

FILED

JAN 06 2010

RESOLUTION NO. 3, 2010

A Resolution of the Common Council of the City of
Terre Haute, Indiana, Designating an Area Within the City
Commonly Identified as

CITY CLERK

Outlot #3 of the Sycamore Crossings Replat of Lot 3, which is located on the north side
of Margaret Avenue, just west of State Road 46

Terre Haute, Indiana,

As an Economic Revitalization Area

For the Purpose of Ten Year Real Property Tax Abatement

WHEREAS, a petition for ten year real property tax abatement has been filed with the Common Council of the City of Terre Haute requesting that the real property described therein be designated as Economic Revitalization Area for purposes of real property tax abatement; and

WHEREAS, Sycamore Hotel Partners, LLC, the "petitioner," has submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council to make an informed decision, said information including a description of the real property more particularly described as follows:

Outlot #3 of the Sycamore Crossings Replat of Lot 3, Lost Creek Township, Vigo County, Indiana

WHEREAS, petitioner has represented that the project itself will create 16 new permanent full-time jobs with a payroll of \$282,500.00 Full-time, \$353,250.00 total (approximately) and that the cost of the project will be at least \$6.46 Million for real property improvements.

WHEREAS, the Common Council of the City of Terre Haute has considered the petition and Statement of Benefits and has conducted a complete and proper investigation of the subject property and neighborhood to determine that the area qualifies as an economic revitalization area under Indiana statutes; and

WHEREAS, the Common Council has found the subject property to be an area where facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues and has become undesirable for or impossible of normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements, character of occupancy, age, obsolescence, substandard buildings and other factors which prevent normal development or use;

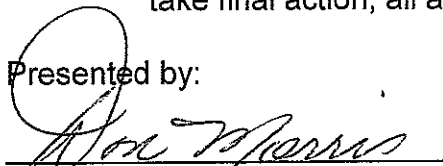
NOW, THEREFORE, IT IS FOUND, DETERMINED AND RESOLVED by the Common Council of the City of Terre Haute that:

1. The petitioner's estimate of the value of the redevelopment and rehabilitation and the project to be constructed on the subject real property is reasonable

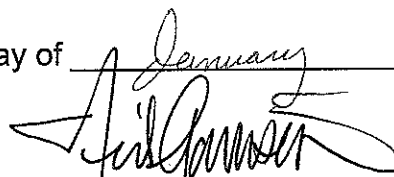
for projects of that nature in order to maintain, expand, update and improve efficiency and capabilities for hotel accommodations.

2. The petitioner's estimate of the number of individuals who will be employed, and the benefit thereby, can reasonably be expected to result from the project and the redevelopment and rehabilitation.
3. The petitioner's estimate of the annual salaries or wages of the individuals who will be employed, and the benefit thereby, can reasonably be expected to result from the project and the redevelopment and rehabilitation.
4. That the other benefits about which information has been requested can be expected to result from the project and the redevelopment and rehabilitation.
5. The totality of the benefits of the proposed redevelopment and rehabilitation can reasonably be expected to result from the project and are sufficient to justify a ten year real property tax deduction from assess valuation under Indiana statutes, and each such deduction should be, and they are hereby, allowed.
6. That the petition for designating the subject property as an economic revitalization are for the purposes of ten year real property tax abatement and the Statement of Benefits copies of which were submitted with the petitions are hereby approved and the Real Estate described hereinabove is hereby designated as an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et. seq., and petitioner is entitled to the ten year real property tax abatement provided therein for the proposed redevelopment and rehabilitation upon the real estate described on Exhibit A attached hereto.
7. That notice hereof should be published according to law stating the adoption and substance hereof, that a copy of the description of the affected area is available for inspection in the County Assessor's Office and stating a date on which the Council will hear and receive remonstrances and objections and take final action, all as required by law.

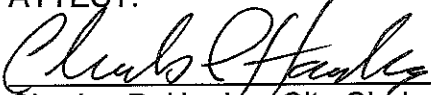
Presented by:


Don Morris, Councilman

Passed in open Council this 14 day of January, 2010.


Neil Garrison, President
Common Council of Terre Haute, Indiana

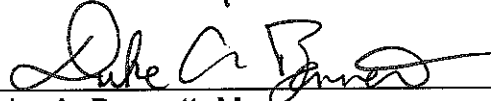
ATTEST:


Charles P. Hanley, City Clerk

Presented by me to the Mayor this 15 day of January, 2010.


Charles P. Hanley, City Clerk

Approved by me this 15th day of JANUARY, 2010.


Duke A. Bennett, Mayor
City of Terre Haute, Indiana

ATTEST:


Charles P. Hanley, City Clerk

EXHIBIT A

The following described real estate in Vigo County, Indiana, to-wit:

Outlot #3 of the Sycamore Crossing Replat of Lot 3, more particularly described as follows:

Part of Lot No. 3 in Sycamore Crossings, being a replat of Lot 2 in Sycamore Crossings Two Lot Subdivision as shown in Plat Record 29, page 67, being a replat of Lot 1 and 2 in I-70 Business Park Subdivision, as shown in Plat Record 27 Page 42, being a Replat of Margaret Avenue Development Subdivision Phase I, as shown in Plat Record 27 Page 10 being a part of the Southeast Quarter of Section 31, Township 13 North, Range 8 West, as shown by Plat Record 31 Page 70 of the records of the Recorder's Office of Vigo County, Indiana, described as follows:

Commencing at the southeast corner of said quarter section; thence South 89 degrees 38 minutes 30 seconds West along the south line thereof 833.36 feet; thence North 00 degrees 04 minutes 43 seconds West 25.00 feet to the north right of way line of Margaret Avenue per said plat; thence North 89 degrees 38 minutes 30 seconds East along said north right of way line 221.93 feet to the POINT OF BEGINNING; thence continuing North 89 degrees 38 minutes 30 seconds East along said north right of way line 273.43 feet to the west line of the 40 feet ingress egress easement per said plat; thence North 00 degrees 04 minutes 43 seconds West along said west line 456.97 feet; thence South 89 degrees 38 minutes 30 seconds West 289.93 feet; thence South 00 degrees 04 minutes 43 seconds East 231.97 feet; thence North 89 degrees 38 minutes 30 seconds East 16.50; thence South 00 degrees 04 minutes 43 seconds East 225.00 feet to the POINT OF BEGINNING, containing 2.956 acres, more or less.

**FINAL ACTION BY COMMON COUNCIL OF
THE CITY OF TERRE HAUTE, INDIANA
REGARDING RESOLUTION NO. 3, 2010**

WHEREAS, the Common Council of the City of Terre Haute adopted Resolution _____, 2010, on the ____ day of _____, 2010, and pursuant to Indiana Law has published notice of the adoption and substance of said Resolution including a description of the affected area and notice that a description of the affected area is available for inspection in the office of the county assessor and further stating a date on which the Common Council would receive and hear remonstrances and objections; and

WHEREAS, the Common Council has conducted the hearing as required by law and has received no remonstrances or objections to designation of the affected area as a revitalization area or to approval of the Statement of Benefits; and

WHEREAS said matter is before the Common Council for final action pursuant to Indiana Law; and

WHEREAS, the Common Council has received and examined, prior to such hearing a Statement of Benefits on the forms prescribed by the State Board of Tax Commissioners, proper application for designation, the submitted Agreement with the Board of Public Works for the City of Terre Haute and has heard all appropriate evidence concerning the proposed project and has found and does find:

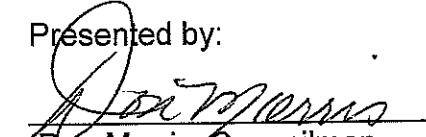
1. That the area has become undesirable for, or impossible of, normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property.
2. That the estimate of the cost of the redevelopment and rehabilitation is _____ reasonable for projects of that type.
3. That the estimate of individuals who will be employed or whose employment will be retained as a result of the redevelopment and rehabilitation and installation of the new manufacturing equipment can reasonably be expected to result from the proposed project.
4. The estimate of annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to result from the proposed redevelopment and rehabilitation and the project.
5. That the benefits can reasonably be expected to result from the proposed redevelopment and rehabilitation and the project.

6. That the totality of benefits is sufficient to justify the deduction.
7. That the real property is located within an Economic Development Target Area as required by Indiana Code 6-1.1-12.1-3 and 6-1.1-12.1-7 for the type of facility proposed by Petitioner.
8. That all qualifications for establishing an economic revitalization area have been met.

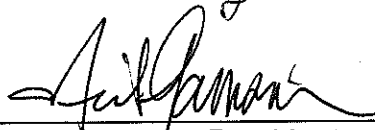
NOW, THEREFORE, for final action on Resolution 3, 2010, the Common Council of the City of Terre Haute, RESOLVES, FINDS AND DETERMINES:

1. That all of the requirements for designation of the real estate described in Resolution 3, 2010, as an Economic Revitalization Area have been met, the foregoing findings are true and that all information required to be submitted has been submitted in proper form.
2. That Resolution 3, 2010, is in all respects confirmed and approved (as modified to incorporate therein this final action) and that the benefits of the proposed project and the redevelopment and rehabilitation are sufficient to justify ten year real property tax abatement under Indiana statutes for the proposed redevelopment and rehabilitation described in the petitioner's Statement of Benefits and the deduction for the proposed project and redevelopment and rehabilitation and the statements of benefits submitted are approved and the Council authorizes and directs the endorsement of said Statement of Benefits to show such approval and that the real estate described in Resolution 3, 2010, is declared an economic revitalization area for the purposes of ten year real property tax abatement and the said real estate is hereby designated as an Economic Revitalization Area pursuant to I.C. 6-1.1-12.01-1 et. seq. and petitioner is entitled to the ten year real property tax abatement as provided therein in connection with the proposed redevelopment/rehabilitation and the project.
3. That said Resolution supplements any other designation of the real estate as a Revitalization Area or similar designation.
4. That this Final Action, findings and confirmation of Resolution 3, 2010, shall be incorporated in and be a part of Resolution 3, 2010.

Presented by:


Don Morris, Councilman

Passed in open Council this 11 day of February, 2010.

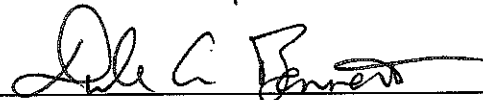


Neil Garrison, President
Common Council of Terre Haute, Indiana

ATTEST:

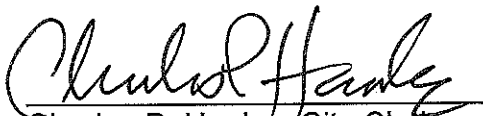

Charles P. Hanley, City Clerk

Presented by me the Mayor this 12th day of FEBRUARY, 2010.



Duke A. Bennett, Mayor
City of Terre Haute, Indiana

ATTEST:


Charles P. Hanley, City Clerk

This Instrument Prepared By: Jeffrey A. Lind
Fleschner, Stark, Tanoos & Newlin, 201 Ohio Street, Terre Haute, IN 47807 (812) 232-2000

**CITY OF TERRE HAUTE
PETITION FOR REAL PROPERTY
TAX ABATEMENT CONSIDERATION**

The undersigned owner(s) of real property located within the City of Terre Haute hereby petition the Common Council of the City of Terre Haute for real property tax abatement consideration pursuant to I.C. 6-1.1-12.1-1, et seq. And for this petition state the following:

1. The Project. Sycamore Hotel partners, LLC proposes the construction of a new 4 story Holiday Inn Express hotel which will include 83 rooms consisting of 60 standard size hotel rooms, 23 larger suite rooms and 144 parking places. The construction of this hotel will serve as a significant economic catalyst for continued development of Terre Haute's eastside State Road 46 business corridor as an accessible and vibrant business alternative for local residents and travelers in comparison to the congested traffic conditions which exist near the intersection of Interstate 70 and Highway 41.
2. The proposed hotel would contain 53,652 square feet. The cost of the construction is expected to be at least \$6.46 Million and will include the use of competitive bidding based on common construction wages and the use of local suppliers whenever feasible through the bidding process.
3. The project is important to the Petitioner as a means to better serve the needs of the community and those in neighboring communities who rely upon Terre Haute for available hotel accommodations. In addition to providing an economic boost to the SR 46 business corridor, this hotel will also fill the lodging gap that currently exists in the lack of hotel rooms located in close proximity to the Terre Haute International Airport and Terre Haute's east side. The addition of nearby lodging and other passenger support amenities that will result from construction of the hotel will provide additional resources to assist efforts to add commercial passenger air service and other revenue generating business activity at the airport. Additionally, a hotel in this location is expected to spur development on Terre Haute's east side.
4. The project itself will create 24 new, permanent jobs within the first year after completion of the project, representing a new annual payroll of \$282,500.00 full-time (and \$353,250 total, including part-time) in Year One with the number of permanent jobs and the annual payroll to increase upon the expected full stabilization of the hotel by Year 3 following completion of the construction.
5. Estimate the dollar value of the redevelopment or rehabilitation project: at least \$9,000,000.00 upon completion with the value expected to rise upon full stabilization, expected by year 3.

6. (a) The real property for which tax abatement consideration is petitioned (Property) is owned by the following:

<u>NAME</u>	<u>ADDRESS</u>	<u>INTEREST</u>
Sycamore Hotel Partners, LLC	9907 North By Northeast Boulevard Fishers, IN 46037	Owner

- (b) The following other persons lease, intend to lease or have an option to buy the Property (including corporate information as required in 4(a) above, if applicable:

<u>NAME</u>	<u>ADDRESS</u>	<u>INTEREST</u>
	None Anticipated	

- (c) A brief description of the overall nature of the business and of the operations occurring at the Property:

The project would consist of a new 4 story 53,652 square foot Holiday Inn Express hotel which will include 83 rooms consisting of 60 standard size hotel rooms and 23 larger suite rooms.

7. The commonly known address of the Property is:

The property is commonly known as Outlot #3 of the Sycamore Crossings Replat of Lot 3, which is located on the north side of Margaret Avenue, just west of State Road 46 within Terre Haute, Vigo County, Indiana. A legal description of the land upon which the project would be built is attached hereto, marked Exhibit A and incorporated herein.

8. A map designating the Property and showing the proposed new construction is attached hereto, marked Exhibit B and incorporated herein.

9. There are no improvements upon the site of the proposed project.

10. The best estimate of the amount of taxes to be abated during each of the first five (5) years after rehabilitation is:

Tax Rate for Lost Creek Township is expected to be 3%, with a replacement credit of 0.

Assumed Assessed Value: \$6,460,000.00

Tax without Abatement: \$193,800.00

<u>ABATEMENT YEAR</u>	<u>ABATEMENT %</u>	<u>TAX ABATED</u>	<u>TAX PAID</u>
1	100%	\$193,800.00	\$0
2	95%	\$184,100.00	\$9,690.00

3	80%	\$155,040.00	\$38,760.00
4	65%	\$125,970.00	\$67,830.00
5	50%	\$96,900.00	\$96,900.00
6	40%	\$77,520.00	\$116,280.00
7	30%	\$58,140.00	\$135,660.00
8	20%	\$38,760.00	\$155,040.00
9	10%	\$19,380.00	\$174,420.00
10	5%	\$9,690.00	\$184,110.00

11. No building permit has been issued for construction on the property in connection with the improvement in question as of the date of filing of this petition. The signature below is verification of this statement.

12. Other anticipated public financing for the project (including, if any, industrial Revenue bonding to be sought or already authorized, assistance through the United States Department of Housing and Urban Development funds from the City of Terre Haute, or other public financial assistance):

Petitioner is seeking and the project is dependent upon Recovery Zone Economic Development Bonds to facilitate the construction of the hotel.

13. The property is located in an underdeveloped area near I-70, currently there are no hotel accommodations available on the east side of Terre Haute or near the Terre Haute Airport. The project would be a boost to the Terre Haute Airport and the Visitor and Convention Bureau, located nearby, and is ideally suited to the real estate in question. The lack of daily passenger flights is an impediment to development in Terre Haute and while this project is not dependent upon daily flights into and out of Terre Haute, this project would certainly assist the airport authority in those efforts.

14. (a) The current use of the Property is undeveloped land and the current zoning is C-3, Regional Commercial.

(b) The Property is located in the following Allocation Area (if any) declared and confirmed by the Terre Haute Redevelopment Commission: SR 46 TIF District.

15. In view of the foregoing, Sycamore Hotel Partners, LLC in good faith applies for a ten (10) year real property tax abatement.

16. Sycamore Hotel Partners, LLC agrees to enter into an Agreement with the Board of Public Works for the City of Terre Haute, Indiana, in substantially the same form as is attached hereto and made a part hereof as Exhibit "C" and further, Sycamore Hotel partners, LLC agrees to comply with Special Ordinance 2, 2009 (which replaced Special Ordinance 43, 2000).

17. The following persons should be contacted as the petitioner's agent regarding additional information and public hearing notifications:

Name:	Jeff Lind	Timothy Dora, Sycamore Hotel Partners, LLC
Address:	201 Ohio St.	9907 North By Northeast Boulevard
City, State, Zip:	Terre Haute, IN 47807	Fishers, IN 46037
Telephone:	(812) 232-2000	(317) 577-8888

18. The type of Economic Development Revitalization project involved in this request:

- ☐ a. Housing
- ☐ b. Office
- ☐ c. Retail/Commercial
- ☒ d. Mixed Use – Retail, Housing and Office*
- ☐ e. Industrial
- ☐ f. Warehousing

* hotel accommodations and limited food service.

WHEREFORE, petitioner request that the Common Council of the City of Terre Haute, Indiana, adopt a declaratory resolution designating the area described herein to be an economic revitalization area for purposes of real property tax abatement consideration and, after publication of notice and public hearing, determine qualifications for an economic revitalization area have been met and confirm such resolution.

Name of Property Owner(s):
Sycamore Hotel Partners, LLC

By: 
Timothy Dora, Manager
SY Partners, LLC
Class A Member

DO NOT USE THIS SPACE

Resolution #	Target Area Required	
_____	Yes _____	No _____

Confirming Ordinance # _____
Date of Notice _____

Final Action _____
Target Area Ord. Effective _____

EXHIBIT A

EXHIBIT A

The following described real estate in Vigo County, Indiana, to-wit:

Outlot #3 of the Sycamore Crossing Replat of Lot 3, more particularly described as follows:

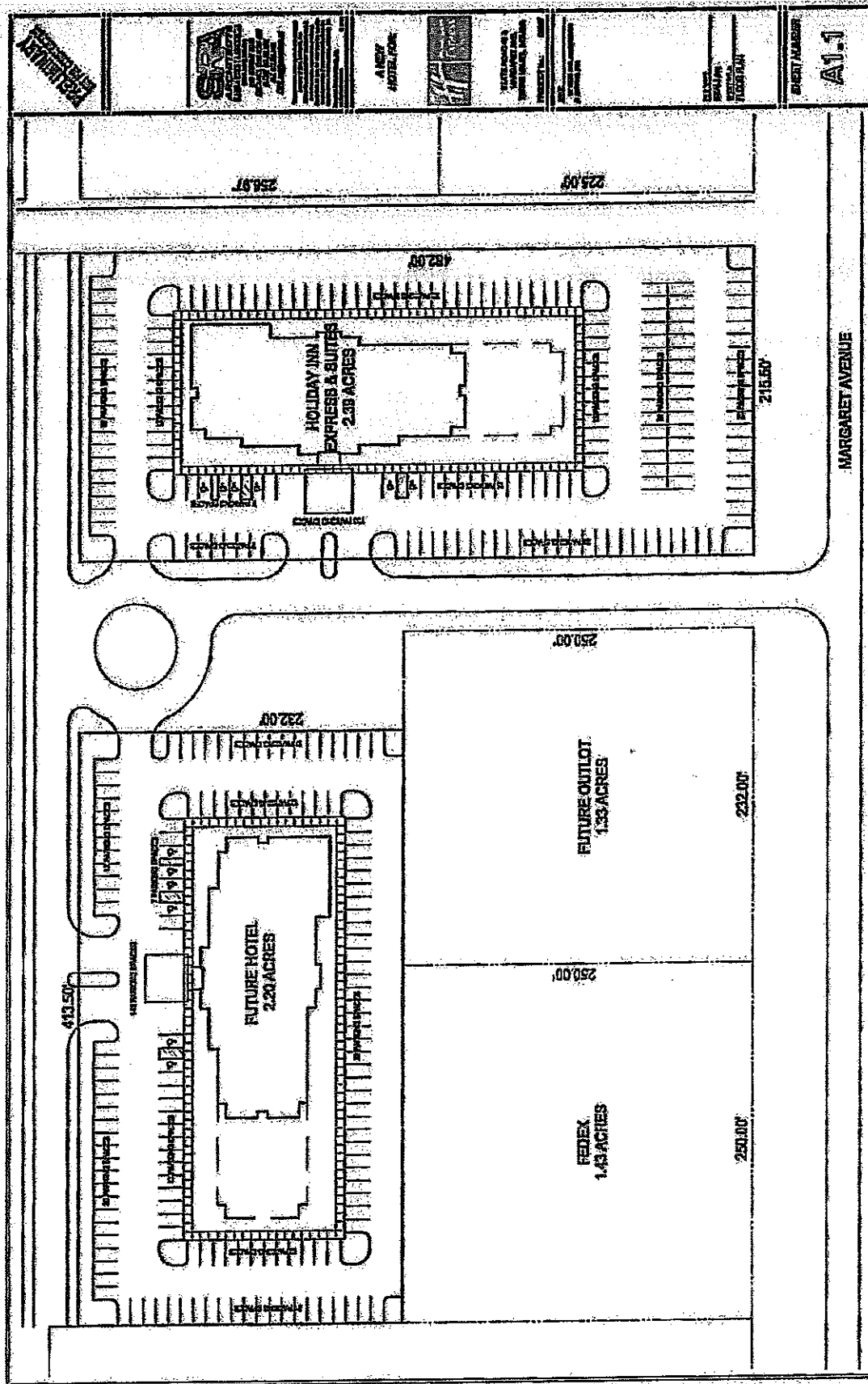
Part of Lot No. 3 in Sycamore Crossings, being a replat of Lot 2 in Sycamore Crossings Two Lot Subdivision as shown in Plat Record 29, page 67, being a replat of Lot 1 and 2 in I-70 Business Park Subdivision, as shown in Plat Record 27 Page 42, being a Replat of Margaret Avenue Development Subdivision Phase I, as shown in Plat Record 27 Page 10 being a part of the Southeast Quarter of Section 31, Township 13 North, Range 8 West, as shown by Plat Record 31 Page 70 of the records of the Recorder's Office of Vigo County, Indiana, described as follows:

Commencing at the southeast corner of said quarter section; thence South 89 degrees 38 minutes 30 seconds West along the south line thereof 833.36 feet; thence North 00 degrees 04 minutes 43 seconds West 25.00 feet to the north right of way line of Margaret Avenue per said plat; thence North 89 degrees 38 minutes 30 seconds East along said north right of way line 221.93 feet to the POINT OF BEGINNING; thence continuing North 89 degrees 38 minutes 30 seconds East along said north right of way line 273.43 feet to the west line of the 40 feet ingress egress easement per said plat; thence North 00 degrees 04 minutes 43 seconds West along said west line 456.97 feet; thence South 89 degrees 38 minutes 30 seconds West 289.93 feet; thence South 00 degrees 04 minutes 43 seconds East 231.97 feet; thence North 89 degrees 38 minutes 30 seconds East 16.50; thence South 00 degrees 04 minutes 43 seconds East 225.00 feet to the POINT OF BEGINNING, containing 2.956 acres, more or less.

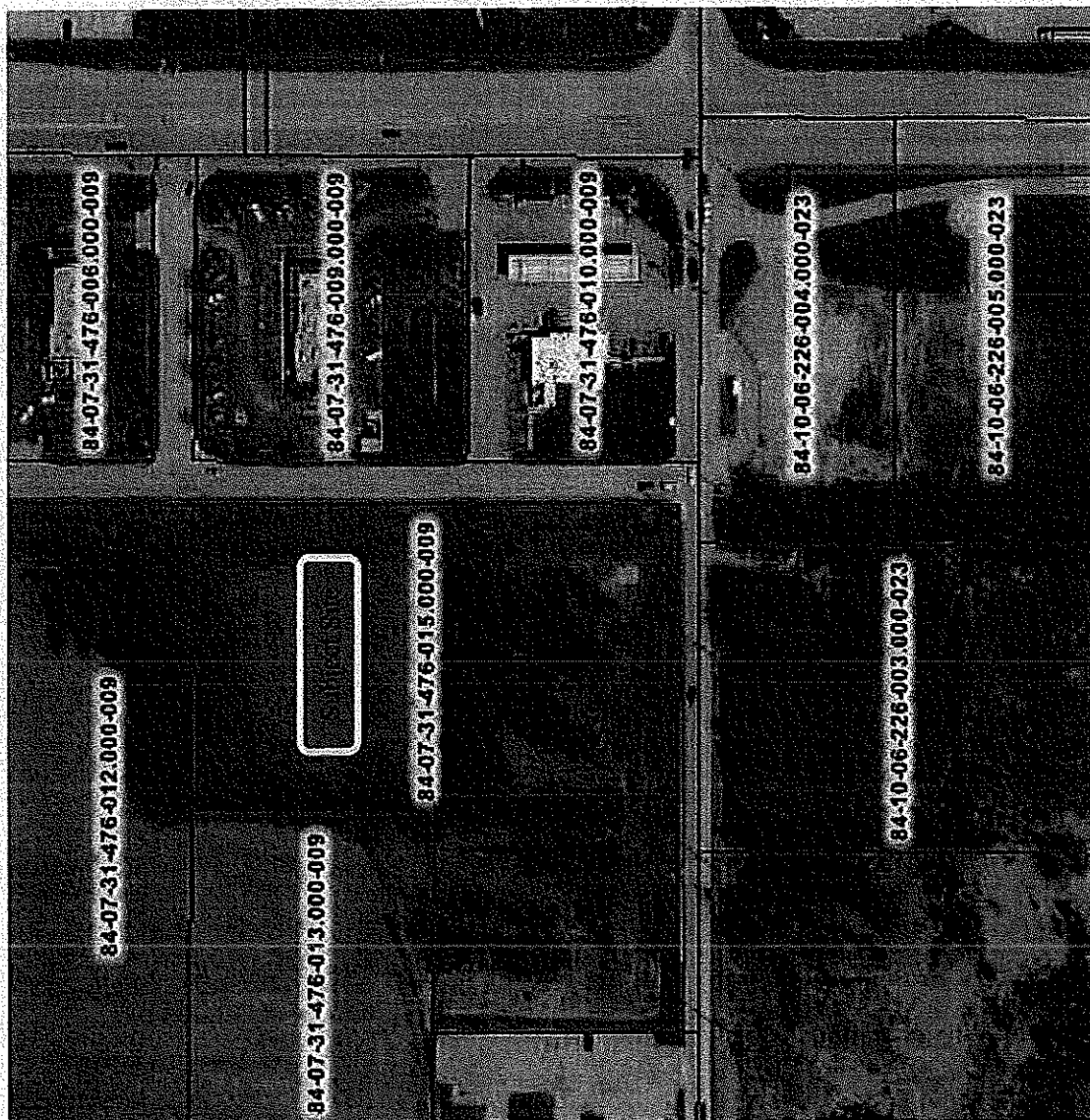
EXHIBIT B

follows this cover

Outlot #3 Sycamore Crossing Replat of
Lot 3



OVERHEAD PHOTOGRAPH AND PLAT MAP OF THE SUBJECT PROPERTY



This is a detailed map of the Springfield, Illinois area. The map shows a network of roads, including major highways like I-55 and I-24. Numerous towns and villages are labeled, such as Springfield, Carbondale, Macomb, and various smaller communities like Elsah, Piasa, and Mendon. The map also shows geographical features like the Mississippi River and the Illinois River. A scale bar at the bottom indicates distances from 0 to 10 miles. The map is labeled with 'ILLINOIS' and 'SPRINGFIELD'.

[illegible]

EXHIBIT C

AGREEMENT

This Agreement (the "Agreement") dated as of the ____ day of _____, 2010, serves as a confirmation of the Sycamore Hotel Partners, LLC (the "Applicant") commitment, pending a _____, 2010, public hearing, to comply with the project description, and job employment and retention (and associated wage rates and salaries) figures contained in its designation application, Statement of Benefits, the Preliminary Economic Revitalization Area Resolution No. _____, 2010, and attachments adopted by the Common Council of the City of Terre Haute, Indiana (the "Council") on Thursday, _____, 2010, and this Agreement (the "Commitment").

Subject to the adoption of a Final Economic Revitalization Area Resolution by the Council, the City of Terre Haute, Indiana (the "City") commits to providing a ten (10) year real property tax abatement for the Applicant's capital expenditure of up to \$6,460,000.00 associated with the construction of the Commitments. The capital expenditure of the Project and the filling of such positions shall occur within three (3) years of the estimated completion date of December, 2010, contained in the approved Statement of Benefits Form SB-1 (the "Commitment Date").

During the term of the abatement, the city may annually request information from the Applicant concerning the status of the Project, the approval capital expenditure for the Project, the number of full-time permanent positions created by the Project, and the average wage rates and salaries (excluding benefits & overtime) associated with the position, and the Applicant shall provide the City with adequate written evidence thereof within 15 days of such request (the "Annual Survey"). The applicant shall provide a copy of the annual CF1 to the Board of Public Works and Safety at the same time the CF1 is filed with the County. The City shall utilize this information to verify that the Applicant has complied with the commitments contained in "the Commitments" at all times after the Commitment Date and during the duration of the abatement. The Applicant further agrees to provide the City with such additional information requested by the City related to the information provided in the Annual Survey and the CF-1 form within a reasonable time following any such additional request.

The City, by and through the Council, reserves the right to terminate the Economic Revitalization Area designation and associated property tax

abatement deductions if it determines that the Applicant has not made reasonable efforts to substantially comply with all the commitments, and the Applicant's failure to substantially comply with the Commitments was not due to factors beyond its control. As used in the Agreement, "substantial compliance" shall mean the Applicant's compliance with the following: Making capital expenditures of up to \$6,460,000.00 for the Project.

As used in this Agreement, factors beyond the control of the applicant shall only include factors not reasonably foreseeable at the time of the designation application and submission of Statement of Benefits which are not caused by any act or omission of the Applicant and which materially and adversely affect the ability of the Applicant to substantially comply with this Agreement.

If the City terminates the Economic Revitalization Area designation and associated tax abatement deductions, it may require the Applicant to repay the City all or a portion of the tax abatement savings received through the date of such termination. The amount of tax abatement required to be repaid for each year of noncompliance shall not exceed an amount equal to the percentage by which the Applicant has failed to attain substantial compliance in position retention and/or creation and average hourly wage rate and salary categories multiplied by the dollar amount of taxes actually abated. If the Applicant fails to substantially comply with more than one of the aforementioned categories, repayment shall be based on the highest level of noncompliance.

If any at time during the term of this Agreement, whether before or after the Commitment Date, the Applicant shall: (i) cease operations at the facility for which the tax abatement was granted; or (ii) announce the cessation of operations at such facility, then the City may immediately terminate the Economic Revitalization Area designation and associated future tax abatement deductions.

In the event the City requires repayment of the tax abatement savings as provided hereunder, it shall provide Applicant with a written statement calculation the amount due (the "Statement"), and Applicant shall make such repayment to the City within 30 days of the date of the Statement. If the Applicant does not make timely repayment, the City shall be entitled to all reasonable costs and attorney fees incurred in the enforcement and collection of the tax abatement savings required to be repaid hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

"Applicant"

Sycamore Hotel Partners, LLC

By: 
Timothy Dora, Manager
Sycamore Hotel Partners, LLC
Class A Member

Board of Public Works & Safety
City of Terre Haute

Approved as to Legal Adequacy and Form on this ____ day of _____, 2010.

By: _____

Title: _____

CITY OF TERRE HAUTE

PROPERTY TAX ABATEMENT PROGRAM APPLICATION

Ownership Information

Name	Address	Phone	Percentage
Interest			100%
Sycamore Hotel Partners, LLC			
Contact:	(Timothy J. Dora)	9904 North By Northeast Blvd. (317) 577-8888	
		Fishers, IN 46037	

Note: If the owner is a corporation, list the name, address and telephone number for the contact person representing the corporation.

If the owner is a partnership, list the name, address and telephone number of each general and/or limited partner and the percentage of interest in the property held by each general and/or limited partner.

If the owner is a sole proprietor, list the name, address and telephone number of the proprietor.

Property Description

- A. Street Address: The property is commonly known as Outlot #3 of the Sycamore Crossings Replat of Lot 3, which is located on the north side of Margaret Avenue, just west of State Road 46 within Terre Haute, Vigo County, Indiana.
- B. Parcel ID Number(s): 84-07-31-476-015.000-009

Current Status of Property

- A. Current zoning designation of property: C-3, Regional Commercial
- B. Describe current improvements to the property, including estimated age of existing buildings: The property is currently undeveloped land.
- C. Describe the current use of the property, including the names of businesses currently operating (if applicable) and the current number of jobs (if applicable): The property is currently undeveloped land with no businesses operating onsite.
- D. Current total assessed valuation of land and all improvements: The assessed value of the land with no improvements is estimated to be \$260,600.00, estimated land assessed value, there are no current improvements.
- E. Describe any unique historical structure or aesthetic improvements: The property is undeveloped land with no unique historical structures or aesthetic improvements.

Proposed Improvements

- A. Describe proposed real property improvements and projected costs: The project would consist of a new 4 story 53,652 square foot Holiday Inn Express hotel which will include 83 rooms consisting of 60 standard size hotel rooms 23 larger suite rooms. The facility will include 144 parking places. The projected real property improvements are estimated to total approximately \$6.46 Million.

B. Describe proposed depreciable personal property improvements and projected costs: The proposed depreciable personal property improvements are estimated to be approximately \$1.4 Million.

C. List any public infrastructure improvements, with estimated costs, that will be necessary for the project: It is not anticipated that any new public infrastructure improvements will be required for the project.

D. Project Start Date: It is anticipated that the project start date would be within the 1st quarter of 2010.

E. Project Completion Date: It is anticipated the project will be completed within 9 months of the starting date.

Eligibility

A. State reasons why the project site qualifies as an Economic Revitalization Area as defined under State Law, i.e., lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors that have impaired values or prevent a normal development of property or use of property. In the case of manufacturing equipment, also indicate whether or not the area contains a facility or group of facilities that are technologically, economically, or energy obsolete and if the obsolescence may lead to a decline in employment and tax revenues:

Despite its proximity to the State Road 46 interchange with Interstate 70 as an important potential economic development zone for Terre Haute and Vigo County, the project site has remained undeveloped land due to limited economic incentives available for commercial developers to assume the financial risks associated with early stage development projects. In addition to restricting development of the area as a viable commercial zone, the lack of amenities has hindered economic development activities for the Terre Haute International Airport which lacks many of the amenities required to support scheduled passenger and commercial air service for the benefit of Terre Haute and its surrounding communities. The proposed project site will be developed as a new 4 story Holiday Inn Express hotel which will include 83 rooms consisting of 60 standard size hotel rooms, 23 larger suite rooms and 144 parking places. The construction of this hotel will serve as a significant economic catalyst for continued development of Terre Haute's eastside State Road 46 business corridor as an accessible and vibrant business development alternative for local residents and interstate travelers in comparison to the congested traffic conditions which exist near the intersection of Interstate 70 and Highway 41.

B. State the estimated number of new full-time employees (if applicable) and new employees retained (if applicable). Also include salaries and a description of employee benefits:

Number of new employees: 16 FT/8 PT/ 24 Total; Average Annual Salary: \$17,650 Full-time, \$8750 Part-time.

Number of retained employees: 0, although because of common ownership of the Owner of this project and the two downtown hotels, it is possible that this project would protect some jobs at the downtown hotels.

Description of employee benefits for new and/or retained employees: Full-time employees will be provided health insurance, vacation days and holiday pay increases.

C. Please attach completed State of Indiana Statement of Benefits form for real property improvements (Form SB – 1/ RE) and/or State of Indiana Statement of Benefits form for personal property improvements (Form SB – 1/ PP) to this application material.

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 passed on the finding that the area is "undesirable for normal development".

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
11. Residential.
12. A package liquor store that holds a liquor dealer's permit under IC 7.1-3-10 or any other entity that is required to operate under a license issued under IC 7.1. This subdivision does not apply to an applicant that:
 - (A) was eligible for tax abatement under this chapter before July 1, 1995;
 - (B) is described in IC 7.1-5-7-11; or
 - (C) operates a facility under:
 - (i) a beer wholesaler's permit under IC 7.1-3-3;
 - (ii) a liquor wholesaler's permit under IC 7.1-3-8; or
 - (iii) a wine wholesaler's permit under IC 7.1-3-13;

Certification

I hereby certify that the representations made in this application are true and I understand that if 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 Terre Haute Common Council shall have the right to void such designation.

OWNER(S)*

DATE

Sycamore Hotel Partners, LLC

By:

Timothy J. Dora, Manager
SY Partners, LLC, Class A Member

12.10.09

* If the entity seeking tax abatement is a corporation, an authorized representative must sign. If the entity is a partnership, all partners must sign. If the entity is a sole proprietorship, the proprietor must sign.

CITY OF TERRE HAUTE

PROPERTY TAX ABATMENT PROGRAM OVERVIEW AND GUIDELINE SCORING SYSTEM

Program Description

Property tax abatement in Indiana is authorized under Indiana Code 6-1.1-12.1 in the form of deductions from assessed valuation. Any property owner in a locally-designated Economic Revitalization Area (ERA) who makes improvements to the real property or installs eligible new or used personal property (such as manufacturing equipment and certain research and development equipment) is eligible for property tax abatement. Land does not qualify for abatement. .

Scoring System

The City of Terre Haute utilizes a scoring system as a guide for determining the appropriate length of time (one of ten time periods can be used) of the property tax abatement(s) being sought for a proposed project. Additional information on the scoring system can be found elsewhere in this document.

Indiana Real Property Assessment Standard

A property's assessed value is the basis for property taxes. Annually, local assessing officials assess the value of real property on March 1 based on market value in use of the property. Property owners can estimate the property taxes for new construction by adding the cost of the land and improvements together and multiplying by the tax rate. For real property tax abatement calculation purposes, the cost of the improvements (the land itself cannot be abated) would be utilized as the real property assessed value. This real property assessment value would then be phased-in over one of ten time periods.

Indiana Personal Property Assessment Standard

Personal property values are assessed March 1 of every year and are self reported by property owners to township assessors using prescribed state forms. Generally speaking, personal property taxes are levied against all tangible property other than real property. Numerous deductions can be applied to personal property. Of course, the value of personal property over time will be subject to depreciation, therefore, applicants are advised to seek the counsel of a financial advisor to determine which asset pool(s) (see following table) would be applicable to their particular project.

Additional information on the State of Indiana's property tax assessment system can be found at the Indiana Department of Local Government Finance website at www.in.gov/dlgf.

Indiana Pools of Assets by Lives Utilized on Federal Tax Return

Year of Acquisition	Pool #1 (1-4 Yrs)	Pool #2 (5-8 Yrs)	Pool #3 (9-12 yrs)	Pool #4 (13+ Yrs)
1	65%	40%	40%	40%
2	50%	56%	60%	60%
3	35%	42%	55%	63%
4	20%	32%	45%	54%
5		24%	37%	46%
6		18%	30%	40%
7		15%	25%	34%
8			20%	29%
9			16%	25%
10			12%	21%
11				15%
12				10%
13				5%

Note: The total valuation of a taxpayer's assessable depreciable personal property in a single taxing district cannot be less than 30% of the adjusted cost of all such property of the taxpayer.

Real Property Abatement Calculation

Real property abatement is a declining percentage of the increase in assessed value of the improvement based on one of the ten following time periods and percentages as determined by the City Council:

	10 Year	9 Year	8 Year	7 Year	6 Year	5 Year	4 Year	3 Year	2 Year	1 Year
Year										
1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2	95%	88%	88%	85%	85%	80%	75%	66%	50%	
3	80%	77%	75%	71%	66%	60%	50%	33%		
4	65%	66%	63%	57%	50%	40%	25%			
5	50%	55%	50%	43%	34%	20%				
6	40%	44%	38%	29%	17%					
7	30%	33%	25%	14%						
8	20%	22%	13%							
9	10%	11%								
10	5%									

Depreciable Personal Property Abatement Calculation

Depreciable personal property tax abatement is a declining percentage of the assessed value of the newly installed manufacturing (and certain research/development and warehousing/distribution equipment), based upon one of the ten time periods and percentages as determined by the City Council:

	10 Year	9 Year	8 Year	7 Year	6 Year	5 Year	4 Year	3 Year	2 Year	1 Year
Year										
1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2	90%	88%	88%	85%	85%	80%	75%	66%	50%	
3	80%	77%	75%	71%	66%	60%	50%	33%		
4	70%	66%	63%	57%	50%	40%	25%			
5	60%	55%	50%	43%	34%	20%				
6	50%	44%	38%	29%	17%					
7	40%	33%	25%	14%						
8	30%	22%	13%							
9	20%	11%								
10	10%									

Project Eligibility Criteria

Decisions to designate areas as Economic Revitalization Areas are determined by the City Council. The City Council utilizes a numerical scoring system as a guide for designating areas as Economic Revitalization Areas within the corporate limits of the City of Terre Haute. Each project is scored on its individual merits. The points system that is utilized to evaluate projects considers the degree of revitalization that the project will have on the surrounding area as well as other facts such as employment (created and/or retained), investment, utilization of local construction firms and labor and so forth.

The following projects will be considered by the Terre Haute City Council for property tax abatement. The real property guideline project scoring criteria can be found in the section entitled "City of Terre Haute Real Property Tax Abatement Guideline Scoring Criteria" on page 8. For projects seeking personal property tax abatement, the "City of Terre Haute Personal Property Tax Abatement Guideline Scoring Criteria" can be found on page 10.

(A.) Manufacturing Project – Local manufacturing projects, local manufacturing-related office structures and local manufacturing-related warehouses that create or preserve employment within the city limits are eligible for property tax abatement. In the case of manufacturing facilities that directly produce product (as well as manufacturing related-warehouses), both real and depreciable personal property are eligible. In the case of manufacturing-related office structures, only real property is eligible for abatement. Also, certain research and development equipment may qualify for depreciable personal property tax abatement.

(B.) Non-Manufacturing Warehouse and Distribution Center Projects – Warehouses and distribution centers not related to a local manufacturing facility may be eligible for both real and depreciable personal property tax abatement. To be eligible for property tax abatement, the facility must substantially serve markets beyond the Terre Haute metropolitan area.

(C.) Office Space Development – Office space developments within the city limits are eligible for real property abatement provided the project substantially serves markets beyond the Terre Haute metropolitan area.

(D.) Historic Preservation – Projects within the city limits that assist in the preservation of buildings of significant historical nature will be considered for real property abatement.

City of Terre Haute
Real Property Tax Abatement Guideline Scoring Criteria

Company Name: Sycamore Hotel Partners, LLC

Application Date: _____

1. New Real Property Investment	5 points maximum	<u>5</u>
< \$500,000	1	
\$501,000 to \$1,000,000	2	
\$1,000,001 to \$2,000,000	3	
\$2,000,001 to \$3,000,000	4	
\$3,000,001 and up	5	
2. Anticipated New Full-Time Jobs Created Within 5 Years	5 points maximum	<u>2</u>
1 to 10 employees	1	
11 to 20 employees	2	
21 to 30 employees	3	
31 to 40 employees	4	
41 employees and up	5	
3. Anticipated Jobs To Be Retained	5 points maximum	<u>0*</u>
1 to 10 employees	1	
11 to 20 employees	2	
21 to 30 employees	3	
31 to 40 employees	4	
41 employees and up	5	
4. Wage Rates	3 points maximum	<u>1</u>
\$7.50 to \$10.00 per hour	0	
\$10.01 to \$12.00 per hour	1	
\$12.01 to \$14.00 per hour	2	
\$14.01 per hour and up	3	
5. Benefits Package	1 point if offered	<u>1</u>
6. Targeted Business	1 point if project is good fit for community	<u>1</u>
7. Community Involvement	1 point if company plans or is already involved in community activities	<u>1</u>
8. Is this project a headquarters or a new project to the community?	1 point if "Yes"	<u>1</u>
9. Diverse Workforce	1 point if applicant maintains an affirmative action plan or other statement of specific goals with respect to employee diversity	<u>1</u>

Total Points 14

Scoring

Length of Real Property Abatement

20 points and up	10 years
18 to 19 points	9 years
16 to 17 points	8 years
14 to 15 points	7 years
12 to 13 points	6 years
10 to 11 points	5 years
8 to 9 points	4 years
6 to 7 points	3 years
4 to 5 points	2 years
2 to 3 points	1 year

Bonus Points

- | | | |
|---|--|----------|
| 1. Common Construction Wage | Council may award one bonus point if company includes common construction wage requirement in its bid specs | <u>0</u> |
| 2. Contractors Licensed To Do Business in Vigo County | Council may award one bonus point if a substantial percentage of the total fees for construction work associated with the project are paid to companies licensed to do business in Vigo County | <u>1</u> |
| 3. Materials and Supplies From Vigo County Vendors | Council may award one bonus point if the applicant commits to purchase a substantial amount of materials and supplies for the construction work associated with the project from Vigo County-based vendors | <u>1</u> |
| 4. Existing Facility | Council may award one bonus point for use, reuse, rehabilitation and/or expansion of an existing facility | <u>0</u> |
| 5. Mentoring/Intern Program | Council may award one bonus point if applicant pledges to participate in a mentoring or intern program associated with a Vigo County educational institution | <u>0</u> |

Total Bonus Points 2

Grand Total Points 16

Recommended Length of Real Property Abatement
Per Guideline Scoring Criteria

8 Years

*the petitioner believes that the project would protect jobs at the downtown hotels, but cannot represent that the project will result in retained jobs.

**RESOLUTION OF THE CITY
OF TERRE HAUTE REDEVELOPMENT COMMISSION**

RESOLUTION NO. 1, 2010

WHEREAS, the City of Terre Haute ("City") Redevelopment Commission ("Commission") did, on February 15, 2006, adopt a Declaratory Resolution (No. 13-2006) which was confirmed by a Confirmatory Resolution adopted on April 26, 2006, following a public hearing, establishing the S.R. 46 Economic Development Area ("Area") under I.C. 36-7-14 and I.C. 36-7-25 and an allocation area ("Allocation area"); and

WHEREAS, Sycamore Hotel Partner, LLC is proposing to submit to the Common Council of the City, Statement of Benefits, Resolution 3, 2010 and Final Actions attached hereto as Exhibit A applying for real property tax abatement and designation of an Economic Revitalization Area ("ERA") under I.C. 6-1.1-12.1-1 et seq. in connection with the construction of a new hotel (real property) located within both the ERA and the Allocation Area (the "Project"); and

WHEREAS, under I.C. 6-1.1-12.1-2(l) the Common Council of the City may not approve any application for a property tax abatement or designation of an ERA under I.C. 6-1.1-12.1-1 et seq. for property or equipment located within the Allocation Area unless the Commission adopts a resolution approving the application and designation; and

WHEREAS, the Commission finds that there are no outstanding bonds payable out of the Tax Increment; and

WHEREAS, the Commission finds that approving the abatement for Sycamore Hotel Partners, LLC will not have an adverse effect on any existing or anticipated Tax Increment Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF TERRE HAUTE REDEVELOPMENT COMMISSION THAT:

1. The Commission finds that there are no Tax Increment Bonds which have been issued and may be impaired by the approval by real and personal property tax abatements and the designation of the ERA for the project.

2. The Commission approves the grant of real property tax abatement and the designation of the ERA for the project located in Allocation Area as contemplated by the attached Resolutions and Final Action.
3. This Resolution takes effect upon passage.

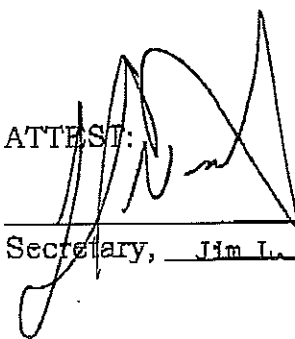
ADOPTED this 4th day of January, 2010.

CITY OF TERRE HAUTE
REDEVELOPMENT COMMISSION

By:


President, David L. Heath

ATTEST:


Secretary, Jim L. Nichols

This instrument prepared by Jeffry A. Lind, Attorney, Fleschner, Stark, Tanoos & Newlin, 201 Ohio Street, Terre Haute, IN 47807.

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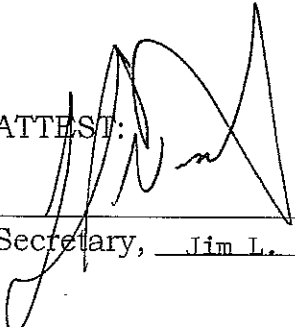
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