

**RESOLUTION NO. 29, 2012**

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City (commonly identified as 1055 South Hunt Street, Terre Haute, Indiana) as an Economic Revitalization Area for the Purpose of Ten (10) Year Personal Property Tax Abatement for Tri Aerospace, LLC.

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 personal property tax abatement, to-wit:

See **Exhibit A** attached hereto and incorporated herein by reference.

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 B** attached to its Petition;

WHEREAS, Petitioner has estimated that its investment in the purchase of new manufacturing equipment (the "Project") to be located at said real estate will allow Petitioner to better compete in its industry, retain all its existing thirty-three (33) permanent full-time jobs with a current annual payroll of approximately \$1,500,000.00, as well as add three (3) new employee positions;

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 new manufacturing equipment is reasonable for equipment of that type.
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 installation of the new manufacturing equipment.
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 installation of the new manufacturing equipment.
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:

Robert All  
Robert All, Councilman

Passed in open Council this 8th day of November, 2012.

ATTEST:

Charles P. Hanley  
Charles P. Hanley, City Clerk

Don Morris  
Don Morris, President  
Common Council of Terre Haute,  
Indiana

Presented by me to the Mayor this 9th day of November, 2012.

Charles P. Hanley  
Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 9th day of NOVEMBER, 2012.

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

ATTEST:

Charles P. Hanley  
Charles P. Hanley, City Clerk

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

**Exhibit A**

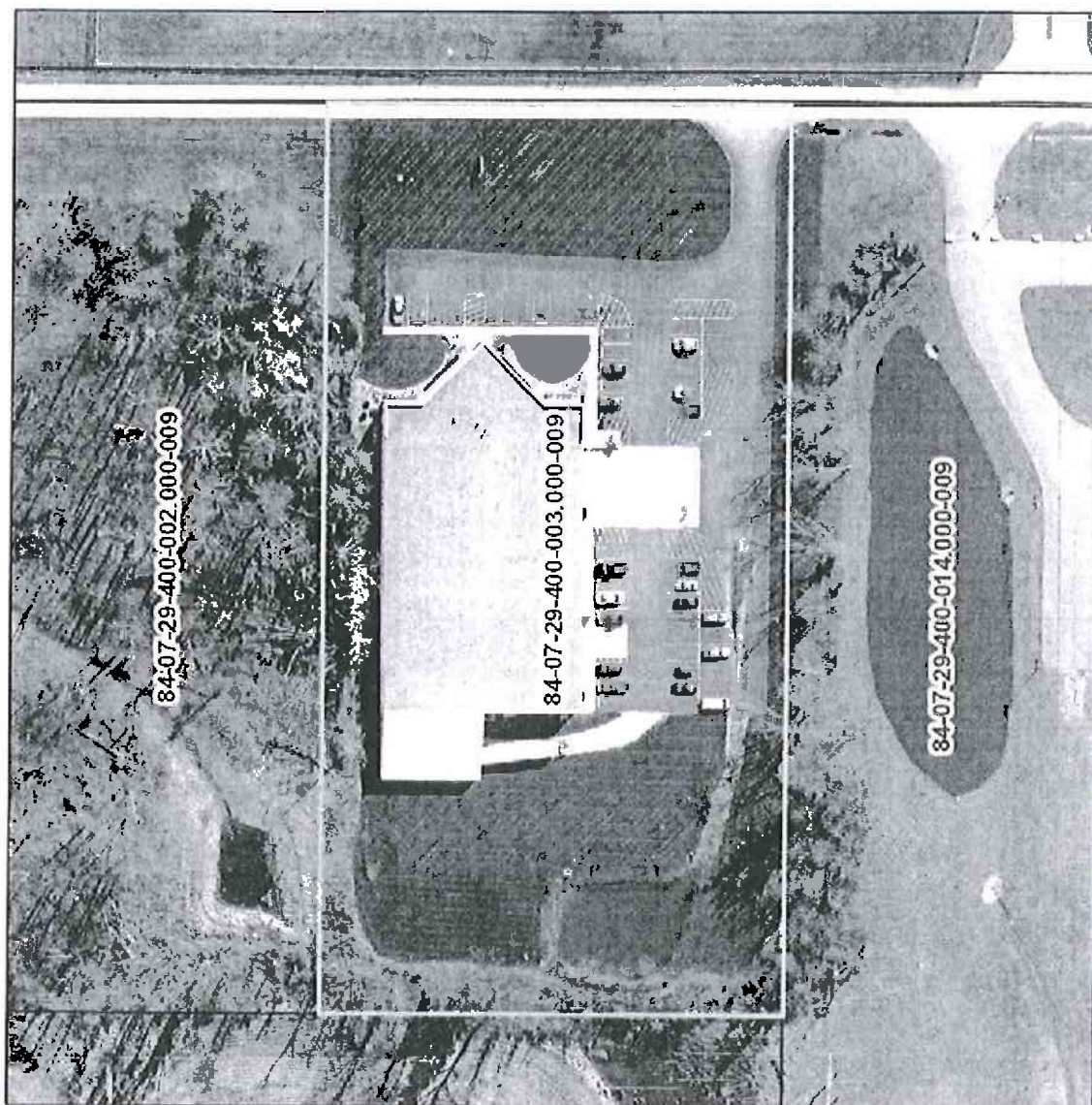
(Legal Description)

A part of the Northeast Quarter of the Southeast Quarter of Section 29, Township 12 North, Range 8 West, of Lost Creek Township, Vigo County, Second Principal Meridian, Indiana; and more particularly described as follows: Beginning at a point S-00°11'25"-W (assumed bearing) along the East line of said Section 524.35 feet from the Northeast Corner of the Southeast Quarter of Section 29, Township 12 North, Range 8 West; thence running S-00°11;25"-W 267.65 feet; thence N-89°42'53"-W 549.95 feet to an iron pin set; thence N-00°00'25"-E 267.65 feet to an iron pin set; thence S-89°42'35"-E 549.95 feet to the point of beginning.

Containing 3.38 Acres more or less.

**Exhibit B**

(Aerial Photo)



84-07-29-400-002 000-009

84-07-29-400-003 000-009

84-07-29-400-014 000-009



**FINAL ACTION BY COMMON COUNCIL OF  
THE CITY OF TERRE HAUTE, INDIANA  
REGARDING RESOLUTION 29, 2012**

WHEREAS, the Common Council of the City of Terre Haute, Indiana adopted Resolution 29, 2012, on the 8<sup>th</sup> day of November, 2012, 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 new manufacturing equipment 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 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 project.

4. That the benefits can reasonably be expected to result from 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 29, 2012, 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 29, 2012, 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 29, 2012, 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 29, 2012, 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 29, 2012, shall be incorporated in and be a part of Resolution 29, 2012.

Presented by:

  
Robert All, Councilman



Passed in open Council this 13<sup>th</sup> day of December, 2012.

Don Morris  
Don Morris, President Common Council of City  
of Terre Haute, Indiana

ATTEST:

Charles P. Hanley  
Charles P. Hanley, City Clerk

Presented by me to the Mayor this 14<sup>th</sup> day of December,  
2012.

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

Approved by me, the Mayor, this 14<sup>th</sup> day of DECEMBER,  
2012.

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

ATTEST:

Charles P. Hanley  
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, owner of Tri Aerospace, LLC ("Tri Aero"), intends to purchase new manufacturing equipment that will be personal property to be located within the City of Terre Haute and 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 manufacturing 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 a new 5 axis milling machine used in the production of aircraft engines and engine parts.*

*The project is important to the Petitioner as a means to continue to grow the business, improve product and compete within the aircraft engine manufacturing industry.*

2. The project will allow the Petitioner to: *retain 33 jobs now provided by Petitioner within the City of Terre Haute, representing an annual local payroll of \$1,500,000.00. Three (3) additional full-time jobs will be added within one (1) year of the project's completion. Full-time employees earn \$61,130.00 annually, 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 = \$700,000.00.*

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>
Tri Aerospace, LLC	1055 South Hunt Street 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: *The production of aircraft engines and engine parts.*

5. The commonly known address of the real property where the Equipment is to be located is: *1055 South Hunt Street, Terre Haute, IN 47803.*

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

7. An aerial photo designating the area for tax abatement consideration is attached hereto, marked **Exhibit B** and incorporated herein.

8. The last assessment of the value of the manufacturing equipment which the Equipment will replace is \$0.00. *This is new equipment adding to manufacturing equipment and not replacing existing equipment.*

9. The current use of the real property where the Equipment will be installed is:

*See above 4.(c). The real property, located at 1055 South Hunt Street, is the home of the Tri Aerospace, LLC, where it produces and sells aircraft engines and engine parts.*

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: **\$700,000.00.**

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 Lost Creek Township applicable to this property is expected to be: 3.7067%.*

*Assumed Assessed Value of New Equipment: \$280,000.00*

*Tax without Abatement: \$10,378.76*

<u>ABATEMENT YEAR</u>	<u>ABATEMENT %</u>	<u>TAX ABATED</u>	<u>TAX PAID</u>
1	100%	\$ 10,378.76	\$ 0.00
2	90%	\$ 9,340.88	\$ 1,037.88
3	80%	\$ 8,303.01	\$ 2,075.75
4	70%	\$ 7,265.13	\$ 3,113.63
5	60%	\$ 6,227.26	\$ 4,151.50
6	50%	\$ 5,189.38	\$ 5,189.38
7	40%	\$ 4,151.50	\$ 6,227.26
8	30%	\$ 3,113.63	\$ 7,265.13
9	20%	\$ 2,075.75	\$ 8,303.01
10	10%	\$ 1,037.88	\$ 9,340.88
	<b>Total</b>	<b>\$ 57,083.18</b>	<b>\$46,704.42</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. The real property where the Equipment will be installed is located in the *Airport Development Zone District* declared/confirmed by the Terre Haute Redevelopment Commission and the Terre Haute International Airport Authority.

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 new manufacturing 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 existing equipment does not allow for production as is now necessary to compete with such companies as GE, Rolls Royce and Pratt and Whitney.*

17. The Equipment will be used at 1055 South Hunt Street, in Terre Haute, Indiana, 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 Jeffrey A. Lewellyn
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 25, 2012

Name of Property Owner:

Tri Aerospace, LLC

By R. Laurence Cross  
R. Laurence Cross

**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**

(Legal Description)

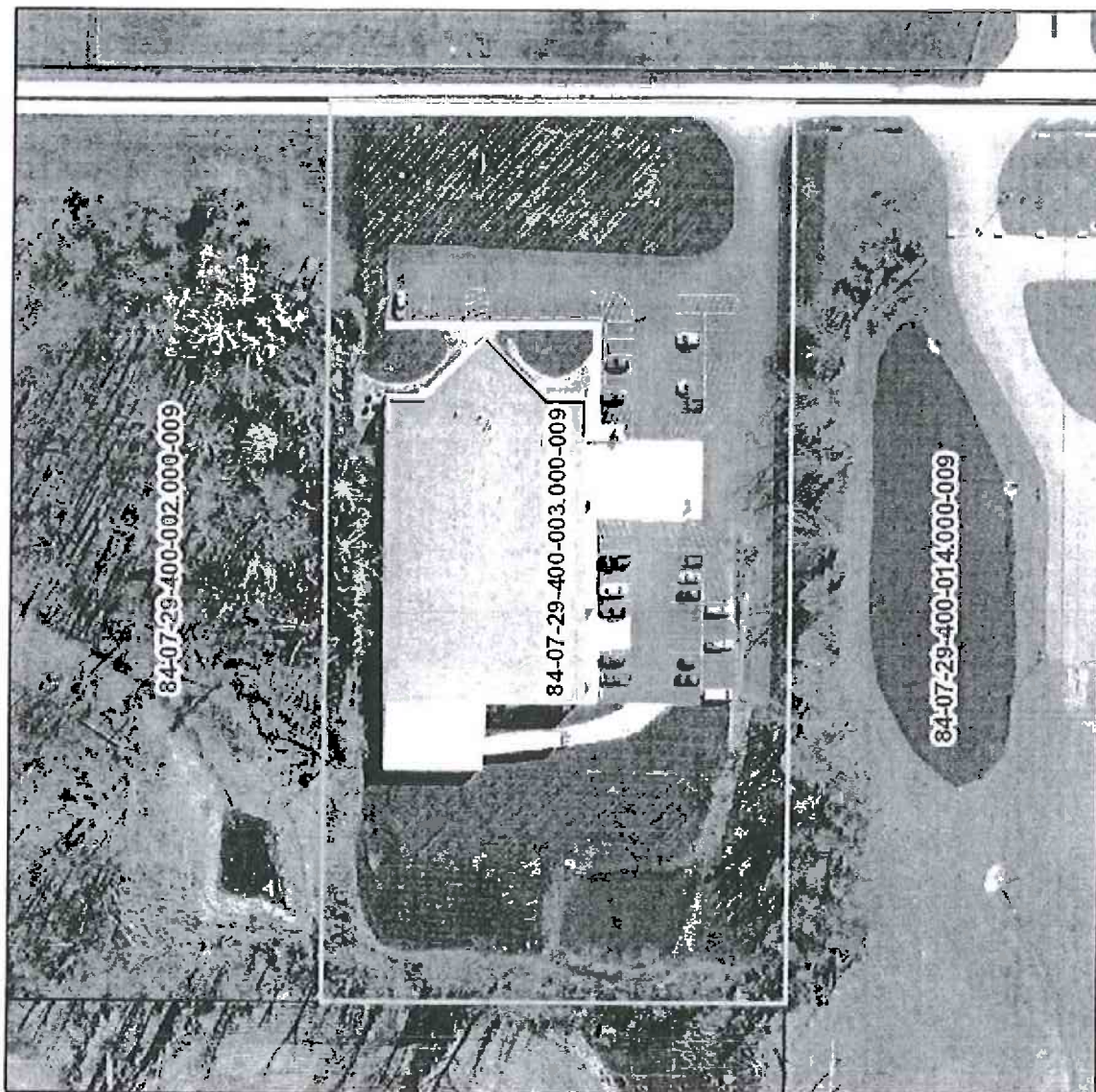
A part of the Northeast Quarter of the Southeast Quarter of Section 29, Township 12 North, Range 8 West, of Lost Creek Township, Vigo County, Second Principal Meridian, Indiana; and more particularly described as follows: Beginning at a point S-00°11'25"-W (assumed bearing) along the East line of said Section 524.35 feet from the Northeast Corner of the Southeast Quarter of Section 29, Township 12 North, Range 8 West; thence running S-00°11'25"-W 267.65 feet; thence N-89°42'53"-W 549.95 feet to an iron pin set; thence N-00°00'25"-E 267.65 feet to an iron pin set; thence S-89°42'35"-E 549.95 feet to the point of beginning.

Containing 3.38 Acres more or less.



**Exhibit B**

(Aerial Photo)



**Exhibit C**

(Property Photos)







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

**Ownership Information**

Name, Address, and Interest:

*Tri Aerospace, LLC  
1055 South Hunt Street  
Terre Haute, IN 47803*

*100% interest in equipment to be acquired*

Contact:

*William M. Olah, Attorney  
Jeffrey A. Lewellyn, 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")*

*1055 South Hunt Street, Terre Haute, Indiana.*

B. Parcel No.: *84-07-29-400-003.000-009*

C. Owner of Real Estate: *TriAero Holdings, LLC*

**Current Status of Property**

A. Current zoning designation of Property:

*M-2 Heavy Industry District*

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

*The real property is approximately 3.38 acres of land with a building structure of approximately 30,596 sq. ft. of space constructed in 2007. The property was acquired by TriAero Holdings, LLC in April 2012. The property was previously owned by the Terre Haute International Airport Authority and tax exempt.*

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):

*Tri Aerospace, LLC currently uses the facility in the manufacturing and sales of aircraft engine and engine parts. The company has a workforce of 33 employees.*



D. Current total assessed valuation of land and all improvements: \$1,783,500.00

*The land is currently assessed at \$49,600.00. The improvements are assessed at \$1,733,900.00.*

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

### **Proposed Improvements and Personal Property**

A. Describe proposed real property improvements and projected costs:

*Please see the above information regarding the real property under the Current Status of Property section. There are no new real property improvements planned at this time.*

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

*The projected cost of the depreciable personal property improvements/equipment will likely aggregate \$700,000.00. The new manufacturing equipment ("Equipment")—for which abatement is sought—consists of a new 5 axis milling machine.*

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

*None.*

D. Project Start Date:

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

E. Project Completion Date:

*It is anticipated that the project will be completed and operational by June, 2013. The equipment will take 3-4 months to build and 2 months to install.*

### **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:

*The Property is located in the Airport Development Zone district of the City of Terre Haute, Indiana. The location of the property limits the type of uses and business opportunities due to proximity to the airport. The new milling machine is state of the art technology that prevents loss of business for the company and creates additional employment. The real property, which was previously tax exempt, is now taxable. The personal property generated \$5,106.72 in annual property taxes in 2012. The new Equipment, will ADD significantly to the tax base of this property.*

- 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 new Equipment will create three (3) new full-time employee positions. Within three (3) months of installation, two (2) new employees will be working and one (1) more will be added within 12 months. The average annual compensation with benefits is \$61,130.00. Employees receive 401(K), health insurance, dental, vision, life and long-term disability.*

*Tri-Aero's current annual payroll is \$1,316,684.00. Thirty-three (33) employees are full-time, no part-time. All employees will be retained if this Application is successful.*

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

*All Tri Aero employees receive retirement benefits of 3% of eligible compensation to a 401(K). All full-time employees also have comprehensive health insurance benefits—e.g. health, dental, vision, 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.*

*See attached.*

### **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.

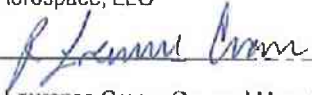
**Certification**

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.

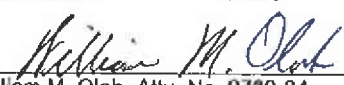
OWNER\*

Tri Aerospace, LLC

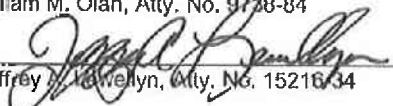
DATE

By   
R. Laurence Cross, General Manager  
(Printed Name) (Title)

10/25/12

By   
William M. Olah, Atty. No. 9728-84

10-26-12

By   
Jeffrey A. Lowery, Atty. No. 15218-34

10/26-12

\* 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: Tri Aerospace, LLC

Application Date: October 26, 2012

1. New Property Investment	5 points maximum	__1__
< \$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	__1__
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	__4__
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	__3__
\$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	__1__
6. Targeted Business	1 point if project is good fit for community	__1__
7. Community Involvement	1 point if company plans or is already involved in community activities	__1__
8. Diverse Workforce	1 point if applicant maintains an affirmative action plan or other statement of specific goals with respect to employee diversity	__1__
Total Points		__13__

ScoringLength of Personal Property Abatement

20 points and up	<u>10 years</u>
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. American Made                         | Council may award one bonus point if equipment to be installed is manufactured or engineered in the United States   | <u>  1  </u> |
| 2. Installation by Local Contractor(s)   | Council may award one bonus point if a substantial portion of the equipment to be installed is by a company or individuals maintaining a place of business in Vigo County | <u>  1  </u> |
| 3. Rehabilitation of Existing Facilities | Council may award one bonus point if the project involves the rehabilitation of existing facilities.  | <u>  1  </u> |
| 4. 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              |              |

Total Bonus Points     4    

Grand Total Points    17   

Recommended Length of Personal Property Abatement  
Per Guideline Scoring Criteria

  8 Years

**Exhibit A**

(Legal Description)

A part of the Northeast Quarter of the Southeast Quarter of Section 29, Township 12 North, Range 8 West, of Lost Creek Township, Vigo County, Second Principal Meridian, Indiana; and more particularly described as follows: Beginning at a point S-00°11'25"-W (assumed bearing) along the East line of said Section 524.35 feet from the Northeast Corner of the Southeast Quarter of Section 29, Township 12 North, Range 8 West; thence running S-00°11;25"-W 267.65 feet; thence N-89°42'53"-W 549.95 feet to an iron pin set; thence N-00°00'25"-E 267.65 feet to an iron pin set; thence S-89°42'35"-E 549.95 feet to the point of beginning.

Containing 3.38 Acres more or less.