

RESOLUTION NO. 19 2017

(AS AMENDED)

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City (commonly referred to as 1055 S. Hunt Street, Terre Haute, Indiana) as an Economic Revitalization Area for the Purpose of Ten (10) Year Personal Property Tax Abatement for Tri Aerospace, LLC.

WHEREAS, a Petition for a ten (10) year personal property abatement has been filed with the Common Council of the City of Terre Haute, Indiana requesting that the real property described in **Exhibit A** (which is made a part hereof) be designated an Economic Revitalization Area for purposes of personal property tax abatement; and

WHEREAS, **Tri Aerospace, LLC** (hereinafter "Petitioner"), has submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council of the City of Terre Haute, Indiana to make an informed decision, said information including a map of the aforesaid property as set forth in attached **Exhibit B** (which is made a part hereof); and

WHEREAS, Petitioner has estimated that, in connection with its investment in the described project and installation of new manufacturing equipment (the "Project"), Petitioner will not be required to lay off any of its thirty eight (38) employees, thus allowing Petitioner to retain all its existing permanent full-time positions with an annual payroll of approximately \$1,660,000, while it is also expected to allow Petitioner to add approximately twenty-two (22) new permanent full-time positions with a total annual payroll of \$1,006,720 plus benefits. Petitioner has further estimated that the cost of this Project will be approximately \$7,950,000 for new manufacturing equipment; and

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

WHEREAS, the Common Council of the City of Terre Haute, Indiana 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 of the City of Terre Haute, Indiana has found the subject property to be an area within the boundaries of the City of Terre Haute, Indiana, 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

WHEREAS, the personal property abatement is a declining percentage of the assessed depreciable personal property value of the newly installed manufacturing equipment based

upon the following time period and percentages as determined by the Common Council of Terre Haute, Indiana:

2017 Investment

Year	Pool #2 Depr Table	Depreciable Pers. Prop. Cost	Assessed Value	Capped Tax Rate	Actual Tax Paid w/o Abatement	% Abated (10 Year)	ABATED (Unpaid during Abatement) *	PAID during Abatement
1	40%	500,000	200,000	3.00%	\$ 6,000	100%	\$ 6,000	\$ -
2	56%	500,000	280,000	3.00%	\$ 8,400	90%	\$ 7,200	\$ 1,200
3	42%	500,000	210,000	3.00%	\$ 6,300	80%	\$ 4,500	\$ 1,800
4	32%	500,000	160,000	3.00%	\$ 4,800	70%	\$ 2,740	\$ 2,060
5	30% (floor)	500,000	150,000	3.00%	\$ 4,500	60%	\$ 1,920	\$ 2,580
6	30% (floor)	500,000	150,000	3.00%	\$ 4,500	50%	\$ 1,280	\$ 3,220
7	30% (floor)	500,000	150,000	3.00%	\$ 4,500	40%	\$ 630	\$ 3,870
8	30% (floor)	500,000	150,000	3.00%	\$ 4,500	30%	\$ -	\$ 4,500
9	30% (floor)	500,000	150,000	3.00%	\$ 4,500	20%	\$ -	\$ 4,500
10	30% (floor)	500,000	150,000	3.00%	\$ 4,500	10%	\$ -	\$ 4,500
TOTALS					\$ 52,500		\$ 24,270	\$ 28,230

**Note impact of high property tax rate, which will likely reduce/eliminate abatement benefit in later years.*

2018 Investment

Year	Pool #2 Depr Table	Depreciable Pers. Prop. Cost	Assessed Value	Capped Tax Rate	Actual Tax Paid w/o Abatement	% Abated (10 Year)	ABATED (Unpaid during Abatement) *	PAID during Abatement
1	40%	2,600,000	1,040,000	3.00%	\$ 31,200	100%	\$ 31,200	\$ -
2	56%	2,600,000	1,456,000	3.00%	\$ 43,680	90%	\$ 37,420	\$ 6,260
3	42%	2,600,000	1,092,000	3.00%	\$ 32,760	80%	\$ 23,370	\$ 9,390
4	32%	2,600,000	832,000	3.00%	\$ 24,960	70%	\$ 14,230	\$ 10,730
5	30% (floor)	2,600,000	780,000	3.00%	\$ 23,400	60%	\$ 9,990	\$ 13,410
6	30% (floor)	2,600,000	780,000	3.00%	\$ 23,400	50%	\$ 6,640	\$ 16,760
7	30% (floor)	2,600,000	780,000	3.00%	\$ 23,400	40%	\$ 3,290	\$ 20,110
8	30% (floor)	2,600,000	780,000	3.00%	\$ 23,400	30%	\$ -	\$ 23,400
9	30% (floor)	2,600,000	780,000	3.00%	\$ 23,400	20%	\$ -	\$ 23,400
10	30% (floor)	2,600,000	780,000	3.00%	\$ 23,400	10%	\$ -	\$ 23,400
TOTALS					\$ 273,000		\$ 126,140	\$ 146,860

**Note impact of high property tax rate, which will likely reduce/eliminate abatement benefit in later years.*

2019 Investment

Year	Pool #2 Depr Table	Depreciable Pers. Prop. Cost	Assessed Value	Capped Tax Rate	Actual Tax Paid w/o Abatement	% Abated (10 Year)	ABATED (Unpaid during Abatement) *	PAID during Abatement
1	40%	2,250,000	900,000	3.00%	\$ 27,000	100%	\$ 27,000	\$ -
2	56%	2,250,000	1,260,000	3.00%	\$ 37,800	90%	\$ 32,390	\$ 5,410
3	42%	2,250,000	945,000	3.00%	\$ 28,350	80%	\$ 20,230	\$ 8,120
4	32%	2,250,000	720,000	3.00%	\$ 21,600	70%	\$ 12,320	\$ 9,280
5	30% (floor)	2,250,000	675,000	3.00%	\$ 20,250	60%	\$ 8,650	\$ 11,600
6	30% (floor)	2,250,000	675,000	3.00%	\$ 20,250	50%	\$ 5,750	\$ 14,500
7	30% (floor)	2,250,000	675,000	3.00%	\$ 20,250	40%	\$ 2,850	\$ 17,400
8	30% (floor)	2,250,000	675,000	3.00%	\$ 20,250	30%	\$ -	\$ 20,250
9	30% (floor)	2,250,000	675,000	3.00%	\$ 20,250	20%	\$ -	\$ 20,250
10	30% (floor)	2,250,000	675,000	3.00%	\$ 20,250	10%	\$ -	\$ 20,250
TOTALS					\$ 236,250		\$ 109,190	\$ 127,060

**Note impact of high property tax rate, which will likely reduce/eliminate abatement benefit in later years.*

2020 Investment

Year	Pool #2 Depr Table	Depreciable Pers. Prop. Cost	Assessed Value	Capped Tax Rate	Actual Tax Paid w/o Abatement	% Abated (10 Year)	ABATED (Unpaid during Abatement)	PAID during Abatement
1	40%	2,600,000	1,040,000	3.00%	\$ 31,200	100%	\$ 31,200	\$ -
2	56%	2,600,000	1,456,000	3.00%	\$ 43,680	90%	\$ 37,420	\$ 6,260
3	42%	2,600,000	1,092,000	3.00%	\$ 32,760	80%	\$ 23,370	\$ 9,390
4	32%	2,600,000	832,000	3.00%	\$ 24,960	70%	\$ 14,230	\$ 10,730
5	30% (floor)	2,600,000	780,000	3.00%	\$ 23,400	60%	\$ 9,990	\$ 13,410
6	30% (floor)	2,600,000	780,000	3.00%	\$ 23,400	50%	\$ 6,640	\$ 16,760
7	30% (floor)	2,600,000	780,000	3.00%	\$ 23,400	40%	\$ 3,290	\$ 20,110
8	30% (floor)	2,600,000	780,000	3.00%	\$ 23,400	30%	\$ -	\$ 23,400
9	30% (floor)	2,600,000	780,000	3.00%	\$ 23,400	20%	\$ -	\$ 23,400
10	30% (floor)	2,600,000	780,000	3.00%	\$ 23,400	10%	\$ -	\$ 23,400
TOTALS					\$ 273,000		\$ 126,140	\$ 146,860

**Note impact of high property tax rate, which will likely reduce/eliminate abatement benefit in later years.*

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

1. The Petitioner's estimate of the cost of the Project 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 or whose employment will be retained, and the benefits realized thereby, can reasonably be expected to result from the Project.

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

4. The other benefits about which information has been requested can be expected to result from the Project.

5. The totality of the benefits of the Project are sufficient to justify personal property tax abatement over a 10-year deduction period, and each such deduction should be, and they are collectively hereby, allowed.

6. The Petition for designating the subject property as an Economic Revitalization Area for the purposes of ten (10) year personal property tax abatement and the Statement of Benefits (copies of which were submitted with the Petition) are hereby approved and the real estate described herein 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 personal property tax abatement over a 10-year deduction period as provided therein for the proposed acquisition of the new manufacturing equipment.

7. Notice of the adoption and substance of this Resolution (as amended) shall be published according to I.C. 5-3-1 stating the adoption and substance hereof, stating a date for the public hearing at which the Common Council will hear and receive remonstrances and objections, and take final action on the designation of the Real Estate as an Economic Revitalization Area, the approval of the Statement of Benefits, and the consideration of the adoption of the waivers, and stating that a copy of the description of the affected area is available for inspection in the County Assessor's Office, all as required by law.

8. This Resolution is supplementary to and in addition to any prior resolutions.

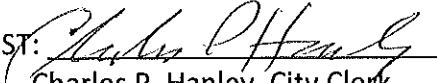
Introduced by:



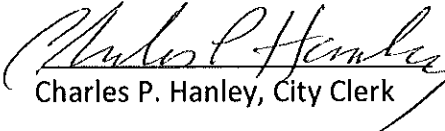
Earl Elliott, Councilman

Passed in open Council this 14 day of September, 2017.



Karrum Masser, President
Common Council of Terre Haute, Indiana

ATTEST: 
Charles P. Hanley, City Clerk

Presented by me to the Mayor this 15 day of September, 2017.


Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 15th day of SEPTEMBER, 2017.


Duke Bennett, Mayor
City of Terre Haute, Indiana


ATTEST: 
Charles P. Hanley, City Clerk

EXHIBIT A

The property, commonly known as 1055 S. Hunt Street, Terre Haute, Indiana, is assessed under Indiana Parcel Number 84-07-29-400-003.000-009.

The legal description is as follows:

NE COR NE SE (TIF) MISC-211/1578 29-12-8 3.380 AC

EXHIBIT B



**FINAL ACTION BY COMMON COUNCIL OF
THE CITY OF TERRE HAUTE, INDIANA
REGARDING RESOLUTION NO. 19, 2017**

WHEREAS, the Common Council of the City of Terre Haute, Indiana adopted Resolution No. 19, 2017 on the 14th day of September, 2017, 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 Vigo County Assessor and further stating a date on which the Common Council of the City of Terre Haute, Indiana would receive and hear remonstrances and objections; and

WHEREAS, the Common Council of the City of Terre Haute, Indiana has conducted the hearing as required by law and has received no remonstrances or objections to designation of the affected area as an Economic Revitalization Area or to approval of the statement of benefits; and

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

WHEREAS, the Common Council of the City of Terre Haute, Indiana has received and examined, prior to such hearing, a Statement of Benefits on the form 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 that:

1. The estimate of the cost of the project and installation of new manufacturing equipment (the "Project") is reasonable for equipment of that type in view of current technologies.
2. The estimate of the number of individuals who will be employed or whose employment will be retained as a result of the Project, and the benefits realized thereby, can reasonably be expected to result from the Project.
3. The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained as a result of the Project, and the benefits realized thereby, can reasonably be expected to result from the Project.
4. The other benefits about which information has been requested can reasonably be expected to result from the Project.
5. The totality of the benefits of the Project are sufficient to justify personal property tax abatement over a 10-year deduction period, and each such deduction should be, and they are collectively hereby, allowed.

6. All qualifications for establishing an Economic Revitalization Area have been met.

NOW, THEREFORE, for final action on Resolution 19, 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 19, 2017 as an Economic Revitalization Area have been met, the foregoing findings are true, and all information required to be submitted has been submitted in proper form.
2. Resolution 19, 2017 is in all respects confirmed and approved (as modified to incorporate therein this final action) and the benefits of the proposed Project are sufficient to justify 10-year personal property tax abatement under Indiana statutes for the proposed acquisition of the equipment described in the Statement of Benefits; the deduction for the proposed Project and the Statement of Benefits submitted are approved; the Common Council of the City of Terre Haute, Indiana authorizes and directs the endorsement of said statement to show such approval; the real estate described in Resolution 19, 2017 is declared an Economic Revitalization Area for the purposes of ten (10) year personal property abatement; and said real estate is hereby designated as an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 *et seq.*
3. Said Resolution supplements any other designation (if any of the real estate as an Economic Revitalization Area.
4. This Final Action , findings, and confirmation of Resolution 19, 2017 shall be incorporated in and be a part of Resolution 19, 2017

Earl Elliott
Councilman


Earl Elliott

Passed in open Council this 12 day of October 2017.

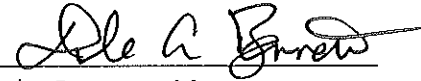
Karrum Nasser
Karrum Nasser, President
Common Council of Terre Haute, Indiana

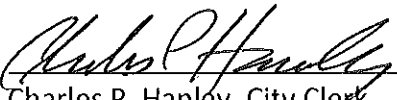
ATTEST: Charles P. Hanley
Charles P. Hanley, City Clerk

Presented by me to the Mayor this 13th day of October, 2017.


Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 13th day of OCTOBER, 2017.


Duke Bennett, Mayor
City of Terre Haute, Indiana

ATTEST: 
Charles P. Hanley, City Clerk

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

The undersigned potential owner of new manufacturing equipment to be located within the City of Terre Haute, hereby petitions the Common Council of the City of Terre Haute for personal property tax abatement consideration pursuant to I.C. 6-1.1-12.1-1, *et seq.* for such new manufacturing equipment and in support of 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.

Petitioner proposes to update their leased facility with new manufacturing lines through the purchase and installation of \$7,950,000 of production equipment. The equipment will be used in Petitioner's aerospace and other advanced manufacturing operations. Updating the facility with modernized production equipment will increase the business handled by Petitioner at their Terre Haute facility (instead of sister operations in IL and WI) and result in new jobs.

2. The Project will help allow the Petitioner to retain **38 permanent jobs** now provided by Petitioner, representing a retained annual local payroll of **\$1,660,000**.

3. Estimate the cost of the Equipment: **\$7,950,000**.

4. (a) The Equipment for which tax abatement consideration is petitioned is to be owned by the following company:

<u>NAME</u>	<u>ADDRESS</u>	<u>INTEREST</u>
Tri Aerospace, LLC	1055 S. Hunt Street Terre Haute, IN 47803	100%

(b) The following other persons lease, intend to lease, or have an option to buy the Equipment (including corporate information as required in 4(a) above, if applicable):
None.

(c) A brief description of the overall nature of the business and of the operations occurring at the location for which tax abatement is requested: **Petitioner is a manufacturer of limited-run components, primarily in the aerospace industry.**

5. The commonly known address of the real property where the Equipment is located is: **1055 S. Hunt Street, Terre Haute, IN 47803.**

6. The legal description of the real property is attached hereto, marked **Exhibit A** and incorporated herein.

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

8. The last assessment of the value of the manufacturing equipment which the Equipment will replace is \$0.00.

9. The current use of the real property where the Equipment will be installed is manufacturing, and the current zoning is Industrial.

10. Photographs of the property are attached hereto, marked **Exhibit C** and incorporated herein.

11. The best estimate of the market value of the new equipment after installation is: **\$7,950,000.**

12. The best estimate of the amount of taxes to be abated during each of the first ten (10) years after installation is:

Year	Pool #2 Depr Table	Depreciable Pers. Prop. Cost 1	Assessed Value	Capped Tax Rate	Actual Tax Paid w/o Abatement	% Abated (10 Year)	ABATED (Unpaid during Abatement) 2	PAID during Abatement
1	40%	500,000	200,000	3.00%	\$ 6,000	100%	\$ 6,000	\$ -
2	40%/56%	3,100,000	1,320,000	3.00%	\$ 39,600	90%/100%	\$ 38,400	\$ 1,200
3	40%/56%/42%	5,350,000	2,566,000	3.00%	\$ 76,980	80%/90%/100%	\$ 68,920	\$ 8,060
4	40%/56%/42%/32%	7,950,000	3,552,000	3.00%	\$ 106,560	70%/80%/90%/100%	\$ 89,700	\$ 16,860
5	56%/42%/32%/24%	7,950,000	3,353,000	3.00%	\$ 100,590	60%/70%/80%/90%	\$ 73,420	\$ 27,170
6	42%/32%/24%/18%	7,950,000	2,526,000	3.00%	\$ 75,780	50%/60%/70%/80%	\$ 44,450	\$ 31,330
7	30% (floor)	7,950,000	2,385,000	3.00%	\$ 71,550	40%/50%/60%/70%	\$ 29,270	\$ 42,280
8	30% (floor)	7,950,000	2,385,000	3.00%	\$ 71,550	30%/40%/50%/60%	\$ 19,020	\$ 52,530
9	30% (floor)	7,950,000	2,385,000	3.00%	\$ 71,550	20%/30%/40%/50%	\$ 8,770	\$ 62,780
10	30% (floor)	7,950,000	2,385,000	3.00%	\$ 71,550	10%/20%/30%/40%	\$ -	\$ 71,550
TOTALS					\$ 691,710		\$ 377,950	\$ 313,760

Footnotes

1 Personal property investment will likely be spread out between multiple years from 10/12/2017 to 12/31/2020.

2 Note impact of high property tax rate, which will likely reduce/eliminate abatement benefit in years 8-10.

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

14. The real property where the Equipment will be installed is located in the Airport Authority TIF District.

15. Other anticipated public financing for the project (including, if any, industrial revenue bonding to be sought or already authorized, assistance through the United States Department of Housing and Urban Development Funds from the City of Terre Haute or other public financial assistance): The company has discussed assistance with the costs of moving equipment with the Airport Authority TIF District.

16. 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 production at the site is challenged by functionally obsolete equipment and Petitioner would like to expand the product offering to customers. In order to service more customers in the aerospace industry, Petitioner needs to invest heavily in new equipment and new staff. Petitioner has sister operations in Illinois and Wisconsin. Updating the facility with new manufacturing equipment (and potentially used equipment relocated from out-of-state) would position Petitioner to be the leading aerospace manufacturing unit among its related group. Without sufficient investment, existing employment and tax revenues could be lost by rolling up Terre Haute operations. New investment will help Petitioner grow and thrive in Terre Haute.

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

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

Name:	Tim Conrad
Address:	PO Box 5081
City, State, Zip:	Zionsville, IN 46077
Telephone:	317-997-3269

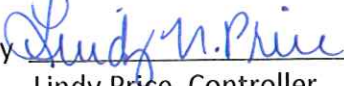
Email: tim.conrad@stimulusllc.com

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.

August 25, 2017

Name of Property Owner:

TRI AEROSPACE, LLC

By  _____
Lindy Price, Controller

DO NOT USE THIS SPACE

Resolution	Target Area Required
_____	Yes ___ No ___

Confirming Ordinance # _____

Date of Notice _____

Final Action _____

Target Area Ord. Effective _____

EXHIBIT A

The property, commonly known as 1055 S. Hunt Street, Terre Haute, Indiana, is assessed under Indiana Parcel Number 84-07-29-400-003.000-009.

The legal description is as follows:

NE COR NE SE (TIF) MISC-211/1578 29-12-8 3.380 AC

EXHIBIT B

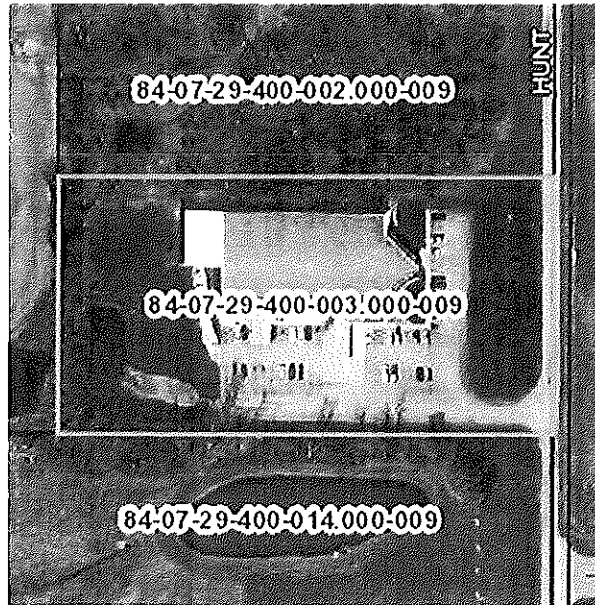


EXHIBIT C



AGREEMENT

This Agreement (the "Agreement") dated as of the ____ day of _____, 2017 serves as confirmation of the commitment (the "Commitment") of Tri Aerospace, LLC (the "Applicant") pending a/an _____, 2017 public hearing, to comply with (i) the project description, job retention/creation (and associated wage rates and salaries) figures contained in its designation application, Statement of Benefits, Resolution No. 49, 2017 and attachments adopted by the Common Council of the City of Terre Haute, Indiana (the "Council") on _____, 2017, and (ii) this Agreement.

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 abatement for the Applicant's installation of new production equipment totaling \$7,950,000 (the "Project") described and approved as a part of the Commitment. The Project will allow for retention of thirty-eight (38) full-time permanent positions (with an average wage of \$43,684, plus benefits) and creation of twenty-two (22) full-time permanent positions (with an average wage of \$45,760, plus benefits). The capital expenditure for the Project and the retention and creation of such positions shall occur within two (2) years of the estimated completion date of December 31, 2020, contained in the approved Statement of Benefits Form SB-1 (the "Commitment Date").

During the term of the abatement, the City may annually request information from the Applicant concerning the status of the Project, the approved capital expenditure for the Project, the number of full-time permanent positions retained and newly created by the Project, and the average wage rates and salaries (including benefits and overtime) associated with the positions, and the Applicant shall endeavor to 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 CF-1 to the Board of Public Works and Safety (by filing same with the City Clerk) at the same time the CF-1 is filed with Vigo County. The City shall utilize this information to verify that the Applicant has complied with the commitments contained in the Commitment at all times after the Commitment Date for 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 its Common 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 the Commitment was not due to factors beyond its control.

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 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 at any 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, at its discretion, immediately terminate the Economic Revitalization Area designation and associated future tax abatement deductions.

In the event the City requires repayment of the tax abatement savings as provided hereunder, it shall provide Applicant with a written statement calculating the amount due (the "Statement"), and Applicant shall make such repayment to the City within 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's fees incurred in the enforcement and collection of the tax abatement savings required to be repaid hereunder.

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

"Applicant"
Tri Aerospace, LLC

Board of Public Works & Safety

By Lindy Price
Lindy Price, Controller

Approved as to legal adequacy and form this ____ day of _____, 2017.

By _____
Darrell E. Felling, II, City Attorney

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

Company Name: Tri Aerospace, LLC

Application Date: 8/25/2017

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

Exhibit C

Total Points

19

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	<u>1</u>
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	<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> </u>

Total Bonus Points 4

Grand Total Points 23

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

Exhibit A

CITY OF TERRE HAUTE

PROPERTY TAX ABATEMENT PROGRAM APPLICATION

Ownership Information

Name	Address	Phone	Percentage Interest (if applicable)
Model 2 Machine Group	730 Perkins Dr. Mukwonago, WI 53149	262-679-4600	n/a
Contact: Lindy Price (Controller)		812-872-2400	

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: 1055 S. Hunt Street -- Terre Haute, IN 47803
- B. Parcel ID Number(s): 84-07-29-400-003.000-009

Current Status of Property

- A. Current zoning designation of property: Industrial
- B. Describe current improvements to the property, including estimated age of existing buildings:
The site currently has an approximately 34,000 square foot facility that was constructed in 2007.
- 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):
The property is currently leased by Tri Aerospace, LLC and used for advanced manufacturing.
The company currently employs 38 individuals.
- D. Current total assessed valuation of land and all improvements: \$1,324,200

Exhibit A

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

Proposed Improvements

A. Describe proposed real property improvements and projected costs: Although a small addition may be necessary in the near future, no real property improvements are included as part of this application.

B. Describe proposed depreciable personal property improvements and projected costs: \$7,950,000 in production equipment to be used in Tri Aerospace's aerospace and other advanced manufacturing operations

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

D. Project Start Date: 10/12/2017

E. Project Completion Date: 12/31/2020

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:

Tri Aerospace is part of group of related manufacturing companies (with others in IL and WI).
The current equipment is not sufficient to be a leading aerospace manufacturer across multiple product lines. Updating the facility with modernized production equipment will increase the business handled by Tri Aerospace and result in new jobs.

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: 22; Average Annual Salary: \$45,760

Number of retained employees: 38; Average Annual Salary: \$43,700

Description of employee benefits for new and/or retained employees: Health insurance,
401(k) plan with company match

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;

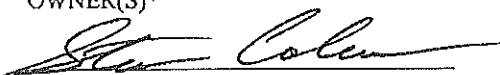
Exhibit A

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



8/31/2017

Steen Coleman

* 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/dlgef.

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.



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R4 / 11-15)

Prescribed by the Department of Local Government Finance

CONFIDENTIAL

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

- 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.
- 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.
- 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.
- 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)
- 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 Tri Aerospace, LLC			Name of contact person Lindy Price						
Address of taxpayer (number and street, city, state, and ZIP code) 1055 S. Hunt Street - Terre Haute, IN 47803					Telephone number (812) 872-2400				
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT							
Name of designating body Terre Haute City Council			Resolution number (s) 19, 2017						
Location of property 1055 S. Hunt Street - Terre Haute, IN 47803			County Vigo		DLGF taxing district number 84009				
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) This project would see Tri Aerospace invest approx. \$7,950,000 in production equipment to be used in its aerospace and other advanced manufacturing operations. The investment would include both brand new equipment and equipment relocated out-of-state from Tri Aerospace's sister companies.				ESTIMATED					
				START DATE		COMPLETION DATE			
				Manufacturing Equipment		10/12/2017		12/31/2020	
				R & D Equipment					
				Logist Dist Equipment					
IT Equipment									
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT							
Current number 38	Salaries 1,660,000	Number retained 38	Salaries 1,660,000	Number additional 22	Salaries 1,006,720				
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT							
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.		MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values									
Plus estimated values of proposed project									
Less values of any property being replaced									
Net estimated values upon completion of project									
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER							
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____						
Other benefits:									
SECTION 6		TAXPAYER CERTIFICATION							
I hereby certify that the representations in this statement are true.									
Signature of authorized representative <i>Lindy Price</i>						Date signed (month, day, year) 8/25/2017			
Printed name of authorized representative Lindy Price			Title Controller						

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;
2. Installation of new research and development equipment;
3. Installation of new logistical distribution equipment.
4. Installation of new information technology equipment;
[Yes/No checkboxes for each type and enhanced abatement option]

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:

[Year 1-9 checkboxes] [Enhanced Abatement per IC 6-1.1-12.1-18 Number of years approved: 10 (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)]

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 checkboxes]
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.

Table with 3 columns: Approved by (signature and title), Telephone number, Date signed; Printed name of authorized member, Name of designating body; Attested by (signature and title), 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.

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.

Receipt

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

Date: 9/1/17

Name: TRI Aerospace

Reason: Tax Abatement Filing

TERRE HAUTE, IN
PAID
SEP 5 1 2017
CONTROLLER

Cash: _____

Check: # 34732 4500.00

Credit: _____

Total: \$500.00

Received By: L. Ellison

FILED

SEP 01 2017

CITY CLERK

RESOLUTION NO. 19, 2017

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City (commonly referred to as 1055 S. Hunt Street, Terre Haute, Indiana) as an Economic Revitalization Area for the Purpose of Ten (10) Year Personal Property Tax Abatement for Tri Aerospace, LLC.

WHEREAS, a Petition for a ten (10) year personal property abatement has been filed with the Common Council of the City of Terre Haute, Indiana requesting that the real property described in **Exhibit A** (which is made a part hereof) be designated an Economic Revitalization Area for purposes of personal property tax abatement; and

WHEREAS, **Tri Aerospace, LLC** (hereinafter "Petitioner"), has submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council of the City of Terre Haute, Indiana to make an informed decision, said information including a map of the aforesaid property as set forth in attached **Exhibit B** (which is made a part hereof); and

WHEREAS, Petitioner has estimated that, in connection with its investment in the described project and installation of new manufacturing equipment (the "Project"), Petitioner will not be required to lay off any of its thirty eight (38) employees, thus allowing Petitioner to retain all its existing permanent full-time positions with an annual payroll of approximately \$1,660,000, while it is also expected to allow Petitioner to add approximately twenty-two (22) new permanent full-time positions with a total annual payroll of \$1,006,720 plus benefits. Petitioner has further estimated that the cost of this Project will be approximately \$7,950,000 for new manufacturing equipment; and

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

WHEREAS, the Common Council of the City of Terre Haute, Indiana 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 of the City of Terre Haute, Indiana has found the subject property to be an area within the boundaries of the City of Terre Haute, Indiana, 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

WHEREAS, the personal property abatement is a declining percentage of the assessed depreciable personal property value of the newly installed manufacturing equipment based

upon the following time period and percentages as determined by the Common Council of Terre Haute, Indiana:

Year	Pool #2 Depr Table	Depreciable Pers. Prop. Cost 1	Assessed Value	Capped Tax Rate	Actual Tax Paid w/o Abatement	% Abated (10 Year)	ABATED (Unpaid during Abatement) 2	PAID during Abatement
1	40%	500,000	200,000	3.00%	\$ 6,000	100%	\$ 6,000	\$ -
2	40%/56%	3,100,000	1,320,000	3.00%	\$ 39,600	90%/100%	\$ 38,400	\$ 1,200
3	40%/56%/42%	5,350,000	2,566,000	3.00%	\$ 76,980	80%/90%/100%	\$ 68,920	\$ 8,060
4	40%/56%/42%/32%	7,950,000	3,552,000	3.00%	\$ 106,560	70%/80%/90%/100%	\$ 89,700	\$ 16,860
5	56%/42%/32%/24%	7,950,000	3,353,000	3.00%	\$ 100,590	60%/70%/80%/90%	\$ 73,420	\$ 27,170
6	42%/32%/24%/18%	7,950,000	2,526,000	3.00%	\$ 75,780	50%/60%/70%/80%	\$ 44,450	\$ 31,330
7	30% (floor)	7,950,000	2,385,000	3.00%	\$ 71,550	40%/50%/60%/70%	\$ 29,270	\$ 42,280
8	30% (floor)	7,950,000	2,385,000	3.00%	\$ 71,550	30%/40%/50%/60%	\$ 19,020	\$ 52,530
9	30% (floor)	7,950,000	2,385,000	3.00%	\$ 71,550	20%/30%/40%/50%	\$ 8,770	\$ 62,780
10	30% (floor)	7,950,000	2,385,000	3.00%	\$ 71,550	10%/20%/30%/40%	\$ -	\$ 71,550
TOTALS					\$ 691,710		\$ 377,950	\$ 313,760

Footnotes

1 Personal property investment will likely be spread out between multiple years from 10/12/2017 to 12/31/2020.

2 Note impact of high property tax rate (4.2972%), which will likely reduce/eliminate abatement benefit in years 8-10.

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

1. The Petitioner's estimate of the cost of the Project 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 or whose employment will be retained, and the benefits realized thereby, can reasonably be expected to result from the Project.
3. The Petitioners' estimate of the annual salaries of wages of the individuals who will be employed and retained, and the benefits realized thereby, can reasonably be expected to result from the Project.
4. The other benefits about which information has been requested can be expected to result from the Project.
5. The totality of the benefits of the Project are sufficient to justify personal property tax abatement over a 10-year deduction period, and each such deduction should be, and they are collectively hereby, allowed.

6. The Petition for designating the subject property as an Economic Revitalization Area for the purposes of ten (10) year personal property tax abatement and the Statement of Benefits (copies of which were submitted with the Petition) are hereby approved and the real estate described herein 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 personal property tax abatement over a 10-year deduction period as provided therein for the proposed acquisition of the new manufacturing equipment.

7. Notice of the adoption and substance of this Resolution (as amended) shall be published according to I.C. 5-3-1 stating the adoption and substance hereof, stating a date for the public hearing at which the Common Council will hear and receive remonstrances and objections, and take final action on the designation of the Real Estate as an Economic Revitalization Area, the approval of the Statement of Benefits, and the consideration of the adoption of the waivers, and stating that a copy of the description of the affected area is available for inspection in the County Assessor's Office, all as required by law.

8. This Resolution is supplementary to and in addition to any prior resolutions.

Introduced by:



Earl Elliott, Councilman

Passed in open Council this ____ day of _____, 2017.

Karrum Nasser, President
Common Council of Terre Haute, Indiana

ATTEST: _____
Charles P. Hanley, City Clerk

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

Charles P. Hanley, City Clerk

Approved by me, the Mayor, this ____ day of _____, 2017.

Duke Bennett, Mayor
City of Terre Haute, Indiana

ATTEST: _____
Charles P. Hanley, City Clerk

EXHIBIT A

The property, commonly known as 1055 S. Hunt Street, Terre Haute, Indiana, is assessed under Indiana Parcel Number 84-07-29-400-003.000-009.

The legal description is as follows:

NE COR NE SE (TIF) MISC-211/1578 29-12-8 3.380 AC

EXHIBIT B

