

FILED

AUG 21 2020

CITY CLERK

**TERRE HAUTE CITY COUNCIL  
STATE OF INDIANA  
RESOLUTION NO. 12, 2020**

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City of Terre Haute, Indiana, commonly identified as 1300 Ohio Street, as an Economic Revitalization Area for the Purposes of Personal Property Tax Abatement.

WHEREAS, a petition for eight (8) year personal property tax abatement has been filed with the Common Council of the City of Terre Haute requesting that the real property described therein be designated an Economic Revitalization Area for purposes of personal property tax abatement; and

WHEREAS, the petitioner, KJB Holdings, LLC, has submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council to make an informed decision, said information including a description of the real property which is commonly known as 1300 Ohio Street, Terre Haute, Indiana, and more particularly described as follows:

(See attached Exhibit A)

WHEREAS, the Common Council of the City of Terre Haute is authorized under the provisions of I.C. 6-1.1-12.1-1 et seq., to designate areas of the City as Economic Revitalization Areas for the purpose of tax abatement; and

WHEREAS, the Common Council of the City of Terre Haute has considered the Petition and Statement of Benefits and has conducted a complete and proper investigation of the subject property and neighborhood to determine that the area qualifies as an Economic Revitalization Area under Indiana statutes; and

WHEREAS, the Common Council has found the subject property to be an area where facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues; and

WHEREAS, the Common Council of the City of Terre Haute has found the request for personal property tax abatement to satisfy the requirements of Special Ordinance 11, 1997, as amended; and

WHEREAS, the petitioner estimates the investment to be made on the subject site will provide eleven (11) to twenty (20) new full time employees over the next five (5) years with an annual payroll between Four Hundred Thousand Dollars (\$400,000.00) and Seven Hundred Thousand Dollars (\$700,000.00) and have an estimated value of Five Hundred Twenty Thousand Dollars and 00/100 (\$520,000.00) for new manufacturing equipment.

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

1. The petitioner's estimate of the cost of new manufacturing equipment to be installed is reasonable for manufacturing equipment of that type.
2. The petitioner's estimate of the number of new positions created can reasonably be expected to result from the proposed installation of new manufacturing equipment.
3. The petitioner's estimate of the annual salaries or wages of the number of positions created can reasonably be expected to result from the installation of new manufacturing equipment.
4. The totality of the benefits of the proposed installation of new manufacturing equipment is sufficient to justify a eight (8) year personal property tax deduction from assessed valuation to result therefrom under Indiana statutes, and each such deduction should be, and is hereby, allowed.
5. That the petition for designating the subject property as an Economic Revitalization Area for the purposes of eight (8) year personal property tax abatement and the Statement of Benefits are hereby approved, and the property is hereby designated as an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et seq.

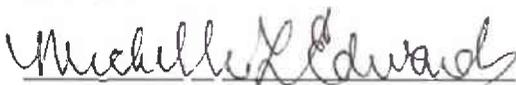
Presented by:

  
Martha Crossen, Councilperson

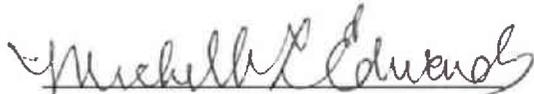
Passed in open Council this 15<sup>th</sup> day of September, 2020.

  
George Azar, President  
Common Council of  
Terre Haute, Indiana

ATTEST:

  
Michelle Edwards, City Clerk

Presented by me to the Mayor this 16<sup>th</sup> day of SEPTEMBER, 2020.

  
Michelle Edwards, City Clerk

Approved by me this 16<sup>th</sup> day of SEPTEMBER, 2020.

  
Duke A. Bennett, Mayor, City  
of Terre Haute

ATTEST:

  
Michelle Edwards, City Clerk

PUBLIC HEARING held this 15<sup>th</sup> day of September, 2020.

  
George Azar, President  
Common Council of Terre  
Haute, Indiana

This instrument was prepared by Richard J. Shagley II, WRIGHT, SHAGLEY & LOWERY, P.C., 500 Ohio Street, Terre Haute, IN 47807, (812) 232-3388.

**EXHIBIT A**  
**LEGAL DESCRIPTION**

Lot Number Fifty-five (55) and Twenty-eight (28) feet of even width off the South side of Lot Number Fifty-four (54) in the survey of Gilbert Place, being a subdivision of part of the Southeast Quarter (SE 1/4) of Section Twenty-two (22), Township Twelve (12) North of Range Nine (9) West, as shown by the plat recorded April 16, 1866 in Plat Record I Page 127, records of the Recorder's Office of Vigo County, Indiana.

More Commonly referred to as: 1300 Ohio St, Terre Haute, IN 47807

**FINAL ACTION BY COMMON COUNCIL OF THE  
CITY OF TERRE HAUTE, INDIANA REGARDING  
RESOLUTION NO. 12, 2020**

WHEREAS, the Common Council of the City of Terre Haute, adopted Resolution No. 12, 2020 on the \_\_\_\_ day of \_\_\_\_\_, 2020, and pursuant to Indiana Law has published notice of the adoption and substance of said Resolution, including a description of the effected area and notice that a description of the effected area is available for inspection in the office of the County Assessor and further stating a date which the Common Council would receive and hear remonstrances and objections; and

WHEREAS, the Common Council has conducted the hearing as required by law and has received no remonstrances or objections to designation of the effected area as an Economic Revitalization Area or to approval of the Statement of Benefits; and

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

WHEREAS, the Common Council has received and examined, prior to said hearing, (i) a Statement of Benefits on the form prescribed by the State Board of Tax Commissioners and proper application for designation; (ii) an Agreement with the Board of Public Works for the City of Terre Haute; and (iii) has heard all appropriate evidence concerning the proposed project and is found and does find:

1. The lack of the existing manufacturing improvement and facilities on the subject real property render such to be technologically and economically obsolete and without redevelopment and rehabilitation may lead to decline in employment and tax revenues.
2. That the personal property tax abatement satisfies the requirements of Special Ordinance No. 11, 1997, as amended by the Common Council.
3. That the estimate of cost of the new manufacturing equipment is reasonable for equipment of that type.
4. That the estimate of individuals whose employment will be retained as a result of the installation of the new manufacturing equipment can reasonably be expected to result from the proposed project.
5. The estimate of annual salaries of those individuals for new positions created can reasonably be expected to result from the proposed installation of the new manufacturing equipment.
6. That the benefits can reasonably be expected to result from the proposed installation of new manufacturing equipment.

7. That Petitioner has met, or exceeded, the benefits stated in Petitioner's prior Statement of Benefit forms as seen in the Compliance with Statement of Benefits form filed with the County Auditor.

8. That the totality of benefits sufficient to justify the deduction.

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

10. That the Schedule of Deductions is attached and included as Exhibit "B".

NOW, THEREFORE, for final action on Resolution No. 12, 2020, the Common Council of the City of Terre Haute, Indiana, RESOLVES, and FINDS, and DETERMINES:

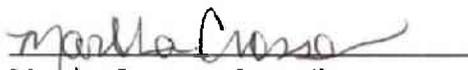
1. That all the requirements for designation of the real estate described in Resolution No. 12, 2020, as an Economic Revitalization Area have been met, the foregoing findings are true and that all information required to be submitted has been submitted in proper form.

2. That Resolution No. 12, 2020, is in all respects confirmed and approved (as modified to incorporate therein this final action) and the benefits of the proposed redevelopment are sufficient to justify eight (8) year personal property tax abatement under Indiana statutes for the proposed acquisition of the equipment described in the Statement of Benefits of Harrison Manufacturing Incorporated and the deduction for the proposed project and acquisition of the equipment and the Statement of Benefits submitted by KJB Holdings, LLC is approved and that the real estate described in Resolution No. 12, 2020, is declared an Economic Revitalization Area for the purposes of an eight (8) year personal property tax abatement, and the said real estate is hereby designated an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et seq.

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

4. That this final action, findings and confirmation of Resolution No. 12, 2020, shall be incorporated in and be a part of Resolution No. 12, 2020.

Presented by:

  
Martha Crossen, Councilperson

Passed in open Council this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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

ATTEST:

\_\_\_\_\_  
Michelle Edwards, City Clerk

Presented by me to the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Michelle Edwards, City Clerk

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Duke A. Bennett, Mayor, City  
of Terre Haute

ATTEST:

\_\_\_\_\_  
Michelle Edwards, City Clerk

This instrument prepared by: Richard J. Shagley II, WRIGHT, SHAGLEY & LOWERY, P.C., 500 Ohio Street, Terre Haute, IN 47807.

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

**KJB HOLDINGS, LLC**, as an owner of real property 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. and in support of this petition states the following:

1. The project, KJB Holdings, LLC proposes, includes installation of new machinery and equipment to meet market demand.

2. This project, once completed, not counting labor hired for construction and installation, will provide eleven (11) to twenty (20) new full time employees over the next five (5) years with an annual payroll between Four Hundred Thousand Dollars (\$400,000.00) and Seven Hundred Thousand Dollars (\$700,000.00) as long as business conditions and sales of products permit.

3. That the estimated dollar value is about \$520,000 in new manufacturing equipment.

4. That the manufacturing equipment for which tax abatement consideration is petitioned will be owned by KJB Holdings, LLC, 4559 E. Hulman St, Terre Haute, Indiana 47803.

5. The commonly known address of the location of the property and equipment will be 1300 Ohio Street, Terre Haute, Indiana, a legal description of which is attached hereto, and marked as Exhibit "A" and is incorporated herein.

6. The best estimate of the amount of taxes being and to be abated for the new manufacturing equipment is set forth in the "KJB Holdings, LLC, Estimated Tax Abatement", which is attached hereto, made a part hereof and marked as Exhibit "B".

7. No public financing is being used for any phase of the project.

8. In view of the foregoing circumstances, KJB Holdings, LLC in good faith applies for an eight (8) year tax abatement for new manufacturing equipment, as above set forth.

9. Indiana State Form 51764 (R3/12-13), Statement of Benefits, as prescribed by the Indiana State Board of Tax Commissioners, which contains confidential information pursuant to the provisions of I.C. 6-1.1-39-9, will be submitted by KJB Holdings, LLC to the members of the Common Council at an appropriate time and manner for consideration to preserve its confidentiality.

10. The current use of the Property is a vacant lot that has been vacant for over 20 years and its current zoning is C-2 Community Commerce District .

11. KJB Holdings, LLC agrees to enter into an Agreement with the Board of Public Works and Safety for the City of Terre Haute, Indiana, in substantially the same form as is attached hereto and made a part hereof as Exhibit "C", and further, KJB Holdings, LLC agrees to comply with Special Ordinance 11, 1997, as amended.

12. The person to contact as the Petitioner's agent regarding additional information and the public hearing notifications is:

Kevin Bennett, Member  
KJB Holdings, LLC  
4559 E. Hulman St.  
Terre Haute, IN 47803

WHEREFORE, Petitioner, KJB Holdings, LLC requests that the Common Council of the City of Terre Haute, Indiana, adopt a declaratory resolution declaring and 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.

**KJB HOLDINGS. LLC**

By:   
Kevin Bennett, Member

This instrument was prepared by Richard J. Shagley II, WRIGHT, SHAGLEY & LOWERY, P.C., 900 Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448, (812) 232-3388.

**EXHIBIT A**  
**LEGAL DESCRIPTION**

Lot Number Fifty-five (55) and Twenty-eight (28) feet of even width off the South side of Lot Number Fifty-four (54) in the survey of Gilbert Place, being a subdivision of part of the Southeast Quarter (SE 1/4) of Section Twenty-two (22), Township Twelve (12) North of Range Nine (9) West, as shown by the plat recorded April 16, 1866 in Plat Record I Page 127, records of the Recorder's Office of Vigo County, Indiana.

More Commonly referred to as: 1300 Ohio St, Terre Haute, IN 47807

**EXHIBIT B**

**KJB Holdings, LLC**

**ESTIMATED PERSONAL PROPERTY TAX ABATEMENT**

Personal Property: \$ 520,000.00

	Abatement Percentage	With Abatement			Without Abatement			Estimated Tax Abatement Savings
		Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100%	\$0.00	\$0.00	\$0.00	\$8,804.00	(\$2,564.00)	\$6,240.00	\$6,240.00
Year 2	88%	\$1,479.00	\$0.00	\$1,479.00	\$12,326.00	(\$3,590.00)	\$8,736.00	\$7,257.00
Year 3	75%	\$2,311.00	\$0.00	\$2,311.00	\$9,245.00	(\$2,693.00)	\$6,552.00	\$4,241.00
Year 4	63%	\$2,606.00	\$0.00	\$2,606.00	\$7,044.00	(\$2,052.00)	\$4,992.00	\$2,386.00
Year 5	50%	\$3,302.00	\$0.00	\$3,302.00	\$6,603.00	(\$1,923.00)	\$4,680.00	\$1,378.00
Year 6	38%	\$4,094.00	\$0.00	\$4,094.00	\$6,603.00	(\$1,923.00)	\$4,680.00	\$586.00
Year 7	25%	\$4,952.00	(\$272.00)	\$4,680.00	\$6,603.00	(\$1,923.00)	\$4,680.00	\$0.00
Year 8	13%	\$5,745.00	(\$1,065.00)	\$4,680.00	\$6,603.00	(\$1,923.00)	\$4,680.00	\$0.00
<b>Totals</b>		\$24,489.00	(\$1,337.00)	\$23,152.00	\$63,831.00	(\$18,591.00)	\$45,240.00	\$22,088.00

**EXHIBIT C**  
**AGREEMENT**

This Agreement (the "Agreement") dated as of the \_\_\_\_ day of \_\_\_\_\_, 2020, serves as a confirmation of KJB Holdings, LLC (the "Applicant") commitment, pending an December 11, 2014 public hearing, to comply with the project description, job retention (and associated wage rates and salaries) figures contained in its designation application, Statement of Benefits, the Preliminary Economic Revitalization Area Resolution No. 12, 2020 and attachments adopted by the Common Council of the City of Terre Haute, Indiana (the "Council") on \_\_\_\_\_, \_\_\_\_\_, 2020 and this Agreement (the "Commitment").

Subject to the adoption of a Final Economic Revitalization Area Resolution by the Council, the City of Terre Haute, Indiana (the "City") commits to providing an eight (8) year personal property tax abatement for the Applicant's capital expenditure of up to \$520,000.00 associated with the installation of new equipment (the "Project") described and approved as part of the Commitments. The Project will create eleven (11) to twenty (20) new full time employees over the next five (5) years with an annual payroll between Four Hundred Thousand Dollars (\$400,000.00) and Seven Hundred Thousand Dollars (\$700,000.00) , excluding benefits. The capital expenditure for the Project shall occur within ninety (90) days of the estimated completion date of the Spring of 2021 contained in the approved Statement of Benefits Form SB-1 (the "Commitment Date").

During the term of the abatement, the City may annually request, in writing, 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 by the Project, and the average wage rates and salaries (excluding benefits & overtime) associated with the position, and the Applicant shall provide the City with adequate written evidence thereof within 19 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 at the same time the CF-1 is filed with the County. The City shall utilize this information to verify that the Applicant has complied with the commitments contained in "the Commitments" at all times after the Commitment Date and during the duration of the abatement. The Applicant further agrees to provide the City with such additional information requested by the City related to the information provided in the Annual Survey and the CF-1 form within a reasonable time following any such additional request.

The City, by and through the Council, reserves the right to terminate the Economic Revitalization Area designation and associated property tax abatement deductions if it determines that the Applicant has not made reasonable efforts to substantially comply with all the commitments, and the Applicant's failure to substantially comply with the Commitments was not due to factors beyond its control. As used in the Agreement, "substantial compliance" shall mean the Applicant's compliance with the following: Making capital expenditures of up to \$520,000.00 for the Project; the creation of eleven (11) to twenty (20) new full time employees

over the next five (5) years with an annual payroll between Four Hundred Thousand Dollars (\$400,000.00) and Seven Hundred Thousand Dollars (\$700,000.00) excluding benefits.

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

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

If 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 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 attorneys 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.

Remainder of this page intentionally left blank.

"Applicant"

KJB HOLDINGS. LLC

Board of Public Works  
City of Terre Haute

By:



Kevin Bennett, Member

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Approved as to Legal Adequacy and Form on this \_\_\_\_ day of \_\_\_\_\_, 2020.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit A

CITY OF TERRE HAUTE

PROPERTY TAX ABATEMENT PROGRAM APPLICATION

**Ownership Information**

Name	Address	Phone	Percentage Interest (if applicable)
KJB Holdings, LLC	4559 E. Hulman St.	812-249-1842	100%
<hr/>			
Terre Haute, IN 47803			
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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: 1300 Ohio Street, Terre Haute, IN 47807
- B. Parcel ID Number(s): 84-06-22-451-005.000-002

**Current Status of Property**

A. Current zoning designation of property: C-2

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

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):  
Vacant Lot

D. Current total assessed valuation of land and all improvements: 1-1-2020; \$9600

Exhibit A

E. Describe any unique historical structure or aesthetic improvements: N/A

**Proposed Improvements**

A. Describe proposed real property improvements and projected costs: \_\_\_\_\_  
Build a 5600 Sq. Ft. building at 1300 Ohio Street; Projected Costs: \$325,000

B. Describe proposed depreciable personal property improvements and projected costs: \_\_\_\_\_  
New large format and digital print, and bindery equipment.

C. List any public infrastructure improvements, with estimated costs, that will be necessary for the project: Sidewalks and entrances to property

D. Project Start Date: \_\_\_\_\_

E. Project Completion Date: \_\_\_\_\_

**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 unimproved ground has sat vacant for over 20 years.

There has been a lack of new development in this area. This area houses other printing facilities and will be a good addition to the area.

This new facility will be will be home to the newest in printing manufacturing equipment.

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: 11-20 over 5 years; Average Annual Salary: \$12-\$21 per hour

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

Description of employee benefits for new and/or retained employees: \_\_\_\_\_

**Health Insurance and 401k**

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*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:

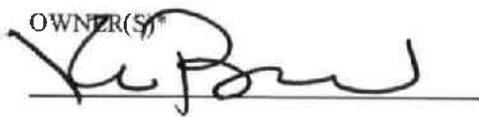
1. Private or commercial golf courses.
2. Country club.
3. Massage parlor.
4. Tennis club.
5. Skating facility (including roller skating, skateboarding or ice skating).
6. Racquet sport facility (including any handball or racquetball court).
7. Hot tub facility.
8. Suntan facility.
9. Racetrack.
10. 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)\*

A handwritten signature in black ink, appearing to be 'K. Brown', is written over a horizontal line.

DATE

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\* 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](http://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.

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

Company Name: KJB Holdings, LLC

Application Date: August 21, 2020

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

Total Points

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>
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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>
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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>
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4. Rehabilitation Of Existing Facilities	Council may award one bonus point if the project involves the rehabilitation of existing facilities	<u>    </u>
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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>
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Total Bonus Points		<u>4</u>
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Grand Total Points		<u>16</u>
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Recommended Length of Personal Property Abatement Per Guideline Scoring Criteria		<u>8</u> Years
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STATEMENT OF BENEFITS  
PERSONAL PROPERTY

State Form 51764 (R4 / 11-15)

Prescribed by the Department of Local Government Finance

CONFIDENTIAL

FILED

FORM SB 1 / PP

AUG 21 2020

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.

CITY CLERK

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 KJB Holdings, LLC		Name of contact person Kevin Bennett						
Address of taxpayer (number and street, city, state, and ZIP code) 4559 E. Hulman St., Terre Haute, IN 47803			Telephone number ( 812 ) 249-1842					
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT						
Name of designating body Terre Haute City Council		Resolution number (s) 12		DLGF taxing district number 05				
Location of property 1300 Ohio St,		County Vigo		ESTIMATED				
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.) Double bed large format printer, large format cutter, digital press, and cutters, folders and misc finishing equipment				START DATE	COMPLETION DATE			
		Manufacturing Equipment		06/01/2021	08/01/2021			
		R & D Equipment						
		Logist Dist Equipment						
		IT Equipment						
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT						
Current number 0	Salaries 0	Number retained 00	Salaries 0	Number additional 11	Salaries 400000			
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	520						
	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 				Date signed (month, day, year) 01/19/2020				
Printed name of authorized representative Kevin Bennett		Title Member						

