



Packet Related Material

Memo

Agenda

Calendar

Notices and Agendas:

Schedule of Council Meetings and Hearings for July through Early September

Legislation for Final Action:

Ord 03-16 To Amend Title 15 of the Bloomington Municipal Code Entitled "Vehicles And Traffic" (Amending the University Proximate Residential Neighborhood Permit Parking Program by Establishing Zones 5, 6, and 7 in the Old Northeast Downtown Neighborhood and Adjusting Permit Fees)

(Please see the June 13th packet for the summary, legislation, and background materials)

Contact: James McNamara at 349-3406 or mcnamarj@city.bloomington.in.us
Economic Development Package for PTS Project at the Indiana Enterprise Center

Memo from Maren McGrane, Director of Economic Development, Regarding Use Industrial Development Funds (Res 03-11 and Res 03-12)

Res 03-11 To Authorize Expenditures from the Industrial Development Fund for Physical Improvements to Support a Development Project ("PTS Corporation") at the Indiana Enterprise Center

- BIDAC Res 03-01 and Minutes from June 10th

Contact: Maren McGrane at 3493-3534 or mcgranem@city.bloomington.in.us

Res 03-12 To Authorize Expenditures from the Industrial Development Fund for Attainment of Employment Goals by PTS Corporation at the Indiana Enterprise Center

- BIDAC Res 03-02

Contact: Maren McGrane at 3493-3534 or mcgranem@city.bloomington.in.us

Res 03-13 To Approve Application and Authorize Loan from the Business Investment Incentive Loan Fund (To PTS Corporation or a Related Business Entity for Improvements at the Indiana Enterprise Center)

- EDC Res 03-02; Memo from Maren McGrane, Director of Economic Development; Amortization Table; **Materials Provided by PTS** including - Application, Loan Information, Business Plan, Project Profile, Collateral, Financial Summaries and Projections, (Accountant's Report is Available in the Council Office); **Program Guidelines**

Contact: Maren McGrane at 3493-3534 or mcgranem@city.bloomington.in.us

Res 03-14 To Designate an Economic Revitalization Area (ERA) - Re: 1300 S. Patterson Drive (PTS Corporation, Petitioner)

- EDC Res 03-01; Memo from Maren McGrane, Director of Economic Development; Summary of Application; Statement of Benefits; Tax Calculations; Application

Contact: Maren McGrane at 3493-3534 or mcgranem@city.bloomington.in.us

Legislation and Background Material for First Reading:

App Ord 03-06 To Specially Appropriate from the Telecommunications Non-Reverting Fund (Infrastructure) Expenditures Not Otherwise Appropriated (Appropriating Funds for High-Speed Data Connectivity to Seven City Sites)

- Memo from Greg Volan, Chief Information Officer; Fund Balance Sheet

Contact: Greg Volan at 349-3485 or volang@city.bloomington.in.us

Minutes from 2003 Regular Sessions:

April 2nd

May 21st

June 18th

Memo

Five Items Ready for Final Action and One Item Ready for First Reading at the Regular Session on Wednesday, July 9th, 2003

The Council will hold the first meeting of July on the second Wednesday and its last meeting on the fifth Wednesday. Along with the usual meetings on Wednesday, the Council will also hear departmental budgets over five evenings in the last two weeks of the month (see schedule in this packet).

The agenda for next week will have five items ready for final action and one item ready for introduction. All but one item can be found in this packet and that item (**Ord 03-16**) can be found in the June 13th packet. These items are briefly noted below with the new ones more fully described further in the memo.

July 9th Regular Session - Final Actions

- Ord 03-16** Amending Title 15 of the BMC (Vehicles and Traffic) by Dividing Zone 4 of the University Proximate Residential Neighborhood Permit Parking Zone into Four Zones Numbered 4, 5, 6 & 7 and Increasing Permit Fees from \$10 to \$15
- Res 03-11** Authorizing the Controller to Reimburse PTS \$300,000 from the Industrial Development Fund Once PTS Verifies Spending that Amount on Capital Improvements at Building Two of the Indiana Enterprise Center (IEC)
- Res 03-12** Authorizing the Controller to Pay up to \$500,000 from the Industrial Development Fund PTS Over 5 Years Upon It Reaching and Maintaining Certain Employment Goals
- Res 03-13** Authorizing a \$100,000 Loan Under Bloomington Investment Incentive Loan Fund Program to PTS for Capital Improvements to IEC Site
- Res 03-14** Designation an Economic Revitalization Area (ERA), Approving a Statement of Benefits, and Authorizing a 5-Year Tax Abatement for Installing \$2.6 Million Worth of New Manufacturing Equipment at Building Two of the IEC Site (PTS, Petitioner)

July 9th Regular Session - First Readings

- App Ord 03-06** Appropriating \$49,990 from the Infrastructure Portion of the Telecommunications Fund to Provide High-Speed Access to the City Network for Seven Remote Facilities

PTS Economic Development Incentive Package
\$800,000 in Payments from Industrial Development Fund
\$100,000 Loan from Bloomington Investment Incentive Loan Fund Program
\$172,000, 5-Year Tax Abatement on \$2.6 Million of New Manufacturing
Equipment

PTS is a local company that repairs electronic equipment for individuals and firms from across the country. It started repairing cell phones about 10 years ago and has

experienced such a 'tremendous growth' in this area over the last few years that it began planning to expand its facilities and hire about 300 additional employees over the current work force of 845. With the help of a multi-fold incentive package from the City, PTS is proposing to expand its operations at the IEC site.

Under this arrangement, PTS is committing to:

- Invest \$800,000 to convert about 29,000 s.f. of the 50,000 s.f. leased in Building Two from warehouse to production space and improve the grounds;
- Add 296 new employees with a salary range of between \$9.00 to \$13 per hour plus benefits;
- Invest a total of \$3.9 million in furniture, computers and equipment (with about \$2.6 million of it for manufacturing equipment).

And, the City is offering an incentive package that includes:

- Using existing Industrial Development Funds to reimburse PTS \$300,000 for its site improvements;
- Using mostly new revenue in the Industrial Development Fund generated by the earnings of the new employees to provide up to \$500,000 to PTS if it adds the 296 employees at the IEC site without significantly reducing its workforce elsewhere;
- Using the Bloomington Investment Incentive Loan Fund to provide a 5-year, \$100,000 loan at 1.05% for improvements to the warehouse and grounds; and
- Authorizing a tax abatement on \$2.6 million of new manufacturing equipment worth about \$172,000 over 5 years.

The following paragraphs summarize these incentives and the programs creating them.

Industrial Development Fund (IDF) and Community Revitalization Enhancement District (CREED)

Res 03-11 and **Res 03-12** bring forward recommendations from the Bloomington Industrial Advisory Commission (BIDAC) to pay PTS as much as \$800,000 from Industrial Development Fund if it meets a certain goals (benchmarks) regarding improvements to real estate and employment. **Res 03-11** authorizes the Controller to reimburse PTS for up to \$300,000 once it has verified spending that amount to prepare the warehouse for the manufacture and repair of electronic devices. **Res 03-12** authorizes the Controller to pay PTS up to \$500,000 over a 5-year period if it

brings 296 employees to the site and keeps them, while replenishing any that were transferred from other facilities.

City's Efforts to Redevelop the Thomson/IEC Site

As you all know, the former Thomson site (now known as the Indiana Enterprise Center - IEC), was vacated in 1998 when Thomson Consumer Electronics closed its television plant on South Rogers Street, eliminated 1,200 jobs, and left behind a 200-acre site with 1.8 million square feet of vacant facilities. The City responded by putting together a task force and retaining the Urban Land Institute to help chart a course for this former cornerstone to our local industrial base that now lay empty.

Following up on the work of the task force, the City took a number of steps to encourage the redevelopment and reuse of the site. Those steps included:

- rezoning the site as a comprehensive mixed use Planned Unit Development;
- using Tax Increment Finance (TIF) District and state and federal funds to complete Patterson Drive;
- seeking a new owner for the site; and
- establishing a newly authorized Community Revitalization Enhancement District (CREED).

Community Revitalization Enhancement District (CREED)

The CREED allows the City to capture state income and sales taxes received within the district over a base amount and set them aside, along with other monies, into the Bloomington Industrial Development Fund until 2013.

Monies from the fund may be used by the City to “enhance the value of real property and make it more suitable for industrial use” and spent upon written recommendation of the Bloomington Industrial Development Advisory Commission (BIDAC) and approval of the Council. Please note that the BIDAC met on June 10th and June 27th to consider these proposals and make these recommendations. Under statute, the City may levy taxes (no more than 1.067 cents per \$100 assessed valuation) and issue bonds based upon CREED revenues. It may also enter into a financing agreement with a developer who intends to develop or redevelop the facility and has secured use of it by a third person. When entering into such a financing agreement, the City may establish goals or benchmarks for the developer to achieve before receiving a fee (per IC 36-7-13-18(b)).

The fund has a balance of \$577,479, which includes the remainder of the Thomson exit package and accumulated interest. The Commission has spent about \$60,000 in marketing the site and has committed up to \$1.1 million of future state revenues to repay the TIF district for the demolition of Building One (see Res 01-11) as well as \$100,000 to Best Beers for improvements along and near West Allen Street (Res 02-37).

Res 03-11 (Authorizing the Controller to Reimburse PTS \$300,000 from the Industrial Development Fund for Improvements to the IEC Site)

Res 03-11 authorizes the Controller to reimburse PTS up to \$300,000 out of existing IDF funds for improvements it has made to the warehouse (Building Two at the IEC site) once PTS has:

- entered into a financing agreement with the City for the development of the warehouse;
- verified that it has met the benchmarks set forth in the resolution by spending at least \$300,000 to prepare the facility for the manufacturing and repair of electronic devices; and
- entered into a development agreement with a 3rd party to use or operate the facility (as required by I.C. 36-7-3.1-18).

Res 03-12 (Authorizing the Controller to Pay up to \$500,000 to PTS Over 5 Years Upon Reaching and Maintaining Certain Employment Goals)

Res 03-12 authorizes the Controller to pay up to \$500,000 to PTS over a 5-year period if PTS reaches and maintains certain employment benchmarks. Most of the money going to PTS will come from income taxes paid by PTS employees. Tom Guevara has estimated that those revenues should amount to about \$159,000 in 2003, an additional \$79,000 in 2004, and a steady \$239,000 for the year 2005 and beyond.

Those benchmarks are briefly noted below in the following bullet-points. In reviewing them, you may note that they do not cover every possible eventuality. For example, while the benchmarks generally tie the City's payment to its receipt of PTS revenues from the state, it is possible for the City to pay PTS from existing funds or other revenues in the first year and, in some cases, future years. Also, while the benchmarks require PTS to maintain the level of employment at its other facilities, it is possible for PTS to receive payments in 2005 and beyond even after it has reduced that level of employment. The Administration appears comfortable with that possibility because PTS would jeopardize its tax abatements and lose the ability to use tax credits if were to significantly reduce employment at those facilities.

- **Initial Quarterly Payment Benchmark** - If PTS brings 296 employees to the site by June 30, 2004 and the state pays \$25,000 into the IDF by the end of the next quarter (e.g. September 30, 2004), then the City will pay PTS \$25,000 for each quarter those conditions have been met (but see "Backfill Benchmark")
- **Initial Annual Payment Benchmark** - If the State does not deposit CREED revenues by September 30, 2004 after PTS has met its employment goal or if PTS is unable to bring 296 employees until the latter half of 2004, then the City will pay PTS \$100,000 in January of 2005 (but see "Backfill Benchmark")
- **Backfill Benchmark** - PTS must replenish the number of employees who were transferred from another facility to the IEC by December 31, 2004 in order to receive payment.
- **Subsequent Annual Payment Benchmark** - If during the years 2005 - 2008, PTS keeps at least 296 employees at the site without significantly reducing its workforce elsewhere, but the state does not deposit the CREED revenues into the IDF on a quarterly basis that year, then the City will pay PTS \$100,000 the following January (if there are sufficient funds in the IDF).
- **Prorated Quarterly Payment (When Falling Below Benchmark)** - If PTS has been receiving quarterly payments, but drops the number of employees at the IEC below 296, then the City will pay them a prorated share of the \$25,000 quarterly payment based upon the percentage of the employment goal it has kept on average for the quarter.
- **Partial Annual Benchmark** - If PTS has never brought at least 296 employees to the IEC, but the State has deposited at least \$236,049 into the IDF in one year as a result of PTS, then the City will pay PTS a prorated share of the \$100,000 based upon the percentage of the employment goal it reached for that year.
- **Incentive Benchmark** - If PTS exceeds its employment goal for the IEC, then the City will pay PTS \$5,000 if it increases the payroll to 325 employees for entire calendar quarter (and the City will pay another \$5,000 for each additional 25 employees kept during the calendar quarter).

Authorizing a \$100,000 Loan Under Bloomington Investment Incentive Loan Fund Program to PTS for Capital Improvements to IEC Site

Res 03-13 authorizes a five-year \$100,000 loan under the Bloomington Investment Incentive Loan Fund Program to PTS Electronics at a 1.05% interest rate to convert a portion of Building Two in the IEC from a warehouse to a production facility. This loan program uses money set aside in a revolving loan fund that was created in 1986

with the adoption of Ord 86-04. After an initial contribution of \$400,000 from the Westside Fund, subsequent transactions, and accumulated interest, Susan Clark reports that the fund had a balance of \$641,638 as of July 1st.

In 1999 the Council approved new guidelines (Res 99-17) that expanded and renamed the program (formerly known as the Industrial Incentive Loan Fund). The new guidelines, which are included in the packet, offer four loan and one grant program. These include:

- a loan program for the retention, expansion and attraction of businesses throughout and on the fringe of the city;
- a loan program for businesses and not-for-profits in the downtown development opportunity overlay district;
- a small grant program for the not-for-profits in the previous district;
- a loan program for business supported child care facilities; and,
- another loan program for public purpose induced business relocation.

This application is for a loan under the business retention, expansion, and attraction guidelines, which are designed to foster a diverse economic base. According to the guidelines, applicants must demonstrate a commitment to job growth, quality wages and benefits, and the overall economic vitality of the community. The project must be in an area zoned for the proposed uses and be supplied with adequate infrastructure. The underlying zoning foresees industrial uses like this for the site (Manufacturing or Light Industrial) and appears supplied by adequate infrastructure.

The program guidelines offer loans for capital projects with a value of over \$250,000 and limits the amount of the loan to 20% of the value of the project up to a maximum of \$100,000. This proposal would provide a \$100,000 loan for an \$800,000 capital project with a net investment of \$500,000 by PTS.

The program guidelines provide a list of criteria which gauge the costs, benefits, and viability of the project. In terms of the viability of the project and integrity of the loan, the application, loan information, and business plan indicate that PTS has:

- been repairing and refurbishing cell phones for about 10 years and that business accounts for approximately 70% of its operations;
- about 5% of the market share and believes it's in a good position to gain more from the primary competitors (manufacturers) because it specializes in repair and is being asked to bid on large service contracts;
- agreed to secure the loan with a second lien on testing equipment with an estimated value of \$170,000; and

- assets exceeding \$4 million and another \$4 million for property and equipment.

Tax Abatement for \$2.6 Million in New Manufacturing Equipment for PTS

Two Resolutions to Authorize Tax Abatement

PTS is requesting a tax abatement on \$2.6 million worth of new manufacturing equipment it proposes to install in Building Two of the IEC. Your action on this tax abatement will require approval of one resolution on July 9th and another resolution at least two weeks later. The first item, **Res 03-14**, gives the initial tax abatement approval for the proposal by designating the property as an Economic Revitalization Area (ERA), approving the statement of benefits, and authorizing a 5-year tax abatement. The second item, **Res 03-15**, confirms the previous resolution after a statutorily required advertised public hearing (now scheduled for July 23rd).

Res 03-14

As mentioned above, **Res 03-14** makes three statutory determinations regarding this project. First, it 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. In this case, the application and summary support this designation because the site is part of:

- the Thomson PUD, which was rezoned by the City after Thomson left in order to attract new investment and redevelopment to the area;
- the CREED, which was established to revitalize an economically distressed area; and
- the Bloomington Urban Enterprise Zone.

Second, the resolution approves the Statement of Benefits and, by doing so, must find that the expected benefits of the manufacturing equipment are reasonable and probable and, on the whole, justify the deduction in taxes. The petitioner has submitted a Statement of Benefits and Application that include the commitment to provide the following benefits:

- investing approximately \$2.6 million in new manufacturing equipment;
- retaining 845 jobs at its facilities within the community and adding 296 jobs at this site with a total payroll of \$6.1 million per year and an hourly rate of between \$9.00 - \$12.00, not including benefits; and
- providing medical insurance and a retirement plan to all employees.

Third, the resolution proposes a 5-year period of tax abatement for the installation of this manufacturing equipment. State law allows us to grant a period of abatement that lasts from 1 - 10 years and the local guidelines offer a presumptive period of abatement for projects depending upon their type and location, and then include factors for increasing or decreasing that period. Those guidelines recommend a 5-year period of abatement for the installation of new manufacturing equipment in this area. A review of the factors for adjusting that period (see materials) indicates that there appear to be at least one factor for increasing the period of abatement (providing well-compensated, permanent jobs) and no factors for decreasing the presumptive period of abatement.

Tax Calculations Maren McGrane has provided estimates of the tax consequences of granting this abatement, which includes the property taxes both paid and abated over the ten years. Those calculations indicate that the property owner would pay approximately \$115,151 and would forego approximately \$172,726 over the 5-year abatement.

First Readings

Item One - Ord 03-06 Appropriating \$49,990 from the Infrastructure Portion of the Telecommunications Fund to Improve Access to the City Network for 7 Remote Facilities

Ord 03-06 appropriates \$49,990 from the Infrastructure portion of the Telecommunications Fund to improve the access of 7 remote city facilities to the City's network. The City established the Telecommunications Fund in 1996 from revenues generated by Cable TV fees and set aside 40% of those revenues to be used "for the planning, design, development, and construction of the City's telecommunications infrastructure." The balance sheet from Susan Clark indicates that there was \$128,241.34 in that portion of the fund at the end of June.

Goal - Provide High- Speed Data Connection for All 26 City Facilities

According to the memo from Greg Volan, the City should eventually connect all of its 26 facilities to its network, so that each facility can transmit and receive data at a rate of at least 1.5 megabits per second (Mbps). This rate is equivalent to what can be provided by a T-1 circuit through the phone company and should be adequate for our future needs. He notes that we have already used Telecommunications funds to connect 7 of the City's 26 facilities by way of the Bloomington Digital Underground and that the transmission of data through this underground fiber loop are at rates that

far exceed those provided by a T-1 circuit. Those sites include City Hall, Police Station, Fire Headquarters, and the Utility Service Center with off-shoots to Fleet, Street, and Fire Station #5.

T-1 Circuits and Wireless Connections are the Recommended Alternatives for the 19 Facilities Not on the BDU

However, it would cost too much to lay fiber to the remaining 19 facilities. As an alternative to laying fiber, Greg recommends that the City either invest in T-1 circuits at an initial cost of about \$5,600 at each location for routers and ongoing costs of about \$250 per month or make a one-time purchase of wireless hardware that would provide the necessary line-of-sight from one location to the next (through masts or towers), but would carry no ongoing costs.

Ordinance Would Allow City to Purchase T-1 Circuits for Two Sites and Wireless Hardware for Five Sites

This appropriation would provide connections to seven facilities where the choice of technology is clear or the need for high-speed access is immediate. It would purchase wireless hardware for 5 locations at a cost of about \$39,000 and T-1 routers at two locations for a cost of about \$11,000. The wireless hardware would connect BACC, Kid City, and Fire Operations (5th and Rogers) to the Police Station, and connect Fire Station #4 to Traffic which would also connect with the Police Station. And, the T-1 circuits would connect Twin Lakes and Cascades to the network. Greg provides the following reasons for acting quickly at these sites: the current connections routinely fail, will discontinue this summer, or cannot handle the data transmitted by the software programs.

Have a Safe and Happy July 4th Weekend!

**NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL REGULAR SESSION
7:30 P.M., WEDNESDAY, JULY 9, 2003
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON**

I. ROLL CALL

II. AGENDA SUMMATION

- III. APPROVAL OF MINUTES FOR:** Regular Session, April 2, 2003
Regular Session, May 21, 2003
Regular Session, June 18, 2003

IV. REPORTS FROM:

- 1. Councilmembers**
- 2. The Mayor and City Offices**
- 3. Council Committees**
- 4. Public**

V. APPOINTMENTS TO BOARDS AND COMMISSIONS

VI. LEGISLATION FOR SECOND READING AND RESOLUTIONS

1. Ordinance 03-16 To Amend Title 15 of the Bloomington Municipal Code Entitled “Vehicles and Traffic” (Amending the University Proximate Residential Neighborhood Permit Parking Program by Establishing Zones 5, 6, and 7 in the Old Northeast Downtown Neighborhood and Adjusting Permit Fees)

Committee Recommendation: Do Pass 8 – 0

Economic Development Incentive Package for PTS
(Coming Forward without Discussion at Committee of the Whole)

2. Resolution 03-11 To Authorize Expenditures from the Industrial Development Fund for Physical Improvements to Support a Development Project (“PTS Corporation”) at the Indiana Enterprise Center

3. Resolution 03-12 To Authorize Expenditures from the Industrial Development Fund for Attainment of Employment Goals by PTS Corporation at the Indiana Enterprise Center

4. Resolution 03-13 To Approve Application and Authorize Loan from the Business Investment Incentive Loan Fund (To PTS Corporation or a Related Business Entity for Improvements at the Indiana Enterprise Center)

5. Resolution 03-14 To Designate an Economic Revitalization Area (ERA) – Re: 1300 S. Patterson Drive (PTS Corporation, Petitioner)

VII. LEGISLATION FOR FIRST READING

1. Appropriation Ordinance 03-06 To Specially Appropriate from the Telecommunications Non-Reverting Fund (Infrastructure) Expenditures Not Otherwise Appropriated (Appropriating Funds for High-Speed Data Connectivity to Seven City Sites)

VIII. PRIVILEGE OF THE FLOOR (This section of the agenda will be limited to 25 minutes maximum, with each speaker limited to 5 minutes)

IX. ADJOURNMENT

City of
Bloomington
Indiana

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Office of the Common Council
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To: Council Members
From: Council Office
Re: Calendar for the Week of
July 7, 2003 – July 12, 2003
Date: July 5, 2003

Monday, July 7, 2003

4:30 pm Plat Committee, Hooker Room
5:00 pm Redevelopment Commission, McCloskey
5:30 pm Plan Commission, Council Chambers
5:30 pm Bicycle and Pedestrian – Work Session, Hooker Room

Tuesday, July 8, 2003

8:00 am Corporation for Capital Improvements and Attractions, Hooker Room
12:00 pm Housing Network, IU Research Park – 501 N. Morton St.
5:30 pm Bloomington Community Arts Commission, Kelly

Wednesday, July 9, 2003

4:00 pm Board of Housing Quality Appeals, McCloskey
7:30 pm Common Council Meeting – Regular Session, Council Chambers

Thursday, July 10, 2003

3:30 pm Historic Preservation Commission, McCloskey

Friday, July 11, 2003

No Meetings Scheduled

Saturday, July 12, 2003

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

**NOTICE & SCHEDULE
FOR COUNCIL BUDGET-RELATED HEARINGS AND
OTHER REGULARLY SCHEDULED MEETINGS
TO BE HELD IN JULY, AUGUST & EARLY SEPTEMBER OF 2003
Budget Hearings (7:00 pm) and Regular Meetings (7:30 pm)
in the City Council Chambers**

Showers Center - 401 North Morton

July

Wednesday, July 9, 2003 Presiding: Gaal 7:30 pm

Common Council Regular Session

Wednesday, July 16, 2003 Chair: Sabbagh 7:30 p.m.

Council Committee of the Whole

Monday, July 21, 2003 Chair Banach 7:00 pm

Departmental Hearings

Employee Services

Legal (*Includes Human Rights and Board of Public Safety as Programs*)

Risk Management

Information and Technology Services

Mayor's Office

City Council

City Clerk

Controller (*Includes Bonds and Leases*)

Tuesday, July 22, 2003 Chair: Cole 7:00 pm

Departmental Hearings

Public Transit

Utilities

Wednesday, July 23, 2003 Presiding: Gaal 7:30 pm

Council Regular Session

Thursday, July 24, 2003 Chair: Diekhoff 7:00 pm

Departmental Hearings

Planning

Housing and Neighborhood Development

Community and Family Resources

Parks and Recreation

Monday, July 28, 2003 Chair: Mayer 7:00 pm

Departmental Hearings

Police Department

Police Pension

Fire Department

Fire Pension

Tuesday, July 29, 2003 Chair: Pizzo 7:00 p.m.

Departmental Hearings

Public Works

Public Works General

Engineering

Street

Sanitation (and Recycling)

Fleet Maintenance

Animal Control

Traffic Control

Parking Enforcement

Telecommunications

Wednesday, July 30, 2003 Chair: Rollo 7:30 p.m.

Council Committee of the Whole

August

Wednesday, August 6, 2003 Presiding: Gaal 7:30 p.m.

Common Council Regular Session

(Council August Recess Begins After August 6th Meeting and ends September 3th 2003)

September

Wednesday, September 3, 2003 Presiding: Gaal 7:30 p.m.

Common Council Regular Session

Introduction of Budget Related Ordinances

(Immediately followed by)

Chair: Ruff

Common Council Committee of the Whole

Discussion of Budget Related Ordinances

Wednesday, September 10, 2003 Presiding: Gaal 7:30 p.m.

Common Council Special Session

Final Action on Budget Related Ordinances

(Immediately followed by)

Chair: Sabbagh

Common Council Committee of the Whole

(Council intends to meet on the remaining Wednesdays in September according to its usual schedule.)

Dated and Posted: July 3, 2003

Memorandum

To: Common Council Members

From: Maren McGrane, Director of Economic Development

Date: June 1, 2003

Re: Resolutions 03-11 and 03-12

PTS Corporation plans to expand its cell phone repair operations into Indiana Enterprise Center (IEC). This expansion will add 296 new jobs, make an investment of \$800,000 in interior and exterior improvements, and invest \$3,900,000 in machinery and equipment. The City is willing to assist with this project through the use of existing funds in the IDF and the reimbursement of revenues generated in the CREED district. Specifically, \$300,000 from the IDF would be available to PTS upon the completion of the initial phase of construction work to Building 2. In addition, if PTS meets certain employment goals, they will be able to receive an additional \$500,000 in CREED revenues. Both expenditures have the support of the Bloomington Industrial Development Advisory Commission.

Resolution 03-11 authorizes an expenditure of \$300,000 from the IDF when PTS meets the benchmark of completing at least \$300,000 in construction work at the site. In order to verify this benchmark, PTS will have to provide copies of paid invoices, detailing the work performed, along with verification from the contractors and visual inspection of the property. Incremental payments may be made for work in progress, but such increments will be limited to no more than six total payments to maintain efficiency of the payment process.

Resolution 03-12 authorizes an expenditure of an additional \$500,000 in CREED funds as PTS meets the employment benchmark of 296 employees. The following benchmarks have been created to set the terms for the distribution of the CREED funds:

- If PTS reaches the 296 employment by June 30, 2004 and at least \$25,000 is deposited in the IDF by September 30, 2004, then PTS shall receive \$25,000 for each quarter during which the 296 employment level is maintained – given that \$25,000 is in the IDF.
- If PTS reaches the 296 employment level by June 30, 2004 but the state doesn't deposit revenues in the IDF by September 30, 2004 or if PTS reaches the goal between June 2004 and December 2004, then \$100,000 shall be paid to PTS in January 2005.
- If the 296 employment level is maintained during a calendar year without decreasing employment levels at other PTS sites and there aren't deposits in the IDF immediately after the quarter in which the revenues were generated, then PTS shall be paid \$100,000 from the IDF, subject to the availability of funds in the IDF and subject to the \$500,000 cap payable to PTS in each January from 2006 – 2009.
- If PTS begins receiving quarterly payments but decreases the number of employees at the IEC site below the 296 level, then they will be eligible to receive a pro-rata share of the CREED revenues for each quarter in which employment is below 296.
- If PTS does not begin receiving quarterly payments and during all or part of calendar years 2004 – 2008 it employs fewer than 296 employees at the IEC site, then after at least

\$236,049 in CREED revenues have been deposited in the IDF, then PTS will begin to receive a pro-rata share of the CREED revenues. This amount will be determined by multiplying \$100,000 by the product of the actual number of employees divided by 296.

- If PTS exceeds its employment level of 296, they will receive additional payments of \$5,000 for each quarter for the first 29 employees over 296, and then for additional increments of 25 over 325 employees.
- If PTS transfers employees from any of its other Monroe County sites to the IEC site and those employees are counted toward the 296 employment level, then PTS shall replace those employees with newly-hired employees not later than December 31, 2004. PTS shall not receive CREED payments until every transferred employee has been replaced.

The total amount of CREED revenues payable to PTS for the employment-based benchmarks will not exceed \$500,000. Any quarterly and/or accelerated payments are conditioned upon tax revenues generated directly by PTS being available in the IDF.

The Administration supports these two expenditures for the following reasons: 1) PTS has expressed a desire to keep all operations in the Bloomington area as opposed to transferring them to another city or state; 2) PTS plans to create 296 new jobs in the IEC, contributing a significant amount of CREED revenue to the IDF; 3) PTS plans to make approximately \$800,000 worth of interior and exterior site improvements to Building 2 in the IEC, which has not seen much activity for the past couple of years; 4) this project is located within the Bloomington Urban Enterprise Zone, which will benefit from this significant investment and job creation project.

Overall, this expansion breaks the barrier to redevelopment that this area has experienced for the past several years and the proposed investment and job creation that will occur both have the potential to encourage additional investment in the area.

RESOLUTION 03-11

TO AUTHORIZE EXPENDITURES FROM THE INDUSTRIAL DEVELOPMENT FUND FOR PHYSICAL IMPROVEMENTS TO SUPPORT A DEVELOPMENT PROJECT ("PTS CORPORATION") AT THE INDIANA ENTERPRISE CENTER

- WHEREAS, in 1998 Thomson Consumer Electronics closed its television assembly plant in Bloomington, Indiana, eliminating 1200 jobs and leaving vacant a 200 acre, 1.8 million square foot industrial facility; and
- WHEREAS, in anticipation of this closure and in accordance with Indiana Code 36-7-13-4, the Common Council adopted Ordinance 97-22, which established the Industrial Development Fund, which is a special fund used for the purposes of industrial development and expansion in or serving the City of Bloomington; and
- WHEREAS, with the adoption of that ordinance, the Common Council also amended the Bloomington Municipal Code in order to establish the Bloomington Industrial Development Advisory Commission (BMC 2.30.060), which has the responsibility to make recommendations to the Common Council for expenditures from the Industrial Development Fund; and
- WHEREAS, in accordance with amendments to I.C. 36-7-13 and I. C. 6-3.1-19 passed by the General Assembly in 1998, the Common Council adopted Resolution 99-15, which proposed the creation of a Community Revitalization Enhancement District (CREED) to assist the community in redeveloping the Thomson site and in attracting new, high-quality employment; and
- WHEREAS, the CREED provides opportunities for the use of certain special economic development tools, including tax credits for qualified investors in the CREED, deposit of certain tax revenues in a fund for the CREED, and bonding ability; and
- WHEREAS, one of those economic development tools allows the City to enter into agreements with developers of property within the CREED, entitling them to payment of a specified sum from the Industrial Development Fund upon attainment of goals or benchmarks on the site, as approved by the Bloomington Industrial Development Advisory Commission and Common Council; and
- WHEREAS, the Industrial Development Fund has a current balance of \$577,479, which includes a combination of funds from the exit package from Thomson and accumulated interest; and
- WHEREAS, PTS Corporation and its related business entities (collectively "PTS"), a manufacturer of electronic equipment, propose expanding its manufacturing facility in Building Two of the Indiana Enterprise Center (IEC) (the "Property"), which requires conversion of warehouse space to production space by installing new interior walls, ceilings, lighting, heating and air conditioning, and electrical service, to standards suitable for manufacturing and repair of electronic devices, at a cost of approximately \$3,000,000; and
- WHEREAS, PTS expects to add a total of 296 employees in its four Bloomington locations after expanding its facility in the IEC, in addition to the 845 employees that currently work for PTS, of which 296 employees will work at the Property; and
- WHEREAS, the infrastructure improvements to the Property that shall constitute benchmarks for purposes of reimbursement pursuant to IC 36-7-13-18(b) shall consist of the completion of an initial phase of work on the conversion of the Property to production space for which PTS has paid at least \$300,000 to the contractor or contractors who performed said work, as evidenced by presentation to the City of copies of paid invoices detailing the work performed and totaling at least \$300,000; verification from the contractors who submitted the invoices that they have been paid; and such other documentation or information, including visual inspection of the Property, as the City may reasonably require to verify that the work has been performed (the "Benchmark");

WHEREAS, to be eligible for payment from the IDF for attainment of the Benchmark, PTS shall be required to enter into a financing agreement with the City of Bloomington for the development of its facility on the Property, and shall also have entered into a separate agreement with some other person or entity for use or operation of the facility, pursuant to IC 36-7-13-18(a); and

WHEREAS, the Bloomington Industrial Development Advisory Commission met on June 10, 2003 to recommend reimbursement of \$300,000 of the cost of the completed Benchmark to PTS from the Industrial Development Fund; and

WHEREAS, the redevelopment of the IEC serves an important public purpose, in the project offers a significant investment in the area and will create new jobs;

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

SECTION 1. The Common Council hereby establishes the Benchmark as a benchmark pursuant to Indiana Code 36-7-13-18(b), and hereby authorizes the City Controller, after verification of completion of the Benchmark at a cost of at least \$300,000 and compliance with the provisions of IC 36-7-13-18, to pay the sum of \$300,000 to PTS Corporation or a related business entity as partial reimbursement for its expenditures associated with attainment of the Benchmark.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2003.

CHRIS GAAL, 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 _____, 2003.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2003.

JOHN FERNANDEZ, Mayor
City of Bloomington

SYNOPSIS

This resolution authorizes an expenditure from the Industrial Development Fund of \$300,000 to reimburse PTS Corporation or a related business entity for a portion of the infrastructure costs necessary to expand and improve its manufacturing facility at the former Thomson site.

RESOLUTION 03-01

TO AUTHORIZE EXPENDITURES FROM THE INDUSTRIAL DEVELOPMENT FUND FOR PHYSICAL IMPROVEMENTS TO SUPPORT A DEVELOPMENT PROJECT ("PTS ELECTRONICS") AT THE INDIANA ENTERPRISE CENTER

WHEREAS, in 1998 Thomson Consumer Electronics closed its television assembly plant in Bloomington, Indiana, eliminating 1200 jobs and leaving vacant a 200 acre, 1.8 million square foot industrial facility; and

WHEREAS, in 1997 the Common Council created pursuant to Indiana Code 36-7-13-4 an Industrial Development Fund, which is a special fund used for the purposes of industrial development and expansion in or serving the City of Bloomington; and

WHEREAS, the Common Council also established the Bloomington Industrial Development Advisory Commission which has the responsibility to make recommendations to the Common Council for expenditures from the Industrial Development Fund; and

WHEREAS, in 1999 a Community Revitalization Enhancement District ("CREED") was established pursuant to Indiana Code 36-7-13 upon the former Thomson site, under which the City may enter into agreements with developers of property within the CREED entitling them to payment of a specified sum from the Industrial Development Fund upon attainment of goals or benchmarks on the site, as approved by the Bloomington Industrial Development Advisory Commission and Common Council; and

WHEREAS, the Industrial Development Fund has a current balance of \$575,767.00; and

WHEREAS, PTS Electronics Corporation and its related business entities ("PTS"), a manufacturer of electronic equipment, proposes expanding its manufacturing facility in Building Two of the Indiana Enterprise Center (IEC) (the "Property"), which requires conversion of warehouse space to production space by installing new interior walls, ceilings, lighting, heating and air conditioning, and electrical service, to standards suitable for manufacturing and repair of electronic devices, at a cost of approximately \$3,000,000; and

WHEREAS, IC 36-7-13-18(b) authorizes a governmental unit containing a CREED to establish goals and benchmarks concerning the development of a property and provide that a developer that meets or exceeds the goals or benchmarks may be paid a specified fee from the IDF; and

WHEREAS, it is desirable to establish benchmarks related to PTS's expansion of its operations on the Property for purposes of reimbursing PTS for part of the costs of its expansion pursuant to IC 36-7-13-18(b); and

WHEREAS, the benchmarks shall consist of the completion of an initial phase of work on the conversion of the Property to production space for which PTS has paid at least \$300,000 to the contractor or contractors who performed said work, as evidenced by presentation to the City of copies of paid invoices detailing the work performed and totaling at least \$300,000; verification from the contractors who submitted the invoices that they have been paid; and such other documentation or information, including visual inspection of the Property, as the City may reasonably require to verify that the benchmarks have been met (the "Benchmarks"); and

WHEREAS, to be eligible for payment from the IDF for attainment of the Benchmarks, PTS shall be required to enter into a financing agreement with the City of Bloomington for the expansion of its facility on the Property and shall also have entered into a separate agreement with some other person or entity for use or operation of the facility, pursuant to IC 36-7-13-18(a); and

WHEREAS, the redevelopment of the IEC serves an important public purpose, in that the project offers a significant investment in the area and will create approximately 300 new jobs;

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

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

1. establish the Benchmarks as benchmarks pursuant to Indiana Code 36-7-13-18(b); and
2. authorize payment of \$300,000 from the IDF to PTS as partial reimbursement for its expenditures associated with attainment of the Benchmarks after the completion of a portion of the Benchmarks costing at least \$300,000 and compliance with the provisions of IC 36-7-13-18.

BLOOMINGTON INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION

Maren McGrane

Vi Simpson

Roger Kent

Richard Rampley

Joyce Poling

Doris Sims

Kirk Hobbs

Approved this _____ day of June, 2003.

:

Bloomington Industrial Development Advisory Commission
Minutes
June 10, 2003

Roll Call: Roger Kent, Joyce Poling, Richard Rampley, Doris Sims, Kirk Hobbs

Guests: Tim Mitchell, First Capital & Indiana Enterprise Center
Linda Williamson – BEDC
Jeff Hamilton – PTS Electronics
Jim Rusie – PTS Electronics
Jeff Buszkiewicz – PTS Electronics
Susan Meyer – WGTC
Sara Morin – Herald Times

City Staff: Mayor John Fernandez
Maren McGrane, Director of Economic Development
Laurel Waters – Staff Assistant, Office of the Mayor

Mayor Fernandez introduced Maren McGrane, the City's new Director of Economic Development.

New Business

Resolution 03-01:

Maren called the BIDAC meeting to order explaining there was only one item on the Agenda, the expansion of PTS Electronics. She stated this expansion would bring approximately 200 employees to PTS in 2003, and approximately 100 in 2004. PTS is looking at the former Thomson Plant #2 for their expansion. The salary range will be between \$9.30 to \$13 per hour. They will also have salaried positions ranging between \$35,000 and \$50,000. PTS will need to upgrade the building which is estimated at approximately \$800,000. Maren explained the City is committed to PTS Electronics for this expansion and has offered \$300,000 in CREED money for this project. After her summary she turned the floor over to Jeff Hamilton, President of PTS.

Jeff Hamilton gave a brief history of PTS Electronics. PTS is the largest independent servicing center for television boards, and probably cell phones. PTS began servicing cell phones in the early 1990's. PTS has experienced tremendous growth from two years ago employing 300 employees, to today employing 900. This growth has brought them to the Thomson facility. The old Plant #2 will need extensive renovation to include an upgraded HVAC system and interior/exterior improvements.

Tom Guevara, City Controller, discussed an independent analysis done for the City of hourly pay, total wages and expected income taxes, this does not include benefits. The weighted average hourly wage would be \$9.78. Total estimated wages for 2003 would be \$4,275,952.00. Income taxes estimated for 2003 would be a total of \$159,920.59. Total

estimated income taxes for 2004 would be \$79,862.46. Total wages 2005 and beyond (annualized) would be approximately \$6,411,413. Expected total income taxes for 2005 and beyond (annualized) \$239,783.05. In summary, by the end of 2004 expected monies collected would be \$240,000 from this expansion which clearly represents the \$300,000 being requested. By the end of the first quarter, 2005 all of the \$300,000 being requested will have been recouped. It has also been discussed granting and additional \$500,000 over the next several years. This can easily be returned by further expansions going forward.

Mayor Fernandez explained that the Thomson facilities are obsolete and need to be updated to state-of-the-art facilities. PTS is asking for \$300,000 now from CREED money from the exit package negotiated with Thomson upon their departure. Additionally, \$500,000 is being pursued from future CREED monies. The CREED structure was created to reward job creation. It is also designed to let the community and private investors share risk, as well as benefits if successful. CREED captures income tax, so as jobs are created that new income tax created in the district is returned to CREED to pay for the costs of getting activity on the site.

Mayor Fernandez further explained that what has been proposed to PTS is to put up the \$300,000 now to get the project moving. The \$300,000 would come from the Thomson exit package revenues. There will be \$275,000 left to help other projects at the site. Also suggested to PTS was to submit an application for a loan from the Incentive Loan Program through the City. Also proposed is an additional \$500,000 as the project goes forward of future CREED money. This is the kind of project the City needs to continue activity at the IEC site.

Members discussed the Resolution. It was decided that the \$300,000 Resolution would be voted on today, and that the Commission would meet again on June 27th for the Resolution to commit the additional \$500,000. Mr. Hamilton preferred to take the entire amount to the City Council at the same time.

Tom Guevara explained that the second Resolution for the additional \$500,000 would be drafted for approval on June 27. Both Resolutions will then go before the City Council as a package.

Motion was made to approve Resolution 03-01 as written. Motion was seconded and passed unanimously.

Meeting adjourned at 1:00 p.m.

RESOLUTION 03-12

TO AUTHORIZE EXPENDITURES FROM THE INDUSTRIAL DEVELOPMENT FUND FOR ATTAINMENT OF EMPLOYMENT GOALS BY PTS CORPORATION AT THE INDIANA ENTERPRISE CENTER

- WHEREAS, in 1998 Thomson Consumer Electronics closed its television assembly plant in Bloomington, Indiana, eliminating 1200 jobs and leaving vacant a 200 acre, 1.8 million square foot industrial facility; and
- WHEREAS, in anticipation of this closure and in accordance with Indiana Code 36-7-13-4, the Common Council adopted Ordinance 97-22, which established the Industrial Development Fund, which is a special fund used for the purposes of industrial development and expansion in or serving the City of Bloomington; and
- WHEREAS, with the adoption of that ordinance, the Common Council also amended the Bloomington Municipal Code in order to establish the Bloomington Industrial Development Advisory Commission (BMC 2.30.060), which has to responsibility to make recommendations to the Common Council for expenditures from the Industrial Development Fund; and
- WHEREAS, in accordance with amendments to I.C. 36-7-13 and I.C. 6-3.1-19 passed by the General Assembly in 1998, the Common Council adopted Resolution 99-15, which proposed the creation of a Community Revitalization Enhancement District (CREED) to assist the community in redeveloping the Thomson site and in attracting new, high-quality employment; and
- WHEREAS, the CREED provides opportunities for the use of certain special economic development tools, including tax credits for qualified investors in the CREED, deposit of certain tax revenues in a fund for the CREED, and bonding ability; and
- WHEREAS, one of those economic development tools allows the City to enter into agreements with developers of property within the CREED, entitling them to payment of a specified sum from the Industrial Development Fund upon attainment of goals or benchmarks on the site, as approved by the Bloomington Industrial Development Advisory Commission and Common Council; and
- WHEREAS, the Industrial Development Fund has a current balance of \$577,479.00, which includes a combination of funds from the exit package from Thomson and accumulated interest; and
- WHEREAS, PTS Corporation and its related business entities (collectively "PTS"), a manufacturer of electronic equipment, propose expanding its manufacturing facility in Building Two of the Indiana Enterprise Center (IEC) (the "Property"), which requires conversion of warehouse space to production space by installing new interior walls, ceilings, lighting, heating and air conditioning, and electrical service, to standards suitable for manufacturing and repair of electronic devices, at a cost of approximately \$800,000 in site improvements and \$2,400,000 in equipment purchases; and
- WHEREAS, PTS expects to add at least 296 employees at the Project after expanding its facility in the IEC, in addition to the 845 employees that currently work for PTS; and
- WHEREAS, PTS expects to employ at least 296 persons in the Project by the end of 2004, without reducing employment levels at its other Bloomington sites, so that PTS will employ at least 1141 persons in Monroe County by December 31, 2004; and

WHEREAS, PTS has received a tax abatement on equipment at its Curry Pike site that requires it to maintain employment at 483 at that site, and it is seeking tax abatement on equipment at the Project that will require it to maintain employment levels at its other Monroe County sites at 845 and hire 296 new employees at the Project in order to retain the abatement; and

WHEREAS, PTS shall file verified quarterly reports with the City listing the number of full-time employees at the Project during the preceding quarter, and if the number fluctuates during the quarter the report shall list the highest and lowest number employed (the "Reports"), and payments hereunder shall be determined based upon the average number of full-time employees employed during the quarter; and

WHEREAS, IC 36-7-13-18(b) authorizes a governmental unit containing a CREED to establish goals and benchmarks concerning the development of a property and provide that a developer that meets or exceeds the goals or benchmarks may be paid a specified fee from the IDF; and

WHEREAS, it is desirable to establish benchmarks related to PTS's expanded employment at the Project during the years 2004 through 2008 for purposes of reimbursing PTS for part of the costs of its expansion pursuant to IC 36-7-13-18(b); and

WHEREAS, the benchmarks (collectively, the "Benchmarks") shall be as follows:

(a) If PTS reaches the employment goal of at least 296 new full-time employees at the Project on or before June 30, 2004, and the State of Indiana deposits CREED revenues of at least \$25,000 based upon PTS's employment of the new employees at the Project into the IDF prior to September 30, 2004 (the "Initial Quarterly Benchmark"), then PTS shall begin receiving quarterly payments of \$25,000 for each calendar quarter during which it maintains the employment goal of at least 296 full-time employees at the Project and the State of Indiana deposits CREED revenues of at least \$25,000 based upon PTS's employment of those persons into the IDF;

(b) As an alternative to the Initial Quarterly Benchmark, if PTS reaches the employment goal of at least 296 full-time employees at the Project on or before June 30, 2004, but the State of Indiana does not deposit CREED revenues based upon PTS's employment of those persons into the IDF prior to September 30, 2004, or if PTS reaches the employment goal of at least 296 full-time employees at the Project between June 30, 2004 and December 31, 2004, (the "Initial Annual Payment Benchmark"), then PTS shall be paid the sum of \$100,000 from the IDF during January, 2005;

(c) If PTS maintains the number of full-time employees at the Project at or above 296 continuously during a calendar year, without significantly reducing the number of employees at its other Bloomington sites, and the State of Indiana does not begin depositing CREED revenues based on the employment of those persons into the IDF on a quarterly basis during the quarter immediately after the quarter during which the revenues are generated (the "Subsequent Annual Payment Benchmarks"), then PTS shall be paid the sum of \$100,000 from the IDF, subject to availability of funds in the IDF and subject to the \$500,000 cap on CREED revenues payable for meeting the employment benchmarks, in each January during the years 2006 through 2009 following a year in which the Subsequent Annual Employment Benchmark for that year is met;

(d) If PTS begins receiving quarterly payments hereunder, but the number of full-time employees at the Project drops below 296, then for each quarter in which employment is below 296, PTS shall be eligible to receive a pro-rata share of the CREED revenues paid into the IDF for that quarter determined by multiplying \$25,000 times the percentage which is the product of the actual

number of full-time employees at the Project during that quarter or, if the number varied, the average number of employees, divided by 296;

(e) If PTS does not begin receiving quarterly payments, and during all or part of a calendar year between 2004 and 2008 it employs fewer than 296 full-time employees at the Project (the "Partial Annual Benchmark"), then after at least \$236,049 in CREED revenues resulting from the employment of persons at the Project has been deposited in the IDF for said calendar year, in the following year PTS shall be eligible to receive a pro-rata share of the CREED revenues paid into the IDF determined by multiplying \$100,000 times the percentage which is the product of the actual number of full-time employees employed at the Project during the preceding year, or, if the number varied, the average number of employees, divided by 296; and

(f) If PTS begins receiving quarterly payments hereunder as a result of attaining one or more Quarterly Payment Benchmarks, and PTS employs at least 325 full-time employees continuously at the Project during a calendar quarter (the "Incentive Benchmark"), then PTS shall be eligible to receive, for each quarter the Incentive Benchmark is met, an additional \$5000 in CREED revenues generated by PTS and deposited in the IDF for the first increment of 29 over 296, then for each additional increment of 25 employees, subject to the availability of revenues in the IDF generated by PTS and subject to the \$500,000 cap on CREED revenues payable for meeting the employment benchmarks; and

(g) If PTS transfers employees from any of its other Monroe County, Indiana sites to the Project and those employees are counted towards the Initial Quarterly Benchmark or the Initial Annual Payment Benchmark, the PTS shall replace all those employees at the other sites with newly-hired employees not later than December 31, 2004, and PTS shall not receive CREED payments until every transferred employee has been replaced (the "Backfill Benchmark"); and

WHEREAS, payment of any amounts due to PTS for attaining one or more of the Benchmarks is subject to the availability of CREED revenues or other funds in the IDF, as provided in the individual Benchmark definitions, and is also subject to the provision that in no circumstances will the total amount payable to PTS on account of reaching any or all of the benchmarks defined herein be greater than \$500,000; and

WHEREAS, to be eligible for payment from the IDF for attainment of the Benchmarks, PTS shall be required to enter into a financing agreement with the City of Bloomington, and shall also have entered into a separate agreement with some other person or entity for use or operation of the facility, pursuant to IC 36-7-13-18(a); and

WHEREAS, the redevelopment of the IEC serves an important public purpose, in that the project offers a significant investment in the area and will create 300 new jobs; and

WHEREAS, the Bloomington Industrial Development Advisory Commission met on June 27, 2003 to recommend payment to PTS from the IDF of up to \$500,000 for attainment of the Benchmarks;

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

SECTION 1. The Common Council hereby establishes the Benchmarks as benchmarks pursuant to Indiana Code 36-7-13-18(b), and hereby authorizes the City Controller, after verification of completion of one or more of the Benchmarks and compliance with the provisions of IC 36-7-13-18, to pay to PTS Corporation or a related business entity the amount(s) attributable to the Benchmark or Benchmarks attained, as provided herein and subject to the

availability of CREED revenues or other funds in the IDF, as provided in the definition of the Benchmark or Benchmarks attained, and further subject to the provision that the total amount payable to PTS for attainment of the Benchmarks shall not exceed \$500,000.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2003.

CHRIS GAAL, 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 _____, 2003.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2003.

JOHN FERNANDEZ, Mayor
City of Bloomington

SYNOPSIS

This resolution authorizes expenditure from the Industrial Development Fund of up to \$500,000 to PTS Corporation or a related business entity as a result of meeting employment goals at its facility at the former Thomson site.

RESOLUTION 03-02

TO AUTHORIZE EXPENDITURES FROM THE INDUSTRIAL DEVELOPMENT FUND FOR ATTAINMENT OF EMPLOYMENT GOALS BY PTS CORPORATION AT THE INDIANA ENTERPRISE CENTER

WHEREAS, in 1998 Thomson Consumer Electronics closed its television assembly plant in Bloomington, Indiana, eliminating 1200 jobs and leaving vacant a 200 acre, 1.8 million square foot industrial facility; and

WHEREAS, in 1997 the Common Council created pursuant to Indiana Code 36-7-13-4 an Industrial Development Fund (IDF), which is a special fund used for the purposes of industrial development and expansion in or serving the City of Bloomington; and

WHEREAS, the Common Council also established the Bloomington Industrial Development Advisory Commission (BIDAC) which has the responsibility to make recommendations to the Common Council for expenditures from the IDF; and

WHEREAS, in 1999 a Community Revitalization Enhancement District ("CREED") was established pursuant to Indiana Code 36-7-13 upon the former Thomson site, under which the City may enter into agreements with developers of Project within the CREED entitling them to payment of a specified sum from the IDF upon attainment of goals or benchmarks on the site, as approved by the BIDAC and Common Council; and

WHEREAS, the IDF has a current balance of \$577,479.00; and

WHEREAS, PTS Corporation and its related business entities ("PTS"), a manufacturer of electronic equipment, proposes expanding its manufacturing facility in Building Two of the Indiana Enterprise Center (IEC) (the "Project"), which requires conversion of warehouse space to production space by installing new interior walls, ceilings, lighting, heating and air conditioning, and electrical service, to standards suitable for manufacturing and repair of electronic devices, at a cost of approximately \$800,000 in site improvements and \$2,400,000 in equipment purchases; and

WHEREAS, PTS expects to add at least 296 employees at the Project after expanding its facility in the IEC, in addition to the 845 employees that currently work for PTS; and

WHEREAS, PTS expects to employ 296 persons in the Project by the end of 2004, without a long-term reduction in employment levels at its other Monroe

County sites, so that PTS will employ at least 1141 persons in Monroe County by December 31, 2004; and

WHEREAS, PTS has received a tax abatement on equipment at its Curry Pike site that requires it to maintain employment at 483 at that site, and it is seeking tax abatement on equipment at the Project that will require it to maintain employment levels at its other Monroe County sites at 845 and hire 296 new employees at the Project in order to retain the abatement; and

WHEREAS, PTS shall file verified quarterly reports with the City listing the number of full-time employees at the Project during the preceding quarter, and if the number fluctuates during the quarter the report shall list the highest and lowest number employed (the "Reports"), and payments hereunder shall be determined based upon the average number of full-time employees employed during the quarter; and

WHEREAS, IC 36-7-13-18(b) authorizes a governmental unit containing a CREED to establish goals and benchmarks concerning the development of a property and provide that a developer that meets or exceeds the goals or benchmarks may be paid a specified fee from the IDF; and

WHEREAS, it is desirable to establish benchmarks related to PTS's expanded employment at the Project during the years 2004 through 2008 for purposes of reimbursing PTS for part of the costs of its expansion pursuant to IC 36-7-13-18(b); and

WHEREAS, the benchmarks shall be as follows:

(a) If PTS reaches the employment goal of at least 296 new full-time employees at the Project on or before June 30, 2004, and the State of Indiana deposits CREED revenues of at least \$25,000 based upon PTS's employment of the new employees at the Project into the IDF prior to September 30, 2004 (the "Initial Quarterly Benchmark"), then PTS shall begin receiving quarterly payments of \$25,000 for each calendar quarter during which it maintains the employment goal of at least 296 full-time employees at the Project and the State of Indiana deposits CREED revenues of at least \$25,000 based upon PTS's employment of those persons into the IDF;

(b) As an alternative to the Initial Quarterly Benchmark, if PTS reaches the employment goal of at least 296 full-time employees at the Project on or before June 30, 2004, but the State of Indiana does not deposit CREED revenues based upon PTS's employment of those persons into the IDF prior to September 30, 2004, or if PTS reaches the employment goal of at least 296 full-time employees at the Project between June 30, 2004 and

December 31, 2004, (the “Initial Annual Payment Benchmark”), then PTS shall be paid the sum of \$100,000 from the IDF during January, 2005;

(c) If PTS maintains the number of full-time employees at the Project at or above 296 continuously during a calendar year, without significantly reducing the number of employees at its other Bloomington sites, and the State of Indiana does not begin depositing CREED revenues based on the employment of those persons into the IDF on a quarterly basis during the quarter immediately after the quarter during which the revenues are generated (the “Subsequent Annual Payment Benchmarks”), then PTS shall be paid the sum of \$100,000 from the IDF, subject to availability of funds in the IDF and subject to the \$500,000 cap on CREED revenues payable for meeting the employment benchmarks, in each January during the years 2006 through 2009 following a year in which the Subsequent Annual Employment Benchmark for that year is met;

(d) If PTS begins receiving quarterly payments hereunder, but the number of full-time employees at the Project drops below 296, then for each quarter in which employment is below 296, PTS shall be eligible to receive a pro-rata share of the CREED revenues paid into the IDF for that quarter determined by multiplying \$25,000 times the percentage which is the product of the actual number of full-time employees at the Project during that quarter or, if the number varied, the average number of employees, divided by 296;

(e) If PTS does not begin receiving quarterly payments, and during all or part of a calendar year between 2004 and 2008 it employs fewer than 296 full-time employees at the Project (the “Partial Annual Benchmark”), then after at least \$236,049 in CREED revenues resulting from the employment of persons at the Project has been deposited in the IDF for said calendar year, in the following year PTS shall be eligible to receive a pro-rata share of the CREED revenues paid into the IDF determined by multiplying \$100,000 times the percentage which is the product of the actual number of full-time employees employed at the Project during the preceding year, or, if the number varied, the average number of employees, divided by 296; and

(f) If PTS begins receiving quarterly payments hereunder as a result of attaining one or more Quarterly Payment Benchmarks, and PTS employs at least 325 full-time employees continuously at the Project during a calendar quarter (the “Incentive Benchmark”), then PTS shall be eligible to receive, for each quarter the Incentive Benchmark is met, an additional \$5000 in CREED revenues generated by PTS and deposited in the IDF for each increment of 25 employees over 300, subject to the availability of revenues in the IDF generated by PTS and subject to the \$500,000 cap on CREED revenues payable for meeting the employment benchmarks; and

(g) If PTS transfers employees from any of its other Monroe County, Indiana sites to the Project and those employees are counted towards the Initial Quarterly Benchmark or the Initial Annual Payment Benchmark, the PTS shall replace all those employees at the other sites with newly-hired employees not later than December 31, 2004, and PTS shall not receive CREED payments until every transferred employee has been replaced (the “Backfill Benchmark”).

WHEREAS, payment of amounts due to PTS for attaining all of the benchmarks defined herein are subject to the availability of CREED revenues or other funds in the IDF, as defined in each individual benchmark definition, and are subject to the provision that in no circumstances will the total amount payable to PTS on account of reaching any or all of the benchmarks defined herein be greater than \$500,000; and

WHEREAS, to be eligible for payment from the IDF for attainment of the Benchmarks, PTS shall be required to enter into a financing agreement with the City of Bloomington, and shall also have entered into a separate agreement with some other person or entity for use or operation of the facility, pursuant to IC 36-7-13-18(a); and

WHEREAS, the redevelopment of the IEC serves an important public purpose, in that the project offers a significant investment in the area and will create almost 300 new jobs;

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

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

1. establish the Initial Quarterly Benchmark, Initial Annual Payment Benchmark, Subsequent Annual Payment Benchmark, Partial Annual Benchmark, Incentive Benchmark and Backfill Benchmark (collectively, “The Benchmarks”) as pursuant to Indiana Code 36-7-13-18(b); and

2. authorize payment, upon the terms and conditions provided herein, of up to \$500,000 to PTS from the IDF as a result of PTS’s attainment of one or more of the Benchmarks, as partial reimbursement for PTS’s expenditures in improving the Project, in compliance with the provisions of IC 36-7-13-18 and subject to the City of Bloomington’s receipt of CREED revenues attributable to employment at the Project as provided herein, the availability of funds in the IDF, and all other conditions and provisions stated herein.

BLOOMINGTON INDUSTRIAL DEVELOPMENT ADVISORY COMMISSION

Maren McGrane

Vi Simpson

Roger Kent

Richard Rampley

Joyce Poling

Doris Sims

Kirk Hobbs

Approved this _____ day of June, 2003.

:

RESOLUTION 03-13

**TO APPROVE APPLICATION AND AUTHORIZE LOAN
FROM THE BUSINESS INVESTMENT INCENTIVE LOAN FUND
(To PTS Corporation or a Related Business Entity for Improvements at the Indiana
Enterprise Center)**

- WHEREAS, on March 5, 1986 the Common Council of the City of Bloomington established the Bloomington Industrial Incentive Loan Fund (Ordinance 86-04) and approved and authorized Guidelines and Procedures for the use of the Industrial Incentive Loan Fund (Resolution 86-06); and
- WHEREAS, on May 19, 1999 the Common Council adopted Resolution 99-17 which approved new guidelines that expanded and renamed program; and
- WHEREAS, procedures established by the initial legislation and subsequent amendments require that an application be made to the Economic Development Commission of the City of Bloomington, and following approval by the Economic Development Commission, the application shall be forwarded to the Bloomington Common Council for approval by resolution; and
- WHEREAS, PTS Corporation has filed an application for an Business Investment Incentive Loan through the Bloomington Business Investment Incentive Loan Fund, which application has been approved by the Economic Development Commission of the City of Bloomington and forwarded to the Common Council for its approval; and
- WHEREAS, PTS or a related business entity proposes to convert 29,000 square feet of leased space in Building Two of the Indiana Enterprise Center (IEC), the former Thomson Consumer Electronics site, from warehouse space to production space, with new interior walls, ceilings, lighting, heating and air conditioning, and installation of a new electrical system, for expansion of its cell phone repair operation; and
- WHEREAS, according to the application, PTS Corporation or a related business entity intends to use the loan to pay part of the costs of renovating its leased facility;

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

SECTION 1. A loan in the amount of one hundred thousand dollars (\$100,000) from the City of Bloomington Industrial Incentive Loan Fund established in Ordinance 86-06 to PTS Corporation or a related business entity is hereby approved, for a maximum term of five (5) years and subject to an interest rate of 1.05%. The Controller of the City of Bloomington is hereby authorized to release funds in the amount specified and subject to the specific terms and conditions and repayment plan approved by the City of Bloomington Economic Development Commission in EDC Resolution 03-02, together with all terms and conditions contained in Common Council Resolution 86-06 and subsequent amendments thereto.

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

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2003.

CHRIS GAAL, 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 _____, 2003.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2003.

JOHN FERNANDEZ, Mayor
City of Bloomington

SYNOPSIS

This resolution approves and authorizes a loan from the City of Bloomington Business Investment Incentive Loan Fund to PTS Corporation or a related business entity for the purpose of renovating the company's leased facility in the Indiana Enterprise Center. The loan is in the amount of one hundred thousand dollars (\$100,000) and must be repaid to the City Industrial Incentive Loan Fund within five (5) years at an interest rate of 1.05%. It also is subject to all specific terms and conditions contained in the City of Bloomington EDC resolution approving the loan application, as well as the Program Guidelines contained in Common Council Resolution 86-06 and subsequent amendments thereto.

**RESOLUTION 03-02
OF THE
ECONOMIC DEVELOPMENT COMMISSION
OF THE
CITY OF BLOOMINGTON, INDIANA**

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

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

WHEREAS, PTS Corporation has filed an application for a loan through the Fund which has been submitted to the Economic Development Council of the City of Bloomington for its approval;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Economic Development Commission does hereby approve the Business Investment Incentive Loan Fund Application in the amount of \$100,000 to PTS Corporation for a maximum term of five years subject to an interest rate of 1.05% with collateral

FURTHER, said approval is a commitment preceding the required approval of the City of Bloomington Common Council and the execution of a promissory note, loan agreement, security agreement, and other documents necessary to secure the loan, together with all terms and conditions contained in Common Council Resolution 86-06 creating the Fund and subsequent amendments to the Fund.

Dick McGarvey
President

Approved this _____ day of June, 2003.

Memorandum

To: Common Council Members

From: Maren McGrane

Date: July 1, 2003

Re: Resolution 03-13

Resolution 03-13 authorizes a loan from the Business Investment Incentive Fund to PTS Corporation for the expansion of their cell phone repair operations into the Indiana Enterprise Center (IEC). PTS plans to create 296 new jobs, make an investment of \$800,000 in interior and exterior improvements, and invest \$3,900,000 in machinery and equipment as a result of this expansion. PTS is requesting \$100,000 in loan funds to be used for making necessary interior and exterior building improvements required of cell phone repair operations. Specifically, special ventilation, heating and cooling systems, floor resurfacing, and new electrical service are needed to convert the current warehouse space into production space. The loan has a maximum term of five years and carries an interest rate of 1.05%, which is in accordance with the guidelines of the loan. The interest rate is the highest rate the City receives for its investments. As collateral, PTS pledges a second lien on equipment with a value of \$170,000. An amortization schedule is included with the supporting loan documents for your review.

The purpose of the Business Investment Incentive Fund is to promote the retention, expansion, and attraction of qualified businesses that display a commitment to job growth, quality wages, and an overall commitment to improving the economic vitality of the community. The expansion of PTS's wireless communications division into the IEC qualifies as an eligible activity under the Fund guidelines. The supporting documents provided by PTS highlight the strength of the company's wireless communications division and explains that they have been successful in securing contracts with major wireless carriers for the repair/refurbishing of cell phones. This has prompted the need to expand into the IEC. With this in mind, PTS anticipates sales from the proposed facility to be between \$9.9 million and \$12 million between 2004 and 2006.

This request has the approval of the Economic Development Commission and the support of the Administration for the following reasons: 1) PTS is making a significant commitment to job creation by adding 296 new jobs into the IEC facility; and 2) they are pledging a significant investment in the interior and exterior improvements at the site as well as investments in equipment and machinery. In the past five years since the IEC was created, the PTS investment is by far the largest, which has the ability to encourage additional investment in the area.

In sum, given the extent to which this project will impact the IEC and surrounding area by this expansion, we seek support for this loan request.

Bloomington Industrial Incentive Loan Fund

Borrower: PTS Electronics
 Principal Loan Amount: \$100,000
 Rate: 1.05%

	Monthly payment amount			\$1,711.53 Loan Balance	Due date ¹
	Interest	Principal	Total		
1	\$87.50	\$1,624.03	\$1,711.53	\$98,375.97	August 15, 2003
2	\$86.08	\$1,625.45	\$1,711.53	\$96,750.52	September 15, 2003
3	\$84.66	\$1,626.87	\$1,711.53	\$95,123.65	October 15, 2003
4	\$83.23	\$1,628.30	\$1,711.53	\$93,495.36	November 15, 2003
5	\$81.81	\$1,629.72	\$1,711.53	\$91,865.64	December 15, 2003
6	\$80.38	\$1,631.15	\$1,711.53	\$90,234.49	January 15, 2004
7	\$78.96	\$1,632.57	\$1,711.53	\$88,601.92	February 15, 2004
8	\$77.53	\$1,634.00	\$1,711.53	\$86,967.91	March 15, 2004
9	\$76.10	\$1,635.43	\$1,711.53	\$85,332.48	April 15, 2004
10	\$74.67	\$1,636.86	\$1,711.53	\$83,695.62	May 15, 2004
11	\$73.23	\$1,638.29	\$1,711.53	\$82,057.33	June 15, 2004
12	\$71.80	\$1,639.73	\$1,711.53	\$80,417.60	July 15, 2004
13	\$70.37	\$1,641.16	\$1,711.53	\$78,776.44	August 15, 2004
14	\$68.93	\$1,642.60	\$1,711.53	\$77,133.84	September 15, 2004
15	\$67.49	\$1,644.04	\$1,711.53	\$75,489.80	October 15, 2004
16	\$66.05	\$1,645.47	\$1,711.53	\$73,844.33	November 15, 2004
17	\$64.61	\$1,646.91	\$1,711.53	\$72,197.41	December 15, 2004
18	\$63.17	\$1,648.36	\$1,711.53	\$70,549.05	January 15, 2005
19	\$61.73	\$1,649.80	\$1,711.53	\$68,899.26	February 15, 2005
20	\$60.29	\$1,651.24	\$1,711.53	\$67,248.02	March 15, 2005
21	\$58.84	\$1,652.69	\$1,711.53	\$65,595.33	April 15, 2005
22	\$57.40	\$1,654.13	\$1,711.53	\$63,941.20	May 15, 2005
23	\$55.95	\$1,655.58	\$1,711.53	\$62,285.62	June 15, 2005
24	\$54.50	\$1,657.03	\$1,711.53	\$60,628.59	July 15, 2005
25	\$53.05	\$1,658.48	\$1,711.53	\$58,970.11	August 15, 2005
26	\$51.60	\$1,659.93	\$1,711.53	\$57,310.18	September 15, 2005
27	\$50.15	\$1,661.38	\$1,711.53	\$55,648.80	October 15, 2005
28	\$48.69	\$1,662.84	\$1,711.53	\$53,985.96	November 15, 2005
29	\$47.24	\$1,664.29	\$1,711.53	\$52,321.67	December 15, 2005
30	\$45.78	\$1,665.75	\$1,711.53	\$50,655.93	January 15, 2006
31	\$44.32	\$1,667.20	\$1,711.53	\$48,988.72	February 15, 2006
32	\$42.87	\$1,668.66	\$1,711.53	\$47,320.06	March 15, 2006
33	\$41.41	\$1,670.12	\$1,711.53	\$45,649.93	April 15, 2006
34	\$39.94	\$1,671.58	\$1,711.53	\$43,978.35	May 15, 2006
35	\$38.48	\$1,673.05	\$1,711.53	\$42,305.30	June 15, 2006
36	\$37.02	\$1,674.51	\$1,711.53	\$40,630.79	July 15, 2006
37	\$35.55	\$1,675.98	\$1,711.53	\$38,954.81	August 15, 2006
38	\$34.09	\$1,677.44	\$1,711.53	\$37,277.37	September 15, 2006
39	\$32.62	\$1,678.91	\$1,711.53	\$35,598.46	October 15, 2006
40	\$31.15	\$1,680.38	\$1,711.53	\$33,918.08	November 15, 2006
41	\$29.68	\$1,681.85	\$1,711.53	\$32,236.23	December 15, 2006

42	\$28.21	\$1,683.32	\$1,711.53	\$30,552.91	January 15, 2007
43	\$26.73	\$1,684.79	\$1,711.53	\$28,868.12	February 15, 2007
44	\$25.26	\$1,686.27	\$1,711.53	\$27,181.85	March 15, 2007
45	\$23.78	\$1,687.74	\$1,711.53	\$25,494.10	April 15, 2007
46	\$22.31	\$1,689.22	\$1,711.53	\$23,804.88	May 15, 2007
47	\$20.83	\$1,690.70	\$1,711.53	\$22,114.18	June 15, 2007
48	\$19.35	\$1,692.18	\$1,711.53	\$20,422.00	July 15, 2007
49	\$17.87	\$1,693.66	\$1,711.53	\$18,728.34	August 15, 2007
50	\$16.39	\$1,695.14	\$1,711.53	\$17,033.20	September 15, 2007
51	\$14.90	\$1,696.62	\$1,711.53	\$15,336.58	October 15, 2007
52	\$13.42	\$1,698.11	\$1,711.53	\$13,638.47	November 15, 2007
53	\$11.93	\$1,699.59	\$1,711.53	\$11,938.88	December 15, 2007
54	\$10.45	\$1,701.08	\$1,711.53	\$10,237.79	January 15, 2008
55	\$8.96	\$1,702.57	\$1,711.53	\$8,535.22	February 15, 2008
56	\$7.47	\$1,704.06	\$1,711.53	\$6,831.16	March 15, 2008
57	\$5.98	\$1,705.55	\$1,711.53	\$5,125.61	April 15, 2008
58	\$4.48	\$1,707.04	\$1,711.53	\$3,418.57	May 15, 2008
59	\$2.99	\$1,708.54	\$1,711.53	\$1,710.03	June 15, 2008
60	\$1.50	\$1,710.03	\$1,711.53	(\$0.00)	July 15, 2008

^{1.} Assumes July 15, 2003 closing

PTS Electronics Corporation™

5233 Highway 37 South • P.O. Box 272
Bloomington, IN 47402-0272
812-824-9331
Fax: 812-824-2848

June 19, 2003

Maren McGrane
Executive Assistant, Economic Development
City of Bloomington
Showers Center
Bloomington, IN

RE: Business Investment Incentive Fund

Dear Ms. McGrane,

Please consider the attached as an application for a \$100,000 loan from the Business Investment Incentive Fund for PTS Corporation.

PTS currently has leased 50,000 square feet in the former RCA Thomson site. Approximately 29,000 square feet of this space will be converted from warehouse space to production space. This space will be used for the expansion of our cell phone repair operation. We will be making \$800,000 in interior and exterior building improvements and investing \$3,900,000 in equipment, furniture and computers in 2003 and 2004. This cell phone expansion will result in about 300 new jobs in the Bloomington community over the next twelve months.

We have attached the following information as part of this application:

1. Attachment 1 to explain Sections I, II, III, V, VI on the business plan contents page.
2. Attachment 2 – the resumes of Jack Craig and Jeff Hamilton
3. Attachment 3 – a copy of the Indiana Project Profile from the Department of Commerce that details the expansion at the RCA site.
4. Attachment 4 – Audited financial statements for the years 2001 and 2002 and company prepared historical statements for three years.
5. Attachment 5 – Projected annual financial statements prepared by the company
6. Attachment 6 – An explanation of the projections
7. Attachment 7 – A PTS brochure describing the company
8. Attachment 8 – List of collateral for the loan

Thank you for your consideration of this application.

Sincerely,



James F. Rusie
Financial Analyst

JFR/kmc
Enclosure

Business Investment Incentive Fund Application

- A. Name:** PTS Corporation
- B. Applicant:** PTS Corporation
- C. Address:** 5233 S. Hwy. 37
Bloomington, IN 47401
- D. Phone:** 812-824-9331
- E. Email:**
- F. Management:** Jack Craig, CEO
Jeff Hamilton, President
- G. Equity Ownership:** Jeff Hamilton - 50%
Jack Craig - 25%
Mick Craig - 12.50%
Melissa Craig - 12.50%
- H. Loan Information:** (See attached for Section H)
1. *Purpose:*
 2. *Total Project Cost:*
 3. *Business Investment Incentive Fund Request:*
 4. *Source of Repayment (if a loan): (List any collateral, accounts receivable, guarantees, etc.):*
- I. Personal Financial Information:** (Complete attached Personal Information form for each owner or partner of business). N/A
- J. Business Plan:** (Submit a complete business plan with corporate financial statements. See attached outline.) (See Attached)

Section H Project and Investment (attachment)

Brief Project Description:

1. PTS Corporation currently has leased 50,000 square feet in the former RCA Thomson site. Approximately 29,000 square feet of this space will be converted from warehouse space to production space with new interior walls, ceilings, lighting and heating and air conditioning. In addition, new electrical service will be installed to meet our production needs. This production space will be used for the expansion of our cell phone repair operation.

2. The total interior and exterior improvements to the site should cost about \$800,000 in 2003 and 2004. The \$100,000 from this loan along with other funds will be applied to this project.

3. We request the full \$100,000 available to apply to this project.

4. The loan will be repaid from the cash flow of PTS Corporation. The collateral will be a second lien on the following equipment:

- a. Two Rohde & Schwarz CMUs (testing equipment)-Cost \$85,000 each-\$170,000 total. Serial numbers- 101091 and 100056

Business Plan Contents

- I. **Summary**
 - A. Business description See Attachment 1
 - 1. Name
 - 2. Location and facility description
 - 3. Product(s)
 - 4. Market and competition
 - 5. Management expertise
 - B. Business goals
 - C. Summary of financial needs and application of funds See application form, Section H
 - D. Earnings, projections, and potential return to investors See Financial Data, Section VII
- II. **Market Analysis** See Attachment 1
 - A. Description of total market
 - B. Industry trends/Target markets
 - C. Competition
- III. **Products or Services** See Attachment 1
 - A. Description of product line or service
 - B. Proprietary position: patents, copyrights, and legal/technical considerations
 - C. Comparison or competitors' products or services
- IV. **Manufacturing Process (if applicable)** N/A.
 - A. Materials
 - B. Source of supply
 - C. Production methods
- V. **Marketing Strategy** See Attachment 1
 - A. Overall strategy
 - B. Pricing policy/Sales terms
 - C. Method of selling, distributing and servicing products
- VI. **Management Plan**
 - A. Form of business organization See Attachment 1
 - B. Board of Directors composition See Attachment 1
 - C. Officers: Organization chart and responsibilities See Attachment 1
 - D. Resumes of key personnel See Attachment 2
 - E. Staffing plan/number of employees See Attachment 3 - Indiana Project Profile
 - F. Facilities plan/planned capital improvements See Attachment 3 -- Indiana Project Profile
 - G. Operating plan/ schedule of upcoming work for next one to two years -See Attachment 1
- VII. **Financial Data**
 - A. Financial history (three years to present) - See Attachment 4
 - B. Three year financial projections (first year by months; remaining years quarterly)
 - 1. Profit/loss statement and balance sheet See Attachment 5 by Year
 - 2. Cash flow chart See Attachment 5 by Year
 - 3. Capital expenditure estimates See Indiana Project Profile
 - C. Explanation of projections See Attachment 6

Business Plan Attachment Number 1

I. Business Description

PTS Corporation is located at 5233 Old Highway 37 South in Bloomington. We have a second location at 3110 Old Highway 37 South, and a third location at 4060 Profile Parkway in Bloomington.

PTS is an electronic service provider. Our customer base consists of some of the largest manufacturers, retailers, and independent service providers from across the nation. We repair television tuners and main boards, CATV converters, cellular phones, and automotive audio systems to name a few.

PTS has been in the electronics service industry for over thirty years. The two primary owners of PTS, Jack Craig and Jeff Hamilton, have been with PTS for thirty-five and twenty-five years respectively. They have successfully adapted the business to the changing industry over these thirty years to continue PTS as a successful business in this industry.

II. Market Analysis

A description of the markets and the competitive nature of these are:

a. Telecommunications Division

The television service industry is comprised of three segments: 1) Manufacturers 2) Retailers 3) Independent Dealers.

The industry as a whole is going through a transition from component level repair to board level replacement. The advanced technology of today's TV's requires that intensive training and equipment investment take place in order to repair the television boards to the component level. Many independent servicers, which manufacturers rely on, do not have the technical expertise and capital to make such investments. As the technology and complexity of TV's continues to increase, it will accelerate the transition to board level replacement.

Currently, PTS works with all three segments of the TV repair industry with primary focus on enhancing relationships with manufacturers and large retailers.

b. Wireless Communications Division

Market penetration in the U.S. is approximately 40% based upon industry reports. While the market penetration growth has slowed, the new phone features that allow web browsing and the ability to take pictures, keep the phone population constantly upgrading their phones.

Based upon industry estimates, the top 5 carriers process for repair and/or refurbishment approximately 15,000,000 phones a year. PTS currently

has about a 5% market share based upon this data.

Our growth to date has been through our manufacturer relationships. These relationships have provided PTS visibility by the carriers. This has in turn brought the carrier to visit our firm.

III. Products or Services

The primary products and services are described in Section I. Our primary competitors are:

a. Telecommunications Division

The competitors in this market are manufacturers that continue to support and promote component level repair in the field or that have factory owned facilities that do their own repair on boards and sell to retailers and independent dealers.

Our recent meetings with manufacturers and retailers indicate that the industry is definitely moving toward board level field replacement for reasons that were stated earlier.

b. Wireless Communications Division

Our larger competitors are contract manufacturers that perform service out of necessity rather than desire. As service is our only business, we are slowly gaining market share when other larger firms fail to meet their Service Level Agreements.

PTS repairs and/or refurbishes all protocols of cellular phones.

V. Marketing Strategy

a. Telecommunications Division

Our marketing strategy for the Television Division is to focus on continuing to promote our services and capabilities to large retailers and manufacturers while maintaining our independent dealers. Recently, we have established several important relationships with major accounts in the manufacturer and retailer segments. PTS will continue to promote our service support capabilities to manufacturers and retailers that make up a significant percentage of overall television sales and service. We will continue to broaden our ability to provide service on the latest technologies such as HDTV, DPL, LCOS, LCD and Plasma televisions.

b. Wireless Communications Division

We made a conscious decision to focus on the manufacturer relationship as Phase I. Phase II is to utilize the relationships that are a result of the manufacturer exposure with the top tier carriers.

While our competitors could lower their prices in order to keep the business, we are not concerned by this as the Service Level Agreement performance is ultimately what the customer demands.

VI. Management Plan

a. Form of business organization

PTS Corporation is a subchapter S corporation, chartered in Indiana.

b. Board of Directors – Jeff Hamilton and Jack Craig

c. Officers

1. Jack Craig is the Chief Executive Officer
2. Jeff Hamilton is the President
3. Mick Craig is the Vice President

g. Operating Plan

Operating plan/schedule of upcoming work for the next one to two years.

Telecommunications Division

PTS Electronics currently works with large retailers, manufacturers and independent service dealers providing service assistance on television main boards and tuners. In the past 12 months, PTS has set up over 300 new test positions for repairing TV's. The primary growth has been in the large screen projection sets and technology such as HDTV. The increased development of new technology has and will continue to provide additional opportunities for PTS' overall growth. The introduction of High Definition (HDTV), plasma, LCOS, and other digital technology has created a demand for increased technical ability to provide service on these products. In many instances, the average TV servicer is not equipped to provide component level repair on TV main boards. PTS has positioned itself by investing in internal training programs and acquisition of test equipment that is required to service the latest technology. PTS projects the need for a depot service to increase dramatically in the months and years to come. The overall outlook for growth in this area is very promising and PTS will continue to increase service assistance to manufacturers, retailers and independent dealers across the country. PTS overall has added over 150 new accounts each month for the last several years. This indicates a consistent growth pattern that is projected to continue well into the future.

Wireless Communication Division

The growth of PTS projects will come as a result of our past performance. To date the majority of our new business has come through relationships with the cell phone manufacturers. Because of our performance, PTS is very visible to the major carriers. This has resulted in three of the top carriers that have asked PTS to respond to Requests for Proposals. We are currently working with one in particular that could provide 1,500,000 cell phone units annually if we are the selected vendor. We will process about 750,000 cell phones in 2003. We have a great potential from just one customer, not considering the other potential customers.

JACK D. CRAIG
2385 E. Rhorer Rd.
Bloomington, IN 47401
(812) 332-8196

PROFILE:

D.O.B. - 7-1-43
Married: 35 years - Nancy Ann Craig
2 Children - Michael K. Craig
 Melissa K. Craig

EDUCATION:

United Electronics Institute
RCA Troubleshooter School

WORK EXPERIENCE:

1962 to 1968	RCA Bloomington, Indiana Troubleshooter
1968 to Present	PTS Electronics Corporation C.E.O. and 25% Owner

PROFESSIONAL AND CIVIC AFFILIATES:

Bloomington Chamber of Commerce – Past Board Member
Bloomington Country Club
National Electronics Service Dealers Association
Bloomington Community Foundation

JEFFREY A. HAMILTON
1960 Birdie Galyan Road
Bloomington, IN 47408
(812) 332-1174

PROFILE:

Married: 23 years
2 Daughters
D.O.B., - 9/17/52

EDUCATION:

Indiana University - School of Business - 1974
B.S. - Marketing

WORK EXPERIENCE:

1974 to 1976	Central Soya Corp. Ft. Wayne, IN District Manager - Agricultural Products Division
1976 to 1979	International Multifoods Corp. Minneapolis, MN Regional Manager - Agricultural Products Division
1979 to Present	PTS Electronics Corporation President and 50% owner

PROFESSIONAL AND CIVIC AFFILIATES:

Monroe County Junior Achievement
East Monroe Water Corp. - Director
Bloomington Rotary Club
Bloomington Optimist Club - Charter Member
National Electronic Service Dealers Association - 1000 Club
National Cable TV Association
Girls Club of Monroe County - Coach
Bloomington Community Foundation - Advisory Board
Indiana University Varsity Club
Community Alliance for Life Long Learning - Board of Directors
American Red Cross, Monroe Co. County Chapter - Board of Directors
Franklin Institute - Board of Directors
Regional Manufacturing Economic Council - Board of Directors

Project ID#: _____

INDIANA PROJECT PROFILE

Information provided on this form will be used to determine your company's eligibility for assistance available through the State of Indiana.

Date: June 5, 2003

SECTION I: COMPANY INFORMATION

Company Legal Name: <u>PTS Corporation and/or any entity to be formed with similar ownership</u>	
d/b/a: <u>Interests</u>	
Federal ID #: <u>35-1801761</u>	
Address: <u>5733 Hwy. 37 South</u>	
City: <u>Bloomington</u>	State: <u>TN</u>
ZIP Code: <u>47401</u>	
Company Contact	
Telephone #: <u>812-824-9331</u>	Fax #:
Email:	Website:
Consultant Contact (if applicable): <u>N/A</u>	
Company Name:	
Telephone #:	Fax #:
Address:	
City:	State:
ZIP Code:	
Email:	Website:
Parent Company Name: <u>N/A</u>	
Parent Federal ID #:	
Parent Company Address:	
City:	State:
ZIP Code:	Website:
Senior Company Official:	Title:
Telephone #:	Fax #:
For official use only	
Staff: <u>BD</u>	DFO:
Date Sent: _____	Date Received: _____

SECTION II: PROJECT AND INVESTMENT

Indiana County: Monroe
 Indiana City/Town: Bloomington
 SIC/NAICS Code: _____
 New or Expansion: New Site Expansion
 Brief Project Description (attach an additional sheet if necessary):
See Attached

Located in Urban Enterprise Zone: Yes x No _____
 51% or more Minority-owned: Yes _____ No x
 Women-owned: Yes _____ No x

Please complete the following table in order to help us understand the phases of your project. List the new investment associated with each category (not cumulative). If bringing in used investment from outside Indiana, please differentiate from new equipment.

3.4
3.5

Year	Land ¹	Building and Improvements ²	Machinery and Equipment	Special Tooling	IRS Life Assigned to Special Tooling	Furniture and Fixtures	Computer Hardware
2003	\$ -	\$ 656,000 -	\$ 1,432,000	\$ -		\$ 15,000 -	\$ 121,000 -
2004	\$ -	\$ 144,000 -	\$ 2,149,000	\$ -		\$ -	\$ 181,000 -
2005	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
2006	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -

*Is the Indiana facility going to be leased? Yes X No _____
 If yes, please differentiate leased costs versus capital costs above. Improvements are all capital costs.
 What will be the term of your lease? 5 Years
 What will be the renewal options? Option to renew for 5 year terms

SECTION III EMPLOYMENT

1) Current level of employment in Indiana at affected site 175 people have been hired for the site when it is ready (See Attached)
 2) Level of employment in Indiana one year ago 300
 3) Fringe benefits as a percentage of hourly wage for current employees 25%-33%

1) Cumulative New Jobs (Net New Indiana Resident Employees). RCA Site

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
2003	158	Tech.Support	Moderate	\$ 9.00 -	\$ 12.00 -	\$ 9.30 -	\$ 12.30 -
2003	10	Elec. Tech.	High	\$ 12.00 -	\$ 19.00 -	\$ 13.00 -	\$ 16.00 -
2003	2	Manager	High	\$ 50,000* -	\$ 62,500* -	\$ 50,000* -	\$ 62,500* -
2003	10	Supervisor	High	\$ 35,000* -	\$ 43,750* -	\$ 35,000* -	\$ 43,750* -
2003	20	Team Leader	Moderate	\$ 11.00 -	\$ 14.00 -	\$ 12.00 -	\$ 15.00 -
2003				\$ -	\$ -	\$ -	\$ -

*Salary

Section II: Project and Investment (attachment)

Brief Project Description:

PTS Corporation currently has leased 50,000 square feet in the former RCA Thomson site. Approximately 29,000 square feet of this space will be converted from warehouse space to production space with new interior walls, ceilings, lighting and heating and air conditioning. In addition, new electrical service will be installed to meet our production needs. This production space will be used for the expansion of our cell phone repair operation.

SECTION III EMPLOYMENT CONTINUED

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	80	Tech. Support	Moderate	\$ 9.00 -	\$ 12.00 -	\$ 9.30 -	\$ 12.30 -
2004	4	Elec. Tech.	High	\$ 12.00 -	\$ 15.00 -	\$ 13.00 -	\$ 16.00 -
2004	4	Supervisor	High	\$ 35,000* -	\$ 43,750* -	\$ 35,000* -	\$ 43,750* -
2004	8	Team Leader	Moderate	\$ 11.00 -	\$ 14.00 -	\$ 12.00 -	\$ 15.00 -
2004				\$ -	\$ -	\$ -	\$ -
2004				\$ -	\$ -	\$ -	\$ -

*Salary

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				\$ -	\$ -	\$ -	\$ -
2005				\$ -	\$ -	\$ -	\$ -
2005				\$ -	\$ -	\$ -	\$ -
2005				\$ -	\$ -	\$ -	\$ -
2005				\$ -	\$ -	\$ -	\$ -
2005				\$ -	\$ -	\$ -	\$ -

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				\$ -	\$ -	\$ -	\$ -
2006				\$ -	\$ -	\$ -	\$ -
2006				\$ -	\$ -	\$ -	\$ -
2006				\$ -	\$ -	\$ -	\$ -
2006				\$ -	\$ -	\$ -	\$ -
2006				\$ -	\$ -	\$ -	\$ -

List net new Indiana resident employment level and payroll during each phase (cumulative, excluding bonuses and overtime).

Year	Number of Full-Time Positions	Annual Payroll
2003	200	\$4,178,000 -
2004	96	\$1,928,000 -
2005		\$ -
2006		\$ -

Section III - Employment

We plan for the employment at this site to be at 296 within the next twelve months. We currently have 175 employees who have been hired and will be moved to that site when it is ready for production. The schedules for 2003 and 2004 reflect the total employment at the new site

In addition, we will be replacing the 175 people who will be moving to this new site. The final result will be a net addition of 296 new jobs company wide in Bloomington. The following schedule is a listing of these new 175 people over 2003 and 2004:

Full Time Positions	Title
150	Tech Support
8	Electronic Tech
6	Supervisors
10	Team Leaders
1	Manager

Note: The wages and benefits are identical to those listed in the schedule on page 2

SECTION III EMPLOYMENT CONTINUED

2) Retrains

Number of Fulltime Positions	Job Title	Skill Level	Current Hourly	
			Wage/W/C Fringe	Wage/W/C Fringe
			\$ -	\$ -
N/A			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -

SECTION IV FINANCIAL

Factors	2003	2004	2005	2006
Sales - entire corporation	\$ 42,096,000	\$ 46,306,000	\$ 50,937,000	\$ 56,031,000
Sales - originating from proposed facility	\$ 9,083,000	\$ 9,991,000	\$ 10,990,000	\$ 12,089,000
Net Income before Federal Income Tax*	\$ 4,328,000	\$ 4,780,000	\$ 5,371,000	\$ 5,908,000

* Regarding Net Income before Federal Income Tax - if filing on a consolidated basis, then report the net income of the entire corporation. If filing as a single entity (separate from the parent corporation), then report the net income of the proposed facility only.

PTS CORPORATION
BUSINESS INVESTMENT INCENTIVE FUND
LOAN COLLATERAL

Two Rohde & Schwarz CMUs (testing equipment)- Cost \$85,000 each

Total collateral value- \$170,000

Serial numbers- 101091 and 100056

Three Year Financial History
PTS Electronics Corp

	2002	2001	2000
Cash	36,996	2,450	2,750
Accounts Receivable	3,053,245	2,382,590	2,098,868
Inventories	2,058,798	1,874,307	1,287,077
Prepays	75,078	42,172	11,231
Total Current	<u>5,224,117</u>	<u>4,301,519</u>	<u>3,399,926</u>
Leasehold		802,011	691,481
Equipment		4,939,108	4,300,446
Vehicles		212,283	203,289
Construction n Progress		30,000	62,450
Less: Acc Depreciation		(1,855,916)	(1,426,214)
Net Fixed Assets	<u>4,441,383</u>	<u>4,127,486</u>	<u>3,831,452</u>
Total Assets	<u><u>9,665,500</u></u>	<u><u>8,429,005</u></u>	<u><u>7,231,378</u></u>
Outstanding Checks		66,156	436,317
Current portion of LTD	733,333	914,515	587,207
Notes Payable to Bank	2,684,000	289,388	
Accounts Payable	778,449	582,200	727,903
Accrued Expenses	723,146	717,447	620,718
Total Current Liabilities	<u>4,918,928</u>	<u>2,569,706</u>	<u>2,372,145</u>
LongTerm Debt	766,667	1,000,000	260,142
Common Stock A	21,000	21,000	21,000
Common Stock B	189,000	189,000	189,000
Distribution	-		
Retained Earnings	3,769,905	4,649,299	4,389,091
* Total Shareholder Equity (\$4.0M)	<u>3,979,905</u>	<u>4,859,299</u>	<u>4,599,091</u>
Total Liab & Sahreholder Equity	<u><u>9,665,500</u></u>	<u><u>8,429,005</u></u>	<u><u>7,231,378</u></u>
	2002	2001	2000
Net Sales	22,655,167	26,240,804	21,876,736
Cost of Goods Sold	18,525,652	19,122,767	14,103,452
Gross Profit	<u>4,129,515</u>	<u>7,118,037</u>	<u>7,773,284</u>
Selling		807,961	604,843
General & Administrative	3,807,335	5,018,477	4,531,301
Total Operating Expense	<u>3,807,335</u>	<u>5,826,438</u>	<u>5,136,144</u>
EBIT	<u>322,180</u>	<u>1,291,599</u>	<u>2,637,140</u>
Interest	127,324	122,145	90,399
Gain (loss) on Equipment	47,589		
Net Income	<u><u>242,445</u></u>	<u><u>1,169,454</u></u>	<u><u>2,546,741</u></u>

Three Year Financial History and Three Year Projections
PTS Electronics Corp

	Projections		
	2005	2004	2003
Cash	-	-	-
Accounts Receivable	6,977,613	6,343,285	6,026,623
Inventories	4,722,015	4,292,741	3,902,492
Prepays	75,000	75,000	75,000
Total Current	<u>11,774,628</u>	<u>10,711,026</u>	<u>10,004,115</u>
Leasehold Equipment Vehicles Construction n Progress Less: Acc Depreciation Net Fixed Assets	<u>7,853,996</u>	<u>7,139,997</u>	<u>6,490,906</u>
Total Assets	<u><u>19,628,625</u></u>	<u><u>17,851,022</u></u>	<u><u>16,495,021</u></u>
Outstanding Checks Current portion of LTD Notes Payable to Bank Accounts Payable Accrued Expenses Total Current Liabilities	<u>4,336,323</u>	<u>6,437,194</u>	<u>8,847,569</u>
LongTerm Debt	2,525,000	1,869,167	970,835
Common Stock A Common Stock B Distribution Retained Earnings (net of distributions) Total Shareholder Equity	<u>12,557,302</u>	<u>9,334,661</u>	<u>6,466,615</u>
Total Liab & Sahreholder Equity	<u><u>19,628,625</u></u>	<u><u>17,851,022</u></u>	<u><u>16,495,019</u></u>
	2005	2004	2003
Net Sales	50,936,577	46,305,980	42,096,345
Cost of Goods Sold	38,300,788	34,818,898	31,653,544
Gross Profit	<u>12,635,789</u>	<u>11,487,081</u>	<u>10,442,801</u>
Selling General & Administrative Total Operating Expense EBIT	<u>7,021,836</u>	<u>6,383,487</u>	<u>5,803,170</u>
Interest Gain (loss) on Equipment Earnings Before Tax	<u>5,613,954</u>	<u>5,103,594</u>	<u>4,639,631</u>
	<u>242,886</u>	<u>323,518</u>	<u>311,779</u>
	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>5,371,068</u></u>	<u><u>4,780,077</u></u>	<u><u>4,327,852</u></u>

	2005	2004	2003
Cash Flows			
Net Income	5,371,068	4,780,077	4,327,852
Plus: Depreciation	1,285,738	1,168,852	1,062,593
Working Capital			
Accounts Receivable	(634,328)	(316,662)	(2,973,378)
Inventory	(429,274)	(390,249)	(1,843,694)
Prepays	-	-	78
Accounts Payable	259,631	8,567	1,086,153
Cash from Operations	<u>5,852,834</u>	<u>5,250,585</u>	<u>1,659,604</u>
PPE (net of depreciation)	(1,999,737)	(1,817,945)	(3,112,114)
Line of Credit	(2,360,503)	(1,593,943)	1,925,823
Long-Term Debt	655,833	73,334	1,120,833
Distributions	(2,148,427)	(1,912,031)	(1,631,142)
Cash from Investing	<u>(3,853,097)</u>	<u>(3,432,640)</u>	<u>1,415,514</u>
Net Change in Cash	-	-	(36,996)

**Explanation of Financial Projections
PTS Electronics Corporation**

2003

- We go through a detailed analysis of all business segments to arrive at a budget for the year.
- This includes looking at each product line
- Since the new facility will exclusively "house" a single new product line (Verizon/ Motorola), we would do a detailed analysis down to the Gross Margin line exclusive to Verizon/Motorola
- This would include
 - Parts
 - Labor
 - Benefits
 - Shipping
 - Other miscellaneous related expenses

 - Purchasing
 - Quality Control
 - ISO certification
- We would then budget for non-exclusive areas, (Overhead) such as Sales, Accounting, Customer Service, Administration, Accounting, HR

2004 and beyond

- For this time period, we applied a basic growth rate
- Because our costs are largely variable and do not lend themselves to efficiencies, we assumed no changes in the relationship between revenues and expenses
- The growth rate we chose was 10%. Our goal was to be conservative

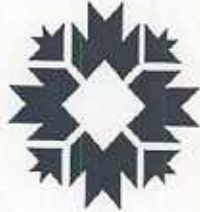
Res 03-13

**Authorizing Loan from
Bloomington Investment
Incentive Loan Program to
PTS for
Capital Improvements at the
IEC Site**

Additional Information

**Accountant's Report and
Financial Statements
are Available in the Council
Office**

City of Bloomington



Business Investment Incentive Fund

OFFICE OF THE MAYOR
CITY OF BLOOMINGTON
P.O. BOX 100
BLOOMINGTON, IN 47402
(812).349.3406 PHONE
(812).349.3455 FAX
EMAIL: HADLEYN@CITY.BLOOMINGTON.IN.US
CONTACT: Nathan Hadley
Executive Assistant for Economic Development

I. PROGRAM DESCRIPTION

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

II. ELIGIBILITY

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

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

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

- a. Permissible uses of funds:** Loan proceeds shall be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of buildings; purchase of equipment; or infrastructure improvements.
- b. Evaluation criteria:** Certain factors shall be considered when evaluating any eligible loan application under this section. These factors shall include, but are not limited to, the following:

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

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

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

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

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

- 1.) Strength of business plan or business proposal.

- 2.) Overall projected impact on the economic vitality of the downtown.
 - 3.) Use of funds to leverage other sources of capital including venture, conventional, and grant funds.
 - 4.) Nature and extent of security/guarantees.
 - 5.) Credit history.
 - 6.) Expected tax base increases or decreases as a result of the project.
 - 7.) Any proposed tax abatements or other city/state sponsored incentives expected to be received for the proposed project.
 - 8.) Nature and extent of equity participation by principal owner(s).
 - 9.) If applicant is not owner of property/building then approval of said owner is required.
 - 10.) Compatibility of façade projects and new construction in the Downtown Development Opportunity Overlay (DDOO) district with the historic character of downtown Bloomington. (Projects involving the demolition or removal of structures listed on the Local Historic register, or eligible for listing on the National Historic Register or that are contributing structures listed within a nationally or locally designated historic district will not be considered.)
- c. **Loan amount:** If the business is making an application under this section as a DDOO eligible business, the maximum loan amount is 50% of total project costs at or under \$100,000 and 20% of any remaining project costs over \$100,000 with total loan not to exceed \$100,000.
- d. **Non-profit grant initiative:** To encourage capital improvements to facilities owned and/or operated by eligible non-profit organizations within the DDOO district, eligible organizations may obtain matching grant funds for qualified projects. Eligible non-profit organizations are those within the DDOO district that have a retail or commercial activity as its primary purpose including, but not limited to, performance venues, galleries, and retail shops. The maximum matching grant is 50% of total qualified project costs with total grant not to exceed \$25,000. An eligible non-profit organization can only receive one grant disbursement every 5 years. Grant funds are in lieu of loan funds. An eligible non-profit cannot receive both a loan and a grant.
3. **Business supported child care facility:** Any qualified business or consortium of businesses can apply for a loan to provide a child care facility for the children of employees of the business or consortium of businesses first and for the general public second. The facility must be at the business site or in near proximity.

- a. **Permissible uses of funds:** Loan proceeds may be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of buildings; purchase of child care equipment; or infrastructure improvements.
 - b. **Evaluation criteria:** Certain factors shall be considered when evaluating any eligible loan application under this section. These factors shall include, but are not limited to the following:
 - 1.) Strength of business plan or business proposal.
 - 2.) Projected number of employees to be served by the facility.
 - 3.) Projected number of general public, if any, to be served by the facility.
 - 4.) Use of funds to leverage other sources of capital including conventional financing and grant funds.
 - 5.) Collaboration with or impact on existing child care facilities.
 - 6.) Nature and extent of security/guarantees.
 - 7.) Credit history.
 - 8.) Any proposed city/state sponsored incentives expected to be received for the proposed project.
 - 9.) Nature and extent of equity participation by principal owner(s).
 - 10.) Compatibility of façade projects and new construction in the Downtown Development Opportunity Overlay (DDOO) district with the historic character of downtown Bloomington. (Projects involving the demolition or removal of structures listed on the Local Historic register, or eligible for listing on the National Historic Register or that are contributing structures listed within a nationally or locally designated historic district will not be considered.)
 - c. **Loan amount:** Applicants seeking loan funds under this section for qualified projects are eligible to borrow funds where the total project cost is a minimum of \$250,000. The maximum loan amount is \$100,000 or 20% of the total project cost, whichever is less.
4. **Public purpose induced business relocation:** Any qualified business that is required to relocate from its business location due to acquisition of the property by the City of Bloomington for a project serving a public purpose is eligible to submit a loan application for permissible projects as identified by the guidelines. "Relocate" as used in this subsection means that the business is required to move its primary business operations from the property.
- a. **Permissible uses of funds:** Loan proceeds may be applied to qualified capital improvement costs associated with a qualified project including land acquisition; construction, expansion, or renovation of

buildings; purchase of eligible equipment; or infrastructure improvements.

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

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

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

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

determination of the areas that are economically distressed due to City of Bloomington public works projects.

- a. **Permissible uses of funds:** Applicants receiving loans under this section shall use the proceeds in order to meet minimum operational expenses, including but not limited to rent or mortgage, utilities, payroll, or other unavoidable expenses necessary to maintain the business at a minimum operational level.
- b. **Loan Review Committee:** Applications received under this section shall be reviewed by a committee composed of the Mayor's Executive Assistant for Economic Development, the City Controller, the President of the Common Council, the Common Council member whose district includes the affected business, and the President of the Economic Development Commission or their designees. The loan committee shall be chaired by the Mayor's Executive Assistant for Economic Development
- c. **Review process:** The committee shall meet as often as is needed, but shall not meet less often than once per calendar year. Loans approved by the loan review committee established under this chapter do not require additional approvals from the Economic Development Commission or the Common Council. The Mayor's Executive Assistant for Economic Development will coordinate with the city's Legal Department the preparation of all necessary loan documents and a loan closing date.
- d. **Evaluation criteria:** The loan review committee established under this section shall establish criteria for the acceptance, review and approval of loans, which shall at a minimum include, but not be limited to, the following:
 - 1.) Each business must demonstrate financial need for the loan in order to meet minimum operation expenses, including but not limited to rent or mortgage, utilities, payroll, or other unavoidable expenses necessary to maintaining the business at a minimum operational level.
 - 2.) Each business shall provide proof of sales figures for the current time period in which the business has experienced economic distress due to the public works project, along with proof of sales figures for the same time period in the prior calendar year.
 - 3.) Each business shall provide proof of similar expense levels required to generate the same level of sales in the current time period, compared to the sales levels for the same time period in the preceding calendar year.
 - 4.) Each business shall provide a plan that describes how the business will use loan proceeds; forecasted expenses and revenues for the

period beginning with the first day of the month in which the loan is granted through the last day of the month preceding the month in which the loan is granted of the following year; and a proposed repayment schedule which shall provide for total repayment of the loan no later than one (1) year from the date on which the loan closing occurs.

- e. **Loan amounts and terms:** Loans approved under this section shall be made with the following limitations and terms:
- 1.) Subject to the availability of funds, a maximum of \$150,000 in loans may be made under this section.
 - 2.) A loan made under this section shall be limited to \$35,000 for each qualified applicant.
 - 3.) No interest shall be charged or accrue on loans before the date the public works project ceases causing significant disruption to the business. This date shall be determined by the loan review committee, in conjunction with the city department performing the project. Thereafter, interest on each loan shall accrue on a monthly basis at an annual rate of two percent of the unpaid balance of the loan on the last day of each month.
 - 4.) The loan review committee may submit claims for loans from the fund according to the City Controller's standard claim schedule or it may request from the City Controller's office a special warrant for expedited release of moneys from the fund if it determines that the business receiving the loan has demonstrated a reasonable need for the loan proceeds before the date a check would be released pursuant to the standard claim schedule.

III. ADDITIONAL TERMS AND CONDITIONS

- A. **Term:** The maximum term is five years, unless the loan is a business disruption bridge loan made under Section II. B. 5.
- B. **Rate:** Except for business disruption bridge loans made under Section II. B. 5, the interest rate will be the highest interest rate currently available for other city fund investments at time of application. The interest rate assigned is good for a period of ninety days from date of application.
- C. **Payments:** Except for business disruption bridge loans with a different approved payment schedule, principal and interest payments are to be made monthly. All payments are due on the first day of each month. Payments received after the tenth of the month will be assessed a 5% late

fee. Loan payments are to be mailed to:
City of Bloomington
Controller's Office
P.O. Box 100
Bloomington, IN 47402

- D. Non-relocation Clause:** Unless specifically approved by the City Council, the borrower may not relocate the funded business activity or a significant part of the business activity. Failure to comply with this section is grounds for default.
- E. Default:** The loan may be declared in default and become due and payable within 30 days of written notice to the borrower for any of the following reasons:
1. Failure of borrower to disclose any and all facts pertinent to the loan approval or any misrepresentation of information.
 2. Failure of borrower to make timely payments.
 3. Failure of borrower to use loan funds as described in the loan application.
 4. Failure of borrower to maintain mortgaged property, keep it insured and/or pay property taxes on it.
 5. Failure to obtain approval for relocation of business.
 6. Failure to comply with any material terms of the loan documents, including but not limited to, the loan agreement, mortgage, financing statement, and personal guaranty.
 7. Failure to comply with voluntary annexation agreement or waiver of remonstrance agreement.

IV. APPLICATION PROCEDURE

- A.** The following application procedures apply to all loans except the business disruption bridge loan under Section II.B.5. The applicant will contact the Mayor's Executive Assistant for Economic Development for a pre-application meeting. At that meeting, the applicant will receive instruction for submitting a complete application for consideration. Except of those businesses applying under Section 5, upon completion, the applicant will submit the application along with a \$100.00 processing fee to the Executive Assistant for Economic Development for review. If the

application is determined to be complete and eligible, the Executive Assistant for Economic Development will initiate the formal approval process.

- B. If the application is submitted for formal approval, the Executive Assistant for Economic Development shall schedule a meeting of the Economic Development Commission. At this public meeting the applicant will have an opportunity to present his/her proposal. The Economic Development Commission shall review the application based on the guidelines and either approve or deny.
- C. If a loan is approved as is by the Economic Development Commission, it will be forwarded to the City Council in the form of a resolution for the Council's approval or denial.
- D. If a loan is approved by the City Council, the borrower will sign all necessary loan documents for the loan. The borrower is responsible for securing all necessary lien documents, insurance documentation and title insurance policies as necessary. The Executive Assistant for Economic Development will coordinate with the City's legal department the preparation of all necessary loan documents and a loan closing date.

V. SECURITY

- A. Acceptable collateral includes a mortgage against real estate with at least 20% equity remaining after total project financing is secured, a lien against the cash value of life insurance, a lien against a Certificate of Deposit Account, a lien against qualified equipment, and/or any other acceptable and approved form of security.
- B. Loans will be secured to the extent that such security is feasible and does not impair the ability of the borrower to conduct its activities and may be subordinated to other financing, to and including a subordinated position on personal guarantees, as long as the city's loan is adequately secured.

VI. RELEASE OF FUNDS

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

- B.** All documentation must be on file with the Executive Assistant for Economic Development in the Mayor's Office and approved by the City of Bloomington's Legal Department prior to any release of funds.
- C.** Loan funds may be disbursed in full at time of closing or in two disbursements within the first year following approval. Lien documents for the total loan amount will be signed for each disbursement.
- D.** Claims for the payment of Business Disruption Loan proceeds do not need approval of the Board of Public Works prior to disbursement.

Business Investment Incentive Fund Application

A. Name:

B. Applicant:

C. Address:

D. Phone:

E. Email:

F. Management:

G. Equity Ownership:

H. Loan Information:

1. *Purpose:*

2. *Total Project Cost:*

3. *Business Investment Incentive Fund Request:*

4. *Source of Repayment (if a loan): (List any collateral, accounts receivable, guarantees, etc.):*

I. **Personal Financial Information:** *(Complete attached Personal Information form for each owner or partner of business).*

J. **Business Plan:** *(Submit a complete business plan with corporate financial statements. See attached outline.)*

Business Plan Contents

- I. Summary**
 - A. Business description
 - 1. Name
 - 2. Location and facility description
 - 3. Product(s)
 - 4. Market and competition
 - 5. Management expertise
 - B. Business goals
 - C. Summary of financial needs and application of funds
 - D. Earnings, projections, and potential return to investors

- II. Market Analysis**
 - A. Description of total market
 - B. Industry trends/Target markets
 - C. Competition

- III. Products or Services**
 - A. Description of product line or service
 - B. Proprietary position: patents, copyrights, and legal/technical considerations
 - C. Comparison or competitors' products or services

- IV. Manufacturing Process (if applicable)**
 - A. Materials
 - B. Source of supply
 - C. Production methods

- V. Marketing Strategy**
 - A. Overall strategy
 - B. Pricing policy/Sales terms
 - C. Method of selling, distributing and servicing products

- VI. Management Plan**
 - A. Form of business organization
 - B. Board of Directors composition
 - C. Officers: Organization chart and responsibilities
 - D. Resumes of key personnel
 - E. Staffing plan/number of employees
 - F. Facilities plan/planned capital improvements
 - G. Operating plan/ schedule of upcoming work for next one to two years

- VII. Financial Data**
 - A. Financial history (three years to present)
 - B. Three year financial projections (first year by months; remaining years quarterly)
 - 1. Profit /loss statement and balance sheet
 - 2. Cash flow chart
 - 3. Capital expenditure estimates
 - C. Explanation of projections

RESOLUTION 03-14

TO DESIGNATE AN ECONOMIC REVITALIZATION AREA (ERA)

**Re: 1300 S. Patterson Drive
(PTS Corporation, Petitioner)**

WHEREAS, PTS Corporation (“Petitioner”) has filed an application for designation of the property leased by Petitioner in Building Two of the Indiana Enterprise Center, 1300 S. Patterson Drive, Bloomington, Indiana, as an “Economic Revitalization Area” (“ERA”) for the installation of new manufacturing equipment pursuant to IC 6-1.1-12.1 et. seq. (the “Project”); and

WHEREAS, pursuant to state law, Petitioners seeking designation of their property as an ERA must submit to the Common Council a Statement of Benefits, and must provide information in a timely fashion each year to the County Auditor and the Common Council showing the extent to which there has been compliance with the Statement of Benefits; and

WHEREAS, Petitioner’s Application and Statement of Benefits have been reviewed by the Economic Development Commission which has passed Resolution 03-01 recommending that the Common Council approve the ERA designation, approve the Statement of Benefits, and authorize a five-year period of abatement on the new manufacturing equipment; and

WHEREAS, the Common Council has investigated the area and reviewed the Application as well as the Statement of Benefits, which are attached hereto and made a part hereof, and has found the following:

- A. the estimate of the cost of the new manufacturing equipment is reasonable for equipment of that type;
- 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 installation of the new manufacturing equipment;
- 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 installation of the new manufacturing equipment;
- D. any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment; and
- E. the totality of benefits is sufficient to justify the deduction; and

WHEREAS, the property described above is within the corporate limits of the City and has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent normal development of property or use of property;

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 should be designated as an "Economic Revitalization Area" as set forth in I.C. 6-1.1-12.1-1 et. seq.; and, the Common Council further finds and determines that the Petitioner or its successors shall be entitled to a deduction from the assessed value of the new manufacturing equipment designated in the attached Statement of Benefits for five (5) years if the equipment is eligible under I.C. 6-1.1-12.1 et. seq.

SECTION 2. In granting this designation and deduction the Common Council incorporates I.C. 6-1.1-12.1-12 and also expressly exercises the power set forth in I.C. 6-1.1-12.1-2(I)(5) to impose additional, reasonable conditions on the rehabilitation or redevelopment beyond those listed in the Statement of

Benefits. Failure of the property owner to make reasonable efforts to comply with the following additional conditions are reasons for the Council to rescind this designation and deduction:

- a. the improvements described in the application shall be commenced within twelve months of the date of this designation, and
- b. the land and improvements shall be developed and used in a manner that complies with local code.

SECTION 3. The Common Council directs the Clerk of the City to publish a notice announcing the passage of this resolution and requesting that persons having objections or remonstrances to the ERA designation appear before the Common Council at a public hearing on July 23, 2003.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2003.

CHRIS GAAL, 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 _____, 2003.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2003.

JOHN FERNANDEZ, Mayor
City of Bloomington

SYNOPSIS

This resolution designates property leased by Petitioner in Building Two of the Indiana Enterprise Center, 1300 S. Patterson Drive as an Economic Revitalization Area (ERA) to allow PTS Corporation to receive a five-year tax abatement on \$2.6 million worth of new manufacturing equipment. The resolution also declares the intent of the Council to hold a public hearing on July 23, 2003 to hear public comment on the proposed actions.

**RESOLUTION 03-01
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. authorizes municipalities to establish areas within the corporate boundaries as "Economic Revitalization Areas" (ERAs) within which property taxes may be abated on new manufacturing equipment; and

WHEREAS, in an ERA, an applicant for tax abatement must receive Common Council approval of the Statement of Benefits resulting from a proposed project within the ERA; 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, PTS Corporation has applied for tax abatement on, and has submitted a Statement of Benefits regarding its proposed installation of new manufacturing equipment of a value of up to \$ _____ in space leased by PTS in Building Two in the Indiana Enterprise Center, 1300 S. Patterson Drive, Bloomington, Indiana; and

WHEREAS, the Economic Development Commission has met and considered CFC, Inc.'s application and Statement of Benefits, and have recommended a five year tax abatement on the proposed 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 the portion of Building Two in the Indiana Enterprise Center, 1300 S. Patterson Drive, Bloomington, Indiana, that is leased or to be leased by PTS, as an ERA and approve said Statement of Benefits regarding new manufacturing equipment to be installed at said site proposed by PTS and approve a five year tax abatement on said equipment.

Dick McGarvey, President
Bloomington Economic Development Commission

Approved this _____ day of _____, 2003

Memorandum

To: Common Council Members

From: Maren McGrane

Date: June 01, 2003

Re: Resolution 03-14

Resolution 03-14 establishes an Economic Revitalization Area (ERA) for the portion of the Indiana Enterprise Center (IEC) to be utilized by the PTS expansion. The ERA designation for this facility falls within the eligibility requirements for manufacturing equipment. The building is in need of technological upgrades and is located in an area with redevelopment challenges. The entire expansion into the IEC will require PTS to invest approximately \$3,900,000 in equipment, furniture, and computers, performing interior and exterior site improvements worth \$800,000, and creating 296 new jobs as a result of their expansion.

PTS is requesting a tax abatement for the \$2,632,740 worth of new equipment to be purchased as a result of this expansion project. The total value of the five-year abatement is \$172,726 and the total taxes to be paid on the personal property improvements are approximately \$115,151. It is important to note that the length of the abatement requested coincides with PTS's five year lease of Building 2 in the IEC.

Justification for this abatement is based on the need for PTS to invest a significant amount of capital in new equipment for the expansion of the company's cell phone repair operations. An equipment list is included in the supporting documents. According to the Statement of Benefits, the annual payroll for the new jobs at this new facility is totaled at \$6,104,000. The average wages of these new jobs ranges between \$9.00 and \$13.00 per hour and salaried positions of \$35,000 to \$50,000, not including benefits. PTS offers full health insurance and retirement plans to its employees.

This request has the approval of the Economic Development Commission and the support of the Administration because of the significant investment of the PTS expansion. Tax abatement is one of the economic development tools the City can use for business expansion initiatives. PTS's investment in the IEC, an area which has had redevelopment challenges for several years, is one of the next steps to creating an attractive environment for additional investment and successfully redeveloping the entire site.

Tax Abatement Applicant Summary

Date: June 27, 2003

EDC Resolution: 03-01

Applicant: PTS Corporation

Project Address: 1300 South Patterson Drive

Phone: (812) 824-9331

Applicant Contact: Jeff Hamilton

Contact Office: 5233 South Highway 37
P.O. Box 272
Bloomington, IN 47402

Tax Abatement Information:

Purpose: The applicant seeks tax abatement on the purchase of new manufacturing equipment (see attached "proposed equipment list")

New Equipment Investment Value: \$2,632,743 (see attached application)

Current Zoning: *Industrial*

Existing Site: *1 vacant industrial building with 50,000 square feet of space. Approximately 29,000 square feet will be converted to production space.*

Job Creation: *296 new jobs created*

Length of Tax Abatement Requested: *5 years*

RECOMMENDATION:

Resolution 03-01 recommends the property in question be designated as an ERA and should be forwarded to the City Council for its approval based on the following rationale:

The proposed project is located within an area that has suffered slow growth and lack of improvements. Council guidelines state that tax abatement will be primarily awarded in these designated areas when such action addresses the revitalization needs of the area. These identified needs include the retention of existing businesses, historic renovations, creation of new housing opportunities, and expansion of economic development activities within the downtown. PTS Corporation is planning to expand its cell phone repair operations to the former Thomson Consumer Electronics site, which is considered a blighted area and in need of economic growth. PTS plans to add 296 new jobs and make an investment of approximately \$800,000 in interior and exterior improvements. This will be a benefit to both the Indiana Enterprise Center and the Enterprise Zone.

As is indicated in the *Statement of Benefits* the cost of the new equipment is \$2,632,743. A five-year abatement is recommended for this investment.



STATEMENT OF BENEFITS

State Form 27-167 (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 redevelopment or rehabilitation of real property for which the person wishes to claim a deduction, "Projects" planned or committed to after July 1, 1987 & 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 installation of the redevelopment or rehabilitative 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 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 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 State 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 PTS CORPORATION							
Address of taxpayer (street and number, city, state and ZIP code) 5233 HIGHWAY 37 SOUTH							
Name of contact person AMY KETCHAM				Telephone number (812) 824-9331			
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body CITY OF BLOOMINGTON COMMON COUNCIL				Resolution number			
Location of property 1300 S. PATTERSON DRIVE		County MONROE	Taxing district 53008				
Description of real property improvements and / or new manufacturing equipment and / or research and development equipment (use additional sheets if necessary) ELECTRONICS REPAIR EQUIPMENT				ESTIMATED			
					Start Date	Completion Date	
				Real Estate			
				New Mfg Equipment	JUNE 03	JULY 04	
R & DE							
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 845	Salaries 17,446,000	Number retained 845	Salaries 17,446,000	Number additional 296	Salaries 6,104,800		
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							
Plus estimated values of proposed project				2,632,740			
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) _____		Estimated hazardous waste converted (pounds) _____					
Other benefits:							
SECTION 6		TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.							
Signature of authorized representative <i>Amy J. Ketcham</i>			Title Controller		Date signed (month, day, year) 6/18/2003		

Tax Abatement Calculations for Personal Property Improvement
 PTS Corporation - IEC Expansion
 Using 2003 Payable 2004 Tax Rate and AV Estimates

Improvements \$ 2,632,740
 2003 Tax Rate 2.1869%
 Annual Taxes without Abatement \$ 57,575

	Abatement Percent	Abatement	Taxes Payable	Taxes Abated
Year 1	100%	\$ 2,632,740	\$ -	\$ 57,575
Year 2	80%	\$ 2,106,192	\$ 11,515	\$ 46,060
Year 3	60%	\$ 1,579,644	\$ 23,030	\$ 34,545
Year 4	40%	\$ 1,053,096	\$ 34,545	\$ 23,030
Year 5	20%	\$ 526,548	\$ 46,060	\$ 11,515

Total Taxes to be Paid: \$ 115,151
 Total Value of Abatement: \$ 172,726

City of Bloomington

Application for Property Tax Abatement Program

Ownership:

PTS Corporation
5233 South Highway 37
P.O. Box 272
Bloomington, IN 47402
812-824-9331

Officers:

Jeffrey Hamilton – 50%
1960 Birdie Galvan Road
Bloomington, IN 47408
812-332-1174

Jack Craig – 25%
2385 E. Rhorer Road
Bloomington, IN 47401
812-332-8196

Michael Craig – 12.5%
3018 Daniel Street
Bloomington, IN 47401
812-323-8650

Melissa Craig – 12.5%
1109 Berkshire Court
Bloomington, IN 47401
812-332-8841

Property Description:

1300 South Patterson Drive
Bloomington, IN 47402

Description: Indiana Enterprise Center – Former Thompson Consumer Electronics plant

Current Status of Property:

Zoned industrial and located in the Community revitalization Enhancement District
Minor improvements to building
Newly leased

Proposed Improvements:

See attached

Eligibility:

Eligible under the CREED Resolution 99-15 by the Common Council of the City of
Bloomington.

Estimated number of new and retained employees upon completion of proposed project
would be 300. See attached for details.

Description of Proposed Project

PTS Corporation (Company) plans to expand their existing operations into the area of Bloomington that has been designated a CREED. The Company is a remanufacturer of various electronic devices. The expansion into the CREED will be specifically for the expansion of the remanufacture of cell phones.

The Company will invest \$800,000 in interior and exterior improvements to 50,000 square feet of space in one of the existing buildings on the former Thompson Consumer Electronics site. The Company has requested a \$300,000 grant from the Bloomington Industrial Development Advisory Commission for a portion of the cost. The net investment by the Company would be \$500,000.

The existing space will be converted from warehouse space to production space with new interior walls, ceilings, lighting and heating and air conditioning. In addition, new electrical service will be installed to meet the production needs of the Company. A portion of the proceeds will be used for exterior improvements to the existing building.

In addition to the interior and exterior building improvements, the Company will add \$3,900,000 of new manufacturing and testing equipment at the site.

Within the 12 months following the expansion of operations to this site, the Company will add approximately 300 new jobs. Of the 300 new jobs, 175 of those positions will be filled immediately. The positions include technical support, electrical technicians, managers, supervisors and team leaders. Wages for the hourly positions will range from \$9.00-\$12.00 per hour, not including benefits. The salary positions will range from \$35,000-\$50,000, not including benefits. The Company offers health insurance and a retirement plan.

Estimated additional PTS production employees in the next twelve months:

In six months	170
From six to twelve months	130
Total estimated additional employees in the next twelve months	300
Average hourly pay-\$10 per hour	
Average annual payroll at \$10 per hour for a 40 hour week	\$6,240,000

	Balance Needed	Balance Needed Amount
CMU 200 (1X)	19	\$1,615,000.00
CMD80	1	\$10,000.00
SPECTRUM ANALYZER	29	\$435,000.00
RF BOX	12	\$24,000.00
O'SCOPE	8	\$12,000.00
BENCH METER	8	\$2,400.00
DUAL POWER SUPPLY	8	\$3,960.00
MICROSCOPE	20	\$22,000.00
BENCH w/lights & powerstrip	85	\$34,000.00
CHAIRS (Tech)	85	\$6,800.00
ESD MAT/MAGNIFIER	48	\$7,200.00
SCREW DRIVER (TORQ)	48	\$30,000.00
AIR IONIZER	28	\$20,300.00
AIR DESOLDER	16	\$9,600.00
VARIABLE TEMP SOLDER IRON	20	\$2,000.00
HOT AIR STATION	4	\$2,900.00
HEAT GUN	48	\$2,400.00
MISC HAND TOOLS	48	\$7,200.00
SCANNER	12	\$5,940.00
TELETRAK SCANNER	11	\$8,800.00
TELETRAK TERMINAL	2	\$1,360.00
COMPUTER W/MONITOR	128	\$147,200.00
GPIB CARD & CABLES	24	\$12,600.00
BAR CODE PRINTER	3	\$12,000.00
LASER PRINTER	12	\$4,740.00
SWITCH BOX	12	\$420.00
LABEL PRINTER (ZEBRA 90)	11	\$38,500.00
MOTOROLA CABLING & CHARGER	98	\$14,700.00
FLASH CABLE	140	\$5,600.00
USB HUB	14	\$560.00
MULTI-FLASH FIXTURE	28	\$37,800.00
SINGLE PORT FIXTURE	42	\$10,500.00
TAPE MACHINE	1	\$5,000.00
CONVEYER-10 FT. SECTION W/LEGS	154	\$69,300.00
PLASTIC BIN BOXES	10,000	\$9,400.00
RACKS	24	\$1,560.00
TOTAL		\$2,632,740.00

This list of equipment is all used in the cell phone repair process by the production staff.

The chairs are production stools used at the workbench by the production employee. The misc. hand tools are pliers, screwdrivers, t drivers, etc., used by the production employees in the repair process. The plastic bin boxes are color coded for each day of the week. Phones are placed in the appropriate color bin for the day of receipt. These bins enable the production supervisors to monitor the priority of phones being repaired. The racks are mobile racks on wheels that are used to move the phones between workstations.

I hereby certify that the representations made in this application are true and I understand that if the above improvements are not commenced (defined as obtaining a building permit and actual start of construction) within 12 months of the date of the designation of the above area as an Economic Revitalization Area, the Bloomington Common Council shall have the right to void such designation.

OWNER

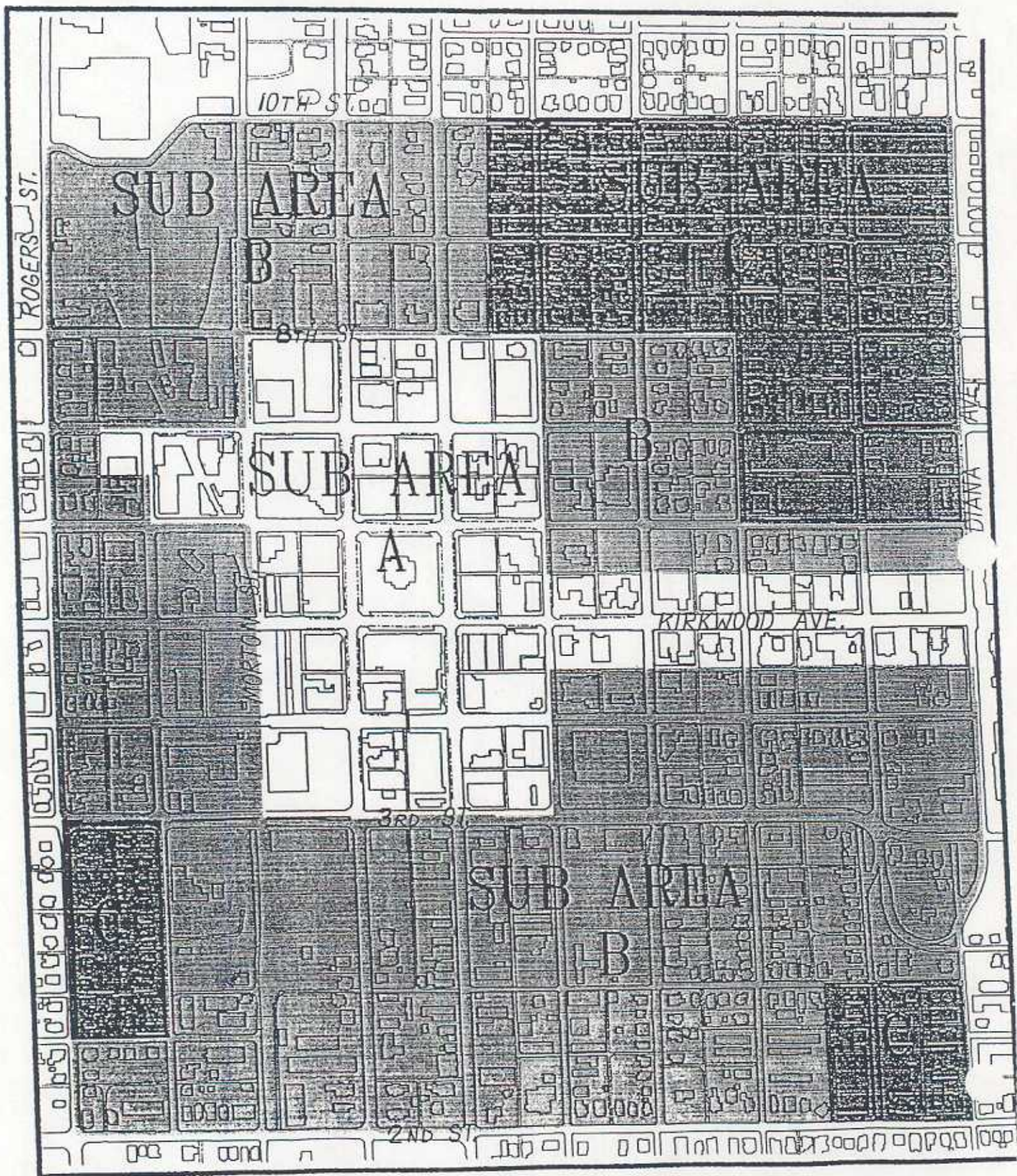
Jeffrey G. Haulto
President

DATE

6/20/03

*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.



SUB AREA B

SUB AREA A

SUB AREA C

A

SUB AREA B

B

10TH ST

8TH ST

MORTON ST

3RD ST

KIRKWOOD AVE.

2ND ST

ROGERS ST.

DIANA AVE.

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).

APPROPRIATION ORDINANCE 03-06

**TO SPECIALLY APPROPRIATE FROM THE TELECOMMUNICATIONS NON-REVERTING FUND (INFRASTRUCTURE) EXPENDITURES NOT OTHERWISE APPROPRIATED
(Appropriating Funds for High-Speed Data Connectivity to Seven City Sites)**

- WHEREAS, the Common Council established the Telecommunications Non-Reverting Fund (Fund) by Ordinance 96-31, and
- WHEREAS, Ordinance 96-31 provides that the Fund shall derive its revenues from cable franchise fees, and
- WHEREAS, Ordinance 96-31 dedicated forty percent (40%) of the cable franchise fees for the planning, design, development, and construction of the City’s telecommunications infrastructure, and
- WHEREAS, the City desires to purchase and install equipment to establish wireless data connectivity to five City buildings; and
- WHEREAS, the City also desires to lease two T-1 circuits from SBC to establish high-speed data connectivity to two additional City buildings and needs to purchase routers that will be need to use the T-1 circuits for data connectivity;

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

SECTION I. For the expenses of said municipal corporation, the following additional sums of money are hereby appropriated and ordered set apart from the funds herein named and for the purposes herein specified, subject to the laws governing the same:

	AMOUNT REQUESTED
Telecommunications Non-Reverting Fund (Infrastructure)	
Line 54420 – Purchase of Equipment	\$ <u>49,990</u>
Total	\$49,990

SECTION II. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2003.

CHRIS GAAL, 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 _____, 2003.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2003.

JOHN FERNANDEZ, Mayor
City of Bloomington

SYNOPSIS

This ordinance appropriates \$49,990 from the Telecommunications Non-Reverting Fund (Infrastructure) for the City to purchase wireless equipment for high-speed data connections to five City buildings, and to purchase equipment needed for T-1 connections to two additional City buildings.

MEMORANDUM

To: Members of the Common Council

From: Gregory Volan, Chief Information Officer

Date: June 25, 2003

Re: Appropriation Ordinance 03-06

The proposed ordinance appropriates funds from the Telecommunications Non-Reverting Fund to allow the City to establish high speed data connectivity to seven City buildings.

I. Current Network

The City's Information and Technology Services (ITS) department manages a data network spread over 26 separate physical locations spread around the greater Bloomington area. The four main City buildings – City Hall, Police Station, Fire Headquarters, and the Utilities Service Center – connect to each other by fiber optic cable in the Bloomington Digital Underground, which forms our core network. The fiber optic cable allows for extremely fast connections (speeds of 1 gigabit per second). Three other City buildings – Fleet, Street, and Fire Station #5 – connect to our core network by fiber optic cable because they happen to be located on properties adjacent to the Utilities Service Center.

The remaining 19 facilities do not have high-speed connectivity to our core network. They connect using ISDN circuits.¹ ISDN is a digital telephone service provided by the local telephone company that can be used to establish data connections at speeds of 128 kilobits per second. This speed is faster than a typical dial-up Internet connection, but it is not considered a high-speed connection.

For each facility, two ISDN circuits are needed to establish the data connection: one circuit located at the remote facility, and one circuit located on the core network. Each ISDN circuit costs between \$20 and \$40 per month, depending on the circuit location and whether the circuit is billed on a Centrex contract. Since two circuits are needed, each connection currently costs between \$40 and \$80 per month in SBC charges.

II. Need for Improved Connectivity to Remote Sites

It is the goal of the ITS department to establish high-speed data connections to all remote sites as quickly as possible. The ISDN connections are inadequate because they are unreliable and too slow. The ITS department spends a significant amount of time supporting the ISDN connections, which routinely fail for unexplained reasons. (The connection to the Cascades Golf Course has been down for many months, despite repeated attempts to repair.) We have also outgrown the connection speeds that ISDN service offers. Even small sites that have only a handful of computers need higher-speed connectivity. Employees at Twin Lake and Cascades, for instance, are routinely prevented from doing their work efficiently because of slow connections to the RecTrac software, which is located on a server in City Hall.

¹ There is one exception: Bloomington Adult Community Center (BACC) currently connects to City Hall with fiber from Ameritech, but that service will expire in August 2003.

Improving the connections to remote sites will increase the productivity of the employees stationed at those sites and reduce the support burden on ITS to maintain the ISDN connections. The complaints from the affected departments, especially Parks & Recreation, are mounting, and they have been looking to ITS to design a solution for some time now.

III. Options for High-Speed Connectivity

By “high-speed connectivity,” we mean that we want to establish connections that are at least as fast as a T-1 circuit, which can transmit data at 1.5 megabits per second (Mbps). There are several technologies that we have considered:

T-1 circuits. One option is to lease T-1 circuits from SBC. At the tariff rates, a T-1 circuit costs \$250 per month on a 60-month contract, for a total five-year cost of \$15,000. If we lease a large number of T-1 circuits (e.g., 10 or more), we can obtain below-tariff pricing from SBC, which will reduce the costs by approximately 20 percent.

Wireless hardware. Another option is to install point-to-point wireless equipment at both the remote site and a location on the core network. Wireless is a desirable solution because there are no recurring charges; once the equipment is purchased and installed, there are no additional fees. Wireless equipment also transmits data at speeds faster than a T-1 circuit. (Typical speeds for wireless equipment are 11 Mbps, compares with 1.5 Mbps for T-1.) The cost-effectiveness of wireless equipment depends on the ease of establishing line-of-sight connectivity between the two locations. When large towers or masts are needed, the cost of the wireless connection increases dramatically.

DSL. DSL technology can be used to achieve T-1 speeds at a lower cost than T-1 circuits. The City would not purchase DSL Internet service, but would rather make a special arrangement with a DSL provider (in our case, Kiva) to use the DSL technology to establish high-speed connections between two of our locations. In some circumstances, DSL could be used to establish T-1 speeds at a lower cost than a T-1 circuit. The main drawback, however, is that DSL service is not available in all locations. DSL tends to be available only at sites that are close to the downtown, but these are also the locations where it is easy and relatively inexpensive to establish faster wireless connections. In general, we do not consider DSL to be a viable option.

IV. Reasons for Dividing Project Into Phases

We had originally intended to present one comprehensive proposal to establish high-speed connectivity to all 19 remote sites at the same time, using either wireless technology, T-1 circuits, or a hybrid of the two. Although we have spent several months analyzing various options, we do not have enough information yet to make firm recommendations on all sites. For some of them, it has proven difficult to weigh the costs and benefits of various solutions. These tend to be the sites that are farther away from the downtown area.

The seven sites that we want to move on first are “no-brainers.” Either the cost of wireless connectivity are low enough that we can clearly recommend the wireless solution, or the costs of wireless connections would be so high that we can clearly recommend a T-1 connection. These seven sites are the following:

Traffic. (Connects to Police.) Both sites already have 100-foot towers, which reduces cost of wireless implementation. Also, Traffic has need for connectivity faster than T-1 speeds. Indeed, we propose to install more expensive 45 Mbps wireless equipment at Traffic.

Fire Station #4. (Connects to Traffic.) Establishing a wireless connection to Fire Station #4 is difficult because tall buildings on the Indiana University campus tend to get in the way. Fortunately, line-of-sight connectivity can be established easily to Traffic. The wireless solution will be less expensive and faster than a T-1 circuit.

BACC. (Connects to Police.) The Bloomington Adult Community Center is located within a few blocks of the Police Station, and it can easily see the 100-foot tower at Police without the need for an antenna or mast. The wireless solution will be less expensive and faster than a T-1 circuit.

Kid City. (Connects to Police.) The Allison-Jukebox Center is also located within a few blocks of the Police Station, and it can easily see the 100-foot tower at Police without the need for an antenna or mast. The wireless solution will be less expensive and faster than a T-1 circuit.

Fire Operations. (Connects to Police.) The Fire Operations Center at Fifth & Rogers Streets is less than a half mile from the Police Station, and line-of-sight connectivity can be obtained with only an inexpensive mast. The wireless solution will be less expensive and faster than a T-1 circuit.

Twin Lakes. (T-1 circuit.) Twin Lakes is located in a deep valley on the outskirts of town. Short of building an enormous tower far exceeding the limits imposed by the City's tower ordinance, wireless connectivity could be achieved only by building a tower at a Utilities water tower on the west side of town and bouncing the signal from Twin Lakes to a tower at Adams Street, which would then connect to the core network. Installing a T-1 circuit is more practical and cost-effective.

Cascades. (T-1 circuit.) Cascades is located on the far north side of town and also has a low elevation. We have found no practical way of using wireless equipment to connect to the core network, unless we arranged with MCCSC to use one of their towers to bounce a signal. Installing a T-1 circuit seems more practical and cost-effective.

For four of these sites, there is a compelling reason for moving quickly to establish high-speed connectivity. Due to a recent upgrade that changed the architecture of the CarteGraph software, Traffic cannot use the SignView database until we establish high-speed connectivity. (The software upgrade was required for other reasons.) The BACC currently connects to the core network using a fiber connection from SBC, which expires in August. When SBC shuts off that circuit, the BACC will have no data connectivity at all. Operations at Twin Lakes and Cascades have suffered because the ISDN connections fail routinely, and when they do work, the speeds are not fast enough to use the RecTrac database, which resides in City Hall. Parks has repeatedly asked for increased connectivity to these two sites, and their patience is wearing thin.

For these reasons, we believe it is necessary and practical to seek funding to establish high-speed connectivity to these seven sites without further delay. In the near future, we plan to seek additional funding to establish high-speed connectivity to the remaining twelve sites.

V. Costs

The appropriation ordinance seeks funding of \$49,900 to purchase the equipment needed to establish the wireless and T-1 connections.

Of this amount, \$38,675 covers the purchase and installation of wireless equipment to establish high-speed connectivity to Traffic, Fire Station #4, BACC, Kid City, and Fire Operations. This amount is based on estimates received from one likely vendor. If funding is approved, however, we will solicit competing bids from other vendors.

The remaining \$11,225 covers the purchase of routers needed to establish data connections over the SBC T-1 circuits. This amount is based on Cisco's list price. In the past, we have received discounts of 39% on Cisco equipment.

Funds from the Telecommunications Non-Reverting Fund shall not be used to pay for the monthly cost of the two T-1 circuits from SBC.

**Telecommunications Non-Reverting Fund
Fund Analysis - As of June 30, 2003**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<u>Total Fund</u>							
Beginning Cash	-	-	85,809.26	244,814.40	507,426.93	766,877.84	864,158.22
Revenues:							
Miscellaneous & Interest Income			9,295.64	16,601.80	36,233.85	40,059.68	20,446.40
Franchise Fees		89,509.26	316,868.07	387,049.63	446,673.60	474,029.40	538,178.82
Total Revenue	-	89,509.26	326,163.71	403,651.43	482,907.45	514,089.08	558,625.22
Expenses:							
Telecommunication Services		3,700.00	167,158.57	141,038.90	223,456.54	231,808.70	268,126.18
Telecommunication Infrastructure			-	-	-	156,337.82	600,000.00
Encumbered Expenses						28,662.18	77,952.70
Total Expenses	-	3,700.00	167,158.57	141,038.90	223,456.54	416,808.70	946,078.88
Available Cash	-	85,809.26	244,814.40	507,426.93	766,877.84	864,158.22	476,704.56
<u>Services Account (60%)</u>							
Beginning Cash	-	-	50,005.56	78,545.21	179,697.17	245,985.10	322,629.85
Revenues:							
Miscellaneous & Interest Income	-	-	5,577.38	9,961.08	21,740.31	24,035.81	12,267.84
Franchise Fees	-	53,705.56	190,120.84	232,229.78	268,004.16	284,417.64	322,907.29
Total Revenue	-	53,705.56	195,698.23	242,190.86	289,744.47	308,453.45	335,175.13
Expenses:							
Telecommunication Services	-	3,700.00	167,158.57	141,038.90	223,456.54	231,808.70	268,126.18
Encumbered Expenses	-	-	-	-	-	-	-
Total Expenses	-	3,700.00	167,158.57	141,038.90	223,456.54	231,808.70	268,126.18
Available Cash	-	50,005.56	78,545.21	179,697.17	245,985.10	322,629.85	389,678.80
<u>Infrastructure Account (40%)</u>							
Beginning Cash	-	-	35,803.70	166,269.19	327,729.76	520,892.74	541,528.37
Revenues:							
Miscellaneous & Interest Income	-	-	3,718.26	6,640.72	14,493.54	16,023.87	8,178.56
Franchise Fees	-	35,803.70	126,747.23	154,819.85	178,669.44	189,611.76	215,271.53
Total Revenue	-	35,803.70	130,465.48	161,460.57	193,162.98	205,635.63	223,450.09
Expenses:							
Telecommunication Infrastructure	-	-	-	-	-	156,337.82	600,000.00
Encumbered Exp. for Infrastructure	-	-	-	-	-	28,662.18	77,952.70
Total Expenses	-	-	-	-	-	185,000.00	677,952.70
Available Cash	-	35,803.70	166,269.19	327,729.76	520,892.74	541,528.37	87,025.76

In the Council Chambers of the Showers City Hall on Wednesday, April 2, 2003 at 7:30 pm with Council President Gaal presiding over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
April 2, 2003

Roll Call: Banach, Diekhoff, Ruff, Pizzo, Gaal, Rollo, Cole, Sabbagh, Mayer

ROLL CALL

Council President Gaal gave the Agenda Summation.

AGENDA SUMMATION

There were no minutes to be approved.

APPROVAL OF MINUTES

Sabbagh gave a Fifth District Report. He said that 5th District constituent Bob Arnové, was selected as an Honorary Fellow of the Comparative and International Education Society at its most recent meeting in New Orleans. He said the selection recognized the life long service and contribution to the field of Comparative and International Education. He said this award honors the foremost scholars who have made marked and lasting contributions to the substance and growth of the field through their teaching, publications and technical assistance work. Also the Council for International Exchange for Scholars has recently added Bob's name to its Roster of Fulbright Senior Scholars available to consult and teach overseas. In this capacity he will be a visiting scholar at a University in Santo Domingo, the Dominican Republic in May and June of this year. He congratulated Bob for what he called an outstanding award.

MESSAGES FROM
COUNCILMEMBERS

Sabbagh reported that WonderLab opened Saturday and the Council was presented with a plaque in appreciation for their help. He said it was a wonderful celebration that honored Fifth District Resident Deb Kent for her work in the inception and planning for Wonderlab. He related that Ms. Kent never had doubt that the museum would happen and had reviewed with the opening crowd her notes from the first meetings of the project.

Sabbagh said that the day's newspaper recognized four MCCSC schools for receiving 'Four Star Awards.' He congratulated the teachers, administrators and students of University Elementary, Binford Elementary, Childs Elementary and Unionville Elementary Schools for their achievement.

Dave Rollo said he attended the annual meeting of Middle Way House last week and congratulated them on the work that they do, and for their success in the many projects they do.

Rollo made the following statement:

We take pride here in Bloomington that we are a community that not just tolerates diversity but celebrates it. We have declared ourselves a safe and civil city. This is one of the many reasons that I'm proud to live here. I believe that our commitment to cherishing cultural diversity is especially important in this time of war. It is important to extend our compassion and support to our neighbors who may be at particular risk because of heightened emotions mixed with ignorance and fear. The intolerance to Muslim Americans has turned deadly in recent days and we should all work to insure that violence, intimidation and bigotry does not infect our community.

Two cases just 50 miles away vividly illustrate the danger. On March 24, Abdullah Nadari, a 37 year old Afghanistan native, was attacked while working alone at night at his restaurant in Indianapolis. According to media reports Nadari told officials he was cleaning up in the kitchen when two people burst in and set him on fire by dousing him with gasoline and setting him alight. He suffered second and third degree burns on 60% of his body and is currently in critical care at Wishard Hospital. In a separate

incident on the same day, Deepak Patel, the owner of a small grocery store on the southwest side of Indianapolis, was shot to death in his store. The motive was, in part, robbery. The neighbors contend that Mr. Patel was targeted for his ethnicity and an investigation is now underway. And it is apparent that people of color have complained of harassment here in Bloomington in recent weeks. These are innocent people that are being victimized for senseless acts of violence that we cannot allow to occur in a nation that espouses freedom from fear and intimidation and places the highest value on civil liberties. We must work now to prevent any possibility of what has afflicted other communities from happening here. We've come a long way in eradicating discrimination and intolerance because of race, religion, and nationality, but I'm afraid we still have a long way to go. It is vital that we all pledge to reach out to one another in these times, to work within our neighborhood associations, our workplaces, our places of worship and our public spaces to insure the safety and respect of all of our residents. This is up to all of us. Thank you.

Nathan Hadley, Mayor's Office, presented the Annual Tax Abatement Report to the council. He said this document was prepared for consideration by the Economic Development Commission and the City Council, and that the EDC had reviewed it at its April 4th meeting. They accepted the report and forwarded to the council for consideration. He said the EDC was pleased with the report and found no one out of compliance with their tax abatement status. He said the council rescinded three tax abatements last year and now there are 29 tax abatements. He said 18 of those are tax abatements for residential projects and targeted areas. He outlined recent tax abatement approvals of Covenanter Gardens (low income and disabled tenants), CFC Mace's downtown housing project, International Data, West Kirkwood's pre-designation, and Buyers Only (affordable housing on Rockport Road). He reported that Buyers Only recently went out of business, and a new developer had recently agreed to take on the project. He said the project would be tracked to make sure it would remain in compliance with the original agreement.

He added information on late filings of CF-1's and added that tax abatements involved with personal property had a deadline of May 1st. He said that he would be happy to supplement the report with late filings with the manufacturing equipment tax abatements at some point in the future.

Ruff referred to an article in the day's newspaper regarding a similar report presented to the County Council. He stated that the city didn't find itself in the same situation of employment figures not reaching projected numbers in the original applications. Hadley said that the county does not hear tax abatements for residential projects, so all of their tax abatements were under the general employment category. Ruff asked if the tax abatements with a significant employment component were in compliance and specifically mentioned B & L Sheet Metal. Hadley said he considered this in compliance and pointed out the figures of estimated employment creation in the original SB-1 form noting that the total number of employees matches their prospective numbers. Ruff read from the Lockerbie statement that declared their residents would "work, shop and dine downtown." He asked if there was any measure in place for the extent to which residents would do this. Hadley said there really wasn't, and said that this statement was probably based on general spending patterns of downtown residents based on a larger survey. Ruff asked if Lockerbie was fully occupied, and if area restaurants had seen indications of this happening. Hadley said he had not heard anything regarding this.

Motion to accept this report and schedule a supplemental report for the unfilled CF-1's for June 18, 2003. The motion was approved by a voice vote.

There were no committee reports.

MESSAGE FROM THE MAYOR

COMMITTEE REPORTS

There was no public input at this time.

PUBLIC INPUT

It was moved and seconded that Beth Hollingsworth be appointed to the Board of the Corporation for Capital Improvements and Attractions. The nomination was approved by a voice vote.

BOARD AND COMMISSION APPOINTMENTS

It was moved and seconded that Ordinance 03-09 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, stating that there was no committee recommendation. It was moved and seconded that Ordinance 03-09 be adopted.

LEGISLATION FOR SECOND READING

Ordinance 03-09 To Establish the Wireless Enhanced 911 Non-reverting Fund

Tom Guevara, City Controller, explained that this ordinance would establish a new fund for the city to receive revenues from Monroe County in reimbursement for expenses associated with maintaining an enhanced 911 system to respond to emergency calls from cell phone users. He spoke of recent legislation from the General Assembly that designated provisions for raising revenue from cell phone users for the purposes of covering local governmental expenses in computer hardware and software, personnel expenses and training, provision of any emergency service not covered by these items and the education of consumers about operations, limitations, and role and responsible use of the enhanced 911 service.

Guevara said that these funds would be used immediately to reimburse the city for upgrades already made to the dispatch center and for augmentation of future service with more personnel or equipment. He said expenditures for this purpose in 2001 totaled \$317,000. He added that the state set up the committee to distribute funds to local units of government, in this case a county board. He said since the use of funds was restricted by law, and a non-reverting fund would be best to segregate the funds so that any money left at the end of the year did not revert to the general fund, but would remain in this special fund for future use.

He reiterated that this should be an appropriated fund so that any expenditures or transfers would come to the council for approval, and claims would be approved by the Board of Public Safety.

Upon questions from Ruff, Guevara said the annual receipt would be about \$96,000, and clarified that the non-reverting fund would allow better tracking and budgeting for this program.

Mayer asked if the money could be used to improve the routing of the 911 calls. Guevara said the money could be used to address that issue, but didn't have figures on how much that would cost.

Ruff clarified that this was a "nine-one-one" issue and not a "nine-eleven" issue, referring to distinguishing the vernacular on these two separate items.

Ordinance 03-09 received a roll call vote of Ayes: 8, Nays: 0.

It was moved and seconded that Ordinance 03-10 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, stating that there was no committee recommendation. It was moved and seconded that Ordinance 03-10 be adopted.

Ordinance 03-10 An Ordinance Concerning the Refunding By the City of Bloomington of Its Waterworks Refunding Revenue Bonds of 1993 and Its Waterworks Revenue Bonds of 1995; Authorizing the Issuance of Waterworks Refunding Revenue Bonds for Such Purpose; Providing for the Collection, Segregation and Distribution of the Revenues of the Waterworks and the Safeguarding of the Interests of the Owners of the

Vickie Renfrow said that this ordinance allowed the city to borrow money at a lower rate than it was paying on the bonds and refund the bonds, thus saving money. She said the ordinance did not obligate the city to do this, but would place the city in the position to do so when the conditions were right. She said recent refinancing of Wastewater Revenue Bonds had saved the city over \$800,000 over the term of the bond.

Mayer commended the Utilities Department and Controllers offices for their work on this to save the money, and was glad the city was able to take advantage of this.

Waterworks Refunding Revenue Bonds Authorized Herein; Other Matters Connected Therewith; And Repealing Ordinances Inconsistent Herewith

Gaal said this was an example of the good fiscal management practiced by the city which had resulted in its good bond rating.

Ordinance 03-10 received a roll call vote of Ayes: 8, Nays: 0.

It was moved and seconded that the following legislation be introduced and read by title and synopsis only. Clerk Moore read the legislation by title and synopsis.

LEGISLATION FOR FIRST READING

Ordinance 03-08 To Amend Title 16 of the Bloomington Municipal Code Entitled "Housing Inspection" (Repealing and Reenacting Chapter 16.04 (Property Maintenance Code) and Amending Portions of Chapter 16.12 (Housing Quality))

Ordinance 03-08

Banach asked that if any council members were considering amendments to this code, that they be distributed as soon as possible.

PUBLIC INPUT

The meeting was adjourned at 8:15 p.m.

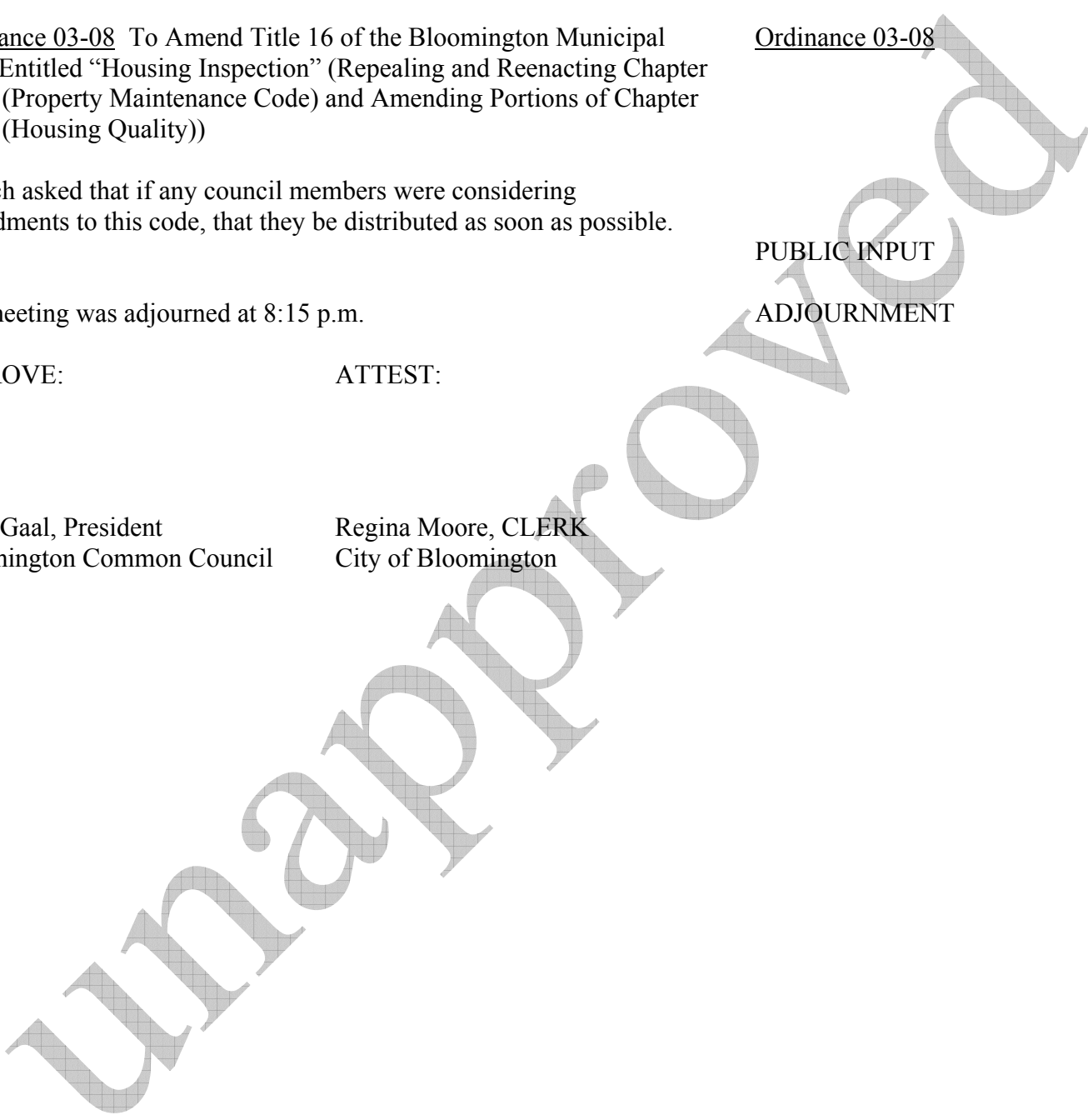
ADJOURNMENT

APPROVE:

ATTEST:

Chris Gaal, President
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington



In the Council Chambers of the Showers City Hall on Wednesday, May 21, 2003 at 7:30 pm with Council President Gaal presiding over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
May 21, 2003

Roll Call: Diekhoff, Ruff, Pizzo, Gaal, Rollo, Cole, Sabbagh, Mayer
Absent: Banach

ROLL CALL

Council President Gaal gave the Agenda Summation.

AGENDA SUMMATION

There were no minutes to be approved.

APPROVAL OF MINUTES

Patricia Cole congratulated both winners and losers from the recent primary election. She said it took real love and commitment for the community to run for elected office.

MESSAGES FROM
COUNCILMEMBERS

She noted the recent newspaper reports of Kevin White and the Crestmont neighborhood and commended them for working to improve the area. She said the council would support programs and initiatives that would enhance the area.

David Sabbagh said that this week was the Bloomington Early Music Festival (BLEMF) and encouraged citizens to attend one of the concerts. He commented on the wonderful spring foliage on the trees in Bloomington which, he said were the result of the snow and precipitation that we all complained about last winter.

Chris Gaal announced that the Parks and Recreation Department was holding their last public meeting on the Jackson Creek Trail Master Plan, a part of the proposed greenway loop around the city's southeast side leading to downtown, on June 5th at 5:30 p.m. in City Hall. He said citizens could view the plans and give comment on them.

There was no report from the mayor.

MESSAGE FROM THE MAYOR

There were no reports.

COMMITTEE REPORTS

There was no public comment.

PUBLIC INPUT

There were not appointments made.

BOARD AND COMMISSION
APPOINTMENTS
LEGISLATION FOR SECOND
READING

It was moved and seconded that Ordinance 03-12 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, stating that there was no committee recommendation. It was moved and seconded that Ordinance 03-12 be adopted.

Ordinance 03-12 To Amend Title 15 of The Bloomington Municipal Code Entitled "Vehicles and Traffic" – Re: Stop and Yield Intersections, Restricted Right Turns on Red Lights, Speed Zones, and Various Parking Regulations

Justin Wykoff, Manager of Engineering Services, showed maps of the areas that were covered by this ordinance. He outlined the changes illustrated on the maps. He said the expansion of the Elm Heights Neighborhood Parking Zone (Zone 1) would most probably be the last of that zone expansion, and gave a history of how the zone had been expanded and how the expansions were determined. He explained that the limited parking, loading zones and accessible parking zones near WonderLab had been developed with the museum, and would accommodate busses loading and unloading visitors. He said that North Washington Street neighbors and the fire department were involved with a traffic commission recommendation to convert the 1300 block of North Washington to a No Parking zone. He outlined the process for making alternate sides of streets No Parking zones for the purpose of slowing traffic on West Third Street, South Grant Street and West 6th Street. These changes were either recommended by the traffic commission or are currently working through balloting in the

Neighborhood Traffic Safety Program. Wykoff noted problems that created needs for No Parking zones on East 5th Street and Morton Street. Wykoff outlined visibility, sightline, and traffic flow problems that created the need for restricted turns on red lights at 17th and Madison/North Kinser Pike, and also w 3rd Street and Wynnedale near the Showplace 12 Theater.

Wykoff explained one reason for the Stop and Yield intersections being added to the code in this ordinance was due to the annexations in the Broadview, Southern Pines Areas, Silver Creek Area and Monroe and 20th Streets. Wykoff gave the history of the problem in the Gates development on the Westside at Whitehall Crossing and Jacobs Drive at the entrance to Kohl's store. He said this was actually due to increased accidents in the area.

Sabbagh asked Wykoff to clarify stops on Silver Creek Drive to which Wykoff replied that Bridgewater, E. Silver Creek Court would stop, but Silver Creek Drive would not have stop signs along its route.

Sabbagh asked about the current parking situation on South Grant Street, to which Wykoff answered that currently there is parking on only the East side of Grant Street. Sabbagh surmised that after the change there would be the same number of parking spaces, but they had been moved from one side of the street to the other.

Mayer asked about W 6th Street, and Wykoff said he worked with neighbors to see who needed on-street parking, and worked out another alternating no parking zone area to accommodate them and also slow traffic.

Mayer asked how effective "no turn on Red" signs were, and if there were any statistics on how many people obeyed them. Wykoff didn't have a quantitative answer for that.

Rollo asked about staggering of parking to which Wykoff said it was a simpler method of traffic calming where the city could work with neighbors while not having to change any infrastructure or curbing. Rollo asked if the width of the traffic lane changed, and Wykoff said that it was a visual narrowing and has been a form of chicaning.

Cole asked if the circles on 6th Street were coming out. Wykoff said these were not permanent concrete pieces and could be easily changed to make the shapes a little more obtrusive and create a visual change. He said the one at Waldron and 6th was a little more difficult to change as a response to a comment by Cole. He said at 6th and Oak, the circle was not effective as the traffic lanes were so wide. Cole asked if there was a plan for traffic calming on 7th Street. Wykoff said that Veda Stanfield has been working with the Fairview School and neighborhood folks, and that staggered parking on 7th Street would probably be addressed there.

Ruff asked about the traffic commission's vote of 5-4 on the Grant Street proposal of alternating parking; specifically what was the issue behind the opposing four votes. Wykoff said one of the original votes might have been that way, but that the issues had been worked out with the residents of the 1300 block of Grant during the traffic commission meetings.

Gaal asked if the staggering method of traffic calming was something new or if it had been used before. Wykoff said it was first used in the neighborhood areas south of the hospital and spread through there. He said it had been done mainly on local streets, not main streets. He said traffic counts would be monitored, but had been successful in areas where there are a number of cars parked in the area. Gaal added that this was an alternative to speed bumps. He added his comment to Coles

regarding the speed on the west 7th Street and asked whether anything could be done. Wykoff said that he would share counts and speed data with council members.

Ordinance 03-12 (cont'd)

Rollo asked the total number of parking spaces added to the Elm Heights Neighborhood Parking Zone and if it would involve painting spaces. Wykoff said it didn't create spaces but restricted those areas to residents of the area. Rollo asked if any attention had been given to speeders on Ruby Lane and Nancy Street. Wykoff said he hadn't had anyone complaining about it, but the sidewalk initiative continuing in the area might have been in response to that issue. Rollo said the area was used as a cut through from Hillside to Maxwell. Wykoff said that traffic counts and a speed board could be used there after Utilities left at the end of June.

Barry Klapper, 1200 Block of Grant, said she supported the proposal to change the parking in the area and was concerned about the speed of cars on the street. She said this was an efficient and low tech way to effect this change and asked the council to support the ordinance.

Ordinance 03-12 received a roll call vote of Ayes: 8, Nays: 0.

It was moved and seconded that Resolution 03-07 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, stating that there was no committee recommendation. It was moved and seconded that Resolution 03-07 be adopted.

Resolution 03-07 To Amend the Interlocal Cooperation Agreement between the City of Bloomington and Monroe County, Indiana in Regard to Planning and Zoning Jurisdiction (Transferring Approximately 8 Acres to the County)

Tom Micuda, Director of Planning, said this was a simple amendment to the agreement between the city and county as it would simply transfer eight acres of property from the city's planning jurisdiction to the county's planning jurisdiction. He gave a geographic description of the property, outlined the present planning jurisdictions on a map, and reviewed the history of the interlocal agreement. He said the reason for the proposal was that the small sliver of land was envisioned as part of the EagleView subdivision, just east of the site adding that the linear shape of the property would make it difficult to develop on its own. He said that, however, the property had been aggregated for purposes of development to a 30 acre parcel, Tract A of the Bailey Farm, which is in the county's jurisdiction. He said the owner of the property received planning approval from the county to change the zoning from estate residential (one acre lot) to a low density residential (with a slightly higher density). He said it makes sense from an administrative point of view to integrate the two parcels.

Micuda said the rezoning makes sense because this creates more efficient government services under one planning jurisdiction. He said the Clear Creek Trail bordering the Tract A Bailey Farm makes a perfect buffer between the areas of this development and the county's rural area.

Diekhoff asked if there was a house currently located on this eight acres, to which Micuda said that there was one house with a driveway off Gordon Pike.

Sabbagh asked if Micuda agreed with this change, and he replied that he believed that this property should be developed as a low density residential subdivision. He said the zoning makes perfect sense, and the city would have input on the formal subdivision of the property.

Rollo asked that Micuda clarify the density of the area subdivisions. Micuda said Eagle View (east of the site) had two units per acre, while the property north of the site is four units per acre. The developer has received approval for approximately forty lots on twenty two acres, a little less than two units per acre and added that it was a logical

downward progression in density to the creek and trail further west. Rollo asked about environmental features to which Micuda said there were three karst features shown as circle areas on Exhibit #2 along with the 25 foot preservation buffer. He said trees around the existing house would be protected and that the area to the south of the buffer was not environmentally constrained.

Resolution 03-07 (cont'd)

Gaal said avoiding split planning jurisdictions within one project made sense. He asked if the county shared the view that the Clear Creek Trail serve as a rural/urban boundary. Micuda said a letter was sent to the county planning director as part of the zoning petition and this was one of the notes in that communication along with notes about extending two streets and providing access to the trail. He said they had no problem with these ideas and that the infrastructure constraints on the rest of the Bailey Farm would not be conducive to development. He said the county's comprehensive plan included the city's statements on compact development, and not extending the urban area is included in that statement by reference. He said he was confident that the county viewed this area in a similar manner to the city.

Resolution 03-07 received a roll call vote of Ayes: 8, Nays: 0.

It was moved and seconded that the following legislation be introduced and read by title and synopsis only. Clerk Moore read the legislation by title and synopsis.

LEGISLATION FOR FIRST READING

Appropriation Ordinance 03-04 To Specially Appropriate Transfers within The General Fund, Fleet Maintenance Fund and Parking Enforcement Fund (Transferring Expenditures for Clothing and Tools from Category 1 - Personal Services to Category 2 - Supplies)

Appropriation Ordinance 03-04

Appropriation Ordinance 03-05 To Specially Appropriate from the Wireless enhanced 911 Non-Reverting Fund Expenditures Not Otherwise Appropriated (Appropriating Funds for Payroll Expenses and to reimburse the General Fund for Hardware and Software Expenses)

Appropriation Ordinance 03-05

Ordinance 03-13 To Amend Ordinance 02-18 Which Fixed the Salaries of Appointed Officers and Employees of the City of Bloomington for the Year 2003 – Re: Civilian positions in the Engineering, Information Services, Parks and Recreation, and Police Departments

Ordinance 03-13

Ordinance 03-14 To Amend Ordinance 02-19 Which Fixed the Salaries of Appointed Officers and Employees of the Utilities Department of the City of Bloomington for the Year 2003 - Re: Two Positions in Purchasing

Ordinance 03-14

PUBLIC INPUT

The meeting was adjourned at 8:35 p.m.

ADJOURNMENT

APPROVE:

ATTEST:

Chris Gaal, President
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington

In the Council Chambers of the Showers City Hall on Wednesday, June 18, 2003 at 7:30 pm with Council President Gaal presiding over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
June 18, 2003

Roll Call: Banach, Diekhoff, Ruff, Pizzo, Gaal, Rollo, Sabbagh, Mayer
Absent: Cole

ROLL CALL

Council President Gaal gave the Agenda Summation.

AGENDA SUMMATION

There were no minutes to be approved.

APPROVAL OF MINUTES

Rollo commented on the cutbacks in the federal Americorps Program saying it was a sad commentary on the Bush administration that completed a tax cut where 40% of cuts would go to 1% of the population following on the heels of a tax cut that would be similarly regressive and likely to produce federal deficits for years to come. He said that the president and congress seemed unable to find \$5.3M needed for a program to provide volunteers with modest stipends and credit to pay college tuition for work in community service. He quoted Jewel Eschelbarger, the Executive Director of the Area 10 Agency on Aging, when she said this would constitute a major blow to our services to low income, frail, needy and elderly people. He urged citizens to contact Senators Bayh, Lugar and Representative Baron Hill to urge them to restore funding to the Americorps Program with all due haste.

MESSAGES FROM
COUNCILMEMBERS

Pizzo said "Amen" to Rollo's statement.

James McNamara, Deputy Mayor introduced Maren McGrane, the new Economic Development Director. She said that this report provided updates on the compliance forms for Real Estate Tax Abatements which had a March 1st deadline, and also provided new information for Manufacturing Equipment Tax Abatements which had a May 15th deadline. She said the mayor's office sends notices each year to remind the recipients to file the compliance forms, but that this year there were some extenuating circumstances regarding late filings. She said she was working with property owners to ensure timely filing for next year's statements. McGrane said that Statement of Benefit filings for the Cottage Grove Housing, Inc., and Moncel Development Corp. (housing units for low-income residents) were late because of changes in ownership. She said that she was working with the new owners to ensure proper filing in the future. She briefly outlined the compliance of the Habitat for Humanity tax abatement. She reported that the compliance form for the tax abatement for Renaissance Rentals, LLC, for real estate on West 6th Street had not been filed. She reviewed the development and its history of ownership, and said that the future development of the remaining planned units is unclear at this time. She added that the project is currently on hold and benefits have not been taken for two years, including this year.

REPORT FROM THE MAYOR

- Supplemental Tax Abatement Report

McGrane said that the tax abatement for Print Pack, Inc., formerly known as Independent Packaging was for manufacturing equipment. She said that the company had exceeded projections submitted with their 1999 extension of abatement, and was in substantial compliance with the Statement of Benefits.

It was moved and seconded to accept the Supplemental Tax Abatement Report. The motion was approved by a voice vote.

Dan Sherman, Council Administrator/Attorney gave the report from the Council Sidewalk Committee. He said the committee makes

COMMITTEE REPORTS

- Sidewalk Report

recommendations to the council on allocation of Alternative Transportation Funds. He said this year the funds totaled \$175,000 and that it came from surplus revenues from the neighborhood parking zones. He said the committee recommended that \$160,000 be used for sidewalks with the remainder to be used for other methods of alternative transportation or traffic calming devices.

Sherman noted that Council Members Sabbagh, Diekhoff, and Mayer served on the committee this year with the fourth seat shared by Willsey, Gaal and Rollo, consecutively. He noted city staff assisted the committee and noted dates and agendas of meetings.

Sherman gave an overview of the projects that were currently being finished with the 2003 funds, along with other recent, ongoing and future sidewalk projects. Sherman outlined the criteria that the committee used for selecting sidewalk projects which included past priorities, the Pedshed map and Sidewalk Inventory, and costs in relation to other projects the city is working on (such as stormwater projects). He said the three sidewalk linkages that the committee recommended were on East 5th Street, East 10th Street and South Walnut (south of Country Club), and reported projected funds needed for these projects. He said the committee was submitting the report with these recommendations for approval so that the city could begin working on the projects.

Gaal asked if the East 10th Street sidewalk would be close to the road or separated by a tree plot because it was his wish that there be a separation from the road for pedestrian safety. Sherman said the latest rendering showed the sidewalk separated from the road, and would take this as a recommendation.

Mayer thanked Sherman for his work in chairing the committee, gathering information and guiding the process to the point where the committee could make choices. He also thanked the city staff members involved for helping provide information for proposed projects.

Rollo said there were several good projects proposed with limited funds. He said there was a criteria for priorities, safety concerns, filling gaps, etc. He added he was happy with the committee's.

Sabbagh said it was good to be back on the committee. He said since we are a pedestrian friendly city, we should have a good sidewalk system for people to use, safe places for kids to walk to school, and sidewalks for people to walk downtown. He added that the sidewalks were needed all over town, but that the committee would nibble at them a little at a time due to lack of funds to do them all at once.

Diekhoff thanked Sherman and city staff for their work, adding that he appreciated their efforts.

Gaal congratulated everyone, and thanked Rollo specifically for stepping into the committee process just after he had been newly elected to council.

It was moved and seconded to accept the Sidewalk Report. The motion received a roll call vote of Ayes: 8, Nays: 0.

Sabbagh said he was the council representative to the Bloomington Urban Enterprise Association, and said the group was active this year and had participated in several projects. He said that on each side of West Kirkwood there are projects that are funded by the BUEA. He said the latest project was the investment of \$117,000 in the Greenway's project. He said that more information about the BUEA was available from Lisa Abbot in the HAND Department.

- Bloomington Urban Enterprise Association Report

Mayer gave a report on activities of the Plan Commission of which he is the council representative. He described a large infill project in an undeveloped portion of the Bryan Park Neighborhood that has been proposed by Steve Smith and Tim Henke. He said the council chambers overflowed with neighbors who were concerned with the development and the discussion was lively. He concluded by saying that this item will be on the July Plan Commission agenda with modifications suggested as a result of the forum.

- Plan Commission Report

Gaal said it was an impressive showing by the neighborhood, and that it was important that all pay attention to that issue.

Ruff said that the Unified Planning Work Program is a requirement of the planning department to continue to receive and spend federal transportation dollars. He said it outlined a series of traffic studies and corridor studies, along with greenways and alternative transportation plan work. The Report is available from the Planning Office and will soon be available on the City's Website.

- Unified Planning Work Program, Metropolitan Planning Organization

Marc Haggarty, Westside resident, said the Westside held many things for the city of Bloomington -- the most poor, unemployed, minority citizens and welfare recipients; PCB's in Lemon Lane, inadequate child care, heavy flow of traffic going out of town, but few appointments to boards and commissions. He said the Westside doesn't have a grocery, laundromat, gym for sports, Boys and Girls club summer program, indoor pool, or convenient hours for the outdoor pool.

PUBLIC INPUT

He said he had concern for the youth in his neighborhood as they compare themselves to their schoolmates that live in other areas that do have amenities. He said he was concerned that they are vulnerable to crime and trouble with the law. He said the young males on the Westside need some of the things that the other young men have to keep them out of trouble.

It was moved and seconded to approve the appointment of Dave Rollo to the Plan Commission and Tim Mayer to the Utilities Service Board. Gaal said that this switch was to be effective on July 1, 2003.

BOARD AND COMMISSION APPOINTMENTS

Mayer said that at the beginning of the year the Plan Commission seat for the council members was to be split between three council members for a four month term each. He said that because of changes in the council, he stayed for six months and that he was ready to go back to the USB to which he was appointed at the first of the year.

Rollo said he enjoyed his time on the USB, said he had a wonderful experience and looked forward to serving on the Plan Commission. The motion was approved by a roll call vote: Ayes: 8, Nays: 0.

It was moved and seconded that Sarah DeLone be appointed to the Animal Control Commission. The appointment was approved by a voice vote.

It was moved and seconded that Ordinance 03-03 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, reading the legislative history of this annexation ordinance. It was moved and seconded that Ordinance 03-03 be adopted.

LEGISLATION FOR SECOND READING

Ordinance 03-03 An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (Northwest Area)

Susan Clark, Budget and Research Director for the Controller's office, asked if there were any citizens in the room who were present to speak to the annexation. Seeing none, she reminded the council that there had been two other presentations on this annexation. She said the fiscal plan and ordinance had been introduced in March and that the ordinance would be voted on tonight. She said if adopted, the ordinance would

take effect on January 1, 2004. Clark said that, as with all annexations, non-capital services would be provided within one year of the effective date of the annexation, and all services would be provided with the same standard and scope as they were within the municipal boundary. She concluded by outlining the fiscal plan data.

Ordinance 03-03 (cont'd)

Gaal said there were other hearings on this annexation, and that this was the last and final action on the ordinance.

Ordinance 03-03 received a roll call vote of Ayes: 8, Nays: 0.

It was moved and seconded that Ordinance 03-15 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, stating that there was no committee recommendation. It was moved and seconded that Ordinance 03-15 be adopted.

Ordinance 03-15 To Amend the Preliminary Planned Unit Development (PUD) for PUD-03-00 - Re: 3209 E. Moores Pike (Smith Neubecker & Associates, Inc., Petitioners)

Tom Micuda, director of Planning, said that the petitioners wanted to extend the time limit for a PUD that the council approved in 2000, and add a single land use, a climate controlled storage facility to the PUD. He outlined the geographic location and said it was a remnant piece of property from the Rogers' Farm. He said the same petitioner came forth with the proposal to develop an office complex on the property. Micuda said it was proposed that the complex would make a good transition from the multi-family zoning and commercial zoning on either side of this property. Micuda said that in 2000 a preliminary plan for the PUD was approved as well as a zoning decision, and reviewed the PUD preliminary plan. He said today's proposal included a smaller office building than the original plan, (12,000 square foot building versus a 32,000 square foot building) which they believe will be easier to market. He added that the unique climate controlled storage building would be different than the typical mini-warehouse which is not attractive and essentially cold storage.

Micuda outlined the differences and similarities of the old and new PUD plan. He showed a sketch of the storage building, and pointed out the absence of exterior doors with concrete and glass, adding that this is an architectural commitment with the change in PUD. He added that the storage building would be a three level building with interior access that would sit behind the office building and would be unobtrusive. He said staff thought this would be a good transitional use between residential and commercial zones, and would have less traffic than the large office building that was originally planned for the site. He added that the storage building would be tucked behind the office building and that the site had no environmental constraints and the trees at the front of the site would be preserved.

Micuda said the neighborhood held a meeting early on in the process and there were no remonstrators at the Plan Commission meeting. He said the Plan Commission had forwarded this to the council with a unanimous recommendation of 7-0.

Mayer asked about the sidewalk connections to which Micuda said there would be a sidewalk along Moore's Pike per code, and there would be a sidewalk extending to the North along the internal access drive, and pedestrian connections along the North side and South side of the property. He said these were important because of the surrounding uses such as the Red Bud residents who could pass through the property to the Jackson Creek Shopping Center.

Pizzo asked how much traffic would be generated and Micuda said that the storage facility would generate 1/2 to 2/3 the traffic expected with a 32,000 square foot office building.

Sabbagh asked about rear access to the property. Micuda said that the friendly condition of approval left it to the petitioner to work with

Jackson Creek to see if there could be a vehicular connection to the back of the Jackson Creek center. Micuda said it couldn't be done, but that it was not as essential with the newly proposed storage facility.

Ordinance 03-15 (cont'd)

Rollo asked if this increased the amount of impervious surfaces which would concern him because of the increased amount of runoff and the drainage in the creek. Micuda showed the approved 2000 plan and the new plan saying that there would be several percent difference in the impervious surface. He said Utilities had signed off on the proposal. Micuda said there would be on site detention with this development.

Rollo asked what number of units would be included in the building. Micuda said that would be better answered by the petitioner.

Rollo noted the level and type of lighting fixtures for the area. Micuda said that down lighting was proposed because of the neighbors in Bittner Woods.

Petitioner, Steve Smith, added that this was a fine tuning of the petition of three years ago. He said they'd learned that there is a market for small practitioner owner-occupied offices in the 3,000 to 10,000 foot range on the east side of town. He added that the North end of the site was low which a problem but the climate controlled storage worked well on this site as it would be 300 feet off of Moore's Pike, further back than the Kerasotes theater. He said the streetscape would be a professional office space, and there would be a market for this type of storage on the east side. He explained the office, parking and storage outdoor lighting.

Rollo asked again about the number of units. Smith said there was no specific number of units at this point because the interior was not designed yet. He said the units would be smaller than garage size, access would be through a central doorway and an elevator system, and that climate controlled storage would accommodate higher value items such as musical instruments, valuable documents, and family heirlooms. He alluded to the higher expense involved in this type of storage unit.

Sabbagh asked about the access to storage to which Smith said that this type of building did not look like a storage unit, and the access was from inside a door. He added that there were a number of these units in Florida.

Diekhoff thanked Smith for putting in an asphalt path before the property was developed in response to concerns by the Red Bud residents walking to the movie theater parking lot.

Mayer said the first proposal brought concern from the neighborhood, and he thanked Smith for working with the neighbors, and said that it was clear that there was no opposition to this.

Ordinance 03-15 received a roll call vote of Ayes: 8, Nays: 0.

It was moved and seconded that the following legislation be introduced and read by title and synopsis only. Clerk Moore read the legislation by title and synopsis.

LEGISLATION FOR FIRST READING

Ordinance 03-16 To Amend Title 15 of The Bloomington Municipal Code Entitled "Vehicles and Traffic" (Amending the University Proximate Residential Neighborhood Permit Parking Program by Establishing Zones 5, 6, and 7 in the Old Northeast Downtown Neighborhood and Adjusting Permit Fees)

Ordinance 03-16

There was no citizen comment at this time.

PUBLIC INPUT

President Gaal announced there would be a Special Session of the Common Council to be held immediately after the Committee of the Whole session on Wednesday, June 25th, that would address a resolution regarding the patriot act and in defense of constitutional rights. He said the resolution would be sponsored by Council Member Rollo and himself, and that would be the only item of business for that session.

OTHER BUSINESS

The meeting was adjourned at 8:47 p.m.

ADJOURNMENT

APPROVE:

ATTEST:

Chris Gaal, President
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington

Unapproved