

**TERRE HAUTE CITY COUNCIL
STATE OF INDIANA
RESOLUTION NO. – 36, 2014**

FILED
OCT 31 2014
CITY CLERK

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within Terre Haute, Indiana commonly identified as that area consisting of 21 N. 6th St, and 619, 621 and 627 Cherry St., Terre Haute, Indiana as an Economic Revitalization Area for the Purpose of Nine (9) Year Real Property Tax Abatement for Deming Renaissance, LLC.

WHEREAS, a Petition for a Nine (9) year real property tax abatement has been filed with the Common Council of the City of Terre Haute, Indiana requesting that the real property described therein be designated an Economic Revitalization Area for purposes of real property tax abatement; and

WHEREAS, the real property is located within an area designated as Central Business District Urban Renewal and Tax Allocation Area, the City of Terre Haute Redevelopment Commission has acted to adopt a resolution approving the proposed Petition for a Nine (9) year real property tax abatement; and

WHEREAS, the petitioner has submitted a Application and 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 a legal description of the aforesaid property as set forth in attached Exhibit A (which is hereby made a part hereof), and a site plan; and

WHEREAS, petitioner has estimated that its investment in the rehabilitation of the building located on said real estate (the "Project") will create 1 new staff permanent job associated with the management of the property after completion of the Project, as well as retain the existing 2 full-time staff jobs and the associated payroll for the employees of the proposed new facility;

WHEREAS, in addition to the employment benefits, the Project offers important development to the City of Terre Haute and Indiana State University as a means to better serve the residential needs of the downtown community by increasing residential density in Terre Haute's downtown, which has been proven to drive economic revitalization. The redevelopment of this property will be a significant economic catalyst for continued development of the Terre Haute's downtown. Further, the building, commonly known as Deming Center is listed on the National Register of Historic Places and as a contributing structure to Terre Haute's Wabash Avenue – West Historic District (this building is the largest in the district), and this Project will secure the property's future for many years to come.

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 Terre Haute, Indiana as economic revitalization areas for the purpose of tax abatement; and

WHEREAS, the Common Council of the City of Terre Haute, Indiana has considered the Application, 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 as it has existed, as a residential neighborhood because of a lack of development, cessation of growth, and deterioration of improvements which have impaired values or prevented a normal development of property or use of property -- and such is an area declining in tax revenues;

WHEREAS, the real property abatement is a declining percentage of the increase in assessed value of the improvement based on the following time period and percentages as determined by the City Council:

Year	Percentage
1	100%
2	88%
3	77%
4	66%
5	55%
6	44%
7	33%
8	22%
9	11%

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

1. The petitioner's estimate of the value of the Project to be rehabilitated on the subject real property is reasonable for projects of that nature in order to maintain, expand, update and improve services to the community and the Project will rehabilitate a historic structure and secure the property's future for many years to come.

2. The petitioner's estimate of the number of individuals who will be employed and retained, and the benefits thereby, can reasonably be expected to result from the Project.

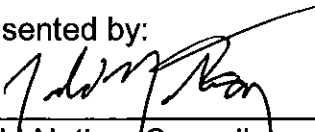
3. The petitioner's estimate of the annual salaries or wages of the individuals who will be employed, and the benefits thereby, can reasonably be expected to result from the Project.

4. The totality of the benefits of the Project are sufficient to justify a Nine (9) year 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 pursuant to the schedule set out herein above.

5. The Petition for designating the subject property as an Economic Revitalization Area for the purposes of Nine (9) year real 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:



Todd Nation, Councilman

Passed in open Council this ____ day of _____, 2014.

Amy Auler, President
Common Council of the City of Terre Haute, Indiana

ATTEST:

Charles P. Hanley, City Clerk

Presented by me to the Mayor this _____ day of _____, 2014.

Charles P. Hanley, City Clerk

Approved by me, the Mayor, this _____ day of _____, 2014.

Duke Bennett, Mayor
City of Terre Haute, Indiana

ATTEST:

Charles P. Hanley, City Clerk

This instrument prepared by Jeffrey A. Lewellyn, Attorney,
333 Ohio Street, Terre Haute, IN 47807.

EXHIBIT A
(Legal Description)

The following described real estate:

The west part of the north half of out lot 47 of the original town of Terre Haute in Section 21, Township 12 North, Range 9 West.

Also

The east part of the north half of out lot 47, except the northeast corner, in the original town of Terre Haute in Section 21, Township 12 North, Range 9 West.

Also

Part of Lots 15 and 16 of Crawford Heirs subdivision being more particularly described as: 10' x 67.92' in lot 15 and 59' x 67.92' in Lot 16 in Section 21, Township 12 North, Range 9 West.

**FINAL ACTION BY COMMON COUNCIL OF
THE CITY OF TERRE HAUTE, INDIANA
REGARDING RESOLUTION 36, 2014**

WHEREAS, the Common Council of the City of Terre Haute, Indiana adopted Resolution 36, 2014, on the _____ day of December, 2014, and pursuant to Indiana Law has published notice of the adoption and substance of said Resolution including a description of the affected area, commonly known as that area consisting of 21 N. 6th St, and 619, 621 and 627 Cherry St., Terre Haute, Indiana 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; and

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 Application and Statement of Benefits heretofore filed; and

WHEREAS, the real property is located within an area designated as Central Business District Urban Renewal and Tax Allocation Area, the City of Terre Haute Redevelopment Commission has acted to adopt a resolution approving the proposed Petition for a Nine (9) year real property tax abatement; and

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, an Application and Statement of Benefits on the form prescribed by the City of Terre Haute and 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. The petitioner's estimate of the value of the Project to be rehabilitated on the subject real property is reasonable for projects of that nature in order to maintain, expand, update and improve services to the community and the Project will rehabilitate a historic structure and secure the property's future for many years to come.
2. The petitioner's estimate of the number of individuals who will be employed and retained, and the benefits thereby, can reasonably be expected to result from the Project.
3. The petitioner's estimate of the annual salaries or wages of the individuals who will be employed, and the benefits thereby, can reasonably be expected to result from the Project.

4. The totality of the benefits of the Project are sufficient to justify a Nine (9) year 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 pursuant to the schedule set out in Resolution 36.

5. That all qualifications for establishing an Economic Revitalization Area have been met.

6. The Petition for designating the subject property as an Economic Revitalization Area for the purposes of nine (9) year real 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.

NOW, THEREFORE, for final action on Resolution 36, 2014, 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 36, 2014, 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 36, 2014, is in all respects confirmed and approved (as modified to incorporate therein this final action); that the benefits of the proposed development are sufficient to justify a nine (9) year real property tax abatement under Indiana statutes for the proposed redevelopment described in the aforesaid Statement of Benefits; the deduction for the proposed project and development, as well as the Statement of Benefits submitted are each and all approved; the Common Council of the City of Terre Haute, Indiana authorizes and directs the endorsement of said Statement to show such approval; that the real estate described in Resolution 36, 2014, is declared an Economic Revitalization Area for the purposes of a nine (9) 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.

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

4. That this Final Action, findings and confirmation of Resolution 36, 2014, shall be incorporated in and be a part of Resolution 36, 2014.

Presented by:



Todd Nation, Councilman

Passed in open Council this _____ day of _____, 2014.

Amy Auler, President
Common Council of
City of Terre Haute, Indiana

ATTEST:

Charles P. Hanley, City Clerk

Presented by me to the Mayor this _____ day of _____, 2014.

Amy Auler, President
Common Council of
City of Terre Haute, Indiana

Approved by me, the Mayor, this _____ day of _____, 2014.

Duke Bennett, Mayor,
City of Terre Haute, Indiana

ATTEST:

Charles P. Hanley, City Clerk

This instrument prepared by Jeffrey A. Lewellyn, Attorney,
333 Ohio Street, Terre Haute, IN 47807.

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

The undersigned proposed owner of real property located within the City of Terre Haute hereby petitions 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 states the following:

1. The Project. Petitioner, Deming Renaissance, LLC ("Renaissance"), proposes to acquire and rehabilitate the property now known as the Deming Center, originally built as the historic Hotel Deming, located at 21 North 6th Street, Terre Haute, Indiana (southeast corner of 6th and Cherry St.). The property is currently owned by Low Income Housing Development Corporation, an affiliate of the Terre Haute Housing Authority, who has entered into a purchase agreement to sell the property to Petitioner. The proposed rehabilitation project will result in the restoration of the 8-story, 65,000 sq. ft. building, to create market-rate apartment and commercial space, including approximately ninety-seven (97) one-bedroom and nine (9) two-bedroom apartments, five (5) studio, and three (3) commercial units (ground floor), with common area amenity spaces suited for its expected residents and a modern fitness facility (hereinafter the "Project").
2. The proposed rehabilitated facility will be a market-rate apartment and commercial building of approximately 65,000 square feet in size. The Project will begin in December of 2014 and anticipates nine (9) months of construction to completion, with the use of local contractors and suppliers whenever feasible through the building process.
3. The Project offers important development to the City of Terre Haute and Indiana State University as a means to better serve the residential needs of the downtown community by increasing residential density in Terre Haute's downtown, which has been proven to drive economic revitalization in other metropolitan areas. The redevelopment of this property will be a significant economic catalyst for continued development of the Terre Haute's downtown. Further, the Deming Center is listed on the National Register of Historic Places and as a contributing structure to Terre Haute's Wabash Avenue – West Historic District (this building is the largest in the district), and this proposal will secure the property's future for many years to come.

Renaissance proposes to effect a certified historic tax credit rehabilitation of the Deming Center in a manner consistent with standards set and enforced by the U.S. Secretary of the Interior. Adherence to these standards ensures that the property will be redeveloped in a thoughtful and historically-appropriate manner.

4. There are currently 2 full time employees involved in the day-to-day operations of the Deming Center. The Project will also require 2 full time employees, including a full-time property manager with an expected annual salary of approximately \$40,000.00, plus benefits, and a full-time maintenance person with an expected annual salary of approximately \$40,000.00, plus benefits. In addition to these positions, the Deming Center's redevelopment will create one (1) additional staff leasing agent position.

5. Estimate the dollar value of the redevelopment or rehabilitation project:

The estimated total project cost of the Deming Center's redevelopment, including without limitation the acquisition and completion of improvements, to the real property, is approximately Seven Million Dollars (\$7,000,000.00).

6. (a) The real property for which tax abatement consideration is petitioned (Property) is owned by the following:

Name, Address, and Interest:

Low Income Housing Development Corporation of Terre Haute 2001 19 th St Terre Haute, IN 47804	100% interest
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(b) The following other persons have a fully executed Purchase Agreement to buy the Property (including corporate information as required in 4(a) above, if applicable:

Name, Address, and Interest:

Deming Renaissance, LLC
549 N Senate Ave.
Indianapolis, IN 46204
317-636-7669

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

In 1978 the Deming Center was transferred to the Terre Haute Housing Authority and converted to affordable housing use. The property has been

used for that purpose since that time. The property is currently exempt from real estate tax.

The overall nature of the business and of the operations of the proposed new Project is as stated above in paragraph 1.

7. The commonly known address of the Property is:

21 N. 6th St, and 619, 621 and 627 Cherry St.
Terre Haute, IN 47807

A legal description of the land upon which the project would be built is attached hereto, marked Exhibit A and incorporated herein.

8. An Architectural Site Plan showing the entire tract and the proposed footprint of the proposed rehabilitated building and parking lots are attached hereto as Exhibit B and incorporated herein.
9. The current structure was originally built in 1914 as the Hotel Deming, with 250 rooms believed at the time to be the largest hotel in Indiana. In 1963 the property was sold to ISU and was used as a men's dormitory. In 1978 the building was transferred to the Terre Haute Housing Authority and converted into affordable housing with 109 units, its current use.
10. Petitioner is seeking an nine (9) year tax abatement that would provide that during each of the first nine (9) years after rehabilitation the tax would abate as follows: The best estimate of the amount of taxes to be abated during each of the nine (9) years after rehabilitation is:

Tax Rate for Harrison Township is expected to be 2.0%, with a replacement credit of 0.

Assumed Assessed Value: \$6,000,000.00

Tax without Abatement: \$120,000.00

<u>ABATEMENT</u> <u>YEAR</u>	<u>ABATEMENT %</u>	<u>TAX ABATED</u>	<u>TAX PAID</u>
1	100%	\$120,000.00	\$0
2	88%	\$105,600.00	\$14,400.00
3	77%	\$ 92,400.00	\$27,600.00
4	66%	\$ 79,200.00	\$40,800.00
5	55%	\$ 66,000.00	\$54,000.00
6	44%	\$ 52,800.00	\$67,200.00
7	33%	\$ 39,600.00	\$80,400.00
8	22%	\$ 26,400.00	\$93,600.00
9	11%	\$ 13,200.00	\$106,800.00

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 Petitioner has not sought or received any other public financing, other than the requested abatement and a potential façade grant from the Terre Haute Department of Redevelopment

13. 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 as it has existed, as a residential neighborhood, because of a lack of residential development and declining conditions of the housing properties, cessation of growth, and deterioration of improvements which have impaired its value and prevented a normal development of the property -- and such is an area declining in tax revenues. The current structure is in need of a multi-million dollar professional rehabilitation.
14. (a) The current use of the Property is vacant land and the current zoning is: C-9.

It is anticipated that the Property will not need to be rezoned.

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

TIF.

15. In view of the foregoing, Petitioner in good faith applies for a nine (9) year real property tax abatement.
16. Petitioner agrees to enter into an Agreement with the Board of Public Works for the City of Terre Haute, Indiana, in substantially the same form as is attached hereto and made a part hereof as Exhibit "C" and further, Petitioner agrees to comply with Special Ordinance 2, 2009 (which replaced Special Ordinance 43, 2000) for reporting and compliance.

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

Name: Jeffrey A. Lewellyn, Attorney at Law
Address: 333 Ohio Street
City, State, Zip: Terre Haute, IN. 47807
Telephone: (812) 232-4311

18. The type of Economic Development Revitalization project involved in this request:

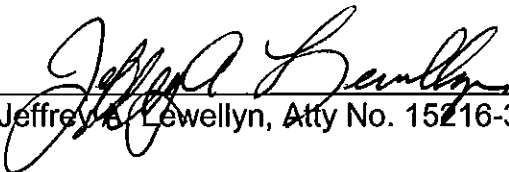
- a. Housing
- b. Office
- c. Retail/Commercial
- d. Mixed Use – Retail, Housing and Office*
- e. Industrial
- f. Warehousing

WHEREFORE, Petitioner request 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):

Deming Renaissance, LLC

By _____
Eric Seal

By: 
Jeffrey A. Lewellyn, Atty No. 15216-34

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 Jeffrey A. Lewellyn, Attorney,
333 Ohio Street, Terre Haute, IN 47807.

EXHIBIT A
(Legal Description)

The following described real estate:

The west part of the north half of out lot 47 of the original town of Terre Haute in Section 21, Township 12 North, Range 9 West.

Also

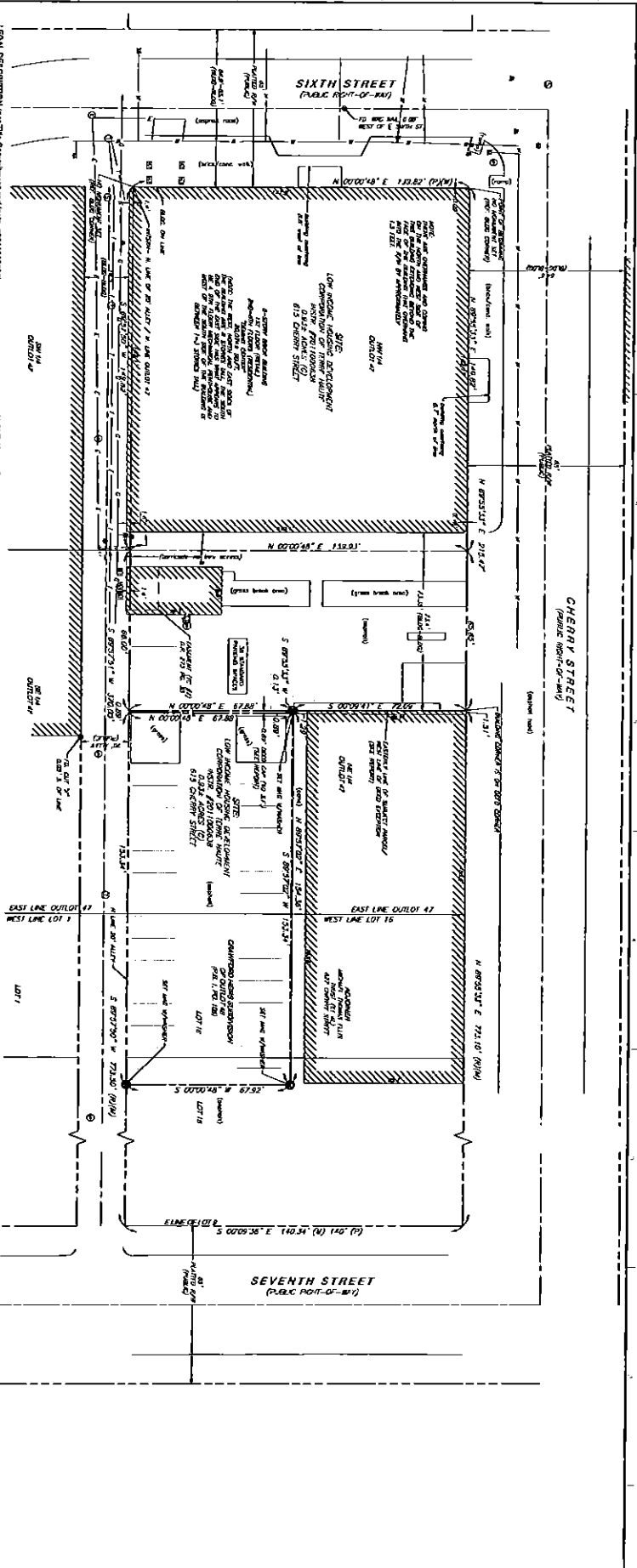
The east part of the north half of out lot 47, except the northeast corner, in the original town of Terre Haute in Section 21, Township 12 North, Range 9 West.

Also

Part of Lots 15 and 16 of Crawford Heirs subdivision being more particularly described as: 10' x 67.92' in lot 15 and 59' x 67.92' in Lot 16 in Section 21, Township 12 North, Range 9 West.

EXHIBIT B

(Site Plan)



LOCAL DESCRIPTION OF THE CONVEYANCE AND THE EASEMENTS

The subject property is a portion of the property described in the deed of conveyance from the State of Indiana to the City of Terre Haute, Indiana, dated and recorded as follows: ...

BOUNDARY REPORT CONTINUED

The survey was made in accordance with the provisions of the laws of the State of Indiana, and the following is a true and correct statement of the results of the same: ...

LEGAL NOTE

THE UNDERSIGNED HAS BEEN HONORABLY AND SOLELY EMPLOYED BY THE PARTIES TO THIS SURVEY TO MAKE THE SURVEY AND TO PREPARE THIS REPORT, AND TO THAT END HE HAS BEEN FULLY AND SOLELY AUTHORIZED BY THEM TO DO SO, AND HE HEREBY CERTIFIES THAT HE HAS DONE SO IN ACCORDANCE WITH THE PROVISIONS OF THE LAWS OF THE STATE OF INDIANA, AND THAT HE HAS NOT BEEN INFLUENCED BY ANY OTHER PARTY IN THE MAKING OF THIS SURVEY OR IN THE PREPARATION OF THIS REPORT.

LEGEND

--- (dashed line)	EXISTING PROPERTY LINE
--- (solid line)	EXISTING BOUNDARY LINE
--- (dotted line)	EXISTING EASEMENT
--- (dash-dot line)	EXISTING ENCROACHMENT
--- (line with circles)	EXISTING ENCROACHMENT
--- (line with squares)	EXISTING ENCROACHMENT
--- (line with triangles)	EXISTING ENCROACHMENT
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--- (line with crosses)	EXISTING ENCROACHMENT
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--- (line with euro sign)	EXISTING ENCROACHMENT

BOUNDARY REPORT
 The survey was made in accordance with the provisions of the laws of the State of Indiana, and the following is a true and correct statement of the results of the same: ...

LEGAL NOTE
 THE UNDERSIGNED HAS BEEN HONORABLY AND SOLELY EMPLOYED BY THE PARTIES TO THIS SURVEY TO MAKE THE SURVEY AND TO PREPARE THIS REPORT, AND TO THAT END HE HAS BEEN FULLY AND SOLELY AUTHORIZED BY THEM TO DO SO, AND HE HEREBY CERTIFIES THAT HE HAS DONE SO IN ACCORDANCE WITH THE PROVISIONS OF THE LAWS OF THE STATE OF INDIANA, AND THAT HE HAS NOT BEEN INFLUENCED BY ANY OTHER PARTY IN THE MAKING OF THIS SURVEY OR IN THE PREPARATION OF THIS REPORT.

LEGEND
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REVISION RECORD

NO.	DATE	DESCRIPTION
1	07/17/2018	ISSUED
2	07/27/2018	REVISION
3	08/01/2018	REVISION
4	08/01/2018	REVISION
5	08/01/2018	REVISION
6	08/01/2018	REVISION
7	08/01/2018	REVISION
8	08/01/2018	REVISION
9	08/01/2018	REVISION
10	08/01/2018	REVISION

ALTA/ACSM LAND TITLE SURVEY BOUNDARY RETRACEMENT SURVEY

CORE REDEVELOPMENT DEMING CENTER SE CORNER OF CHERRY ST. & SIXTH ST. TERRE HAUTE, INDIANA

Civil & Environmental Consultants, Inc.
 530 E. Ohio Street - Suite G - Indianapolis, IN 46204
 317-666-7777 - 877-244-6748
 www.ccec.com

EXHIBIT C
(Board of Works Agreement)

AGREEMENT

This Agreement (the "Agreement") dated as of the ___ day of _____, 2014, serves as a confirmation of the commitment of Deming Renaissance, LLC (the "Applicant"), pending a December 11, 2014, public hearing, to comply with the project description, and job employment and retention (and associated wage rates and salaries) figures contained in its designation application, Statement of Benefits, the Preliminary Economic Revitalization Area Resolution No. ___, 2014, and attachments adopted by the Common Council of the City of Terre Haute, Indiana (the "Council") on Thursday, November 19, 2014, and this Agreement (the "Commitment").

Subject to the adoption of a Final Economic Revitalization Area Resolution by the Council, the City of Terre Haute, Indiana (the "City") commits to providing a nine (9) year real property tax abatement for the Applicant's capital expenditure of up to \$7,000,000.00 associated with the construction of the Commitments. The capital expenditure of the Project and the filling of such positions shall occur within three (3) years of the estimated completion date of July, 2015, contained in the approved Statement of Benefits Form SB-1 (the "Commitment Date").

During the term of the abatement, the city may annually request information from the Applicant concerning the status of the Project, the approved capital expenditure for the Project, the number of full-time permanent positions created by the Project, and the average wage rates and salaries (excluding benefits & overtime) associated with the position, and the Applicant shall provide the City with adequate written evidence thereof within 15 days of such request (the "Annual Survey"). The applicant shall provide a copy of the annual CF1 to the Board of Public Works and Safety at the same time the CF1 is filed with the County. The City shall utilize this information to verify that the Applicant has complied with the commitments contained in "the Commitments" at all times after the Commitment Date and during the duration of the abatement. The Applicant further agrees to provide the City with such additional information requested by the City related to the information provided in the Annual Survey and the CF1 form within a reasonable time following any such additional request.

The City, by and through the Council, reserves the right to terminate the Economic Revitalization Area designation and associated property tax

abatement deductions if the Applicant has not made reasonable efforts to substantially comply with all the commitments, and the Applicant's failure to substantially comply with the Commitments was not due to factors beyond its control. As used in the Agreement, "substantial compliance" shall mean the Applicant's compliance with the following: Making capital expenditures of up to \$7,000,000.00 for the Project.

As used in this Agreement, factors beyond the control of the applicant shall only include factors not reasonably foreseeable at the time of the designation application and submission of Statement of Benefits which are not caused by any negligent act or omission of the Applicant and which materially and adversely affect the ability of the Applicant to substantially comply with this Agreement.

If the City terminates the Economic Revitalization Area designation and associated tax abatement deductions, it may require the Applicant to repay the City all or a portion of the tax abatement savings received through the date of such termination. The amount of tax abatement required to be repaid for each year of noncompliance shall not exceed an amount equal to the percentage by which the Applicant has failed to attain substantial compliance in position retention and/or creation and average hourly wage rate and salary categories multiplied by the dollar amount of taxes actually abated. If the Applicant fails to substantially comply with more than one of the aforementioned categories, repayment shall be based on the average level of noncompliance.

If any at time during the term of this Agreement, whether before or after the Commitment Date, the Applicant shall: (i) cease operations at the facility for which the tax abatement was granted; or (ii) announce the cessation of operations at such facility, then the City may immediately terminate the Economic Revitalization Area designation and associated future tax abatement deductions.


In the event the City requires repayment of the tax abatement savings as provided hereunder, it shall provide Applicant with a written statement calculating the amount due (the "Statement"), and Applicant shall make such repayment to the City within 90 days of the date of the Statement. If the Applicant does not make timely repayment, the City shall be entitled to all reasonable costs and attorney fees incurred in the enforcement and collection of the tax abatement savings required to be repaid hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

"Applicant"

Board of Public Works & Safety
City of Terre Haute

Deming Renaissance, LLC

By: 
Michael E. Cox, Member

Approved as to Legal Adequacy and Form on this ____ day of _____, 2014.

By: _____

Title: _____

CITY OF TERRE HAUTE

PROPERTY TAX ABATEMENT PROGRAM APPLICATION

Ownership Information

Name	Address	Phone	Percentage Interest (if applicable)
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(a) The real property for which tax abatement consideration is petitioned (Property) is owned by the following:

Name, Address, and Interest:	Contact:
Low Income Housing Development Corporation of Terre Haute 2001 19 th St Terre Haute, IN 47804	Jeffrey A. Lewellyn, Attorney 333 Ohio St. Terre Haute, IN 47807 812-232-4311

(b) The following limited liability company has a signed contract to purchase the Property:

Name, Address, and Interest:	Contact:
Deming Renaissance, LLC 549 N Senate Ave Indianapolis, IN 46204 317-636-7669	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: Deming Center
21 N. 6th St, and 619, 621 and 627 Cherry St
Terre Haute, IN 47807

B. Parcel ID Number(s): 84-06-21-432-001.000-002;
84-06-21-432-002.000-002; and
84-06-21-432-005.000-002

Current Status of Property

A. Current zoning designation of property:

The current zoning is: C-9

It is not anticipated that the Property will need to be rezoned to a new zoning.

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

8-story, 111-unit apartment building built originally as a hotel in 1914.

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):

Low-income/affordable housing.

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

Land and improvements are currently assessed at approximately \$1,234,600.00.

E. Describe any unique historical structure or aesthetic improvements:

The current structure was originally built in 1914 as the Hotel Deming, with 250 rooms believed at the time to be the largest hotel in Indiana. The property contributes to Wabash Avenue – West Historic District. Renaissance proposes to effect a certified historic tax credit rehabilitation of the Deming Center in a manner consistent with standards set and enforced by the U.S. Secretary of the Interior. Adherence to these standards ensures that the property will be redeveloped in a thoughtful and historically-appropriate manner.

Proposed Improvements

A. Describe proposed real property improvements and projected costs:

Complete rehabilitation of all units and common areas as part of \$7.1 million total project cost. The proposed rehabilitation project will result in the restoration of the 8-story, 65,000 sq. ft. building, to create market-rate apartment and commercial space, including approximately ninety-seven (97) one-bedroom and nine (9) two-bedroom apartments, five (5) studio, and three (3) commercial units (ground floor), with common area amenity spaces suited for its expected residents and a modern fitness facility

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

De minimis personal property will include gym equipment, office equipment, etc.

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

Public improvements are currently expected to be de minimis – streetscape improvement and the like.

D. Project Start Date: December 2014

E. Project Completion Date: June 2015

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:

First, Deming is a historically significant building in need of significant rehab to preserve its property value. Second, downtown Terre Haute is in need of high-quality, market-rate residential development to spur additional investment and preserve and enhance property values.

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 as it has existed, as a residential neighborhood, because of a lack of residential development and declining conditions of the housing properties, cessation of growth, and deterioration of improvements which have impaired its value and prevented a normal development of the property -- and such is an area declining in tax revenues. The current structure is in need of a multi-million dollar professional rehabilitation.

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: 1; Average Annual Salary: \$40,000.00
Number of retained employees: 2; Average Annual Salary: \$40,000.00

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

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 — J/PP) to this application material.

Ineligible Projects

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

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

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

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

Certification

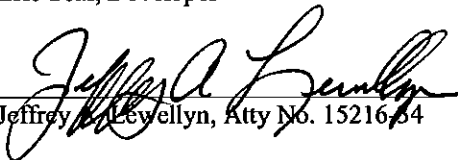
I hereby certify that the representations made in this application are true and I understand that if above improvements are not commenced (defined as obtaining a building permit and actual start of construction) within 12 months of the date of the designation of the above area as an Economic Revitalization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

PETITIONER*

DATE

Deming Renaissance, LLC

By _____
Eric Seal, Developer

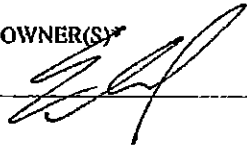
By: 
Jeffrey A. Lewellyn, Atty No. 15216784

10-31-14

* 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.

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
9-22-14

ERIC SEAL, DEVELOPER

* 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.

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: Deming Renaissance, LLC

Application Date: October 31, 2014

1. New Real Property Investment	5 points maximum	<u>5</u>
< \$500,000	1	
\$501,000 to \$1,000,000	2	
\$1,000,001 to \$2,000,000	3	
\$2,000,001 to \$3,000,000	4	
\$3,000,001 and up	5	
2. Anticipated New Full-Time Jobs Created Within 5 Years	5 points maximum	<u>1</u>
1 to 10 employees	1	
11 to 20 employees	2	
21 to 30 employees	3	
31 to 40 employees	4	
41 employees and up	5	
3. Anticipated Jobs To Be Retained	5 points maximum	<u>1</u>
1 to 10 employees	1	
11 to 20 employees	2	
21 to 30 employees	3	
31 to 40 employees	4	
41 employees and up	5	
4. Wage Rates	3 points maximum	<u>3</u>
\$7.50 to \$10.00 per hour	0	
\$10.01 to \$12.00 per hour	1	
\$12.01 to \$14.00 per hour	2	
\$14.01 per hour and up	3	
5. Benefits Package	1 point if offered	<u>1</u>
6. Targeted Business	1 point if project is good fit for community	<u>1</u>
7. Community Involvement	1 point if company plans or is already involved in community activities	<u>1</u>
8. Is this project a headquarters or a new project to the community?	1 point if "Yes"	<u>1</u>
9. Diverse Workforce	1 point if applicant maintains an affirmative action plan or other statement of specific goals with respect to employee diversity	<u>1</u>

Total Points 15

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 1

2. Contractors Licensed To Do Business in Vigo County Council may award one bonus point if a substantial percentage of the total fees for construction work associated with the project are paid to companies licensed to do business in Vigo County 1

3. Materials and Supplies From Vigo County Vendors Council may award one bonus point if the applicant commits to purchase a substantial amount of materials and supplies for the construction work associated with the project from Vigo County-based vendors 1

4. Existing Facility Council may award one bonus point for use, reuse, rehabilitation and/or expansion of an existing facility 1

5. Mentoring/Intern Program Council may award one bonus point if applicant pledges to participate in a mentoring or intern program associated with a Vigo County educational institution _____

Total Bonus Points 4

Grand Total Points 19

Recommended Length of Real Property Abatement Per Guideline Scoring Criteria 9 Years