

FILED  
MAY 26 2011  
CITY CLERK

**RESOLUTION NO. 8, 2011**

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City (commonly identified as 812, 818 and 822 Ohio Street, Terre Haute, Indiana) as an Economic Revitalization Area for the Purpose of Ten (10) Year Personal Property Tax Abatement for LIN Television Corporation.

WHEREAS, a Petition for a ten (10) 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 below be designated an Economic Revitalization Area for purposes of real property tax abatement, to-wit:

Lot Number Forty-five (45), Lot Number Forty-six (46), and 63 feet off the East side of Lot Number Forty-seven (47) in Chauncey Rose's Addition to the Town, now City, of Terre Haute, being a part of the West Half of Section 22, Township 12 North, Range 9 West, as per recorded plat of the same recorded August 7, 1852 in Plat Record 1, Page 6, records of the Recorder's Office of Vigo County, Indiana.

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 not have to lose any of its seventy-six (76) employees as a result of the Project, thus allowing Petitioner to retain all its existing permanent full-time and part-time jobs with an annual payroll of approximately \$3,116,208.00;

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 modernize is television broadcasts from headquarters 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 ten (10) 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 ten (10) 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:

  
John Mullican, Councilman

Passed in open Council this 9<sup>th</sup> day of June, 2011.

ATTEST:

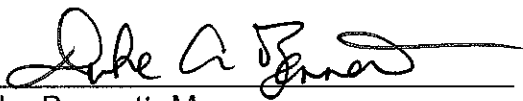
  
Charles P. Hanley, City Clerk

  
John Mullican, President  
Common Council of Terre Haute,  
Indiana

Presented by me to the Mayor this 10<sup>th</sup> day of June, 2011.

  
Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 10<sup>th</sup> day of JUNE, 2011.

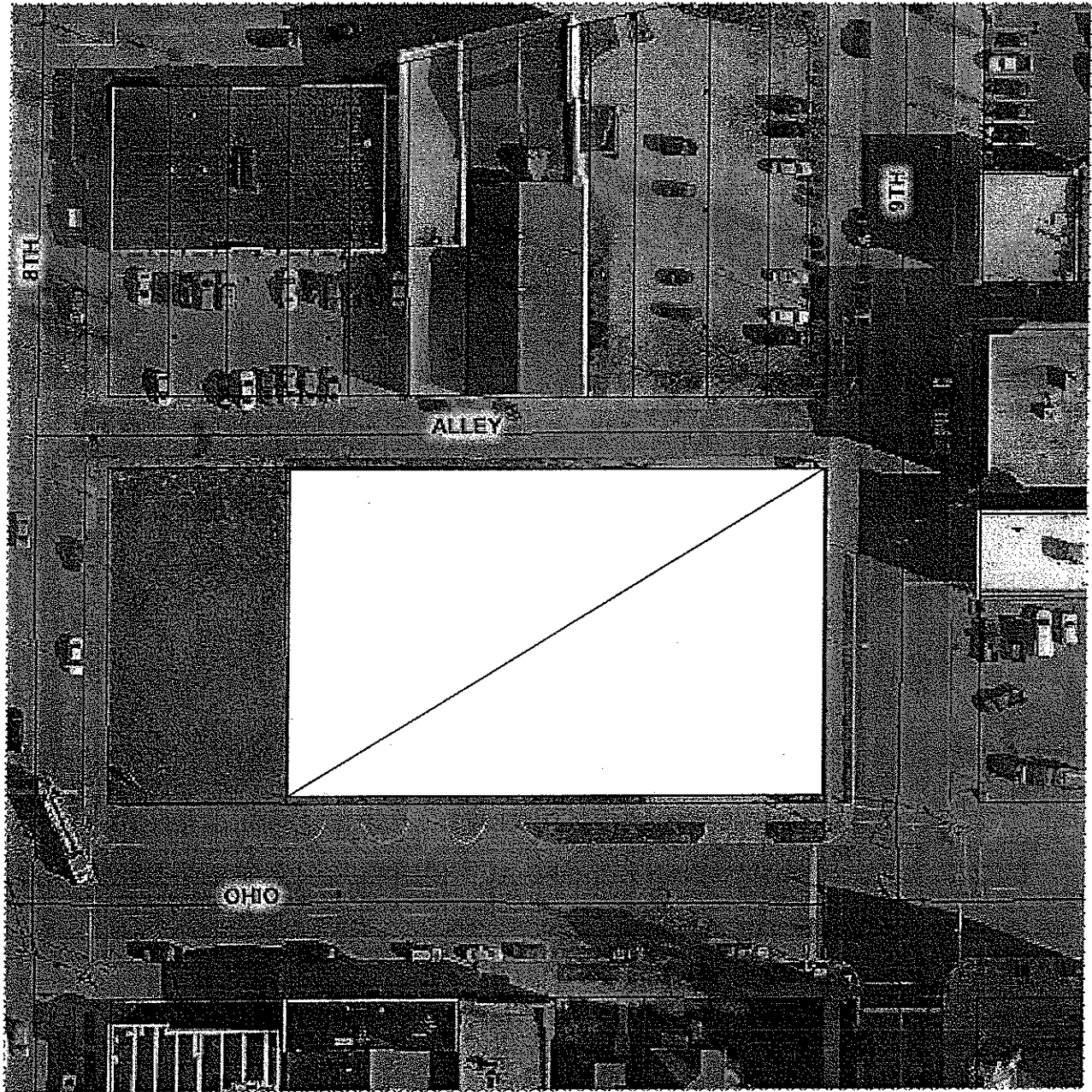
  
Duke Bennett, Mayor,  
City of Terre Haute, Indiana

ATTEST:

  
Charles P. Hanley, City Clerk

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

EXHIBIT A



**FINAL ACTION BY COMMON COUNCIL OF  
THE CITY OF TERRE HAUTE, INDIANA  
REGARDING RESOLUTION 8 , 2011**

WHEREAS, the Common Council of the City of Terre Haute, Indiana adopted Resolution 8 , 2011, on the 9<sup>th</sup> day of June, 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 8, 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 8, 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 8, 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 ten (10) 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 8, 2011, is declared an economic revitalization area for the purposes of ten (10) 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.

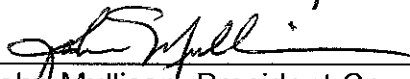
3. That said Resolution supplements any other designation (if any) of the real estate as an Economic Revitalization Area.

4. That this Final Action, findings and confirmation of Resolution 8, 2011, shall be incorporated in and be a part of Resolution 8, 2011.

Presented by:

  
\_\_\_\_\_  
John Mullican, Councilman

Passed in open Council this 14<sup>th</sup> day of July, 2011.

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

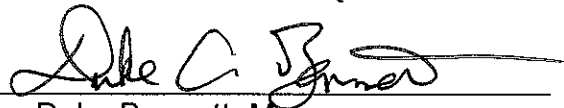
ATTEST:

  
Charles P. Hanley, City Clerk

Presented by me to the Mayor this 15<sup>th</sup> day of July,  
2011.

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

Approved by me, the Mayor, this 15<sup>th</sup> day of July,  
2011.

  
Duke Bennett, Mayor,  
City of Terre Haute, Indiana

ATTEST:

  
Charles P. Hanley, City Clerk

This instrument prepared by William M. Olah, Attorney,  
333 Ohio Street, P.O. Box 800, Terre Haute, IN 47808.

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

The undersigned—the proposed owner of new information technology (“IT”) 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 IT 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 new digital television broadcast station the IT/telecommunications equipment listed in attached **Exhibit A** (hereby made a part of this Petition).*

*The project is important to the Petitioner as a means to adopt new telecommunications technology to better serve the needs of the immediate community and those in neighboring communities who will be served by this CBS television network affiliate. The construction of this facility will be a significant economic catalyst for continued revitalization of Terre Haute's downtown, and will ensure that at least one network television broadcaster will have a Terre Haute address. In addition to allowing WTHI-TV to modernize its broadcasts, this community investment will ensure WTHI-TV continues to attract the on-air and in-the-field talent that will augment upgraded broadcasts made possible by the modernization which Petitioner's new facility will provide.*

2. The project will allow the Petitioner to: *retain 76 jobs now provided by Petitioner within the City of Terre Haute, representing a saved annual local payroll of \$3,116,208. One additional full-time job will be added within three (3) years of the project's completion. 65 employees are full-time, while 11 are part-time. Full-time employees earn \$46,440 annually, on average. A part-time employee earns, on average, \$8,872 annually. Full-time employees are provided retirement and comprehensive health insurance benefits. Part-time employees benefit from a retirement plan contribution by the employer. All employees will be retained if this Application is successful.*

3. Estimate the cost of the Equipment: *Projected cost = \$883,210.00. [About \$2,516,793 (cost) of other personal property will be added by Petitioner to the broadcast facility—but the requested abatement will NOT be applicable to that other new property.]*

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>
LIN Television Corporation	One West Exchange St. Suite 5A Providence, RI 02903	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: *Digital television broadcaster affiliated with CBS network.*

5. The commonly known address of the real property where the Equipment is to be located is: *812, 818 and 822 Ohio Street, Terre Haute, IN 47807.*

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 last assessment of the value of the manufacturing equipment which the Equipment will replace is \$57,624.

9. The current use of the real property where the Equipment will be installed is:  
*Vacant (no building or occupant), but the current zoning is C-8 Central Business District. [It is anticipated that the Property will apply for a Special Exception Use (TV tower) from the Board of Zoning Appeals.]*

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: **\$588,800.**

12. The best estimate of the amount of taxes to be abated during each of the first ten (10) 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: \$588,800*

*Tax without Abatement: \$17,664*

<u>ABATEMENT YEAR</u>	<u>ABATEMENT %</u>	<u>TAX ABATED</u>	<u>TAX PAID</u>
1	100%	\$17,664	\$ 0
2	90%	\$15,897	\$ 1,766
3	80%	\$14,131	\$ 3,533
4	70%	\$12,365	\$ 5,299
5	60%	\$10,598	\$ 7,066
6	50%	\$ 8,832	\$ 8,832
7	40%	\$ 7,066	\$10,598
8	30%	\$ 5,299	\$12,365
9	20%	\$ 3,533	\$14,131
10	10%	<u>\$ 1,766</u>	<u>\$15,897</u>
Total		\$97,151	\$79,487

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. The real property where the Equipment will be installed is located in the *Central Business District TIF* declared/confirmed by the Terre Haute Redevelopment Commission.

15. 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*.

16. Describe how and why the IT 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:

*WTHI-TV currently operates in a very old facility, with equipment that is technologically inferior to that which is planned to replace it. Without the planned new facility in the downtown area which allows Petitioner to keep pace with the fast-changing digital broadcast television industry, it can be anticipated that there would be job losses of key staff members who reside in and around Terre Haute. Those job losses would decrease various types of tax revenues.*

17. The Equipment will be used in the digital television broadcasting process of WTHI-TV, and the Equipment was never before used by Petitioner for any purpose in Indiana. The signature below is verification of this statement.

18. 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.

May 26, 2011

Name of Property Owner:

LIN Television Corporation

By Todd Weber  
Todd Weber, Vice-President &  
General Manager WTHI-TV

**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.

# EXHIBIT A

Qty	Make	Model	Description	Cost each	EXT cost	Vendor
1	MRC	DXL068RHSA	TSL - DXL5000 digital receiver (Live Gear TSL)	\$ 36,500.00	\$ 36,500.00	MRC
1	Grass Valley	Trinix	64x64 (128 frame) with multiviewer and 5 pannels	\$120,000.00	\$120,000.00	GV
25	AJA	FS1	Frame sync / up converter	\$ 2,800.00	\$ 70,000.00	HVS
4	Ensemble	3RUFRM	DA Amp frame	\$ 1,190.00	\$ 4,760.00	HVS
30	Ensemble	7125	HD/SD/ASI DA card	\$ 680.00	\$ 20,400.00	
1	Grass Valley	Aurora	News editing, server, payout to air	\$263,350.00	\$263,350.00	GV
1	Grass Valley	Kayak	2.5 ME switcher	\$119,700.00	\$119,700.00	
1	Wheatstone	E6	Audio board - ignite compatible	\$ 50,000.00	\$ 50,000.00	Wheatstone
1			CG	\$ 90,000.00	\$ 90,000.00	
1	Cisco	UC500	IP telephone system (104 handset max)	\$ 70,000.00	\$ 70,000.00	Joink LLC
1	MRC	DXL068THSA	TSL - DXL5000 digital transmitter (Live Gear TSL)	\$ 38,500.00	\$ 38,500.00	MRC

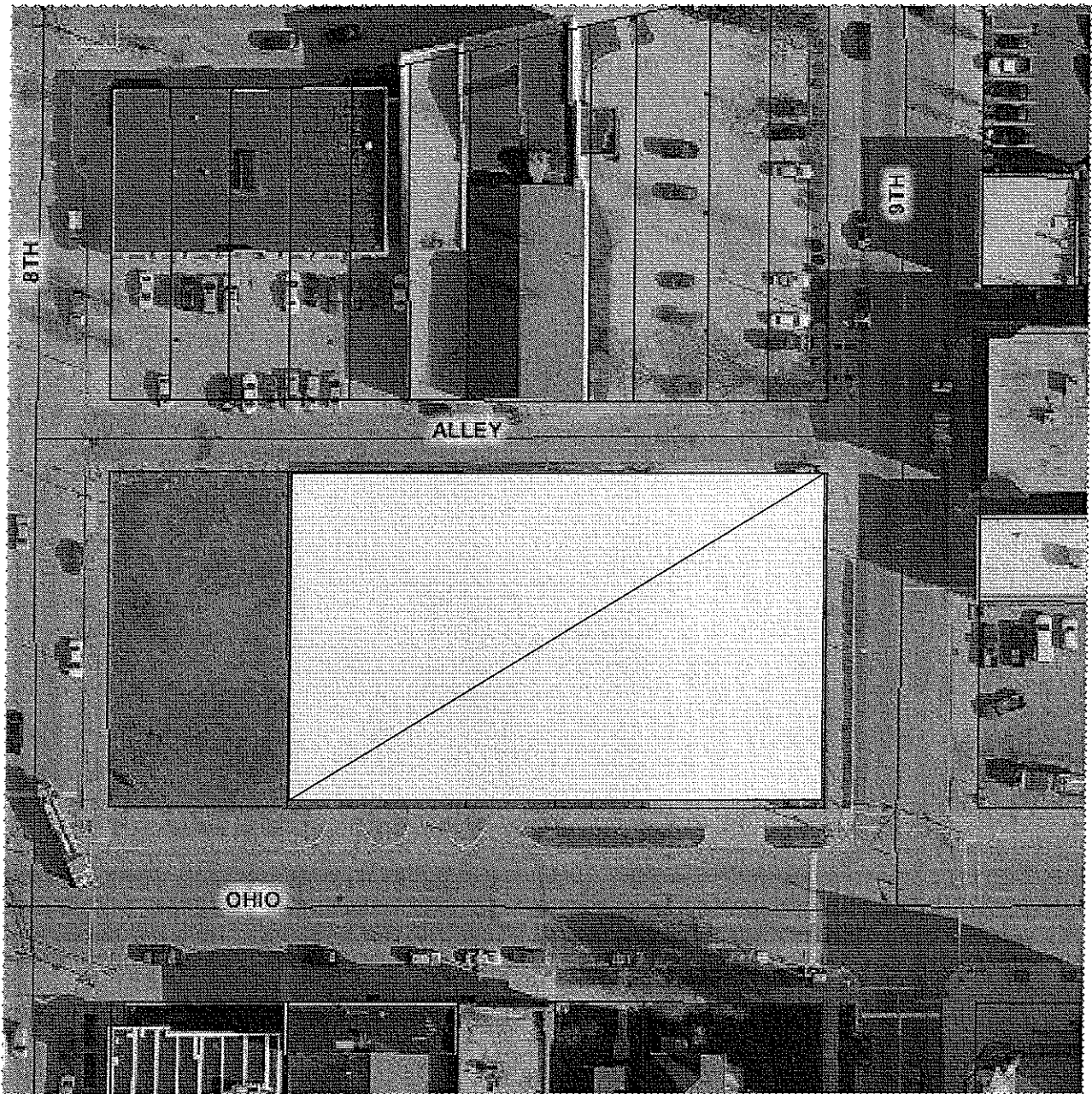
\$883,210.00

EXHIBIT A

Exhibit *B*

Lot Number Forty-five (45), Lot Number Forty-six (46), and 63 feet off the East side of Lot Number Forty-seven (47) in Chauncey Rose's Addition to the Town, now City, of Terre Haute, being a part of the West Half of Section 22, Township 12 North, Range 9 West, as per recorded plat of the same recorded August 7, 1852 in Plat Record 1, Page 6, records of the Recorder's Office of Vigo County, Indiana.

EXHIBIT C



**CITY OF TERRE HAUTE**  
**PERSONAL PROPERTY TAX ABATEMENT PROGRAM APPLICATION**

**Ownership Information**

Name, Address, and Interest:

*LIN Television Corporation  
One West Exchange St., Suite 5A  
Providence, RI 02903*

*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")*

*No common address has been assigned to the Property as a whole. The Property is on the North side of Ohio Street, between 8<sup>th</sup> & 9<sup>th</sup> Streets (formerly bearing addresses of 812, 818 and 822 Ohio Street).*

B. Parcel Nos.: *84-06-22-352-013.000-002; 84-06-22-352-014.000-002; and 84-06-22-352-015.000-002*

**Current Status of Property**

A. Current zoning designation of Property: *C-8 Central Business District*

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

*The Property is currently undeveloped bare land with no existing buildings or improvements (other than a modest paved parking lot on its East end).*

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 bare land with no existing buildings or improvements (other than a modest paved parking lot on its East end).*

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

*The land is currently assessed at \$64,360. There are no improvements to assess (other than parking—assessed value of \$3,600).*

E. Describe any unique historical structure or aesthetic improvements: *None.*

**Proposed Improvements and Personal Property**

A. Describe proposed real property improvements and projected costs:

*Petitioner, LIN Television Corporation, owns and operates WTHI-TV from leased premises a block to the East of the Property. If the requested abatements are granted, Petitioner will contract to purchase the Property from Garmong Development Company, LLC. Title to the Property will pass after C.H. Garmong & Son Inc. has built a new digital broadcast television facility on the Property. Petitioner's cost to acquire that building on a turn-key basis and equip it is estimated at Six Million Dollars (\$6,000,000.00). The proposed facility will be a 2-story building, approximately 16,000 square feet in size, with a basement.*

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

*The projected cost of the depreciable personal property improvements/equipment will likely aggregate \$3,400,000. Of that, the information technology/telecommunications equipment ("Equipment")—for which abatement is sought—comprises \$883,210.00 as shown on the attached list.*

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 July 2011, subject to favorable action on the tax abatements requested by Petitioner.*

E. Project Completion Date:

*It is anticipated that the project will be completed by December 31, 2011.*

**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 located in the heart of the downtown business district of the City of Terre Haute, Indiana. The former buildings on the site of the Property were demolished years ago since there was no market demand for their use or redevelopment—chiefly because the area had become undesirable for, or impossible of, normal development and occupancy as a retail or commercial hub. Conditions there had declined, growth had ceased, and neighboring property improvements were deteriorating—thereby impairing values and preventing normal development/use of real property in that area. All of that resulted in declining property tax revenues from that area. Currently, the land is unimproved and there are only \$3,600 in assessed improvements (paving).*



*The Property generates only \$2,040 in annual property taxes. Construction of a building of the planned scope, and equipping it, will ADD substantially to the tax base of this area (and that of the City of Terre Haute).*

- 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 facility will initially house and retain positions for 76 employees. WTHI-TV currently operates in a very old facility, with equipment that is technologically inferior to that which is planned to replace it. Without the planned new facility in the downtown area—which allows Petitioner to keep pace with the fast-changing digital broadcast television industry, it can be anticipated that there would be job losses of key staff members who reside in and around Terre Haute.*

*WTHI-TV's current annual payroll is \$3,116,208. 65 employees are full-time, while 11 are part-time. Full-time employees earn \$46,440 annually, on average. Part-time employees earn, on average, \$8,872 annually. Full-time employees are provided retirement and comprehensive health insurance benefits. Part-time employees benefit from a retirement plan contribution by the employer. All employees will be retained if this Application is successful.*

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

*All WTHI-TV employees receive retirement benefits. All full-time employees have comprehensive health insurance benefits—e.g. health, dental, vision, short-term disability, and long-term disability.*

- 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.

INTENDED OWNER\*

LIN Television Corporation

DATE

By Todd Weber  
Todd Weber, Vice-President & General Manager  
WTHI-TV

5/25/11

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

5-25-11

\* 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).

### 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:

[illegible]

### 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, warehousing/distribution equipment, and/or information technology equipment used in telecommunications facilities), based upon one of the ten time periods and percentages as determined by the City Council:

[illegible]

### **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>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>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>3</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		<u>19</u>

ScoringLength 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	<u>1</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>1</u>
Total Bonus Points		<u>4</u>
Grand Total Points		<u>23</u>
Recommended Length of Personal Property Abatement Per Guideline Scoring Criteria		<u>10 Years</u>

Exhibit A

Lot Number Forty-five (45), Lot Number Forty-six (46), and 63 feet off the East side of Lot Number Forty-seven (47) in Chauncey Rose's Addition to the Town, now City, of Terre Haute, being a part of the West Half of Section 22, Township 12 North, Range 9 West, as per recorded plat of the same recorded August 7, 1852 in Plat Record 1, Page 6, records of the Recorder's Office of Vigo County, Indiana.