

**RESOLUTION NO. 13, 2012**

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City Commonly Identified as 1300 North 25<sup>th</sup> Street, Terre Haute, Indiana, as an Economic Revitalization Area for the Purpose of Ten Year Real Property Tax Abatement

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

WHEREAS, Tim O. Fortune and Jacqueline Fortune on behalf of Warren Village, L.P. (a to be formed entity), the "petitioner," have submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council to make an informed decision, said information including a description of the real property which is commonly known as 1300 North 25<sup>th</sup> Street, Terre Haute, Indiana, and more particularly described as follows:

A part of Section 14, Township 12 North, Range 9 West, Vigo County, Indiana, described as follows: Commencing at the center of said Section 14, thence S 00°00'00" E a distance of 1087.35 feet, thence N 90°00'00" W a distance of 25.00 feet, thence S 00°00'00" W a distance of 16.00 feet to the point of beginning of this description; thence S 00°00'00" E a distance of 401.63 feet, thence S 45°00'00" W a distance of 11.31, thence S 90°00'00" W a distance of 499.00 feet, thence N 45°00'00" W a distance of 11.31 feet, thence N 00°00'00" W a distance of 393.63 feet, thence N 45°00'00" E a distance of 11.31 feet, thence N 90°00'00" E a distance of 507.00 feet to the point of beginning and containing 5.11 acres more or less.

WHEREAS, petitioner has represented that the project itself will maintain 4 existing permanent full-time jobs with an annual payroll of *\$110,250.00* and that the cost of the project will be *\$10,500,000.00* for real property improvements.

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

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

WHEREAS, the Common Council has found the subject property to be an area where facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues and has become undesirable for or impossible of normal development and occupancy because of a lack of development,

cessation of growth, deterioration of improvements, character of occupancy, age, obsolescence, substandard buildings and other factors which prevent normal development or use;

WHEREAS, The petitioner has represented that the project will consist of multifamily housing units and that at least 20% of the units will be available for use by low and moderate income individuals;

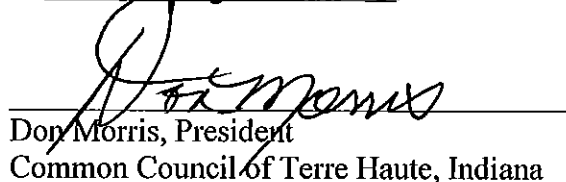
NOW, THEREFORE, IT IS FOUND, DETERMINED AND RESOLVED by the Common Council of the City of Terre Haute that:

1. The petitioner's estimate of the value of the redevelopment and rehabilitation and the project to be constructed on the subject real property is reasonable for projects of that nature in order to maintain, expand, update and improve efficiency and capabilities for providing low and moderate income residences to the community.
2. The petitioner's estimate of the number of individuals who will be employed and retained, and the benefit thereby, can reasonably be expected to result from the project and the redevelopment and rehabilitation.
3. The petitioner's estimate of the annual salaries or wages of the individuals who will be employed and retained, and the benefit thereby, can reasonably be expected to result from the project and the redevelopment and rehabilitation.
4. That the other benefits about which information has been requested can be expected to result from the project and the redevelopment and rehabilitation.
5. The totality of the benefits of the proposed redevelopment and rehabilitation can reasonably be expected to result from the project and are sufficient to justify a ten year real property tax deduction from assessed valuation under Indiana statutes, and each such deduction should be, and they are hereby, allowed.
6. That the petition for designating the subject property as an economic revitalization area for the purposes of ten (10) year real property tax abatement and the Statement of Benefits copies of which were submitted with the petitions are hereby approved and the Real Estate described hereinabove is hereby designated as an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et. seq., and petitioner is entitled to the ten year real property tax abatement provided therein for the proposed redevelopment and rehabilitation.
7. That the project is a qualified for tax abatement as a residential project as defined by I.C. 6-1.1-12.1-3 (e) (11) (a)
8. That notice hereof should be published according to law stating the adoption and substance hereof, that a copy of the description of the affected area is available for inspection in the County Assessor's Office and stating a date on which the Council will hear and receive remonstrances and objections and take final action, all as required by law.


Presented by

  
Norman Loudermilk, Councilman, District 3

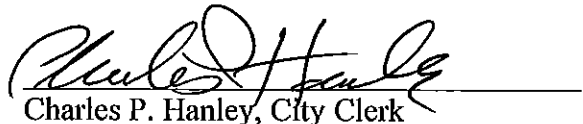
Passed in open Council this 13<sup>th</sup> day of September, 2012.

  
Don Morris, President  
Common Council of Terre Haute, Indiana

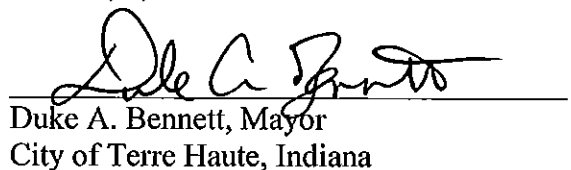
ATTEST:

  
Charles P. Hanley, City Clerk

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

  
Charles P. Hanley, City Clerk

Approved by me this 14<sup>th</sup> day of SEPTEMBER, 2012.

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

ATTEST:

  
Charles P. Hanley, City Clerk

This instrument prepared by \_\_\_\_\_  
Louis F. Britton, COX, ZWERNER, GAMBILL & SULLIVAN, LLP  
511 Wabash Avenue, Terre Haute, IN 47807; (812) 232-6003.

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8/21/2012

**FINAL ACTION BY COMMON COUNCIL OF  
THE CITY OF TERRE HAUTE, INDIANA  
REGARDING RESOLUTION NO. 13, 2012  
(real property)**

WHEREAS, the Common Council of the City of Terre Haute adopted Resolution 13, 2012, on the 13<sup>th</sup> day of September 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 county assessor and further stating a date on which the Common Council would receive and hear remonstrances and objections; and

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

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

WHEREAS, the Common Council has received and examined, prior to such hearing, a Statement of Benefits on the forms prescribed by the Department of Local Government Finance 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 and rehabilitation and 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 redevelopment and rehabilitation and installation of the new manufacturing 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 and rehabilitation and the project.
4. That the benefits can reasonably be expected to result from the proposed redevelopment and rehabilitation and the project.
5. That the totality of benefits is sufficient to justify the deduction.
6. That all qualifications for establishing an economic revitalization area have been met and the project will consist of multifamily housing units and that at least 20% of the units will be available for use by low and moderate income individuals.

NOW, THEREFORE, for final action on Resolution No. 13, 2012, the Common Council of the City of Terre Haute, RESOLVES, FINDS AND DETERMINES:

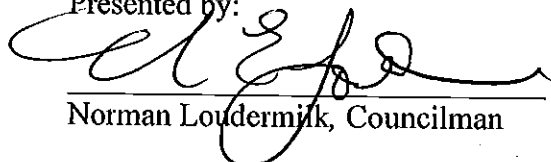
1. That all of the requirements for designation of the real estate described in Resolution No. 13, 2012, as an Economic Revitalization Area have been met, the foregoing findings are true and that all information required to be submitted has been submitted in proper form.

2. That Resolution No. 13, 2012, is in all respects confirmed and approved (as modified to incorporate therein this final action) and that the benefits of the proposed project and the redevelopment and rehabilitation are sufficient to justify ten year real property tax abatement under Indiana statutes for the proposed redevelopment and rehabilitation described in the petitioner's Statement of Benefits and the deduction for the proposed project and redevelopment and rehabilitation and the statements of benefits submitted are approved and the Council authorizes and directs the endorsement of said Statement of Benefits to show such approval and that the real estate described in Resolution No. 13, 2012, is declared an economic revitalization area for the purposes of ten year real property tax abatement and the said real estate is hereby designated as an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et. seq. and petitioner is entitled to the ten year real property tax abatement as provided therein in connection with the proposed redevelopment/rehabilitation and the project.

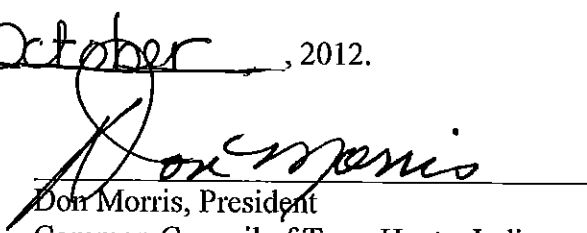
3. That said Resolution supplements any other designation of the real estate as a Revitalization Area or similar designation.

4. That this Final Action, findings and confirmation of Resolution No. 13, 2012, shall be incorporated in and be a part of Resolution No. 13, 2012.

Presented by:

  
Norman Loudermilk, Councilman

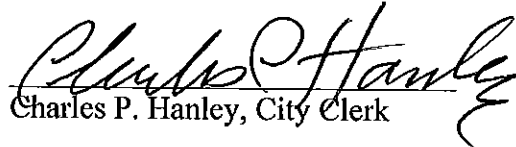
Passed in open Council this 11<sup>th</sup> day of October, 2012.

  
Don Morris, President  
Common Council of Terre Haute, Indiana

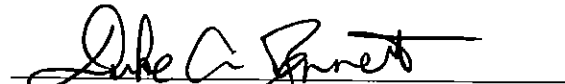
ATTEST:

  
Charles P. Hanley, City Clerk

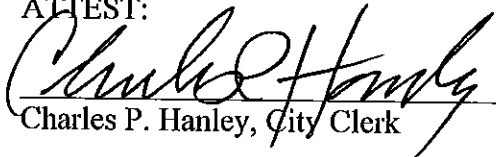
Presented by me to the Mayor this 12<sup>th</sup> day of October, 2012.

  
Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 12<sup>th</sup> day of OCTOBER, 2012.

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

ATTEST:

  
Charles P. Hanley, City Clerk

This instrument prepared by \_\_\_\_\_  
Louis F. Britton, COX, ZWERNER, GAMBILL & SULLIVAN, LLP  
511 Wabash Avenue, Terre Haute, IN 47807; (812) 232-6003.

## EXHIBIT A

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

A part of Section 14, Township 12 North, Range 9 West, Vigo County, Indiana, described as follows: Commencing at the center of said Section 14, thence S 00°00'00" E a distance of 1087.35 feet, thence N 90°00'00" W a distance of 25.00 feet, thence S 00°00'00" W a distance of 16.00 feet to the point of beginning of this description; thence S 00°00'00" E a distance of 401.63 feet, thence S 45°00'00" W a distance of 11.31, thence S 90°00'00" W a distance of 499.00 feet, thence N 45°00'00" W a distance of 11.31 feet, thence N 00°00'00" W a distance of 393.63 feet, thence N 45°00'00" E a distance of 11.31 feet, thence N 90°00'00" E a distance of 507.00 feet to the point of beginning and containing 5.11 acres more or less.

Commonly known as 1300 North 25<sup>th</sup> Street, Terre Haute, Indiana.

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

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

1. Describe the proposed redevelopment or rehabilitation project, including information about physical improvements to be made, the amount of land to be used, the proposed use of the improvements and a general statement as to the importance of the project to your business:

The project proposes the rehabilitation of the former Warren School building along with additional new construction on the school's property located at 1300 North 25<sup>th</sup> Street to create a multifamily rental unit consisting of 111 one-bedroom apartment units for seniors and persons with disabilities, laundry facilities, leasing office, community space, and ancillary parking areas. The project is a multifamily residential facility that contains at least twenty percent (20%) of the units available for use by low and moderate income individuals;

The project is important to the Petitioner as a means to better serve the community's need for low and moderate income housing and housing for the elderly and disabled. The project will also rehabilitate the Warren school building which in its current state is vacant and blighted and functionally obsolete. This will assist in the overall development of the surrounding area which is a priority target area of the Department of Redevelopment due to its high concentration of low-income families and individuals.

2. The redevelopment or rehabilitation project itself will maintain 4 existing permanent full-time jobs with an annual payroll of \$110,250.00.

3. Estimate the dollar value of the redevelopment or rehabilitation project: \$3.7 million

4. (a) The real property for which tax abatement consideration is petitioned (Property) is owned or to be owned by the following individuals or corporations (if the business organization is publicly held, indicate also the name of the corporate parent, if any, and the name under which the corporation has filed with the Securities and Exchange Commission):

Tim O. Fortune & Jacqueline Fortune 211 Woodbine Terre Haute, IN 47803	100% Interest
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Warren Village, L.P. is a to-be-formed entity that will acquire a 100% interest in the real property and develop the site.

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

Low Income Housing Development Corporation of Terre Haute      Option to Purchase  
P.O. Box 3086  
2001 N. 19<sup>th</sup> Street  
Terre Haute, IN 47804-0086

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

The business occurring at the property will be the operation of the 111 multi-family rental unit for the elderly and disabled as well as low and moderate income families.

5. The commonly known address of the Property is:

1300 North 25<sup>th</sup> Street, Terre Haute, Indiana, 47807

a legal description of which is attached hereto, marked Exhibit A and incorporated herein.

6. A map designating the Property is attached hereto, marked Exhibit B and incorporated herein.

7. The last assessment of the value of the improvements on the Property occurred on 2012 in the amount of \$217,900.00.

8. Photographs of the Property, taken within two (2) weeks of filing of this Petition, are attached hereto, marked Exhibit C and incorporated herein.

9. The best estimate of the after-rehabilitation market value of the Property is \$3.7 million.

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

See attached.

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

12. Other anticipated public financing for the project (including, if any, industrial revenue bonding to be sought or already authorized, assistance through the United States Department of Housing and Urban Development funds from the City of Terre Haute, or other public financial assistance: The City's Department of Redevelopment has committed \$50,000.00 for curb cuts and sidewalk accessibility improvements related to the Project.

13. Describe how the Property has become undesirable for or impossible of normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors which have impaired values and prevent a normal development of the property or property use:

The property is located in an area that is 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, and substandard buildings.

Indeed, the site is located within the City of Terre Haute's Eastside Target area due to its high concentration of low-income families and individuals and in addition the site contains the former Warren school building that is vacant and blighted.

14. (a) The current use of the Property is undeveloped land and the current zoning is General Residence District (R-3).

(b) The Property is located in the following Allocation Area (if any) declared and confirmed by the Terre Haute Redevelopment Commission: N/A.

15. The following person(s) should be contacted as the petitioner's agent regarding additional information and public hearing notifications:

Name: Louis F. Britton, COX, ZWERNER, GAMBILL & SULLIVAN, LLP  
Address: 511 Wabash Avenue  
City, State, Zip: Terre Haute, IN 47807  
Telephone: (812) 232-6003

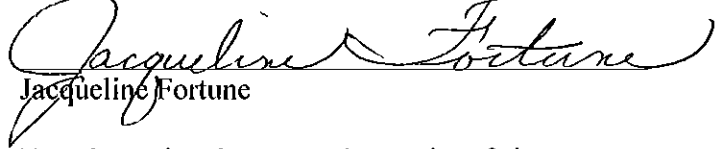
16. Please indicate the type of Economic Development Revitalization project involved in your request:

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

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 real property tax abatement consideration and, after publication of notice and public hearing, determine qualifications for an economic revitalization area have been met and confirm such resolution.

Name of Property Owner(s):

  
Tim O. Fortune

  
Jacqueline Fortune

Typed or printed name and capacity of signor  
if signed by an agent or representative of the owner.

DO NOT USE THIS SPACE

\_\_\_\_\_  
Resolution #      Target Area Required  
                                 Yes \_\_\_\_ No \_\_\_\_  
\_\_\_\_\_

Confirming Ordinance # \_\_\_\_\_  
Date of Notice                    \_\_\_\_\_  
\_\_\_\_\_

Final Action \_\_\_\_\_  
Target Area Ord. Effective \_\_\_\_\_  
\_\_\_\_\_

## EXHIBIT A

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

A part of Section 14, Township 12 North, Range 9 West, Vigo County, Indiana, described as follows: Commencing at the center of said Section 14, thence S 00°00'00" E a distance of 1087.35 feet, thence N 90°00'00" W a distance of 25.00 feet, thence S 00°00'00" W a distance of 16.00 feet to the point of beginning of this description; thence S 00°00'00" E a distance of 401.63 feet, thence S 45°00'00" W a distance of 11.31, thence S 90°00'00" W a distance of 499.00 feet, thence N 45°00'00" W a distance of 11.31 feet, thence N 00°00'00" W a distance of 393.63 feet, thence N 45°00'00" E a distance of 11.31 feet, thence N 90°00'00" E a distance of 507.00 feet to the point of beginning and containing 5.11 acres more or less.

Commonly known as 1300 North 25<sup>th</sup> Street, Terre Haute, Indiana.

**EXTIMATED IMPACT OF TAX ABATEMENT**

**WARREN VILLAGE**

YEAR	ESTIMATED TAX LIABILITY AFTER DEVELOPMENT	ABATEMENT %	ESTIMATED VALUE OF ABATEMENT	ESTIMATED TAXES TO BE PAID	AS-IS TAX LIABILITY	INCREASE IN TAXES PAID
1	\$88,800	100%	\$88,800	\$0	\$7,861	\$0
2	\$91,464	95%	\$86,891	\$4,573	\$8,097	\$0
3	\$94,208	80%	\$75,366	\$18,842	\$8,340	\$10,502
4	\$97,034	65%	\$63,072	\$33,962	\$8,590	\$25,372
5	\$99,945	50%	\$49,973	\$49,973	\$8,848	\$41,125
6	\$102,944	40%	\$41,177	\$61,766	\$9,113	\$52,653
7	\$106,032	30%	\$31,810	\$74,222	\$9,387	\$64,836
8	\$109,213	20%	\$21,843	\$87,370	\$9,668	\$77,702
9	\$112,489	10%	\$11,249	\$101,240	\$9,958	\$91,282
10	\$115,864	5%	\$5,793	\$110,071	\$10,257	\$99,813
<b>TOTAL</b>	<b>\$1,017,992</b>		<b>\$475,974</b>	<b>\$542,019</b>	<b>\$90,121</b>	<b>\$451,898</b>

Owner	<u>Warren Village, L.P.</u>	# of Units	<u>111</u>
Property Name	<u>Warren Village</u>		
Taxing Jurisdiction	<u>City of Terre Haute</u>		

**Annual Property Tax - Estimate of the net appraised/assessed value times the 2011 tax rate is \$88,800\*.**

	Improvements	Land	Personal Property (Estimated at \$900/unit)
Estimated Value	<u>\$3,700,372</u>	<u>\$420,000</u>	<u>\$99,900</u>
Property Tax Rates	<u>3.5126%</u>	<u>3.5126%</u>	<u>3.5126%</u>
Property Tax Caps*	<u>2.0000%</u>	<u>3.0000%</u>	<u>2.0000%</u>
Subtotal Property Tax Liability	<b>\$74,007</b>	<b>\$12,600</b>	<b>\$1,998</b>
		\$86,607	
Total Annual Property Tax Liability	<b>\$88,800</b>		

**Tax Rate Calculation**

Net 2011 Property Tax Rate	<u>3.5126%</u>
2011 State Replacement Rate	<u>0.0000%</u>
Gross 2011 Property Tax Rate	<u>3.5126%</u>

**Estimated Value Calculation**

Projected Gross Income	<u>\$583,830</u>
Projected Expenses	<u>\$414,023</u>
Projected Reserves	<u>\$30,525</u>
NOI	<u>\$139,282</u>
Capitalization Rate	<u>3.76%</u>
Value	<u>\$3,700,372</u>

\* NOTE: Residential improvements and personal property capped at 2%.  
Parking lots and land outside of building footprints capped at 3%.

**CITY OF TERRE HAUTE**

**PROPERTY TAX ABATEMENT PROGRAM APPLICATION**

**Ownership Information**

Name	Address	Phone	Percentage Interest (if applicable)
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Tim O. Fortune & Jacqueline Fortune 211 Woodbine, Terre Haute, IN 47803 (812) 877-2119

Please Note: Request is made by current owner on behalf of Warren Village, L.P. the to-be-formed entity proposing to acquire and develop the site. Warren Village, Inc. is the to-be-formed general partner of Warren Village, L.P.

Low Income Housing Development Corporation of Terre Haute is an affiliate of the Housing Authority of the City of Terre Haute, and it will be the sole shareholder of Warren Village, Inc.

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: 1300 North 25th Street, Terre Haute

B. Parcel ID Number(s): 84-06-14-380-001.000-002

**Current Status of Property**

A. Current zoning designation of property: General Residence District (R-3)

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

Site improvements consists of the former Warren School building, built circa 1914, and ancillary parking

lot and fencing. This vacant and blighted building contains three stories and is approximately 32,000

square feet.

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):

N/A - Vacant building.

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

\$217,900 improvements; \$22,720 land

E. Describe any unique historical structure or aesthetic improvements: The former Warren School is a historic structure to be preserved through adaptive reuse into apartments. In the Vigo County Interim Report of the Indiana Historic Sites and Structures Inventory it is given an "outstanding" rating, as possessing outstanding significance on the national, state, or local level for history, architecture, environment, or integrity.

**Proposed Improvements**

A. Describe proposed real property improvements and projected costs: The projected total development cost is \$13.9, of which \$10.5 million is estimated in hard construction costs. Real property improvements are proposed to include a rental development of 111 apartment units and community space through both gut rehabilitation of the school building and new construction on the school grounds.

B. Describe proposed depreciable personal property improvements and projected costs: \_\_\_\_\_  
Personal property will include a stove, refrigerator, microwave, and dishwasher in each apartment as well as kitchen equipment, tables, and chairs in a community room. Projected cost is \$99,900.

C. List any public infrastructure improvements, with estimated costs, that will be necessary for the project: The City of Terre Haute Department of Redevelopment has been requested to make curb cuts and sidewalk accessibility improvements in the public right-of-way around the perimeter of the site in conjunction with the proposed development. The estimated cost is \$50,000.

D. Project Start Date: Fall 2013

E. Project Completion Date: Summer 2014

**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 site is located within the City's Central Eastside Target Area, one of the priority target areas in which the Department of Redevelopment directs its Community Development Block Grant (CDBG) and other resources due to its high concentration of low-income families and individuals. The site clearly demonstrates a lack of development. The former Warren School building is vacant and has been in a blighted condition for a number of years. In its current condition, the building is functionally obsolete. Redevelopment is not financially feasible without the requested tax abatement; therefore, the site is "undesirable for normal development."

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

Number of new employees: \_\_\_\_\_; Average Annual Salary: \_\_\_\_\_



Number of retained employees: 133; Average Annual Salary: \$50,000

The above figures represent 4 full-time employees directly related to the Warren Village apartment community as well as the retention of 129 construction related jobs. (Using national averages of 1.16 jobs from building each new multifamily rental unit per the National Association of Home Builders in 2008, and an average Vigo County construction wage of \$51,522 per the US Bureau of Economic Analysis in 2009.)

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

Employees providing property management services at Warren Village will have a benefits package to

include full health insurance, a 401k retirement plan, and paid holidays and vacations.

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

### **Ineligible Projects**

Projects will not be considered if a building permit has already been obtained or construction has been initiated. This is because the decision of the Council to designate the Economic Revitalization Area must be passed on the finding that the area is “undesirable for normal development”.


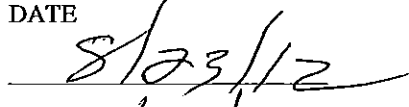
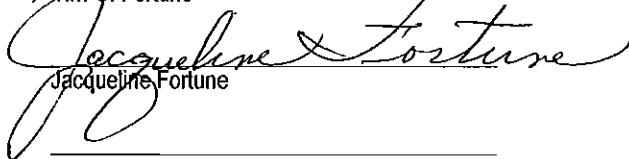
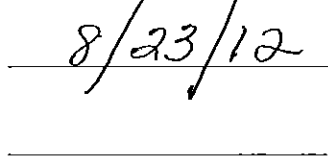
The City Council has the right to void the tax abatement designation awarded to a project if the project has not been initiated within twelve (12) months of the reconfirmation date of the tax abatement resolution, or if the actual use is different than that approved.

Tax abatement for the rehabilitation or development of real property is not eligible for the following types of facilities:

1. Private or commercial golf courses.
2. Country club.
3. Massage parlor.
4. Tennis club.
5. Skating facility (including roller skating, skateboarding or ice skating).
6. Racquet sport facility (including any handball or racquetball court).
7. Hot tub facility.
8. Suntan facility.
9. Racetrack.
10. Any facility the primary purpose of which is:
  - a. retail food and beverage service;
  - b. automobile sales or service; or
  - c. other retail
11. Residential.
12. A package liquor store that holds a liquor dealer's permit under IC 7.1-3-10 or any other entity that is required to operate under a license issued under IC 7.1. This subdivision does not apply to an applicant that:
  - (A) was eligible for tax abatement under this chapter before July 1, 1995;
  - (B) is described in IC 7.1-5-7-11; or
  - (C) operates a facility under:
    - (i) a beer wholesaler's permit under IC 7.1-3-3;
    - (ii) a liquor wholesaler's permit under IC 7.1-3-8; or
    - (iii) a wine wholesaler's permit under IC 7.1-3-13;

**Certification**

I hereby certify that the representations made in this application are true and I understand that if above improvements are not commenced (defined as obtaining a building permit and actual start of construction) within 12 months of the date of the designation of the above area as an Economic Revitalization Area, the Terre Haute Common Council shall have the right to void such designation.

OWNER(S)*	DATE
 Tim O. Fortune	 8/23/12
 Jacqueline Fortune	 8/23/12

\* 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.

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## **CITY OF TERRE HAUTE**

### **PROPERTY TAX ABATEMENT 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/dlgef](http://www.in.gov/dlgef).

**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:

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

**Depreciable Personal Property Abatement Calculation**

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

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

## **Project Eligibility Criteria**

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

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

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

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

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

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

**City of Terre Haute  
Real Property Tax Abatement Guideline Scoring Criteria**

Company Name: Tim O. Fortune & Jacqueline Fortune on behalf of Warren Village, L.P. (to-be-formed)

Application Date: August 31, 2012

<b>1. New Real Property Investment</b>	<b>5 points maximum</b>	<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	
<b>2. Anticipated New Full-Time Jobs Created Within 5 Years</b>	<b>5 points maximum</b>	<u>          </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	
<b>3. Anticipated Jobs To Be Retained</b>	<b>5 points maximum</b>	<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	
<b>4. Wage Rates</b>	<b>3 points maximum</b>	<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	
<b>5. Benefits Package</b>	<b>1 point if offered</b>	<u>1</u>
<b>6. Targeted Business</b>	<b>1 point if project is good fit for community</b>	<u>1</u>
<b>7. Community Involvement</b>	<b>1 point if company plans or is already involved in community activities</b>	<u>1</u>
<b>8. Is this project a headquarters or a new project to the community?</b>	<b>1 point if "Yes"</b>	<u>1</u>
<b>9. Diverse Workforce</b>	<b>1 point if applicant maintains an affirmative action plan or other statement of specific goals with respect to employee diversity</b>	<u>1</u>

\* Scores represent 4 full-time employees directly related to the Warren Village apartment community as well as the retention of 129 construction related jobs. (Using national averages of 1.16 jobs from building each new multifamily rental unit per the National Association of Home Builders in 2008, and an average Vigo County construction wage of \$51,522 per the US Bureau of Economic Analysis in 2009.)

Total Points

18

Scoring

Length of Real Property Abatement

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

Bonus Points

1. Common Construction Wage      Council may award one bonus point if company includes common construction wage requirement in its bid specs      \_\_\_\_\_

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      \_\_\_\_\_

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      \_\_\_\_\_

Total Bonus Points      2

Grand Total Points      20

Recommended Length of Real Property Abatement Per Guideline Scoring Criteria      10 Years

**City of Terre Haute  
Personal Property Tax Abatement Guideline Scoring Criteria**

Company Name: \_\_\_\_\_

Application Date: \_\_\_\_\_

<b>1. New Personal Property Investment</b>	<b>5 points maximum</b>	_____
< \$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	
<b>2. Anticipated New Full-Time Jobs Created Within 5 Years</b>	<b>5 points maximum</b>	_____
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	
<b>3. Anticipated Jobs To Be Retained</b>	<b>5 points maximum</b>	_____
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	
<b>4. Wage Rates</b>	<b>3 points maximum</b>	_____
\$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	
<b>5. Benefits Package</b>	<b>1 point if offered</b>	_____
<b>6. Targeted Business</b>	<b>1 point if project is good fit for community</b>	_____
<b>7. Community Involvement</b>	<b>1 point if company plans or is already involved in community activities</b>	_____
<b>8. Diverse Workforce</b>	<b>1 point if applicant maintains an affirmative action plan or other statement of specific goals with respect to employee diversity</b>	_____



