

FILED  
OCT 28 2011  
CITY CLERK

**RESOLUTION NO. 19, 2011**

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City (commonly identified as 300 North Fruitridge Avenue, Terre Haute, Indiana) as an Economic Revitalization Area for the Purpose of Nine (9) Year Personal Property Tax Abatement for Jadcore, Inc.

WHEREAS, a Petition for a nine (9) year personal property tax abatement has been filed with the Common Council of the City of Terre Haute, Indiana requesting that the real property described in attached **Exhibit A** (hereby made a part hereof) be designated an Economic Revitalization Area for purposes of real property tax abatement;

WHEREAS, the Petitioner has submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council of the City of Terre Haute, Indiana to make an informed decision, said information including an aerial photo of the aforesaid property as set forth in attached Exhibit A attached to its Petition;

WHEREAS, Petitioner has estimated that its investment in the project (the "Project") to be located at said real estate itself will allow Petitioner to add eight (8) new full-time permanent jobs while not having to lose any of its 186 employees or their \$6,570,000 annual payroll;

WHEREAS, the Common Council of the City of Terre Haute, Indiana is authorized under the provisions of I.C. 6-1.1-12.1-1 et. seq. to designate areas of the City of Terre Haute, Indiana as economic revitalization areas for the purpose of tax abatement;

WHEREAS, the Common Council of the City of Terre Haute, Indiana 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 of the City of Terre Haute, Indiana has found the subject property to be an area within the boundaries of the City of Terre Haute,

Indiana, which area 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 a normal development of property or use of property—and such is an area where facilities that are technologically, economically or energy obsolete, are located and where the obsolescence may lead to a decline in tax revenues--

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

1. The Petitioner's estimate of the value of the Project to be built on the subject real property is reasonable for projects of that nature in order to maintain, expand, update and improve the ability of Petitioner to operate a post-industrial plastic recycler within the City of Terre Haute, Indiana.

2. The Petitioner's estimate of the number of individuals whose employment will be continued and added, and the benefits thereby, can reasonably be expected to result from the Project.

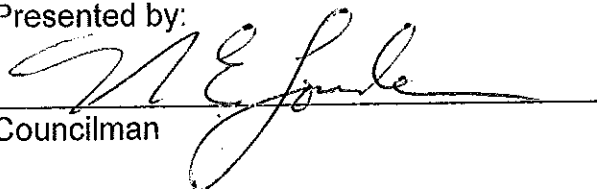
3. The Petitioners' estimate of the annual salaries or wages of the individuals who will be retained/employed, and the benefits thereby, can reasonably be expected to result from the Project.

4. The totality of the benefits of the Project are sufficient to justify a nine (9) year personal property tax deduction from assessed valuation to result therefrom under Indiana statutes, and each and all of such deductions should be, and they are hereby, allowed.

5. The Petition for designating the subject property as an Economic Revitalization Area for the purposes of nine (9) year personal property tax abatement and the Statement of Benefits (copies of which were submitted with the Petition) 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.


6. A copy of this Resolution, following its passage, shall be filed with the Vigo County Assessor as required by I.C. 6-1.1-12.1-2.5(c).

Presented by:

  
Councilman

Passed in open Council this 10<sup>th</sup> day of November, 2011.

ATTEST:

  
\_\_\_\_\_  
John Mullican, President  
Common Council of Terre Haute,  
Indiana

  
\_\_\_\_\_  
Charles P. Hanley, City Clerk

Presented by me to the Mayor this 14<sup>th</sup> day of November,  
2011.

  
\_\_\_\_\_  
Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 14<sup>th</sup> day of NOVEMBER, 2011.

  
\_\_\_\_\_  
Mayor, City of Terre Haute, Indiana

ATTEST:

  
\_\_\_\_\_  
Charles P. Hanley, City Clerk

This instrument prepared by William M. Olah, Attorney,  
333 Ohio Street, Terre Haute, IN 47807.

EXHIBIT A

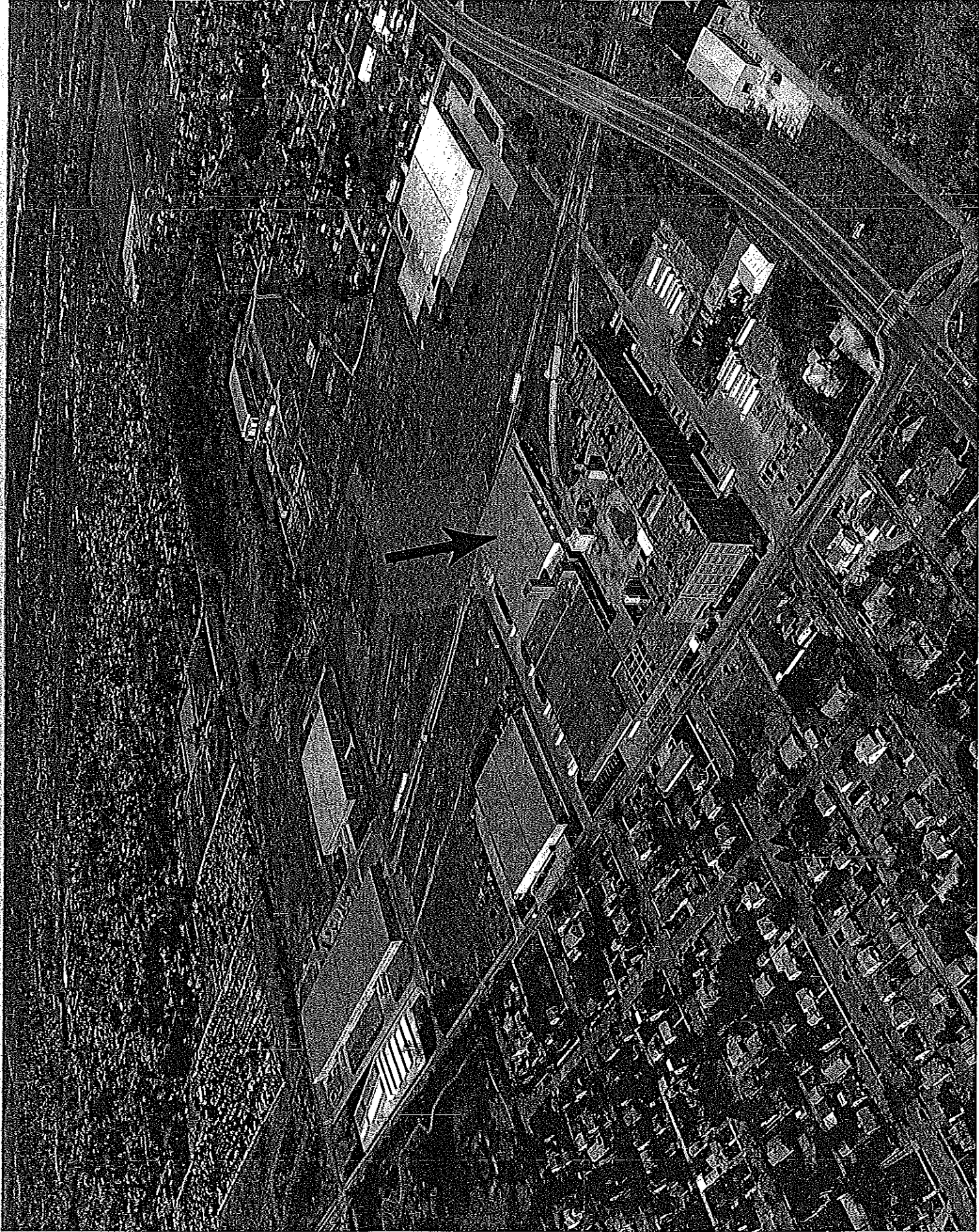


EXHIBIT A

**FINAL ACTION BY COMMON COUNCIL OF  
THE CITY OF TERRE HAUTE, INDIANA  
REGARDING RESOLUTION 19, 2011**

WHEREAS, the Common Council of the City of Terre Haute, Indiana adopted Resolution 19, 2011, on the 10<sup>th</sup> day of November, 2011, 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 Vigo County Assessor and further stating a date on which the Common Council of the City of Terre Haute, Indiana would receive and hear remonstrances and objections;

WHEREAS, the Common Council of the City of Terre Haute, Indiana has conducted the hearing as required by law and has received no remonstrances or objections to designation of the affected area as an economic revitalization area or to approval of the statement of benefits;

WHEREAS, said matter is before the Common Council of the City of Terre Haute, Indiana for final action pursuant to Indiana Law; and

WHEREAS, the Common Council of the City of Terre Haute, Indiana has received and examined, prior to such hearing, a statement of benefits on the form prescribed by the State Board of Tax Commissioners and proper application for designation and has heard all appropriate evidence concerning the proposed project and has found and does find:

1. That the estimate of the cost of the redevelopment is reasonable for projects of that type.
2. That the estimate of individuals who will be employed or whose employment will be retained as a result of the redevelopment, rehabilitation and installation of the equipment can reasonably be expected to result from the proposed project.
3. 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, rehabilitation and the project.

4. That the benefits can reasonably be expected to result from the proposed redevelopment, rehabilitation and the project.

5. That the totality of benefits is sufficient to justify the deductions.

6. That all qualifications for establishing an economic revitalization area have been met.

NOW, THEREFORE, for final action on Resolution 19, 2011, the Common Council of the City of Terre Haute, Indiana, RESOLVES, FINDS AND DETERMINES:

1. That all of the requirements for designation of the real estate described in Resolution 19, 2011, 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 19, 2011, is in all respects confirmed and approved (as modified to incorporate therein this final action) and that the benefits of the proposed development are sufficient to justify nine (9) year personal property tax abatement under Indiana statutes for the proposed redevelopment and rehabilitation described in the statement of benefits and the deduction for the proposed project and development and the statement of benefits submitted are approved and the Common Council of the City of Terre Haute, Indiana authorizes and directs the endorsement of said statement to show such approval and that the real estate described in Resolution 19, 2011, is declared an economic revitalization area for the purposes of nine (9) year personal property tax abatement and the said real estate is hereby designated as an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et seq.


3. That said Resolution supplements any other designation (if any) of the real estate as an Economic Revitalization Area.

4. That this Final Action, findings and confirmation of Resolution 19, 2011, shall be incorporated in and be a part of Resolution 19, 2011.

Presented by:

  
Councilman

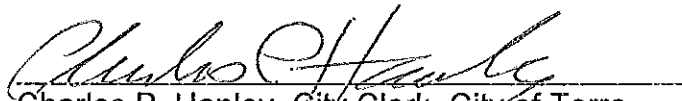
Passed in open Council this 8<sup>th</sup> day of Dec, 2011.

  
John Mullican, President Common Council of  
City of Terre Haute, Indiana

ATTEST:

  
Charles P. Hanley, City Clerk

Presented by me to the Mayor this 9<sup>th</sup> day of Dec,  
2011.

  
Charles P. Hanley, City Clerk, City of Terre  
Haute, Indiana

Approved by me, the Mayor, this 9<sup>th</sup> day of DECEMBER,  
2011.

  
Mayor, City of Terre Haute, Indiana

ATTEST:

  
Charles P. Hanley, City Clerk

This instrument prepared by William M. Olah, Attorney,  
333 Ohio Street, Terre Haute, IN 47807.

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

The undersigned—the proposed owner of extrusion equipment that will be personal property to be located within the City of Terre Haute—hereby petitions the Common Council of the City of Terre Haute for personal property tax abatement consideration pursuant to I.C. 6-1.1-12.1-1, et seq. and in support of this petition states the following.

1. Describe the proposed project, including information about the new equipment ("Equipment") to be installed, the amount of land to be used, if any, the proposed use of the Equipment and a general statement as to the value of the project to your business. *Petitioner proposes to purchase and install in a seventh scrap plastic pelletizing line that will increase overall capacity. An itemization is attached as Exhibit A (hereby made a part of this Petition).*

2. The project will allow the Petitioner to: *retain 186 jobs now provided by Petitioner within the City of Terre Haute, representing a saved annual local payroll of \$6,570,000.00. Eight (8) additional full-time job(s) will be added within three (3) years of the project's completion. Eight (8) employees are full-time, while none (0) are part-time. Full-time employees earn \$12.10 per hour, on average. Full-time employees are provided retirement and comprehensive health insurance benefits. All employees will be retained if this Application is successful.*

3. Estimate the cost of the Equipment: *Projected cost = \$1,500,000.00.*

4. (a) The Equipment for which tax abatement consideration is petitioned is to be owned by the following corporation:

<u>NAME</u>	<u>ADDRESS</u>	<u>INTEREST</u>
Jadcore, Inc.	300 North Fruitridge Ave. Terre Haute, IN 47803	100%

(b) The following other persons lease, intend to lease or have an option to buy the Equipment (including corporate information as required in 4(a) above, if applicable): **None.**

(c) A brief description of the overall nature of the business and of the operations occurring at the location for which tax abatement is requested: *post-industrial plastic recycler.*

5. The commonly known address of the real property where the Equipment is to be located is: *300 North Fruitridge Avenue, Terre Haute, IN 47803.*

6. The legal description of the real property where the Equipment will be located is attached hereto, marked **Exhibit B** and incorporated herein.

7. An aerial photo designating the area for tax abatement consideration is attached hereto,



marked **Exhibit C** and incorporated herein.

8. The Equipment is not replacing any existing equipment. Consequently, there is no assessment of the value of the manufacturing equipment which the Equipment will replace.

9. The current use of the real property where the Equipment will be installed is: *Jadcore Recycling Department. The current zoning is M-2.*

10. Photographs of the property, taken within two (2) weeks of filing of this petition, are attached hereto, marked **Exhibit C** and incorporated herein.

11. The best estimate of the market value of the Equipment after installation is: **\$1,500,000.00.**

12. The best estimate of the amount of taxes to be abated during each of the first nine (9) years after installation is:

*Tax Rate for Harrison Township is expected to be 3.0%, with a replacement credit of zero (-0-).  
Assumed Assessed Value of New Equipment: \$450,000.00  
Tax without Abatement: \$13,500.00*

<u>ABATEMENT</u> <u>YEAR</u>	<u>ABATEMENT %</u>	<u>TAX ABATED</u>	<u>TAX PAID</u>
1	100%	\$ 13,500	\$ 0
2	88%	\$ 11,880	\$ 1,620
3	77%	\$ 10,395	\$ 3,105
4	66%	\$ 8,910	\$ 4,590
5	55%	\$ 7,425	\$ 6,075
6	44%	\$ 5,940	\$ 7,560
7	33%	\$ 4,455	\$ 9,045
8	22%	\$ 2,970	\$ 10,530
9	11%	\$ 1,485	\$ 12,015
	<b>Total</b>	<b>\$ 66,960</b>	<b>\$ 54,540</b>

13. The Equipment has not been acquired as of the date of filing of this Petition. The signature below is verification of this statement.

14. 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: *None.*

15. Describe how and why the equipment to be replaced or the facility in which the

Equipment will be added is currently technologically, economically or energy obsolete and how and why that obsolescence may lead to a decline in employment and tax revenues: *The six production lines currently operated by Applicant lack the ability to produce the scrap pellet capacity demanded by Applicant's customers. This new equipment will increase overall capacity. If Applicant cannot provide its customers with the volume of product they require, those customers will find a supplier who can—and Applicant would be left with no business (and forced to incur lay-offs).*

16. The Equipment will be used to add additional capacity to current operations, and the Equipment was never before used by Petitioner for any purpose in Indiana. The signature below is verification of this statement.

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

Name: William M. Olah  
Address: 333 Ohio Street  
City, State, Zip: Terre Haute, IN 47807  
Telephone: (812) 232-4311

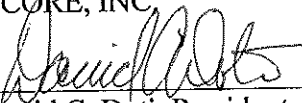
WHEREFORE, Petitioner requests that the Common Council of the City of Terre Haute, Indiana, adopt a declaratory resolution designating the area described herein to be an economic revitalization area for purposes of personal property tax abatement consideration and, after publication of notice and public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

October 27, 2011

Name of Property Owner:

JADCORE, INC

By

  
David C. Doti, President

**DO NOT USE THIS SPACE**

Resolution # \_\_\_\_\_

Target Area Required

Yes \_\_\_ No

Confirming Ordinance # \_\_\_\_\_

Date of Notice \_\_\_\_\_

Final Action \_\_\_\_\_

Target Area Ord. Effective \_\_\_\_\_

This instrument prepared by William M. Olah, Attorney, 333 Ohio Street, Terre Haute, IN 47807.

**New Manufacturing Line for Jadcore's Plastic Recycling Division**  
**October 24, 2011**

Jadcore is one of the industry leaders in post-industrial plastic recycling. We will be expanding the capacity of the Recycling Division with the purchase of a new scrap plastic pelletizing line. This line will increase our overall capacity by more than 16 million pounds per year. This line will add 2 production employees per shift (4 shifts). This project will begin in January, 2012 with building modifications. Equipment will be delivered throughout the spring and the complete system is expected to be installed and running by May 1, 2012. This will be Jadcore's seventh pelletizing line in operation at the 300 North Fruitridge address.

**Summary of Components and Approximate Costs**

**Primary Equipment**

Pelletizing Line Model 1514 TVE plus Manufacturer: Erema North America – Ipswich, MA	\$860,000.00
Film & Fiber Shredding System Model RG52 Manufacturer: ReTech, High Point, NC	\$200,000.00

**Secondary Equipment**

100 Ton Chiller	\$60,000.00
Downstream support equipment	\$45,000.00

**Installation and Building Modifications**

Building modifications:	\$40,000.00
Electrical	\$180,000.00
Plumbing/Mechanical	\$55,000.00
Rigging / Equipment placement	\$20,000.00
Steel Fabrication – steps, guardrails, platforms, etc.	\$40,000.00

<b>Total</b>	<b>\$1,500,000.00</b>
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EXHIBIT A

All that certain piece or parcel of land situated in the Township of Harrison, County of Vigo and State of Indiana, being so much of Lots numbered Thirty-one (31), Thirty-two (32) and Thirty-three (33) and so much of the Easterly Sixty-five (65) feet of Lot Number Thirty (30) as lies South of a line drawn parallel with and Fifty (50) feet Southwardly from and measured at right angles and radially to the center line of the Eastward main tract of the Pittsburgh, Cincinnati, Chicago and St. Louis Railroad company, said Lots being in a subdivision of the Southwest Quarter of Section Thirteen, Township Twelve (12) North, Range Nine (9) West; made in a Partition Suit at the September Term, 1867 of the Circuit Court in and for the said County of Vigo, wherein John Carter Brown and others were plaintiffs, and Caroline M. Brown and others were defendants, the plat of said Partition Subdivision is recorded in the Recorder's Office of said Vigo County in Plat Book 1, page 223, said parcel being bounded and described as follows, to-wit:

Beginning at a point formed by the intersection of the Westerly line of Fruitridge Avenue, Sixty (60) feet wide, with the Northerly line of Locust Street, Sixty (60) feet wide:

Extending thence from said beginning point Westwardly along said Northerly line of Locust Street, on a line making an angle of Eighty-eight (88) degrees forty-three (43) minutes Twenty (20) seconds with said Westerly line of Fruitridge Avenue and measured from the Northward toward the Westward, the distance of Eight Hundred and Seventy-three (873) feet and Five-tenths (5/10) of a foot to a point distant Sixty-five (65) feet Westwardly from and measured along said northerly line of Locust Street from the dividing line between said lots numbered Thirty (30) and Thirty-one (31).

Thence the following three courses and distances by other land of The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company:

- (1) Northwardly on a line making an angle of Eighty-eight (88) degrees Forty-three (43) minutes Twenty (20) seconds with said Northerly line of Locust Street and measured from the Westward toward the Northward, parallel with said dividing line between Lots Numbered Thirty (30) and Thirty-one (31) the distance of Three Hundred and Seventy-six (376) feet and Five-tenths (5/10) of a foot to a point;
- (2) Eastwardly, crossing said dividing line between Lots Numbered Thirty (30) and Thirty-one (31); on a line making an angle of One Hundred and One (101) degrees Fifty-eight (58) minutes Twenty (20) seconds with the last described course and measured from the Southward toward the Eastward, parallel with and Fifty (50) feet Southwardly from and measured at right angles to the said center line of Eastward main track, the distance of Seventy-one (71) feet to a point, and
- (3) Northeastwardly, on a line parallel with and Fifty (50) feet Southeastwardly from and measured radially to the said center line of Eastward main track, by a curve to the left having a radius of Two Thousand Nine Hundred and Fourteen (2914) feet and Ninety-three one hundredths (93/100) of a foot, crossing the dividing lines between said Lots

EXHIBIT B

1 of 2

Numbered Thirty-one (31) and Thirty-two (32) and between said Lots Numbered Thirty-two (32) and Thirty-three (33), the distance of Eight Hundred and Forty-five (845) feet to the said Westerly lines of Fruitridge Avenue, and

Thence Southwardly, along said Westerly line of Fruitridge Avenue, the distance of Seven Hundred and Four (704) feet to the place of beginning, containing Ten (10) acres and Four Hundred and Fifty-six one thousandths (456/1000) of an acres, more or less.

[previously assigned Vigo County Auditor's Parcel No. 118-06-13-376-001].

Tax ID 118-06-13-376-001

Parcel ID 84-06-13-376-001.000-002

EXHIBIT B

2 of 2

EXHIBIT C



EXHIBIT C

**New Manufacturing Line for Jadcore's Plastic Recycling Division**  
**October 24, 2011**

Jadcore is one of the industry leaders in post-industrial plastic recycling. We will be expanding the capacity of the Recycling Division with the purchase of a new scrap plastic pelletizing line. This line will increase our overall capacity by more than 16 million pounds per year. This line will add 2 production employees per shift (4 shifts). This project will begin in January, 2012 with building modifications. Equipment will be delivered throughout the spring and the complete system is expected to be installed and running by May 1, 2012. This will be Jadcore's seventh pelletizing line in operation at the 300 North Fruitridge address.

**Summary of Components and Approximate Costs**

**Primary Equipment**

Pelletizing Line Model 1514 TVE plus Manufacturer: Erema North America – Ipswich, MA	<b>\$860,000.00</b>
Film & Fiber Shredding System Model RG52 Manufacturer: ReTech, High Point, NC	<b>\$200,000.00</b>

**Secondary Equipment**

100 Ton Chiller	<b>\$60,000.00</b>
Downstream support equipment	<b>\$45,000.00</b>

**Installation and Building Modifications**

Building modifications:	<b>\$40,000.00</b>
Electrical	<b>\$180,000.00</b>
Plumbing/Mechanical	<b>\$55,000.00</b>
Rigging / Equipment placement	<b>\$20,000.00</b>
Steel Fabrication – steps, guardrails, platforms, etc.	<b>\$40,000.00</b>

<b>Total</b>	<b>\$1,500,000.00</b>
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## CITY OF TERRE HAUTE

### PERSONAL PROPERTY TAX ABATEMENT PROGRAM APPLICATION

#### Ownership Information

Name, Address, and Interest:

*Jadcore, Inc.  
300 N. Fruitridge Avenue  
Terre Haute, in 47803*

*100% interest in equipment to be acquired*

Contact:

*William M. Olah, Attorney  
333 Ohio St.  
Terre Haute, IN 47807  
(812)232-4311*

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: *See attached Exhibit A for legal description (incorporated herein) of the subject real estate (the "Property") known as 300 N. Fruitridge Avenue, Terre Haute, IN 47803*

B. Parcel Nos.: *84-06-13-376-00.000-002*

#### Current Status of Property

A. Current zoning designation of Property: *M-2 Heavy Industry*

B. Describe current improvements to the property, including estimated age of existing buildings:

*The Property is the site of the former Quaker Maid operation, acquired by Jadcore, Inc. in 1974, and revamped under Jadcore's ownership in 1995.*

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 the site of Jadcore, Inc.'s Recycling Department. Jadcore currently employs 186.*

D. Current total assessed valuation of land and all improvements:

*The land is currently assessed at \$152,090. The real property improvements under the above-stated Parcel No. are currently assessed at \$3,354,000. Jadcore, Inc.'s personal property is currently assessed at \$2,134,880.*

E. Describe any unique historical structure or aesthetic improvements:

*None.*



## Proposed Improvements and Personal Property

A. Describe proposed real property improvements and projected costs: *None*

B. Describe proposed depreciable personal property improvements and projected costs:

*Petitioner proposes to purchase a seventh scrap plastic pelletizing line that will increase overall capacity. The projected cost of the depreciable personal property improvements/equipment will likely aggregate \$1,500,000. An itemization is attached—see following page.*

C. List any public infrastructure improvements, with estimated costs, that will be necessary for the project:

*It is not anticipated any new public infrastructure improvements will be required for the project.*

D. Project Start Date:

*It is anticipated that the project start date will be within the month of January 2012, subject to favorable action on the tax abatement requested by Petitioner.*

E. Project Completion Date:

*It is anticipated that the project will be completed by May 31, 2012.*

## 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 present 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:

The Property is the site of the former Quaker Maid production facility. Following closure of that plant, the Property set idle for years. It was adjacent to the former Milwaukee Railroad switchyards. With that concern's decline, the switchyard was closed, the rails were pulled, and the founders of Jadcore purchased the land from the trustee of the ultimate railroad owner. Again, no development occurred for several years, leading to the area's physical decline, decreasing property tax assessed valuations, and downward spiraling property tax revenues. With the advent of Terre Haute becoming a hub for plastic film manufacturers, Jadcore's plastic recycling business began to gain traction. The proposed project will add to utilization of space within the building at the Property—space that is not presently utilized to capacity. The addition of another line will boost that underutilization.

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:

*The equipment will initially require and retain positions for 8 new employees.*

*Jadcore, Inc.'s current annual payroll is \$6,570,000. All 186 employees are full-time, who earn \$25,170 annually, on average. All hourly employees are provided retirement and*

*comprehensive health insurance benefits. All employees will be retained if this Application is successful.*

Description of employee benefits for new and/or retained employees:

*A Summary of Benefits is attached, applicable to ALL Jadcore, Inc. employees, and —ALL OF WHICH BENEFITS ARE PAID 100% BY JADCORE, INC.*

- 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 dealers 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.

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**October 24, 2011**

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**Installation and Building Modifications**

Building modifications:	<b>\$40,000.00</b>
Electrical	<b>\$180,000.00</b>
Plumbing/Mechanical	<b>\$55,000.00</b>
Rigging / Equipment placement	<b>\$20,000.00</b>
Steel Fabrication – steps, guardrails, platforms, etc.	<b>\$40,000.00</b>

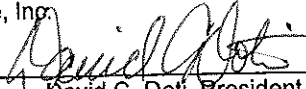
<b>Total</b>	<b>\$1,500,000.00</b>
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INTENDED OWNER\*

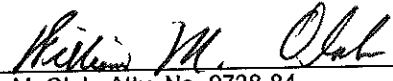
Jadcore, Inc.

DATE: October 25, 2011

By

  
David C. Doti, President

By

  
William M. Olah, Atty. No. 9738-84

\* 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](http://www.in.gov/dlgf).



### **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, as well as information technology, 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  
Personal Property Tax Abatement Guideline Scoring Criteria**

Company Name: LIN Television Corporation

Application Date: May 24, 2011

1. New Property Investment	5 points maximum	<u>3</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>1</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>5</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>2</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>    </u>
<b>Total Points</b>		<u><b>15</b></u>



Scoring

Length of Personal 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	_____
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	_____1
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	_____1
4. Existing Facility	Council may award one bonus point for use, reuse, rehabilitation and/or expansion of an existing facility	_____1
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	_____1
Total Bonus Points		_____4
Grand Total Points		_____19
Recommended Length of Personal Property Abatement Per Guideline Scoring Criteria		_____9 Years

## EXHIBIT A

All that certain piece or parcel of land situated in the Township of Harrison, County of Vigo and State of Indiana, being so much of Lots numbered Thirty-one (31), Thirty-two (32) and Thirty-three (33) and so much of the Easterly Sixty-five (65) feet of Lot Number Thirty (30) as lies South of a line drawn parallel with and Fifty (50) feet Southwardly from and measured at right angles and radially to the center line of the Eastward main tract of the Pittsburgh, Cincinnati, Chicago and St. Louis Railroad company, said Lots being in a subdivision of the Southwest Quarter of Section Thirteen, Township Twelve (12) North, Range Nine (9) West; made in a Partition Suit at the September Term, 1867 of the Circuit Court in and for the said County of Vigo, wherein John Carter Brown and others were plaintiffs, and Caroline M. Brown and others were defendants, the plat of said Partition Subdivision is recorded in the Recorder's Office of said Vigo County in Plat Book 1, page 223, said parcel being bounded and described as follows, to-wit:

Beginning at a point formed by the intersection of the Westerly line of Fruitridge Avenue, Sixty (60) feet wide, with the Northerly line of Locust Street, Sixty (60) feet wide:

Extending thence from said beginning point Westwardly along said Northerly line of Locust Street, on a line making an angle of Eighty-eight (88) degrees forty-three (43) minutes Twenty (20) seconds with said Westerly line of Fruitridge Avenue and measured from the Northward toward the Westward, the distance of Eight Hundred and Seventy-three (873) feet and Five-tenths (5/10) of a foot to a point distant Sixty-five (65) feet Westwardly from and measured along said northerly line of Locust Street from the dividing line between said lots numbered Thirty (30) and Thirty-one (31).

Thence the following three courses and distances by other land of The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company:

- (1) Northwardly on a line making an angle of Eighty-eight (88) degrees Forty-three (43) minutes Twenty (20) seconds with said Northerly line of Locust Street and measured from the Westward toward the Northward, parallel with said dividing line between Lots Numbered Thirty (30) and Thirty-one (31) the distance of Three Hundred and Seventy-six (376) feet and Five-tenths (5/10) of a foot to a point;
- (2) Eastwardly, crossing said dividing line between Lots Numbered Thirty (30) and Thirty-one (31); on a line making an angle of One Hundred and One (101) degrees Fifty-eight (58) minutes Twenty (20) seconds with the last described course and measured from the Southward toward the Eastward, parallel with and Fifty (50) feet Southwardly from and measured at right angles to the said center line of Eastward main track, the distance of Seventy-one (71) feet to a point, and
- (3) Northeastwardly, on a line parallel with and Fifty (50) feet Southeastwardly from and measured radially to the said center line of Eastward main track, by a curve to the left having a radius of Two Thousand Nine Hundred and Fourteen (2914) feet and Ninety-three one hundredths (93/100) of a foot, crossing the dividing lines between said Lots

Numbered Thirty-one (31) and Thirty-two (32) and between said Lots Numbered Thirty-two (32) and Thirty-three (33), the distance of Eight Hundred and Forty-five (845) feet to the said Westerly lines of Fruitridge Avenue, and

Thence Southwardly, along said Westerly line of Fruitridge Avenue, the distance of Seven Hundred and Four (704) feet to the place of beginning, containing Ten (10) acres and Four Hundred and Fifty-six one thousandths (456/1000) of an acres, more or less.

[previously assigned Vigo County Auditor's Parcel No. 118-06-13-376-001].

Tax ID 118-06-13-376-001

Parcel ID 84-06-13-376-001.000-002