
**Real estate:** Twenty (20) months after start date.  
**Manufacturing equipment:** Five (5) years after start date.  
**Research and development equipment:** Five (5) years after start date.
- E. **Type and number of jobs created or retained:** Two hundred (200) permanent full-time positions will be created by the project. These positions will include engineers, information specialists, biochemists, chemists, microbiologists, managers, and production employees.

Owner expects that approximately 150 temporary jobs will be created, for both skilled and unskilled workers, including contractors, construction workers, plumbers, electricians, etc. Local individuals, firms and companies will fill many of the temporary jobs that the proposed project creates.

Owner also expects that the project will enable businesses that provide support services to local residents to create additional jobs. Owner anticipates that employees may live and shop in the near downtown area.

- F. **Beneficial or detrimental economic effect:** Owner will create new jobs in Bloomington. It is possible that Owner will be able to leverage some of the scientific talent that exists at Indiana University.

The new employees will shop, eat, bank, transact business and spend money in the near downtown area.

The City of Bloomington will benefit directly from the increased income and property tax revenue generated by the redeveloped property. The assessed value of the high tech biomedical manufacturing facility will be much higher than the existing partial use for distribution, disassembly, warehousing, and parking.



The Bloomington City Council has designated this site as a Community Revitalization Enhancement District (CReED) because there have been significant obstacles to the redevelopment of the area. (As a CReED, the City of Bloomington will capture incremental income and sales tax revenue from the site to be used in redeveloping the area and attracting new high-quality employment.) The successful development of this property will encourage others to invest in redevelopment of the site.

Owner does not believe that the proposed project will have any detrimental economic effect on the City.

5. **ELIGIBILITY:**

A. **Reasons why project site qualifies as an economic revitalization area:** The project site qualifies as an Economic Revitalization Area because the lack of development, cessation of growth, deterioration of improvements, age, obsolescence and substandard buildings have impaired property values and prevented the normal development and use of the property. Expenses associated with the project site include the cost of renovating the existing building.

B. **Estimated number of new employees and retained employees/salaries and benefits:** Two hundred (200) permanent full-time positions will be created by the project by 2008. The estimated annual payroll of new employees is \$9,455,920. The lowest starting wage and benefits is estimated to be \$10.92 per hour for approximately forty-five (45) production and custodial workers. Included in this wage and benefits are benefits valued at about thirty percent (30%) of wages. It is anticipated these workers will receive a wage increase (based on performance) every six (6) months for the first three (3) years and annually thereafter. The six (6) month wage increases are estimated to be between \$0.35 and \$0.40 for good performers. *See Positions and Wages of New Hires attached as Exhibit C. See Summary of Employee Benefits attached as Exhibit D.*

Owner expects that approximately 150 temporary jobs will be created, for both skilled and unskilled workers, including contractors, construction workers, plumbers, electricians, etc. Local individuals, firms and companies will fill many of the temporary jobs that the proposed project creates. Owner does not know the salaries and benefits of these jobs, but estimates that Owner will spend \$11,700,000 in wages for the project.

C. **Statement of Benefits:** *See Statement of Benefits attached as Exhibit E.*

I hereby certify that the representations made in this application are true to the best of my knowledge and I understand that if the above improvements are not commenced (defined as obtaining a building permit and actual start of construction, or, for equipment-only abatements, installation of the equipment) within 12 months of the date of the designation of the above area as an Economic Revitalization Area (ERA) or of approval of a Statement of Benefits for the above area, whichever occurs later, the Bloomington Common Council shall have the right to void such designation.

I further certify that the individual(s) or business entity that owns the property for which ERA designation is sought and/or who is applying for designation of said property as an ERA or for approval of a Statement of Benefits on said property, 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.

I affirm, under penalties for perjury, that the statements in the foregoing application for tax abatement are true to the best of my knowledge.

OWNER  
Cook Pharmica LLC

Dated: April 21, 2004

\_\_\_\_\_  
By: Jerry C. Arthur, President

\*All owners must sign; all general partners must sign; the president of the corporation must sign.

Please submit this application along with a non-refundable fee of \$100.00. Checks should be made out to the City of Bloomington.

**LEGAL DESCRIPTION FOR BUILDING 2 PARCEL  
AT THE INDIANA ENTERPRISE CENTER  
(27.27 ACRES, MORE OR LESS)**

A part of the Southeast Quarter of Section 5, Township 8 North, Range 1 West, being a part of Seminary Lots 56 and 57 as recorded in Deed Book A, Pages 54 and 55 in the office of the Recorder of Monroe County, Indiana more particularly described as follows:

COMMENCING at an 8" x 8" limestone monument at the southwest corner of the Northwest Quarter of Section 8, Township 8 North, Range 1 West; thence on an assumed bearing NORTH 01 degree 09 minutes 55 seconds East on the west line thereof 1320.08 feet to a limestone monument at the northwest corner of the South Half of said Northwest Quarter; thence SOUTH 85 degrees 36 minutes 23 seconds East on the north line thereof a distance of 1163.07 feet to an 8" x 8" limestone monument; thence NORTH 02 degrees 01 minutes 09 seconds East a distance of 1322.84 feet to an 8" x 8" limestone monument on the north line of said Northwest Quarter; thence SOUTH 85 degrees 20 minutes 57 seconds East on the north line thereof 12.75 feet to a 5/8" rebar with yellow cap marked "Schneider Engineering Corp" at a Southwestern Corner of Land now formerly owned by New Asset Subsidiary LLC (Instr#2001006582) said point being 127.00 feet west of the southeast corner of Seminary Lot 177; thence NORTH 00 degrees 15 minutes 07 seconds East parallel with the East line of said Seminary Lot 177 a distance of 876.65 feet to a 5/8" rebar with yellow cap marked "Schneider Engineering Corp" on the north line of said Lot 177; thence SOUTH 85 degrees 20 minutes 57 seconds East on said north line and the projection thereof 135.25 feet to a 5/8" rebar with yellow cap marked "Schneider Engineering Corp" in the centerline of a vacated 16.5' alley; thence NORTH 00 degrees 15 minutes 07 seconds East on said alley centerline 110.93 feet to a 5/8" rebar with yellow cap stamped "Schneider Engineering Corp" said point being 94.38 feet north of the south line of Seminary Lot 167; thence SOUTH 84 degrees 58 minutes 16 seconds East parallel with the south line of Seminary Lots 167 and 168, 1326.41 feet to a railroad spike on the west line of Seminary Lot 57, said point being on the east line of the vacated 33' right-of-way of Walker Street and the western boundary of Land now or formerly owned by Bloomington LLC (D.B. 480, Pg 775-776) and the POINT OF BEGINNING; thence SOUTH 84 degrees 58 minutes 16 seconds East 407.43 feet on the south line of land of DJM & JMM Real Estate LLC, (Instr# 2003016378) to a 5/8" rebar with cap set; thence NORTH 02 degrees 01 minutes 09 seconds East 780.28 feet on the east line of said Land of DJM & JMM Real Estate LLC; to a chiseled "x" set on the South Right-of-Way of Allen Street; thence on said South Right-of-Way SOUTH 86 degrees 53 minutes 11 seconds East 199.87 to a railroad spike set; thence leaving said South Right-of-Way and on the westerly Right-of-Way of Patterson Drive the following four (4) courses: thence 1) SOUTH 03 degrees 08 minutes 38 seconds West 164.80 feet to a railroad spike set; thence 2) SOUTH 50 degrees 36 minutes 32 seconds East 287.32 feet to a 5/8" rebar with cap set; thence 3) SOUTH 28 degrees 16 minutes 20 seconds East 248.92 feet to a railroad spike set; thence 4) SOUTH 55 degrees 13 minutes 33 seconds East 74.89 feet to a 5/8" rebar with cap set; thence leaving said Right-of-Way SOUTH 26 degrees 26 minutes 56 seconds East 402.79 feet to a P.K.Nail found; thence NORTH 63 degrees 33 minutes 04 seconds East 100.00 feet to a 5/8" rebar found stamped "Bledsoe Tapp"; thence NORTH 26 degrees 26 minutes 56 seconds West 120.20 feet to a 5/8" rebar with cap set; thence SOUTH 86 degrees 36 minutes 54 seconds East 62.49 feet to a railroad spike set; thence SOUTH 03 degrees 13 minutes 38 seconds West 311.47 feet to a 5/8" rebar with cap set; thence SOUTH 26 degrees 26 minutes 56 seconds East 600.32 feet to a 5/8" rebar with cap set; thence NORTH 85 degrees 24 minutes 52 seconds West 583.41 feet to a 5/8" rebar with cap set; thence NORTH 04 degrees 31 minutes 36 seconds East 200.14 feet to a rebar with cap set; thence NORTH 85 degrees 23 minutes 21 seconds West 622.00 feet chiseled "x" set; thence NORTH 04 degrees 36 minutes 39 seconds East 109.76 feet to a railroad spike set; thence NORTH 85 degrees 23 minutes 21 seconds West 323.74 feet to a mag nail found; thence NORTH 04 degrees 34 minutes 19 seconds East 326.98 feet to a railroad spike found; thence NORTH 86 degrees 53 minutes 11 seconds West 80.32 feet to a 5/8" rebar with cap marked "Schnieder Corp"; thence NORTH 00 degrees 15 minutes 07 seconds East 174.34 feet to the POINT OF BEGINNING.

Cook Pharmica\Legal Description\_Exhibit A

**EXHIBIT A**



**COOK PHARMICA, LLC**  
BLOOMINGTON, INDIANA





**COOK PHARMICA, LLC**



**POSITIONS AND WAGES OF NEW HIRES AT  
COOK PHARMICA LLC**

TYPES OF POSITIONS:	NUMBER OF POSITIONS:	AVE. ANNUAL SALARY:	TOTAL WAGES:
Management	20	\$112,551	\$2,251,018
Biochemists/Scientists	5	90,041	450,203
Engineering	5	78,786	393,928
Microbiologists	16	43,709	699,345
Chemists	24	49,173	1,180,145
Information Systems	10	56,275	562,754
Quality Systems	24	50,648	1,215,550
Accounting/Finance	3	39,393	118,178
Sales/Customer Service	12	50,648	607,775
Production	56	22,240	1,245,443
Maintenance/Shipping	25	29,263	731,581
<b>TOTALS BY 2008:</b>	<b>200</b>		<b>\$9,455,920</b>

Cook Pharmica\Positions and Wages of New Hires\_Exhibit C

**EXHIBIT C**

**Cumulative New Jobs (Net New Indiana Resident Employees).**

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	Ave. Annual Salary	Total Payroll
2004	3	Management	Professional	\$ 48.08	\$ 62.50	\$ 48.08	\$ 62.50	\$ 100,000.00	\$ 300,000.00
2004	2	Biochemists/Scientists	Professional	\$ 38.46	\$ 50.00	\$ 38.46	\$ 50.00	\$ 80,000.00	\$ 160,000.00
2004	2	Engineers	Professional	\$ 33.65	\$ 43.75	\$ 33.65	\$ 43.75	\$ 70,000.00	\$ 140,000.00
2004	1	Info Systems	Professional	\$ 24.04	\$ 31.25	\$ 24.04	\$ 31.25	\$ 50,000.00	\$ 50,000.00
2004	1	Quality Systems	Professional	\$ 21.63	\$ 28.13	\$ 21.63	\$ 28.13	\$ 45,000.00	\$ 45,000.00
2004	1	Acct./Finance	Professional	\$ 16.83	\$ 21.88	\$ 16.83	\$ 21.88	\$ 35,000.00	\$ 35,000.00
2004	1	Sales/Customer	Professional	\$ 21.63	\$ 28.13	\$ 21.63	\$ 28.13	\$ 45,000.00	\$ 45,000.00
2004	2	Production	Skilled/Unskilled	\$ 9.50	\$ 12.35	\$ 9.50	\$ 12.35	\$ 19,760.00	\$ 39,520.00
2004	4	Maintenance/Shop	Skilled/Unskilled	\$ 12.50	\$ 16.25	\$ 12.50	\$ 16.25	\$ 26,000.00	\$ 104,000.00
<b>Total</b>	<b>17</b>							<b>Total</b>	<b>\$ 918,520.00</b>
								<b>Average</b>	<b>\$ 54,030.59</b>
								<b>Average/Hr</b>	<b>\$ 25.98</b>

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	Ave. Annual Salary	Total Payroll
2005	7	Management	Professional	\$ 49.52	\$ 64.38	\$ 49.52	\$ 64.38	\$ 103,000.00	\$ 721,000.00
2005	3	Biochemists/Scientists	Professional	\$ 39.62	\$ 51.50	\$ 39.62	\$ 51.50	\$ 82,400.00	\$ 247,200.00
2005	2	Engineers	Professional	\$ 34.66	\$ 45.06	\$ 34.66	\$ 45.06	\$ 72,100.00	\$ 144,200.00
2005	4	Microbiologists	Professional	\$ 19.23	\$ 25.00	\$ 19.23	\$ 25.00	\$ 40,000.00	\$ 160,000.00
2005	4	Chemists	Professional	\$ 21.63	\$ 28.13	\$ 21.63	\$ 28.13	\$ 45,000.00	\$ 180,000.00
2005	3	Info Systems	Professional	\$ 24.76	\$ 32.19	\$ 24.76	\$ 32.19	\$ 51,500.00	\$ 154,500.00
2005	5	Quality Systems	Professional	\$ 22.28	\$ 28.97	\$ 22.28	\$ 28.97	\$ 46,350.00	\$ 231,750.00
2005	1	Acct./Finance	Professional	\$ 17.33	\$ 22.53	\$ 17.33	\$ 22.53	\$ 36,050.00	\$ 36,050.00
2005	3	Sales/Customer	Professional	\$ 22.28	\$ 28.97	\$ 22.28	\$ 28.97	\$ 46,350.00	\$ 139,050.00
2005	10	Production	Skilled/Unskilled	\$ 9.79	\$ 12.72	\$ 9.79	\$ 12.72	\$ 20,352.80	\$ 203,528.00
2005	8	Maintenance/Shop	Skilled/Unskilled	\$ 12.88	\$ 16.74	\$ 12.88	\$ 16.74	\$ 26,780.00	\$ 214,240.00
<b>Total</b>	<b>50</b>							<b>Total</b>	<b>\$ 2,431,518.00</b>
								<b>Average</b>	<b>\$ 48,630.36</b>
								<b>Average/Hr</b>	<b>\$ 23.38</b>

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	Ave. Annual Salary	Total Payroll
2006	9	Management	Professional	\$ 51.00	\$ 66.31	\$ 51.00	\$ 66.31	\$ 106,090.00	\$ 954,810.00
2006	3	Biochemists/Scie	Professional	\$ 40.80	\$ 53.05	\$ 40.80	\$ 53.05	\$ 84,872.00	\$ 254,616.00
2006	3	Engineers	Professional	\$ 35.70	\$ 46.41	\$ 35.70	\$ 46.41	\$ 74,263.00	\$ 222,789.00
2006	8	Microbiologists	Professional	\$ 19.81	\$ 25.75	\$ 19.81	\$ 25.75	\$ 41,200.00	\$ 329,600.00
2006	12	Chemists	Professional	\$ 22.28	\$ 28.97	\$ 22.28	\$ 28.97	\$ 46,350.00	\$ 556,200.00
2006	5	Info Systems	Professional	\$ 25.50	\$ 33.15	\$ 25.50	\$ 33.15	\$ 53,045.00	\$ 265,225.00
2006	13	Quality Systems	Professional	\$ 22.95	\$ 29.84	\$ 22.95	\$ 29.84	\$ 47,740.50	\$ 620,626.50
2006	2	Acct/Finance	Professional	\$ 17.85	\$ 23.21	\$ 17.85	\$ 23.21	\$ 37,131.50	\$ 74,263.00
2006	7	Sales/Customer	Professional	\$ 22.95	\$ 29.84	\$ 22.95	\$ 29.84	\$ 47,740.50	\$ 334,183.50
2006	28	Production	Skilled/Unskill	\$ 10.08	\$ 13.10	\$ 10.08	\$ 13.10	\$ 20,963.38	\$ 586,974.75
2006	14	Maintenance/Shi	Skilled/Unskill	\$ 13.26	\$ 17.24	\$ 13.26	\$ 17.24	\$ 27,583.40	\$ 386,167.60
<b>Total</b>	<b>104</b>							<b>Total</b>	<b>\$ 4,585,455.35</b>
								<b>Average</b>	<b>\$ 44,090.92</b>
								<b>Average/Hr</b>	<b>\$ 21.20</b>

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	Ave. Annual Salary	Total Payroll
2007	12	Management	Professional	52.53	68.30	52.53	68.30	\$ 109,272.70	\$ 1,311,272.40
2007	5	Biochemists/Scie	Professional	42.03	54.64	42.03	54.64	\$ 87,418.16	\$ 437,090.80
2007	5	Engineers	Professional	36.77	47.81	36.77	47.81	\$ 76,490.89	\$ 382,454.45
2007	14	Microbiologists	Professional	20.40	26.52	20.40	26.52	\$ 42,436.00	\$ 594,104.00
2007	20	Chemists	Professional	22.95	29.84	22.95	29.84	\$ 47,740.50	\$ 954,810.00
2007	8	Info Systems	Professional	26.27	34.15	26.27	34.15	\$ 54,636.35	\$ 437,090.80
2007	21	Quality Systems	Professional	23.64	30.73	23.64	30.73	\$ 49,172.72	\$ 1,032,627.02
2007	3	Acct/Finance	Professional	18.39	23.90	18.39	23.90	\$ 38,245.45	\$ 114,736.34
2007	10	Sales/Customer	Professional	23.64	30.73	23.64	30.73	\$ 49,172.72	\$ 491,727.15
2007	36	Production	Skilled/Unskill	10.38	13.50	10.38	13.50	\$ 21,592.29	\$ 777,322.28
2007	18	Maintenance/Shi	Skilled/Unskill	13.66	17.76	13.66	17.76	\$ 28,410.90	\$ 511,396.24
<b>Total</b>	<b>152</b>							<b>Total</b>	<b>\$ 7,044,631.46</b>
								<b>Average</b>	<b>\$ 46,346.26</b>
								<b>Average/Hr</b>	<b>\$ 22.28</b>



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	Ave. Annual Salary	Total Payroll
2008	20	Management	Professional	54.11	70.34	54.11	70.34	\$ 112,550.88	\$ 2,251,017.62
2008	5	Biochemists/Scie	Professional	43.29	56.28	43.29	56.28	\$ 90,040.70	\$ 450,203.52
2008	5	Engineers	Professional	37.88	49.24	37.88	49.24	\$ 78,785.62	\$ 393,928.08
2008	16	Microbiologists	Professional	21.01	27.32	21.01	27.32	\$ 43,709.08	\$ 699,345.28
2008	24	Chemists	Professional	23.64	30.73	23.64	30.73	\$ 49,172.72	\$ 1,180,145.16
2008	10	Info Systems	Professional	27.06	35.17	27.06	35.17	\$ 56,275.44	\$ 562,754.41
2008	24	Quality Systems	Professional	24.35	31.65	24.35	31.65	\$ 50,647.90	\$ 1,215,549.51
2008	3	Acct/Finance	Professional	18.94	24.62	18.94	24.62	\$ 39,392.81	\$ 118,178.43
2008	12	Sales/Customer	Professional	24.35	31.65	24.35	31.65	\$ 50,647.90	\$ 607,774.76
2008	56	Production	Skilled/Unskill	10.69	13.90	10.69	13.90	\$ 22,240.05	\$ 1,245,443.03
2008	25	Maintenance/Shi	Skilled/Unskill	14.07	18.29	14.07	18.29	\$ 29,263.23	\$ 731,580.73
<b>Total</b>	<b>200</b>							<b>Total</b>	<b>\$ 9,455,920.53</b>
								<b>Average</b>	<b>\$ 47,279.60</b>
								<b>Average/HR</b>	<b>\$ 22.73</b>

## **SUMMARY OF EMPLOYEE BENEFITS FOR COOK PHARMICA LLC**

Incentive Plan: Each employee will share in the success of Cook Pharmica LLC through the Quarterly Incentive Bonus. This compensation will vary based on Cook Pharmica LLC's performance relative to its goals. Similar incentive plans at Cook Incorporated are providing an additional 5% to employees.

Cook Group Health Plan: Each employee and his/her dependents will be eligible to enroll in the Cook Group Incorporated Health Plan. An employee uses pre-tax dollars to pay a portion of the heavily subsidized health plan. For example, an individual enrolled in the Cook Group Incorporated Health Plan in 2004 will pay \$45 per month with the Health Plan paying the remaining premium. Co-pays and deductibles also apply. Employees living in the Bloomington area are able to utilize the Cook Family Clinic. This provides same day access to a primary care physician and an on-site pharmacy.

Life Insurance: Cook Pharmica LLC will provide all employees life insurance coverage, at no cost. The amount of coverage is calculated as 1.5 times the employee's annual wages. The maximum amount of coverage is \$75,000 and the minimal amount of coverage is \$25,000. Salaried employees also receive additional disability benefits.

Cook Group Profit Sharing Plan/401(k) Plan: Each employee who elects to contribute to the 401(k) Plan receives a dollar for dollar match on his/her contributions up to 4% of his/her wages. In addition, each employee receives a discretionary contribution to his/her Profit Sharing Account. For the last five (5) years, this has been an additional 4% annually.

Paid-time off in the form of Vacation, Holiday, Sick Days, and Personal Days: Employees receive eight (8) paid holidays each year. In addition, each employee receives five (5) days of paid vacation the first year, ten (10) days the second year, and fifteen (15) days after seven (7) years. The number of vacation days increases until the maximum number of twenty (20) days is reached after seventeen (17) years. Employees also receive one paid personal day after six (6) months, two (2) days after three (3) years, and three (3) days after ten (10) years.

Fitness Facility: Cook Pharmica LLC will have an on-site fitness center for use by employees at no charge.

Cafeteria: It is anticipated that Cook Pharmica LLC will have a cafeteria for its employees that will sell meals at the cost of the food. The cost of the kitchen equipment and cafeteria staff will be absorbed by Cook Pharmica LLC.

Educational Assistance Program: It is anticipated that Cook Pharmica LLC will adopt a program that allows employees to be reimbursed up to \$4,000 annually for furthering their education. This is consistent with other COOK companies.



# STATEMENT OF BENEFITS

State Form 27167 (R7 / 12-01)

Prescribed by the Department of Local Government Finance

FORM SB - 1

### INSTRUCTIONS:

- 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 the areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- 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.
- 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.
- 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)
- 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  
**Cook Pharmica LLC**

Address of taxpayer (street and number, city, state and ZIP code)  
**P.O. Box 1608, Bloomington, IN 47402**

Name of contact person  
**Theodore J. Ferguson, Attorney at Law**

Telephone number  
**(812) 330-2030**

## SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body  
**Common Council of the City of Bloomington**

Resolution number

Location of property  
**1300 Patterson Drive**

County  
**Monroe**

Taxing district  
**Perry City**

Description of real property improvements and / or new manufacturing equipment and / or research and development equipment (use additional sheets if necessary)  
**See attachment.**

	ESTIMATED	
	Start Date	Completion Date
Real Estate	6/04	12/05
New Mfg Equipment		5 years
R & DE		5 years

## SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
0	0	N/A	N/A	See attachment	See attachment

## 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	2,000,000	2,000,000	0	0	0	0
Plus estimated values of proposed project	19,000,000	19,000,000	14,200,000	5,680,000	3,000,000	1,200,000
Less values of any property being replaced						
Net estimated values upon completion of project	21,000,000	21,000,000	14,200,000	5,680,000	3,000,000	1,200,000

## SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) \_\_\_\_\_ Estimated hazardous waste converted (pounds) \_\_\_\_\_

Other benefits:  
**See attachment.**

## SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative  
*Jerry C. Arthur*

Title  
**Jerry C. Arthur President**

Date signed (month, day, year)  
**April 21, 2004**

**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) \_\_\_\_\_

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



**ATTACHMENT TO STATEMENT OF BENEFITS  
OF COOK PHARMICA LLC  
APRIL OF 2004**

**Section 2/Location and Description of Proposed Project**

Description of real property improvements and/or new manufacturing equipment and/or research and development equipment: Taxpayer proposes to renovate 100,000 square feet of an existing building, at an estimated cost of \$19,000,000. This cost includes the expense of separating a portion of the building, adding towers and stucco to the exterior of the building, and creating a state-of-the-art clean room manufacturing space. Taxpayer also proposes to install new manufacturing equipment for pharmaceutical product, totaling \$14,200,000, and research and development equipment, totaling \$3,000,000.

**Section 3/Estimate of Employees and Salaries as Result of Proposed Project**

Number additional: 200 employees and an additional 150 temporary construction jobs for approximately twenty (20) months of construction are anticipated.

Salaries: \$9,455,920 in salaries in 2008 in addition to an anticipated \$11,200,000 in wages generated from temporary construction jobs.

**Section 5/Waste Converted and Other Benefits Promised by the Taxpayer**

Other benefits: The City of Bloomington will benefit directly from the increased income and property tax revenue generated by the redeveloped property. The assessed value of the manufacturing facility will be much higher than the existing partial use for distribution, disassembly, warehousing, and parking. The successful development of this property will encourage others to invest in redevelopment of the site.

**Tax Abatement Calculations for *Real Property Improvements***

Cook Pharmica, LLC.

Using 2003 Payable 2004 Tax Rate and AV Estimates

Improvements \$ 19,000,000  
Tax Rate 1.9445%  
Annual Taxes without Abatement \$ 369,455

<b>Year</b>	<b>Abatement Percent</b>	<b>Abatement</b>	<b>Taxes Payable</b>	<b>Taxes Abated</b>
<b>1</b>	100%	\$ 19,000,000	\$ -	\$ 369,455
<b>2</b>	95%	\$ 18,050,000	\$ 18,473	\$ 350,982
<b>3</b>	80%	\$ 15,200,000	\$ 73,891	\$ 295,564
<b>4</b>	65%	\$ 12,350,000	\$ 129,309	\$ 240,146
<b>5</b>	50%	\$ 9,500,000	\$ 184,728	\$ 184,728
<b>6</b>	40%	\$ 7,600,000	\$ 221,673	\$ 147,782
<b>7</b>	30%	\$ 5,700,000	\$ 258,619	\$ 110,837
<b>8</b>	20%	\$ 3,800,000	\$ 295,564	\$ 73,891
<b>9</b>	10%	\$ 1,900,000	\$ 332,510	\$ 36,946
<b>10</b>	5%	\$ 950,000	\$ 350,982	\$ 18,473

**Total Taxes to be Paid:** \$ 1,865,748  
**Total Value of Abatement:** \$ 1,828,802

**Tax Abatement Calculations for Personal Property**

Cook Pharmica, LLC.

Using 2003 Payable 2004 Tax Rate and AV Estimates

Assessed Value of Personal Property \$ 17,200,000  
 Tax Rate 2.3175%  
 Abatement Term 10 years

Year	True Tax Value	A.V. without Abatement	Abatement Percent	Abatement	Taxes Payable	Taxes Abated
1	40%	\$6,880,000	100%	\$ 6,880,000	\$ -	\$ 159,444
2	56%	\$9,632,000	90%	\$ 8,668,800	\$22,322	\$ 200,899
3	42%	\$7,224,000	80%	\$ 5,779,200	\$33,483	\$ 133,933
4	32%	\$5,504,000	70%	\$ 3,852,800	\$38,267	\$ 89,289
5	30%	\$5,160,000	60%	\$ 3,096,000	\$47,833	\$ 71,750
6	30%	\$5,160,000	50%	\$ 2,580,000	\$59,792	\$ 59,792
7	30%	\$5,160,000	40%	\$ 2,064,000	\$71,750	\$ 47,833
8	30%	\$5,160,000	30%	\$ 1,548,000	\$83,708	\$ 35,875
9	30%	\$5,160,000	20%	\$ 1,032,000	\$95,666	\$ 23,917
10	30%	\$5,160,000	10%	\$ 516,000	\$107,625	\$ 11,958

**Total Taxes to be Paid:** \$ 560,446  
**Total Value of Abatement:** \$ 834,689

**TIF Revenue Calculations -Thomson Walnut Winslow TIF District**

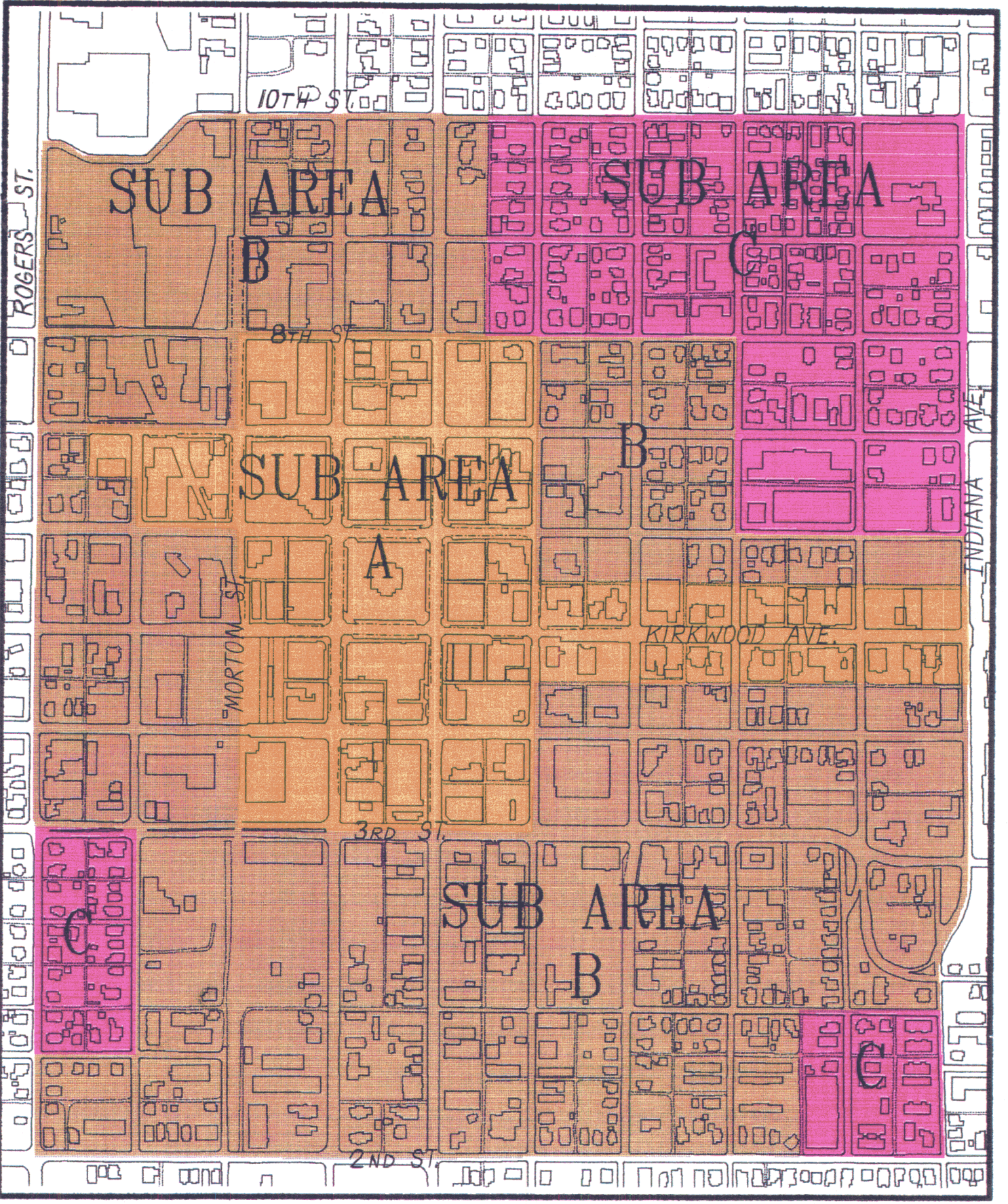
Cook Pharmica, LLC

Using 2003 Payable 2004 Tax Rate and AV Estimates

Improvements \$ 19,000,000  
Tax Rate 2.6009

<b>Pay Year</b>	<b>Abatement Percent</b>	<b>Net Valuation of Increment</b>	<b>Tax Rate*</b>	<b>TIF Revenue</b>
2006	NA	NA	NA	NA
2007	100%		2.6009	
2008	95%	950,000	2.6009	\$ 24,708.55
2009	80%	3,800,000	2.6009	\$ 98,834.20
2010	65%	6,650,000	2.6009	\$ 172,959.85
2011	50%	9,500,000	2.6009	\$ 247,085.50
2012	40%	11,400,000	2.6009	\$ 296,502.60
2013	30%	13,300,000	2.6009	\$ 345,919.70
2014	20%	15,200,000	2.6009	\$ 395,336.80
2015	10%	17,100,000	2.6009	\$ 444,753.90
2016	5%	18,050,000	2.6009	\$ 469,462.45
2017	0%	19,000,000	2.6009	\$ 494,171.00
2018	0%	19,000,000	2.6009	\$ 494,171.00
<b>Total TIF Revenues</b>				<b>\$ 3,483,905.55</b>







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).