

RESOLUTION NO. 19, 2013

A RESOLUTION TO RESCIND THE TEN (10)-YEAR REAL PROPERTY TAX
ABATEMENT FOR LENEX STEEL COMPANY.

WHEREAS, by Resolution No. 21, 2006, the Common Council for the City of Terre Haute, Indiana, confirmed on November 9, 2006, a ten (10) year real property tax abatement for Lenex Steel Company (hereinafter "Petitioner"). Resolution No. 21, 2006, is attached hereto as Exhibit A; and

WHEREAS, by written notice dated February 6, 2013, Petitioner was provided with a courtesy notification that the Common Council Finance Committee would be reviewing the compliance of previously granted tax abatements and advised Petitioner to review the status of its tax abatement and to ensure submission of appropriate compliance forms. A copy of said notice is attached hereto as Exhibit B; and

WHEREAS, at a special meeting of the Common Council held on June 6, 2013, to review compliance of approved tax abatements, it was determined that Petitioner was not in substantial compliance with the Statement of Benefits for failure to submit to the Common Council a Form CF-1/Real Property (Compliance with Statement of Benefits – Real Estate Improvements); and

WHEREAS, pursuant to I.C. § 6-1.1-12.1-5.9, by written notice dated June 11, 2013, Terre Haute City Clerk notified Petitioner that a determination had been made that Petitioner was not in substantial compliance with the Statement of Benefits. Such notice stated the reason for the determination of non-compliance and the date, time, and place for a hearing. Such notice is attached hereto as Exhibit C; and

WHEREAS, at the public hearing held on June 27, 2013, the Common Council determined that Petitioner had not made a reasonable effort to comply with the Statement of Benefits and therefore such tax deductions should be terminated.


THEREFORE, BE IT RESOLVED by the Common Council for the City of Terre Haute, Indiana, that tax deductions authorized for Petitioner provided in Resolution No. 21, 2006, are hereby terminated.

BE IT FURTHER RESOLVED, that the City Clerk is hereby directed to provide a copy of this Resolution No. 19, 2013 to the Petitioner, Vigo County Auditor, and the appropriate township assessor.

BE IT FURTHER RESOLVED, that the Common Council requests that the County Auditor follow the provisions set forth at I.C. §6-1.1-12.1-5.9(d).

Introduced by:  Norman Loudermilk, Councilman

Passed in open Council this 19th day of July, 2013.


 Norman Loudermilk, President

ATTEST:  Charles P. Hanley, City Clerk

Presented by me to the Mayor this 19th day of July, 2013.

 Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 19th day of July, 2013.

 Duke A. Bennett, Mayor

ATTEST:  Charles P. Hanley, City Clerk

Exhibit "A"

FILED

OCT 04 2006

RESOLUTION NO. 21, 2006

CITY CLERK

A Resolution of the Common Council of the City of
Terre Haute, Indiana, Designating an Area Within the City
Commonly Identified as 2325 South Sixth 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, Lenex Steel Company, the "petitioner," has submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council to make an informed decision, said information including a description of the real property which is commonly known as 2325 South Sixth Street, Terre Haute, Indiana, and more particularly described as follows:

Republic Parcel A

Lot Number One (1) in I W F Subdivision, being a part of Section 33, Township 12 North, Range 9 West, of the 2nd P.M., Harrison Township, Vigo County, Indiana
(Also known as 2325 S. 6th Street, Terre Haute, IN).

WHEREAS, petitioner has represented that the project itself will create 60 new permanent full-time jobs with a payroll of \$2,200,000 (approximately) and that the cost of the project will be \$300,000 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 in an area where facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues and has become undesirable for or impossible of normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements, character of occupancy, age, obsolescence, substandard buildings and other factors which prevent normal development or use;

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

1. The petitioner's estimate of the value of the redevelopment and rehabilitation and the project to be constructed on the subject real property is reasonable for projects of that nature in order to redevelop an existing manufacturing facility.

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 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 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: Todd Nation, Todd Nation, Councilman

Passed in open Council this 12th day of October, 2006.

George Azar
George Azar, President Common Council
of Terre Haute, Indiana

ATTEST: Charles P. Hanley
Charles P. Hanley, City Clerk

Presented by me to the Mayor this 12th day of October, 2006.

Charles P. Hanley
Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 12th day of October, 2006.

Kevin Burke
Kevin Burke, Mayor City of
Terre Haute, Indiana

ATTEST: Charles P. Hanley
Charles P. Hanley, City Clerk

This instrument prepared by <Jenny Massey> <8888 Keystone Xing, Ste 1450> <Indianapolis,
IN 46240>

**FINAL ACTION BY COMMON COUNCIL OF THE
CITY OF TERRE HAUTE, INDIANA REGARDING
RESOLUTION NO. 21, 2006**

WHEREAS, the Common Council of the City of Terre Haute, adopted Resolution No. 21, 2006 on the 5th day of October, 2006, and pursuant to Indiana Law has published notice of the adoption and substance of said Resolution, including a description of the effected area and notice that a description of the effected area is available for inspection in the office of the County Assessor and further stating a date 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 effected area as an Economic 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 said hearing, (i) a statement of benefits on the form prescribed by the State Board of Tax Commissioners and proper application for designation; (ii) an Agreement with the Board of Public Works for the City of Terre Haute; and (iii) has heard all appropriate evidence concerning the proposed project and is found and does find:

1. That the 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.
2. That the estimate of individuals who will be employed or whose employment will be retained as a result of the proposed renovation can reasonably be expected to continue.
3. That the benefits described can reasonably be expected to continue from the proposed renovation.
4. That the totality of benefits is sufficient to justify the deduction.
5. That the real property is located within an Economic Development Target Area as required by Indiana Code 6-1.1-12.1-3 and 6-1.1-12.1-7 for the type of facility proposed by Petitioner.
6. All qualifications for establishing an Economic Revitalization Area have been met.
7. That the requirements of Special Ordinance 11, 1997, as amended by Special Ordinance 43,

2000 have been met.

NOW, THEREFORE, for final action on Resolution No. 21, 2006, the Common Council of the City of Terre Haute, Indiana, RESOLVES, and FINDS, and DETERMINES:

1. That all the requirements for designation of the real property described in Resolution No. 21, 2006, 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. 21, 2006, is in all respects confirmed and approved (as modified to incorporate therein this final action) and the benefits of the proposed redevelopment are sufficient to justify ten year real property tax abatement under Indiana statutes for the proposed construction and development described in the Statement of Benefits of Lenex Steel and the deduction for the proposed project and the Statement of Benefits submitted by Lenex Steel is approved and that the real estate described in Resolution No. 21, 2006, is declared an Economic Revitalization Area for the purposes of ten year real property tax abatement, and the said real estate is hereby designated an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et seq.

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

4. That this final action, findings and confirmation of Resolution No. 21, 2006, shall be incorporated in and be a part of Resolution No. 21, 2006.

Presented by: Todd Nation, Todd Nation, Councilman

Passed in open Council this 5th day of October, 2006.

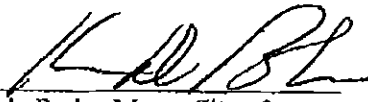
George Azar
George Azar, President Common Council
of Terre Haute, Indiana


ATTEST Charles P. Hanley
Charles P. Hanley, City Clerk

Presented by me to the Mayor this 9th day of November, 2006.

Charles P. Hanley
Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 9th day of November, 2006.


Kevin Burke, Mayor City of
Terre Haute, Indiana

ATTEST 
Charles P. Hanley, City Clerk

This instrument prepared by <Jenny Massey> <8888 Keystone Xing, Ste 1450> <Indianapolis,
IN 46240>

Exhibit "B"

OFFICE OF THE CLERK
City Hall, Room 102
17 Harding Avenue
Terre Haute, Indiana 47807
812-232-3375

Charles P. Hanley, City Clerk

city of terre haute

Lennox Steel
250 E 96th Street
Indianapolis, IN 46240
ATTN: Michael Berghoff

February 6, 2013

RE: City of Terre Haute, Indiana Real and/or Personal Property Tax Abatement Recipient

To Whom It May Concern:

This letter is to inform you that the Terre Haute City Council Finance Committee will be conducting meetings this year to discuss real and personal property tax abatement compliance. The Finance Committee will review all previously granted tax abatements for compliance and proper paperwork. Failure to file required paperwork may result in a recommendation to repeal your tax abatement.

The tax abatement recipients who fail to meet the filing requirements or who filed information that does not comply with the obligations set forth in the tax abatement petition and resolution will be asked to appear before the Finance Committee to provide additional information. Notice will be sent to the address listed on the CF-1 form(s).

The Finance Committee provides the following recommendations to assist in the proper submission and review of real and/or personal property tax abatement compliance forms:

- ✓ Complete the CF-1/PP or CF-1/RP in its entirety. Incomplete forms will be returned for completion.
- ✓ Handwritten forms must be legible.
- ✓ The Terre Haute City Council has not approved consolidation of multiple projects on one (1) compliance form. Please use a separate compliance form for each tax abatement granted.
- ✓ Using the correct compliance form, reference the correct City Council resolution number and year for each tax abatement granted.
- ✓ Please double-check all of the calculations entered on each form.

OFFICE OF THE CLERK
City Hall, Room 102
17 Harding Avenue
Terre Haute, Indiana 47807
812-232-3375

Charles P. Hanley, City Clerk

- ✓ Attach a copy of the original SB-1 form (Statement of Benefits) that was filed with the tax abatement.
- ✓ Be prepared to explain discrepancies between pledged numbers of employees and salaries (as listed on the original SB-1) and actual numbers of employees and salaries.
- ✓ File your completed forms annually by May 15th with both the Vigo County Auditor and the Terre Haute City Clerk's Office.
- ✓ Confirm that the contact person's name, address, and phone number is listed on the form or on a separate sheet of paper. This will expedite the process for mailing any correspondence the Finance Committee feels is necessary.

For your assistance, I have enclosed copies of the most current Indiana Department of Local Government Finance Form CF-1/PP (Compliance with Statement of Benefits Personal Property) and Form CF-1/RP (Compliance with Statement of Benefits Real Property). These forms may also be found on the Indiana Department of Local Government Finance website at www.IN.gov/dlgf.

Thank you in advance for your cooperation in this matter.

Sincerely,



Michelle L. Edwards
Chief Deputy City Clerk

Enclosures

cc: Mayor Bennett
Members of the City Council
Chou-Il Lee, City Attorney

Exhibit "C"

OFFICE OF THE CLERK
City Hall, Room 102
17 Harding Avenue
Terre Haute, Indiana 47807
812-232-3375

Charles P. Hanley, City Clerk

city of terre haute

June 7, 2013

Lenex Steel Company
Michael Berghoff
250 E 96th Street
Indianapolis, IN 46240

RE: RS 21, 2006 Real Tax Abatement

To Whom It May Concern:

This letter is in reference to the status of your company's tax abatement compliance with the Terre Haute City Common Council. A meeting was held by the Common Council on June 6, 2013 to discuss tax abatement compliance matters. During this meeting it was determined your company was not in substantial compliance. This determination was based on the data as listed on the submitted Compliance of Benefits Form (CF-1) with the Common Council.

A hearing has been scheduled for June 27, 2013 at 5:30pm (EST) in the City Hall Courtroom. The Courtroom is located at 17 Harding Avenue, City Hall, Terre Haute, Indiana 47807. A representative of your company must appear to answer questions concerning the data provided on the CF-1 form.

If a representative fails to attend the hearing scheduled for June 27, 2013, the Council may consider such as the property owner's failure to make reasonable efforts to comply with the statement of benefits and may vote to terminate the abatement thereby eliminating the deduction, pursuant to I.C. 6-1.1-12.1-5.9(c). Please make sure a representative is available for questions at the hearing.

If you have any questions, please feel free to contact me at 812-244-2131 or Michelle.Edwards@Terrehaute.In.Gov

Sincerely,



Michelle Edwards
Chief Deputy City Clerk