

WITHDRAWN

FILED

NOV 29 2016

RESOLUTION NO. 33, 2016

CITY CLERK

RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF
TERRE HAUTE, INDIANA, DESIGNATING AN AREA WITHIN THE CITY
COMMONLY IDENTIFIED AS 929 WABASH AVENUE, TERRE HAUTE,
INDIANA, AS AN ECONOMIC REVITALIZATION AREA
FOR THE PURPOSE OF SEVEN (7) YEAR REAL PROPERTY TAX ABATEMENT

WHEREAS, Indiana Code 6-1.1-12.1 allows an abatement of property taxes attributable to “redevelopment or rehabilitation” activities in “economic revitalization areas”; and

WHEREAS, Indiana Code 6-1.1-12.1 provides that an economic revitalization area must be a geographic area which is within the corporate limits of a city and which has become undesirable for, or impossible of, normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard building or other factors which have impaired values or prevent a normal development of property or use of property; and

WHEREAS, Indiana Code 6-1.1-12.1 authorizes the Common Council of the City of Terre Haute (the “Common Council”) to designate economic revitalization areas by following a procedure involving adoption of a preliminary resolution, publication of a notice of a public hearing, conducting a public hearing and adoption of a final resolution confirming the preliminary resolution; and

WHEREAS, a petition for seven (7) year real property tax abatement has been filed with the Common Council of the City of Terre Haute requesting that the real property described therein be designated as Economic Revitalization Area for purposes of real property tax abatement; and

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WHEREAS, VCHS Erhmann LLC, an Indiana limited liability company and wholly owned subsidiary of Vigo County Historical Society, Inc., an Indiana nonprofit corporation (“Petitioner”) has submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council to make an informed decision, said information including a description of the real property which more particularly described in Exhibit A, and commonly known as 929 Wabash Avenue, Terre Haute, Indiana.

WHEREAS, the Common Council believes that it is in the best interests of the citizens of the City of Terre Haute to create an economic revitalization area designation in a manner whereby citizens of the City of Terre Haute will benefit from the creation of permanent jobs, expansion of the property tax base, and protection of private investment; and

WHEREAS, the Petitioner is requesting that the property located at 929 Wabash Avenue (the “Real Estate”) be designated as an Economic Revitalization Area for the purpose of achieving property tax savings in connection with the rehabilitation of the 39,000 square foot historic building located on the Real Estate (the “Building”) and

WHEREAS, the Real Estate is presently part of Vigo County Tax Parcel 84-06-22-354-005.000-002; and

WHEREAS, the Petitioner anticipates rehabilitating and renovating the Building as the Vigo County History Center with a capital investment of approximately Five Million Dollars (\$5,000,000.00) (the “Project”); and

WHEREAS, the Petitioner anticipates the creation of three (3) full-time and two (2) part-time positions, the retention of two (2) full-time and two (2) part-time positions, with an average salary of \$38,000, in addition to approximately one hundred (100) volunteers; and

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WHEREAS, VCHS formed the Petitioner in order to take advantage of certain federal historic rehabilitation tax credits for the Project, which require the Project be owned by a for-profit entity for a period of five (5) years; and

BASED UPON THE ABOVE, IT IS THEREFORE RESOLVED, by the Common Council of the City of Terre Haute as follows:

1. The application for economic revitalization area designation relative to the Project was filed in proper form and the Statement of Benefits, Form SB-1, which is attached, are deemed filed on this date.
2. The subject Real Estate is located in an area of the City where municipal services are provided and no additional infrastructure will be necessitated by the Project.
3. There is evidence provided which establishes that the subject Real Estate meets the "undesirable for normal development" criterion of Indiana Code 6-1.1-12.1-1 because of lack of development as evidenced by the cessation of growth, lack of development in the area surrounding the subject Real Estate, the vacant building presently located upon the Real Estate, and other factors which have impaired the use of the Real Estate.
4. The subject Real Estate is properly zoned for this Project.
5. Evidence has been submitted and considered which tends to establish that the Project will further and promote municipal development objectives by making effective use of under-utilized urban land and expansion of the property tax base through construction of the Project as described above.
6. The Common Council of the City of Terre Haute hereby designates the Real Estate as an Economic Revitalization Area for purposes of establishing a deduction to the assessed value of real property, subject to the adoption of a confirmatory resolution by the

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Common Council.

7. The deductions provided by this Resolution shall be for one hundred percent (100%) of the assessed value of the rehabilitated Building resulting from construction to be completed prior to August 1, 2019, for a period of seven (7) years from the date of assessment of the improvements made to the Building and the Real Estate pursuant to Indiana Code 6-1.1-12.1-4(d)(2).

YEAR OF DEDUCTION	PERCENTAGE
1 st	100%
2 nd	100%
3 rd	100%
4 th	100%
5 th	100%
6 th	100%
7 th	100%

8. In support of the deductions contained in this Resolution, the Common Council finds as follows:

- a. The estimated costs of the improvements to the Real Estate presented by the Applicant are reasonable for the Project.
- b. The estimated number of individuals that the Petitioner expects to hire is reasonable for the Project.
- c. The annual salaries for the individuals who will be employed can reasonably be expected to result from the proposed new construction and installation of the new Eligible Personal Property included in the Project.
- d. Based on the increased assessed valuation, the public benefit and the expansion of the employment base within the City of Terre Haute, the benefits to the City are sufficient to justify the granting of the deduction

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described in Section 7 above.

9. The terms of this Resolution are subject to the adoption of a Final Resolution confirming the terms and conditions herein after a public hearing to be held on _____, 2016, at __:00 p.m., in the Terre Haute City Hall located at 17 Harding Avenue, Terre Haute, Indiana.


10. The Clerk-Treasurer of the City of Terre Haute shall cause a notice of public hearing to be published pursuant to law.

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ALL OF WHICH IS RESOLVED by the Common Council of the City of Terre Haute

this ___ day of December, 2016.

Introduced by: _____


Todd Nation, Common Council President

Passed in open council this _____ day of December, 2016.

Todd Nation, Common Council President

ATTEST:

Charles P. Hanley, City Clerk

Presented by me to the Mayor this _____ day of December, 2016.

Charles P. Hanley, City Clerk

Approved by me, the Mayor, this ___ day of December, 2016.

Duke Bennett, Mayor
City of Terre Haute, Indiana

ATTEST:

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

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**FINAL ACTION BY COMMON COUNCIL OF
THE CITY OF TERRE HAUTE, INDIANA
REGARDING RESOLUTION NO. 33, 2016
(Real Property)**

WHEREAS, the Common Council of the City of Terre Haute adopted Resolution 33, 2016, on the ____ day of December, 2016, and pursuant to Indiana Law has published notice of the adoption and substance of said Resolution including a description of the affected area and notice that a description of the affected area is available for inspection in the office of the county assessor and further stating a date on which the Common Council would receive and hear remonstrances and objections; and

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

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

WHEREAS, the Common Council has received and examined, prior to such hearing, a Statement of Benefits on the forms prescribed by the Department of Local Government Finance and proper application for designation and has heard all appropriate evidence concerning the proposed project and has found and does find:

1. That the estimate of the cost of the redevelopment and rehabilitation of the project is reasonable for projects of that type.
2. That the estimate of individuals who will be employed or whose employment will be retained as a result of the redevelopment and rehabilitation of the project can reasonably be expected to result from the proposed project.
3. The estimate of annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to result from the proposed redevelopment and rehabilitation and the project.
4. That the benefits can reasonably be expected to result from the proposed redevelopment and rehabilitation and the project.
5. That the totality of benefits is sufficient to justify the deduction.

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6. That all qualifications for establishing an economic revitalization area have been met and the project will consist of multifamily housing units and single-family units and that the units will be available for use by low and moderate income individuals and persons with disabilities.

NOW, THEREFORE, for final action on Resolution No. 33, 2016, the Common Council of the City of Terre Haute, RESOLVES, FINDS AND DETERMINES:

1. That all of the requirements for designation of the real estate described in Resolution No. 33, 2016, as an Economic Revitalization Area have been met, the foregoing findings are true and that all information required to be submitted has been submitted in proper form.

2. That Resolution No. 33, 2016, is in all respects confirmed and approved (as modified to incorporate therein this final action) and that the benefits of the proposed project and the redevelopment and rehabilitation are sufficient to justify ten year real property tax abatement under Indiana statutes for the proposed redevelopment and rehabilitation described in the Petitioner's Statement of Benefits and the deduction for the proposed project and redevelopment and rehabilitation and the statements of benefits submitted are approved and the Council authorizes and directs the endorsement of said Statement of Benefits to show such approval and that the real estate described in Resolution No. 33, 2016, is declared an economic revitalization area for the purposes of ten year real property tax abatement and the said real estate is hereby designated as an Economic Revitalization Area pursuant to I. C. 6-1.1-12.1-1 et. seq. seq. and Petitioners is entitled to the ten year real property tax abatement as provided therein in connection with the proposed redevelopment and rehabilitation and the project.

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

4. That this Final Action, findings and confirmation of Resolution No. 33, 2016, shall be incorporated in and be a part of Resolution No. 33, 2016.

Introduced by: _____
Todd Nation, Common Council President

Passed in open council this _____ day of January, 2017

Todd Nation, Common Council President

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ATTEST:

Charles P. Hanley, City Clerk

Presented by me to the Mayor this _____ day of January, 2017.

Charles P. Hanley, City Clerk

Approved by me, the Mayor, this ___ day of January, 2017.

Duke Bennett, Mayor
City of Terre Haute, Indiana

ATTEST:

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

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CITY OF TERRE HAUTE PETITION FOR REAL PROPERTY TAX ABATEMENT CONSIDERATION

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

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

The project proposes the rehabilitation of the vacant and deteriorating Ehrmann Building located at 929 Wabash Avenue, Terre Haute, Indiana (the "Property") to create the Vigo County History Center (the "Project"). This will assist in the overall development of the surrounding area which is a priority target area of the Department of Redevelopment due to its historic nature and downtown location. The building will be rehabilitated and redevelopment consistent with National Park Standards for rehabilitation. Improvements will include new plumbing, electrical, HVAC, roof and interior and exterior updates. Total development costs will be approximately \$5 million.

The Project will utilize IRS Section 47 Historic Rehabilitation Tax Credits, which require that the building be owned by a for profit entity for a minimum period of five (5) years from date of completion of improvements. The Project will be occupied 100% by the Vigo County Historical Society, Inc., an Indiana non-profit corporation, as the new home of the Vigo County History Center. The tax abatement requested will preserve the tax exemption currently in place during the required ownership by the for-profit entity in order to take advantage of the Federal Historic Rehabilitation Tax Credits.

2. The Project will create the equivalent of three (3) full time jobs and the retention of two (2) full time jobs with an average annual payroll of \$38,000.00; four (4) part time jobs; and approximately one hundred (100) volunteer opportunities.

3. The estimated development cost of the Project is \$5,000,000.00.

4. (a) The Property located at 929 Wabash Avenue, Terre Haute, Indiana is owned by VCHS Erhmann LLC, which is currently a wholly owned subsidiary of Vigo County Historical Society, Inc., an Indiana nonprofit corporation.

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(b) The Vigo County Historical Society, Inc., an Indiana nonprofit corporation, will lease 100% of the building from VCHS Erhmann LLC.

5. The Property will be used as the home of the Vigo County History Center.

6. The commonly known address of the Property is 929 Wabash Avenue, Terre Haute, Indiana, as more particularly described on Exhibit A attached hereto and incorporated herein.

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

8. The last assessment of the value of the improvements on the Property occurred in 2015 in the amount of \$439,100 (Exempt/Charitable).

9. The best estimate of the after-rehabilitation market value of the Property and Project is \$5,000,000.00.

10. The best estimate of the amount of taxes to be abated during each of the first seven (7) years after rehabilitation is on Exhibit D.

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:

- (a) IRS Section 47 Historic Rehabilitation Tax Credits.
- (b) City of Terre Haute Façade Grant.
- (b) State of Indiana Office of Community and Rural Affairs Historic Grant.

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

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The property is located in areas that are within the boundaries of the City of Terre Haute, Indiana, which areas have become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, and substandard buildings. The Ehrmann Building was constructed in 1895 and is in need of significant repair and stabilization to return the building to modern active use. The property is located in the Downtown Terre Haute TIF Area.

14. (a) The current use of the Property is a vacant and deteriorating historic building built in 1895 and the current zoning is C-8. (b) The Property is located in the following Allocation Area (if any) declared and confirmed by the Terre Haute Redevelopment Commission: Downtown TIF Allocation Area. *See Resolution from Terre Haute Redevelopment Commission approving tax abatement for the Project.*

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

Susan Tingly, Development Director
Vigo County Historical Society, Inc.
1411 South 6th Street
Terre Haute, IN 47802
(812) 235-9717
Stingley1998@gmail.com

Jonathan R. Anderson, Esq.
Anderson Partners LLC
1828 North Illinois Street
Indianapolis, IN 46202
(317) 294-4905
janderson@andersonpartnersllc.com

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

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

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

[signature page follows]

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VCHS EHRMANN LLC

By: Vigo County Historical Society, Inc., its sole member

By: MaryLee Hagan

Printed: MARYLEE HAGAN

Title: EXECUTIVE DIRECTOR

Date: November 28, 2016

DO NOT USE THIS SPACE

Resolution # _____ Target Area Required
Yes _____ No _____

Confirmed Ordinance # _____

Date of Notice _____

Final Action _____

Target Area Ord. Effective _____

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Exhibit A

Legal Description

ROSES SUB OF CANAL BED 10' W-31 ALSO 1/2 VAC ALLEY ADJ D- 412/76 22-12-9
LOTS 29-31

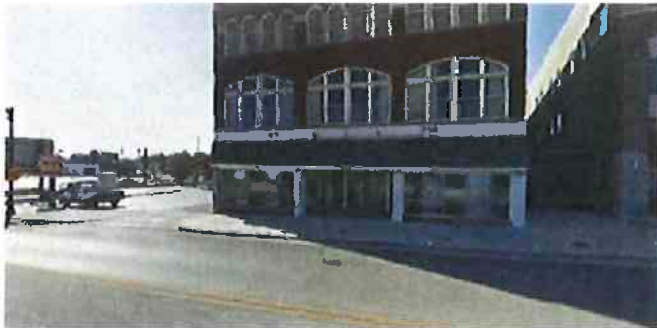
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Exhibit B Petition for Tax Abatement VCHS Erhmann LLC

Google Maps 929 Wabash Ave



Map data ©2016 Google 200 ft



929 Wabash Ave
Terre Haute, IN 47807

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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.

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.

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Exhibit B
City of Terre Haute

Real Property Tax Abatement Guideline Scoring Criteria

Company Name: VCHS Ehrmann LLC

Resolution No. 33, 2016

Application Date: 11/23/16

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>5*</u>
1 to 10 employees	1	
11 to 20 employees	2	
21 to 30 employees	3	
31 to 40 employees	4	
41 employees and up	5	
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>0</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>

Adopted 4/14/15 * Includes estimate of 8.34 construction jobs created per \$1 million of construction costs, for a total of 29.19 jobs, with a median average salary of \$28,100 per year and an average hourly salary of \$13.53 per hour. 2014 US Bureau of Labor Statistics.

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Exhibit B

Total Points

18

Scoring

Length of Real Property Abatement

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

Bonus Points

1. Common Construction Wage	Council may award one bonus point if company includes common construction wage requirement in its bid specs	<u> </u>
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	<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. Existing Facility	Council may award one bonus point for use, reuse, rehabilitation and/or expansion of an existing facility	<u>1</u>
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>4</u>
Grand Total Points		<u>22</u>
Recommended Length of Real Property Abatement Per Guideline Scoring Criteria		<u>10</u> Years

Adopted 4/14/15

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Exhibit A

CITY OF TERRE HAUTE

PROPERTY TAX ABATEMENT PROGRAM APPLICATION

Resolution No. 33, 2016

Ownership Information

Name	Address	Phone	Percentage Interest (if applicable)
VCHS Ehrmann LLC	929 Wabash Avenue	812-235-9717	100%

Mailing Address: 1411 South 6th Street, Terre Haute, IN 47802

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: 929 Wabash Avenue

B. Parcel ID Number(s): 84-06-22-354-005.000-002

Current Status of Property

A. Current zoning designation of property: C-8

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

The currently vacant structure will be completely renovated consistent with National Park Standards as the new home of the Vigo County Historical Society Museum. The building was constructed in 1895 and is listed on the National Register of Historic Places.

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):

Property is currently vacant.

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

\$439,100 (Exempt/Charitable)

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E. Describe any unique historical structure or aesthetic improvements:

Built in 1895 by the Ehrmann family, the location originally housed the Ehrmann Manufacturing Co., which produced pants, overalls, shirts and jackets. Renowned poet Max Ehrmann worked in the family business as the company's credit manager and attorney.

Proposed Improvements

A. Describe proposed real property improvements and projected costs: The project includes the approximately \$5 million complete renovation of the building as the new

Vigo County Historical Society Museum. Rehabilitation will be completed consistent with National Park Standards for Historic Rehabilitation Tax Credits.

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

All personal property will be owned by the Vigo County Historical Society and will therefore be tax exempt.

C. List any public infrastructure improvements, with estimated costs, that will be necessary for the project: None

D. Project Start Date: August 2017

E. Project Completion Date: December 2018

Eligibility

A. State reasons why the project site qualifies as an Economic Revitalization Area as defined under State Law, i.e., lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors that have impaired values or prevent a normal development of property or use of property. In the case of manufacturing equipment, also indicate whether or not the area contains a facility or group of facilities that are technologically, economically, or energy obsolete and if the obsolescence may lead to a decline in employment and tax revenues:

The Ehrmann Building has been vacant and underutilized for many years, and requires a significant investment to return the building to a useful state of repair. Due to its age and obsolescence, all HVAC, plumbing, electrical will be replaced, as well as structural improvements. The building was constructed in 1895 and has not seen significant improvements to its infrastrure.

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:

WITHDRAWN

Exhibit A

Number of new employees: 3 FTE / 2 PTE ; Average Annual Salary: \$37,500 FTE

Number of retained employees: 2 FTE / 2 PTE ; Average Annual Salary: \$40,000 FTE

Description of employee benefits for new and/or retained employees: VCHS does not offer benefits.

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;

WITHDRAWN

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

Maureen Hagan

11-28-16

* 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.



STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS

WITHDRAWN

State Form 51767 (R6 / 10-14)

Prescribed by the Department of Local Government Finance

20 ___ PAY 20 ___

FORM SB-1 / Real Property

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.

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
- Residentially distressed area (IC 6-1.1-12.1-4.1)

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 the redevelopment or rehabilitation of real property 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 initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
3. To obtain a deduction, a Form 322/RE must be filed with the County Auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between March 1 and May 10 of a subsequent year.
4. A property owner who files for the deduction must provide the County Auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5.1(b)
5. For a Form SB-1/Real Property 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/Real Property 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
VCHS Erhmann LLC

Address of taxpayer (number and street, city, state, and ZIP code)
1411 South 6th Street, Terre Haute, IN 47802

Name of contact person Susan Tingley	Telephone number (812) 235-9717	E-mail address stingley1998@gmail.com
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SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body City of Terre Haute	Resolution number 33, 2016
Location of property 929 Wabash Avenue, Terre Haute, IN	County Vigo
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) 39,000 square foot building built in 1895; currently vacant and in need of substantial rehabilitation	Estimated start date (month, day, year) 8/31/17
	Estimated completion date (month, day, year) 12/31/18

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
2.00	\$88,393.00	2.00	\$100,000.00	5.00	\$118,580.00

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values		0.00
Plus estimated values of proposed project		5,000,000.00
Less values of any property being replaced		0.00
Net estimated values upon completion of project		5,000,000.00

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) 0.00	Estimated hazardous waste converted (pounds) 0.00
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Other benefits
Vigo County Historical Society Museum is an integral part of the cultural offerings in Terre Haute. This project will result in an expanded home for the Museum, with more than 100 volunteers and multiple events and opportunities.

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative <i>Marylee Hagan</i>	Date signed (month, day, year) 11-28-16
Printed name of authorized representative MARYLEE HAGAN	Title EXECUTIVE DIRECTOR

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

A. The designated area has been limited to a period of time not to exceed _____ calendar years* (*see below*). The date this designation expires is _____.

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

- 1. Redevelopment or rehabilitation of real estate improvements Yes No
- 2. Residentially distressed areas Yes No

WITHDRAWN

C. The amount of the deduction applicable is limited to \$ _____.

D. Other limitations or conditions (*specify*) _____

E. Number of years allowed: Year 1 Year 2 Year 3 Year 4 Year 5 (* see below)
 Year 6 Year 7 Year 8 Year 9 Year 10

F. 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.

We have also 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 (<i>signature and title of authorized member of designating body</i>)	Telephone number ()	Date signed (<i>month, day, year</i>)
Printed name of authorized member of designating body	Name of designating body	
Attested by (<i>signature and title of attester</i>)	Printed name of attester	

* 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.

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4.1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. The deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

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.

WITHDRAWN

Terre Haute Redevelopment Commission

RESOLUTION NO. 37, 2016

A Resolution Regarding Tax Abatement for VCHS Ehrmann, LLC

WHEREAS, VCHS Ehrmann, LLC intends to submit a request for a tax abatement to the Common Council of the City of Terre Haute for the property at 929-933 Wabash Avenue, Terre Haute, Indiana; and

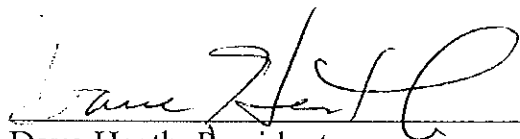
WHEREAS, said property is located within an Economic Development Area established by the Redevelopment Commission; and

WHEREAS, the Redevelopment Commission is duly advised in the premises;

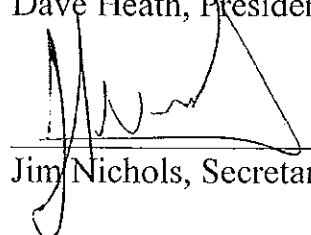
NOW, BE IT RESOLVED that the Terre Haute Redevelopment Commission has no objection to the designation of the property at 929-933 Wabash Avenue as an Economic Revitalization Area for the purpose of a tax abatement.

Dated: November 16, 2016

The foregoing Resolution was unanimously adopted at a meeting of the Terre Haute Redevelopment Commission held November 16, 2016, at which a quorum was present.



Dave Heath, President



Jim Nichols, Secretary

Receipt

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

Date: 11/28/16

Name: Vigo County Historical Society Inc

Reason: Tax Abatement Program Application

TERRE HAUTE, IN
PAID
NOV 28 2016
CONTROLLER

Cash: _____

Check: #1321 \$500⁰⁰

Credit: _____

Total: \$500⁰⁰

Received By: L Ellist yw

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

Cash Receipt

VIGO CO HISTORICAL SOCIETY

Receipt Date: 11/30/2016

Receipt Number: 149797

Customer Number: 0

Description: 11-28-16 TAX ABATEMENT APP FEE

Page 1 of 1

Item	Description	Qty	Unit Desc	Unit Price	Amount
9.33	<i>Reference: A0101-0000-00-340.150</i>		EACH	0.000000	\$500.00
				Total Charges:	\$500.00

Item	Reference	Amount
Check	CK# 1321	\$500.00
Total Payment:		\$500.00



1828 North Illinois Street
Indianapolis, Indiana 46262

January 5, 2017

Michelle Edwards
Chief Deputy City Clerk
City of Terre Haute
17 Harding Ave
Room 102 City Hall
Terre Haute, IN 47802

FILED

JAN 05 2017

CITY CLERK

Re: Property Tax Exemption for Vigo County History Center
929 Wabash Avenue, Terre Haute, Indiana

Dear Ms. Edwards:

Thank you for your assistance on the tax abatement for the Vigo County History Center. At this time, we are requesting that the application for tax abatement be withdrawn from consideration by the Common Council. We have received the attached letter from the Vigo County Assessor and Property Tax Assessment Board of Appeals confirming ongoing property tax exemption for the project.

We reserve the right to resubmit this application at a later time if necessary.

Please let me know if you have any questions.

Regards,

A handwritten signature in black ink, appearing to read 'Jonathan R. Anderson', written in a cursive style.

Jonathan R. Anderson, Esq.

cc: Susan Tingley



Vigo County Assessor

189 Oak Street ~ Terre Haute, Indiana 47807

Phone (812) 462-3358

Deborah J Lewis ~ Assessor

Susan McCarty ~ Chief Deputy

December 12, 2016

Vigo County Historical Society, Inc.
1411 South Sixth Street
Terre Haute, Indiana 47802
Attn: Marylee Hagan, Executive Director

VCHS Ehrmann LLC
1411 South Sixth Street
Terre Haute, Indiana 47802
Attn: Marylee Hagan, Executive Director

Re: Property Tax Exemption for Vigo County History Center
929 Wabash Avenue, Terre Haute, Indiana

Dear Ms. Hagan:

The purpose of this letter is to confirm the continuing property tax exemption for 929 Wabash Avenue, Terre Haute, Indiana (the "Property"), following the completion of the proposed renovations as the Vigo County History Center (the "Project") by the Vigo County Historical Society, Inc., an Indiana 501(c)(3) nonprofit corporation (the "Society"), and VCHS Ehrmann LLC, of which the Society is and will continue to be the controlling member ("LLC"). The Property is currently owned by the Society and is exempt from real and personal property taxation.

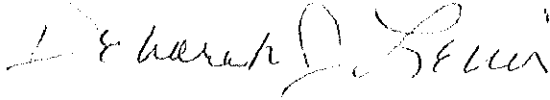
We understand that the Property will be transferred for a period of approximately five (5) years from the Society to the LLC (or an affiliate of the LLC controlled by the Society) (the "Owner") for the purposes of qualifying the Project for the Federal Historic Rehabilitation Tax Credit ("Tax Credit"). The Owner will admit an investor as a non-managing member of the Owner for purposes of monetizing the Tax Credit.

Pursuant to *Hamilton County Property Tax Assessment Board of Appeals & Hamilton County Assessor v. Oaken Bucket Partners, LLC*, 938 N.E.2d 654 (Ind. 2010), in order to qualify for an exemption, the Owner must demonstrate that the Property: (a) is owned for exempt purposes, (b) occupied for exempt purposes, and (c) predominantly used for exempt purposes. The Vigo County Assessor ("Assessor") and Vigo County Property Tax Assessment Board of Appeals ("PTABOA") hereby confirm that the Property will continue to be eligible for a full property tax exemption, and that said exemption will be granted by the Assessor and PTABOA, so long as the following conditions continue to be met:

1. The Society, LLC or other affiliate of the Society is the controlling member of the Owner;
2. The Property is leased to and occupied by the Society or a nonprofit affiliate of the Society; and
3. The Property and Project continue to be predominantly used for exempt purposes, to wit: as the Vigo County History Center.

Please contact me should you have any questions or require additional information.

Regards,



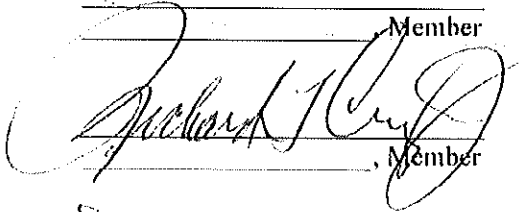
Deborah Lewis, Vigo County Assessor

ACKNOWLEDGED AND CONFIRMED BY THE
VIGO COUNTY PROPERTY TAX ASSESMENT BOARD OF APPEALS

December 12, 2016



_____, Member



_____, Member

David Phelps
_____, Member

_____, Member

_____, Member