IN City Sues Over Failed Pharmaceutical Facility

The Associated Press

GREENWOOD, Ind. (AP) — A suburban Indianapolis city has filed a foreclosure lawsuit against a pharmaceutical company that failed to open after receiving $8.4 million in loans and other assistance from the city.

Greenwood officials had tried for months to help with talks involving possible investors in hopes of saving Elona Biotechnologies before deciding to file the lawsuit, Mayor Mark Myers said.

"There just wasn't any progress," Myers told the Daily Journal (http://bit.ly/175rafa [1]).

City attorney Krista Taggart said the lawsuit asks for a Johnson County judge to appoint a receiver who would try to sell Elona's unfinished facility and equipment for making insulin.

Greenwood officials three years ago approved the project incentives, including a $6 million construction loan for 50,000-square-foot plant in a business park east of the city just south of Indianapolis. Elona said then it expected to employ some 70 workers and spend more than $25 million on a planned expansion.

The company founders didn't return the Daily Journal's calls seeking comment. The company's phone number was disconnected when called by The Associated Press.

A hearing on the lawsuit is scheduled for Tuesday.

Greenwood officials maintain the company owes the city nearly $9.5 million, an amount that includes the interest that's been accruing. Myers said the city hopes to recoup at least $3 million.

City Council member Mike Campbell said the loss of the money loaned to Elona won't prevent the city from carrying out planned projects, including construction of a new Interstate 65 interchange. But the loss could force the city to scale back future plans and review other incentive packages more closely, he said.

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