

**TERRE HAUTE CITY COUNCIL  
STATE OF INDIANA  
RESOLUTION NO. 9, 2017**

**FILED**

MAR 31 2017

**CITY CLERK**

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City Commonly Identified as 4150 East Steelton Avenue, Terre Haute, Indiana 47805, Terre Haute, Indiana, as an Economic Revitalization Area for the Purpose of Ten Year Personal Property Tax Abatement

WHEREAS, A Petition for a ten year personal 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 an Economic Revitalization Area for purposes of personal property tax abatement; and

WHEREAS, Pyrolyx USA Indiana, LLC (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 map of the property and description of the real property which is commonly known as **4150 East Steelton Avenue, Terre Haute, Indiana 47805**, Terre Haute, Indiana, and more particularly described as follows:

Lot 4C in the Fort Harrison Business Park Replat Lot Four (IV), of Phase I a Replat of Lot Two, being Part of the N.E. ¼, Section 1, Township 12-N, Range 9-W, in the City of Terre Haute, Vigo County, Indiana, as shown on the recorded plat thereof recorded in the Office of the Recorder of Vigo County, Indiana on January 3, 2007 as Instrument Number 2007000106, Terre Haute, Indiana

WHEREAS, petitioner has represented and presented evidence that the projects will create 55 new permanent full-time jobs with combined annual salaries of \$2,100,000.00 and that the cost of the project will be \$22,500,000.00 for equipment (the "manufacturing equipment").

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 personal 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:

Abatement	Percentage	Tax Abated	Tax Paid
1	100%	\$270,000	\$0
2	90%	\$324,891	\$53,109
3	80%	\$203,836	\$79,664

4	70%	\$124,956	\$91,044
5	60%	\$88,695	\$113,805
6	50%	\$60,244	\$142,256
7	40%	\$31,792	\$170,708
8	30%	\$3,341	\$199,159
9	20%	\$0	\$202,500
10	10%	\$0	\$202,500
Totals		\$1,107,755	\$1,254,745

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 cost of new manufacturing equipment is reasonable for manufacturing equipment of that type in view of current technologies.

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 and installation of new manufacturing equipment.

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 installation of the new manufacturing equipment.

4. That the benefits about which information has been requested can reasonably be expected to result from the installation of the new manufacturing equipment.

5. The totality of the benefits of the proposed Project and installation of the new manufacturing equipment can reasonably be expected to result from the project and are sufficient to justify a ten (10) year personal 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 personal 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 a ten year personal property tax abatement as provided therein for the proposed acquisition of the new manufacturing equipment.

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.

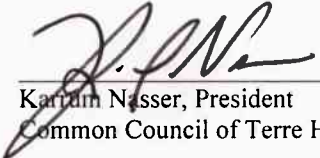
8. That this Resolution is supplementary to and in addition to any prior resolution.

[SIGNATURES ON FOLLOWING PAGE]

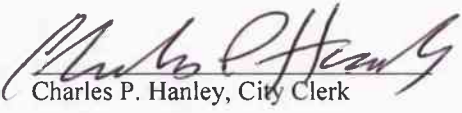
Presented by

  
Karrum Nasser, Councilman

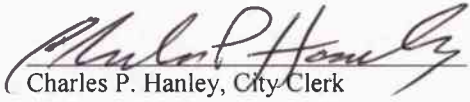
Passed in open Council this 11<sup>th</sup> day of April, 2017.

  
Karrum Nasser, 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 April, 2017.

  
Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 12<sup>th</sup> day of April, 2017.

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

ATTEST:

  
Charles P. Hanley, City Clerk

This instrument prepared by Jeffrey A. Lind, Lind Law Firm, 400 Ohio Street, Terre Haute, IN 47807 phone 812-234-5463

**FINAL ACTION BY COMMON COUNCIL OF  
THE CITY OF TERRE HAUTE, INDIANA  
REGARDING RESOLUTION NO. 9, 2017**

WHEREAS, the Common Council of the City of Terre Haute adopted Resolution 9, 2017, on the 11<sup>th</sup> day of April, 2017, and pursuant to Indiana Law has published notice of the adoption and substance of said Resolution including a description of the affected area, known as 4150 East Steelton Avenue, Terre Haute, IN 47805 and legally described as Lot 4C in the Fort Harrison Business Park Replat Lot Four (IV), of Phase I a Replat of Lot Two, being Part of the N.E.  $\frac{1}{4}$ , Section 1, Township 12-N, Range 9-W, in the City of Terre Haute, Vigo County, Indiana, as shown on the recorded plat thereof recorded in the Office of the Recorder of Vigo County, Indiana on January 3, 2007 as Instrument Number 2007000106, 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 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 Application and the Statement of Benefits heretofore filed; 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, an Application on the form prescribed by the City of Terre Haute, a Statement of Benefits on the form prescribed by the State Board of Tax Commissioners, a petition for designation, and the submitted Agreement with the Board of Public Works for the City of Terre Haute, and has heard all appropriate evidence concerning the proposed project and has 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.

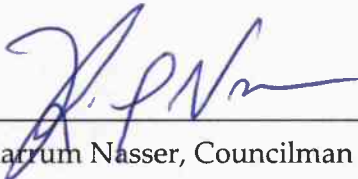
2. That the estimate of the cost of the redevelopment and rehabilitation-is reasonable for projects of that type.
3. That the estimate of individuals who will be employed or whose employment will be retained as a result of the redevelopment and rehabilitation can reasonably be expected to result from the proposed project.
4. 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.
5. That the benefits can reasonably be expected to result from the proposed redevelopment and rehabilitation and the project.
6. That the totality of benefits of the Project are sufficient to justify a ten (10) year personal property tax deduction from assessed valuation to result therefrom under Indiana statutes, and each and all of such deductions should be, and are hereby, allowed.
7. That the real property is located within an Economic Revitalization Area as required by Indiana Code 6-1.1-12.1-2 for the type of facility proposed by Petitioner.
8. That all qualifications for establishing an economic revitalization area have been met.
9. That the Petition for designating the subject property as an Economic Revitalization Area for the purposes of a ten (10) year personal property tax abatement and the Statement of Benefits on new, or new to Indiana, equipment (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 9, 2017, the Common Council of the City of Terre Haute, Indiana, RESOLVES, FINDS AND DETERMINES that:

1. All of the requirements for designation of the real estate described in Resolution 9, 2017, 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. Resolution 9, 2017, 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 a ten year personal 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 9, 2017, is declared an economic revitalization area for the purposes of a ten year personal property tax abatement and the said real estate is hereby designated as an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 *et. seq.* and petitioner is entitled to the ten year personal property tax abatement as provided therein in connection with the proposed development and the project.
3. 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 9, 2017, shall be incorporated in and be a part of Resolution 9, 2017.

[SIGNATURES ON FOLLOWING PAGE]


Introduced by:   
Karrum Nasser, Councilman

Passed in open Council this 11<sup>th</sup> day of May 2017.

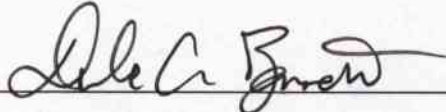
  
Karrum Nasser, City Council President

ATTEST:  Charles P. Hanley, City Clerk

Presented by me to the Mayor this 12<sup>th</sup> day of May, 2017.

  
Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 12<sup>th</sup> day of May, 2017.

  
Duke A. Bennett, Mayor

ATTEST:  Charles P. Hanley, City Clerk

This instrument prepared by Jeffrey A. Lind, Lind Law Firm, 400 Ohio Street, Terre Haute, IN 47807 (812) 234-5463.

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

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

1. Describe the proposed project, including information about the new manufacturing equipment personal property ("Equipment") to be installed, the amount of land to be used, if any, the proposed use of the equipment and a general statement as to the value of the project to your business:

Manufacturing equipment related to carbon black manufacturing on a little over 9 acres. A Terre Haute location would enhance our ability to serve the end users of our product in the vicinity of Terre Haute.

2. The project will create 55 new, permanent jobs within the first year, representing a new annual payroll of \$2,100,000.00.

3. Estimate the cost of the Equipment: \$22,500,000.00.

4. (a) The Equipment for which tax abatement consideration is petitioned 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):

<u>NAME</u>	<u>ADDRESS</u>	<u>INTEREST</u>
Pyrolyx USA Indiana, LLC	4023 Kennett Pike #50036, Wilmington, DE 19807	100%

(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):

Not applicable

(c) A brief description of the overall nature of the business and of the operations occurring at the location for which tax abatement is required:

Pyrolyx USA is considering the construction of a new manufacturing facility in Terre Haute, Indiana. Pyrolyx USA produces raw materials for the rubber and plastics industries, and the company is interested in Terre Haute because of the concentration of plastics manufacturers in the area. The Pyrolyx USA manufacturing process involves the extraction of carbon black, oil and metal from waste rubber. The company is a joint venture between Reclaim, Inc. a Seattle based carbon black manufacturing company and Pyrolyx AG, a Germany based recycling technology company. In Oregon and Germany Reclaim and Pyrolyx AG operate plants similar to the one considered for Terre Haute.

In many states, including Indiana, scrap tire management is difficult to sustain without good end markets for recycled products, and Pyrolyx USA represents one of the best opportunities to create these valuable end markets. The process used by Pyrolyx USA is clean, high tech, good for state businesses and good for the environment. Pyrolyx USA currently controls an option for a 9-acre parcel of undeveloped land at 1450 East Steelton Avenue in Terre Haute. On December 27th 2016 the company submitted a permit application to the Indiana Department of Environmental Management (IDEM) for the construction of the facility in Terre Haute. The considered Pyrolyx USA facility would require a total capital investment of approximately \$25 million, would employ approximately 55 workers and would have a total estimated annual payroll of \$2.1 million. Construction



would include the creation of a 60,000 square feet manufacturing center with rail access connected to CSX, and an administrative office building.

5. The commonly known address of the real property where the Equipment is or will be located is: 4150 East Steelton Avenue, Terre Haute, Indiana 47805.

6. The legal description of the real property is:

Lot 4C in the Fort Harrison Business Park Replat Lot Four (IV), of Phase I a Replat of Lot Two, being Part of the N.E. ¼, Section 1, Township 12-N, Range 9-W, in the City of Terre Haute, Vigo County, Indiana, as shown on the recorded plat thereof recorded in the Office of the Recorder of Vigo County, Indiana on January 3, 2007 as Instrument Number 2007000106, Terre Haute, Indiana

7. A map designating the area for tax abatement consideration is attached hereto, marked Exhibit A and incorporated herein.

8. This is a new manufacturing facility and as such, no equipment is being replaced and no equipment associated with the real estate has previously been assessed.

9. The current use of the real property where the Equipment will be installed is vacant ground, and the current zoning is M-2 Heavy Industrial Planned Development.

10. The best estimate of the market value of the new equipment after installation is: \$22,500,000.00.

11. Petitioner is seeking a 10 year personal property tax abatement. The best estimate of the amount of taxes to be abated during each of the first 10 years after installation is as follows:

Assumed Assessed Value of Improvement: \$22,500,000.00  
Annual Tax without Abatement: \$236,250.00; personal property taxes estimated to be paid with the 10 year tax abatement: \$1,254,745 (estimated annual average as taken from Tax Abatement Calculator, Southwest Indiana Economic Development Coalition)

Abatement	Percentage	Tax Abated	Tax Paid
1	100%	\$270,000	\$0
2	90%	\$324,891	\$53,109
3	80%	\$203,836	\$79,664
4	70%	\$124,956	\$91,044
5	60%	\$88,695	\$113,805
6	50%	\$60,244	\$142,256
7	40%	\$31,792	\$170,708
8	30%	\$3,341	\$199,159
9	20%	\$0	\$202,500
10	10%	\$0	\$202,500
Totals		\$1,107,755	\$1,254,745

12. The Equipment has not been acquired as of the date of filing of this petition. The signature below is verification of this statement.

13. The real property where the Equipment will be installed is located in the following Allocation Area, if any, declared and confirmed by the Terre Haute Redevelopment Commission: Fort Harrison Business Park TIF District, declared and confirmed by the Terre Haute Redevelopment Commission. The Terre Haute Redevelopment Commission will be taking action before final action is taken by Council.

14. 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: Pursuant to Special Ordinance No. 11, 2017, adopted by the Common Council of the City on March 9, 2017, the City authorized the issuance of its Economic Development Solid Waste Facility Revenue Bonds (Pyrolyx USA Indiana, LLL Project), Series 2017, in one or more series in an aggregate principal amount not to exceed \$32,000,000.

15. Describe how and why the manufacturing equipment to be replaced or the facility in which the Equipment will be added is currently technologically, economically or energy obsolete and how and why that obsolescence may lead to a decline in employment and tax revenues: The equipment and technology is state of the art and at the lead of the industry as new, advanced equipment, the investment in this equipment will forestall a decline in employment and in tax revenues.

16. The Equipment will be used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining or finishing of other tangible personal property and that the Equipment was never before used by its owner for any purpose in Indiana. The signature below is verification of this statement.

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

Name:	Jeff Lind	Thomas H. Redd
Address:	400 Ohio St.	4023 Kennett Pike #50036
City, State, Zip:	Terre Haute, IN 47807	Wilmington, DE 19807
Telephone:	812-234-5463	302-295-1370

WHEREFORE, petitioner requests that the Common Council of the City of Terre Haute, Indiana, adopt a declaratory resolution designating the area described herein to be an economic revitalization area for purposes of personal property tax abatement consideration and, after publication of notice and public hearing, determine qualifications for an economic revitalization area have been met and confirm such resolution.

[SIGNATURES ON FOLLOWING PAGE]

Name of Property Owner(s):

Pyrolyx USA Terre Haute, LLC

By:   
Thomas H. Redd, Manager  
Pyrolyx USA Terre Haute, LLC

DO NOT USE THIS SPACE

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

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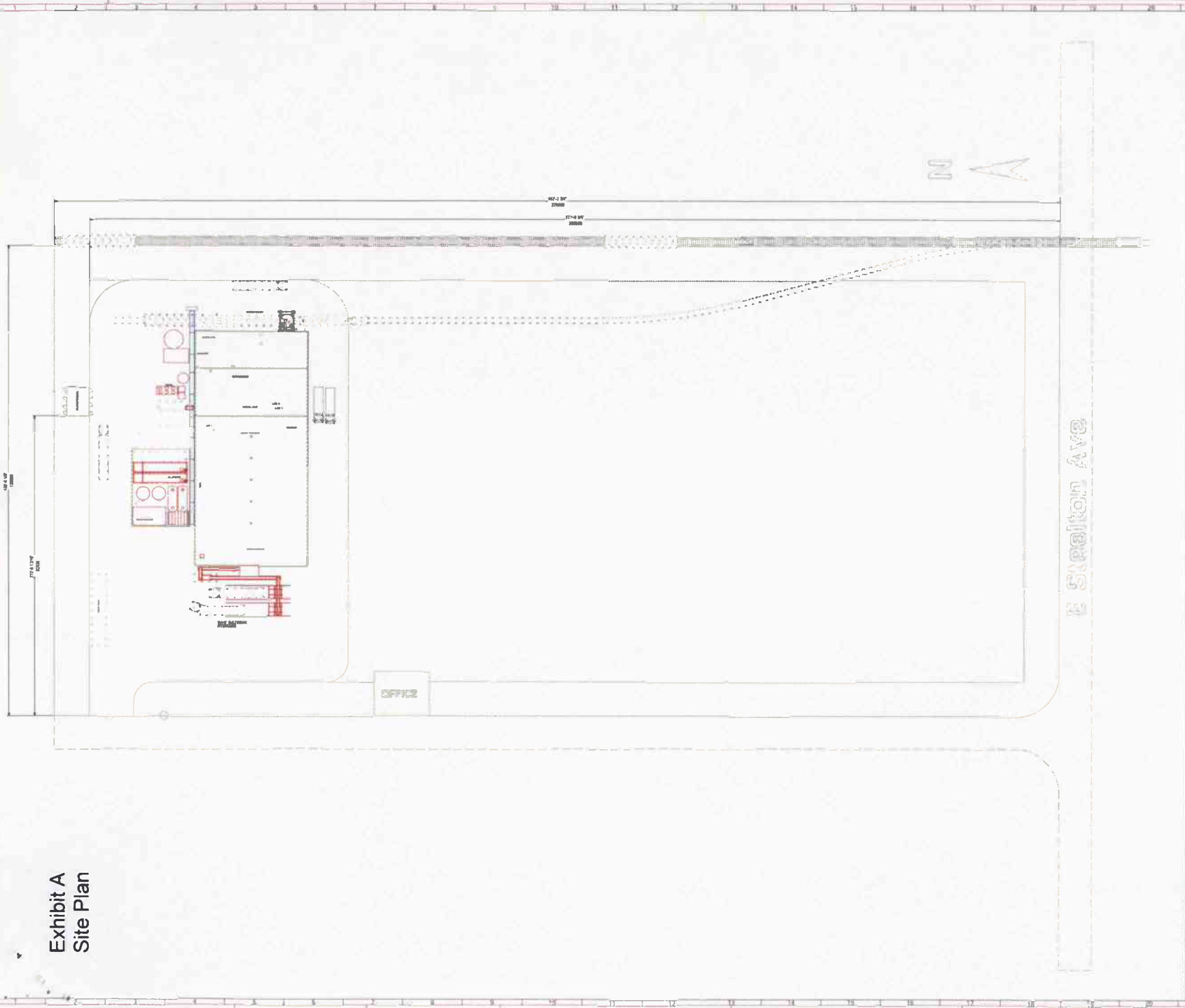
Confirming Ordinance # \_\_\_\_\_  
Date of Notice \_\_\_\_\_

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

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Exhibit A  
Site Plan



- FUTURE
  - EXISTING
  - BUILDING
  - EQUIPMENT
  - PIPEWORK
  - STEELWORK
  - ELECTRICAL
  - AXES
  - BY OTHER
- TOS = TOP OF STEEL  
 BOS = BOTTOM OF STEEL  
 TOC = TOP OF CONCRETE  
 ALL DIMENSIONS IN MM

**PRELIMINARY**

PROJECT NO.	DATE	SCALE	PROJECT NAME
PLANT 188			
DESIGNED BY	CHECKED BY	APPROVED BY	DATE
Schulzweg 50		Polysar Werke PG 1416	
ARRANGEMENT			
ZEPPELIN		51 085 3001	

CONFIDENTIAL



STATEMENT OF BENEFITS  
PERSONAL PROPERTY

State Form 51764 (R4 / 11-15)

Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

INSTRUCTIONS

- 1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between January 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between January 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1 TAXPAYER INFORMATION: Name of taxpayer Pyrolyx USA Indiana, LLC; Name of contact person Thomas H. Redd; Address 4023 Kennett Pike #50036, Wilmington, DE 19807; Telephone number (302) 295-1370.
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT: Name of designating body Terre Haute City Council; Resolution number 9; Location Fort Harrison Business Park; County Vigo; DLGF taxing district number 84-002.
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT: Current number 0; Salaries 0; Number retained 0; Salaries 0; Number additional 55; Salaries \$2,100,000.00.
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT: Table with columns for Manufacturing Equipment, R & D Equipment, Logist Dist Equipment, and IT Equipment, showing costs and assessed values.
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER: Estimated solid waste converted 88,000,000 pounds; Estimated hazardous waste converted 0 pounds; Other benefits \$2,300,000 in real property improvements.
SECTION 6 TAXPAYER CERTIFICATION: I hereby certify that the representations in this statement are true. Signature of authorized representative Thomas H. Redd; Date signed March 28, 2017; Title Manager.

**FOR USE OF THE DESIGNATING BODY**

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed 10 calendar years \* (see below). The date this designation expires is N/A. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.

B. The type of deduction that is allowed in the designated area is limited to:

1. Installation of new manufacturing equipment;	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 Check box if an enhanced abatement was approved for one or more of these types.
2. Installation of new research and development equipment;	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3. Installation of new logistical distribution equipment.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
4. Installation of new information technology equipment;	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

D. The amount of deduction applicable to new research and development equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

F. The amount of deduction applicable to new information technology equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

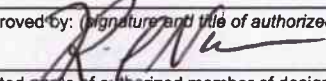
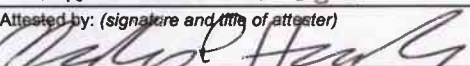
G. Other limitations or conditions (specify) N/A

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

<input type="checkbox"/> Year 1	<input type="checkbox"/> Year 2	<input type="checkbox"/> Year 3	<input type="checkbox"/> Year 4	<input type="checkbox"/> Year 5	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 Number of years approved: _____ (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)
<input type="checkbox"/> Year 6	<input type="checkbox"/> Year 7	<input type="checkbox"/> Year 8	<input type="checkbox"/> Year 9	<input checked="" type="checkbox"/> Year 10	

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?  Yes  No  
If yes, attach a copy of the abatement schedule to this form.  
If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body) 	Telephone number <u>(812) 232-3375</u>	Date signed (month, day, year) <u>05-11-17</u>
Printed name of authorized member of designating body <u>Kurrum Nasser</u>	Name of designating body <u>Terre Haute City Council</u>	
Attested by: (signature and title of attester) 	Printed name of attester <u>Charles P Hanley</u>	

\* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

**IC 6-1.1-12.1-17**

**Abatement schedules**

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

Exhibit A

**CITY OF TERRE HAUTE**

**PROPERTY TAX ABATEMENT PROGRAM APPLICATION**

**Ownership Information**

Name	Address	Phone	Percentage Interest (if applicable)
Fee: Thompson Thrift Properties, LLC - Paul Thrift, 901 Wabash Ave, Terre Haute, IN 47807			
Option Holder: Pyrolyx USA Indiana, LLC - Thomas H. Redd 4012 Kennett Pike #50036, Wilmington, DE 19807			

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: 4150 East Steelton Avenue, Terre Haute, IN 47805
- B. Parcel ID Number(s): 84-06-01-200-013.000-002

**Current Status of Property**

- A. Current zoning designation of property: M-2 Planned Development
- B. Describe current improvements to the property, including estimated age of existing buildings:  
None, the property is currently unimproved.
- 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):  
None, the property is currently unimproved.
- D. Current total assessed valuation of land and all improvements:

Land Only - \$20,200

Adopted: 4/16/15

Exhibit A

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

**Proposed Improvements**

A. Describe proposed real property improvements and projected costs: \_\_\_\_\_  
Approximately 60,000 square foot manufacturing facility at at least \$2,300,000 cost

B. Describe proposed depreciable personal property improvements and projected costs: \_\_\_\_\_  
\$21,700,000.00 in new machinery and equipment;  
\$500,000 in Logistics Equipment & \$300,000 in IT Equipment.

C. List any public infrastructure improvements, with estimated costs, that will be necessary  
for the project: \_\_\_\_\_  
Rail Spur to CSX line. Costs currently uncertain, but discussions are ongoing with CSX.

D. Project Start Date: 08/01/17

E. Project Completion Date: 01/01/19

**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:

\_\_\_\_\_  
Lack of significant manufacturing development, growth has ceased.  
The Area's Technology would be greatly increased with this project  
forestalling a decline in employment.

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:



Exhibit A

Number of new employees: 55; Average Annual Salary: \$38,000.00

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

Description of employee benefits for new and/or retained employees: Paid time off accrued  
401k- 100% employer match up to 4% of gross pay; Medical/Dental/Visitation  
Disability Ins., 60% of earning for qualifying events; Life Ins./Accidental Death

*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;

Exhibit A

**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

March 28 2017

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\* 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.

## Exhibit A

### CITY OF TERRE HAUTE

## PROPERTY TAX ABATMENT PROGRAM OVERVIEW AND GUIDELINE SCORING SYSTEM

### Program Description

Property tax abatement in Indiana is authorized under Indiana Code 6-1.1-12.1 in the form of deductions from assessed valuation. Any property owner in a locally-designated Economic Revitalization Area (ERA) who makes improvements to the real property or installs eligible new or used personal property (such as manufacturing equipment and certain research and development equipment) is eligible for property tax abatement. Land does not qualify for abatement.

### Scoring System

The City of Terre Haute utilizes a scoring system as a guide for determining the appropriate length of time (one of ten time periods can be used) of the property tax abatement(s) being sought for a proposed project. Additional information on the scoring system can be found elsewhere in this document.

### Indiana Real Property Assessment Standard

A property's assessed value is the basis for property taxes. Annually, local assessing officials assess the value of real property on March 1 based on market value in use of the property. Property owners can estimate the property taxes for new construction by adding the cost of the land and improvements together and multiplying by the tax rate. For real property tax abatement calculation purposes, the cost of the improvements (the land itself cannot be abated) would be utilized as the real property assessed value. This real property assessment value would then be phased-in over one of ten time periods.

### Indiana Personal Property Assessment Standard

Personal property values are assessed March 1 of every year and are self reported by property owners to township assessors using prescribed state forms. Generally speaking, personal property taxes are levied against all tangible property other than real property. Numerous deductions can be applied to personal property. Of course, the value of personal property over time will be subject to depreciation, therefore, applicants are advised to seek the counsel of a financial advisor to determine which asset pool(s) (see following table) would be applicable to their particular project.

Additional information on the State of Indiana's property tax assessment system can be found at the Indiana Department of Local Government Finance website at [www.in.gov/dlgf](http://www.in.gov/dlgf).

Exhibit A

**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%									

Adopted: 4/16/15

## Exhibit A

### **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.

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

Company Name: Pyrolox USA Terre Haute, LLC

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

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

Adopted 4/16/15

Total Points

Scoring

Length of Personal Property Abatement

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

Bonus Points

1. American Made	Council may award one bonus point if equipment to be installed is manufactured or engineered in the United States	_____
2. Installation By Local Contractor(s)	Council may award one bonus point if a substantial portion of the equipment to be installed is installed by a contractor, company or individuals maintaining a place of business in Vigo County	<u>1</u>
3. Materials and Supplies From Vigo County Vendors	Council may award one bonus point if the applicant commits to purchase a substantial amount of materials and supplies for the construction work associated with the project from Vigo County-based vendors	<u>1</u>
4. Rehabilitation Of Existing Facilities	Council may award one bonus point if the project involves the rehabilitation of existing facilities	_____
5. Mentoring/Intern Program	Council may award one bonus point if applicant pledges to participate in a mentoring or intern program associated with a Vigo County educational institution	<u>1</u>
Total Bonus Points		<u>3</u>
Grand Total Points		<u>21</u>
Recommended Length of Personal Property Abatement Per Guideline Scoring Criteria		<u>10</u> Years

**Receipt**

The following was paid to the City of Terre Haute, Controller's Office.

Date: 03-31-17

Name: Lind Law Firm

Reason: Tax Abatement

Resolution #8 #9

TERRE HAUTE, IN  
**PAID**

MAR 31 2017

**CONTROLLER**

Cash: \_\_\_\_\_

Check: \$ 1,000 (1394-500)  
(1395-500)

Credit: \_\_\_\_\_

Total: \$ 1,000

Received By: L. Lusk



City of Terre Haute  
City Hall  
17 Harding Avenue  
Terre Haute, IN 47807  
USA  
812.244.2360

# Cash Receipt

CITY CLERK

Receipt Date: 04/03/2017

Receipt Number: 152629

Customer Number: 0

Description: TAX ABATEMENT RESOL# 8 #9 LIND LAW FIRM

Page 1 of 1

Item	Description	Qty	Unit Desc	Unit Price	Amount
9.33	<i>Reference: A0101-0000-00-340.150</i>	2.00	EACH	500.000000	\$1,000.00
				<b>Total Charges:</b>	<b>\$1,000.00</b>

Item	Reference	Amount
Check	CK# 1394	\$500.00
Check	CK# 1395	\$500.00
<b>Total Payment:</b>		<b>\$1,000.00</b>

## AGREEMENT

FILED

APR 25 2017

CITY CLERK

This Agreement (the "Agreement") dated as of the 24 day of April, 2017, serves as a confirmation of the Pyrolyx USA Indiana, LLC's (the "Applicant") commitment, pending a May 11, 2017, 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. 9, 2017, and attachments adopted by the Common Council of the City of Terre Haute, Indiana (the "Council") on Thursday, April 11, 2017, 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 ten (10) year personal property tax abatement for the Applicant's capital expenditure of up to \$22,500,000.00 associated with new equipment or equipment new to Indiana. The capital expenditure of the Project and the filling of positions shall occur within three (3) years of the estimated completion date of January 1, 2019, 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 approval 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 CFI to the Board of Public Works and Safety at the same time the CFI 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 CF-1 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 it determines that 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 \$22,500,000.00 in equipment 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 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 highest 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 calculation of the amount due (the "Statement"), and Applicant shall make such repayment to the City within 30 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.

[SIGNATURES ON FOLLOWING PAGE]

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

Pyrolyx USA Indiana, LLC

By: Thomas H. Redd  
Thomas H. Redd, Manager  
Pyrolyx USA Indiana, LLC

Jessica L. Hill  
Janey Tomlin  
Robert All  
Robert All

Approved as to Legal Adequacy and Form on this 24th day of April, 2017.

By: James M. Fisher

Title: City Atty.