

FILED

OCT 04 2022

TERRE HAUTE CITY COUNCIL
STATE OF INDIANA
RESOLUTION NO. 8, 2022

WITHDRAWN

CITY CLERK

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within Terre Haute, Indiana commonly identified as 1800 3rd Street, Terre Haute, Indiana as an Economic Revitalization Area for the Purpose of a Ten (10) Year Real Property Tax Abatement for KP Properties, LLC.

WHEREAS, a Petition for a ten (10) year real property tax abatement has been filed with the Common Council of the City of Terre Haute, Indiana requesting that the real property described therein be designated an Economic Revitalization Area for purposes of real property tax abatement; and

WHEREAS, the petitioner has submitted an Application and Statement of Benefits and provided all information and documentation necessary for the Common Council of the City of Terre Haute, Indiana to make an informed decision, said information including a legal description of the aforesaid property as set forth in attached Exhibit A (which is hereby made a part hereof), and a site plan in attached Exhibit B; and

WHEREAS, petitioner has estimated that its investment in the construction of the building and amenities located on said real estate (the "Project") will create twenty two (22) new full time jobs with the management and operation of this dental office after completion of the Project, and the associated payroll for the employees of the proposed new facility;

WHEREAS, in addition to the employment benefits, the Project offers important development to the City of Terre Haute as a means to better serve the needs of the community by increasing the amount of quality services in Terre Haute, which has been proven to drive economic revitalization. The redevelopment of this property will be a significant economic catalyst for continued development of the City of Terre Haute's 3rd street corridor.

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

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

WHEREAS, the Common Council of the City of Terre Haute, Indiana has found the subject property to be an area within the boundaries of the City of Terre Haute, Indiana, which area has become undesirable for, or impossible of, normal development and occupancy as it has existed, as a commercial area because of a lack of development, cessation of growth, and

deterioration of improvements which have impaired values or prevented a normal development of property or use of property, and such is an area declining in tax revenues;

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

	With Abatement				Without Abatement			
	Abatement Percentage	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Estimated Tax Abatement Savings
Year 1	100%	\$ 0.00	\$ 0.00	\$ 0.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$69,000.00
Year 2	95%	\$ 5,169.00	\$ 0.00	\$ 5,169.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$63,831.00
Year 3	80%	\$ 20,677.00	\$ 0.00	\$20,677.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$48,323.00
Year 4	65%	\$ 36,185.00	\$ 0.00	\$36,185.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$32,815.00
Year 5	50%	\$ 51,693.00	\$ 0.00	\$51,693.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$17,307.00
Year 6	40%	\$ 62,031.00	\$ 0.00	\$62,031.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$ 6,969.00
Year 7	30%	\$ 72,370.00	(\$ 3,370.00)	\$69,000.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$ 0.00
Year 8	20%	\$ 82,708.00	(\$13,708.00)	\$69,000.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$ 0.00
Year 9	10%	\$ 93,047.00	(\$24,047.00)	\$69,000.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$ 0.00
Year 10	5%	\$ 98,216.00	(\$29,216.00)	\$69,000.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$ 0.00
Totals		\$522,096.00	(\$70,341.00)	\$451,755.00	\$1,033,850.00	(\$343,850.00)	\$690,000.00	\$238,245.00

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

1. The petitioner's estimate of the value of the Project to be constructed on the subject real property is reasonable for projects of that nature in order to maintain, expand, update and improve services to the community.
2. The petitioner's estimate of the number of individuals who will be employed and retained, and the benefits thereby, can reasonably be expected to result from the Project.
3. The petitioner's estimate of the annual salaries or wages of the individuals who will be employed, and the benefits thereby, can reasonably be expected to result from the Project.
4. The totality of the benefits of the Project are sufficient to justify a ten (10) year property tax deduction from assessed valuation to result therefrom under Indiana statutes, and each and all of such deductions should be, and they are hereby, allowed pursuant to the schedule set out herein above.
5. The Petition for designating the subject property as an Economic Revitalization Area for the purposes of ten (10) year real property tax abatement and the Statement of Benefits (copies of which were submitted with the Petition) are hereby approved and the real

estate described hereinabove is hereby designated as an Economic Revitalization Area pursuant to I. C. 6-1.1-12.1-1 et. seq.

6. A copy of this Resolution, following its passage, shall be filed with the Vigo County Assessor as required by I.C. 6-1.1-12.1-2.5(c).

Presented by:

Cheryl Loudermilk

Cheryl Loudermilk, Councilperson

Passed in open Council this _____ day of _____, 2022.

Cheryl Loudermilk, President,
Common Council of the City of
Terre Haute, Indiana

ATTEST:

Michelle Edwards, City Clerk

Presented by me to the Mayor this _____ day of _____, 2022.

Michelle Edwards, City Clerk

Approved by me, the Mayor, this _____ day of _____, 2022.

Duke Bennett, Mayor
City of Terre Haute, Indiana

ATTEST:

Michelle Edwards, City Clerk

This instrument prepared by Richard J. Shagley II, Attorney,
WRIGHT, SHAGLEY & LOWERY, 500 Ohio Street,
Terre Haute, Indiana 47807

EXHIBIT A

LAND DESCRIPTION

Tract I – The North One-Half (1/2) of Lot Number Seven (7) of Block Number One (1) in John D. Chestnut's Addition to Terre Haute, being a part of the Northeast Quarter of Section Thirty-three (33), Township Twelve (12) North, Range Nine (9) West, as shown by the recorded plat in Plat Record 1, Page 267, dated May 11, 1870 and recorded July 30, 1870 records of Recorder's Office of Vigo County, Indiana.

Tract II – The South Half (1/2) of Lot Number (7) in Block Number One (1) in John D. Chestnut's Addition to the City of Terre Haute, Indiana, being a part of the North East ¼ Section 33, Township 12 North, Range Nine (9) West, as shown by the recorded plat in Plat Record 1, Page 267, dated May 11, 1870 and recorded July 30, 1870 records of Recorder's Office of Vigo County, Indiana.

Tract III – Lot Number Forty-nine (49) in Herman Hulman's Addition of twenty two and two tenths (22.2) acres lying in the Northeast Quarter of Section 33, in Township 12 North, of Range 9 West, as shown by the recorded Plat Record 5, Page 65, recorded August 31, 1891, records of Recorder's Office of Vigo County, Indiana.

Tract IV – Lot Number Fifty (50) in Herman Hulman's Addition of 21.2 acres lying in Northeast Quarter of Section 33, Township 12 North, Range 9 West adjoining Terre Haute, Indiana, as shown by the recorded plat in Plat Record 5, Page 65, recorded August 31, 1891 records of Recorder's Office of Vigo County, Indiana.

Tract V – Lot Number 8 in Block Number 1 in John D. Chestnut's Addition to the City of Terre Haute, Indiana, as shown by the recorded plat in Plat Record 1, Page 267, dated May 11, 1870 and recorded July 30, 1870 records of Recorder's Office of Vigo County, Indiana.

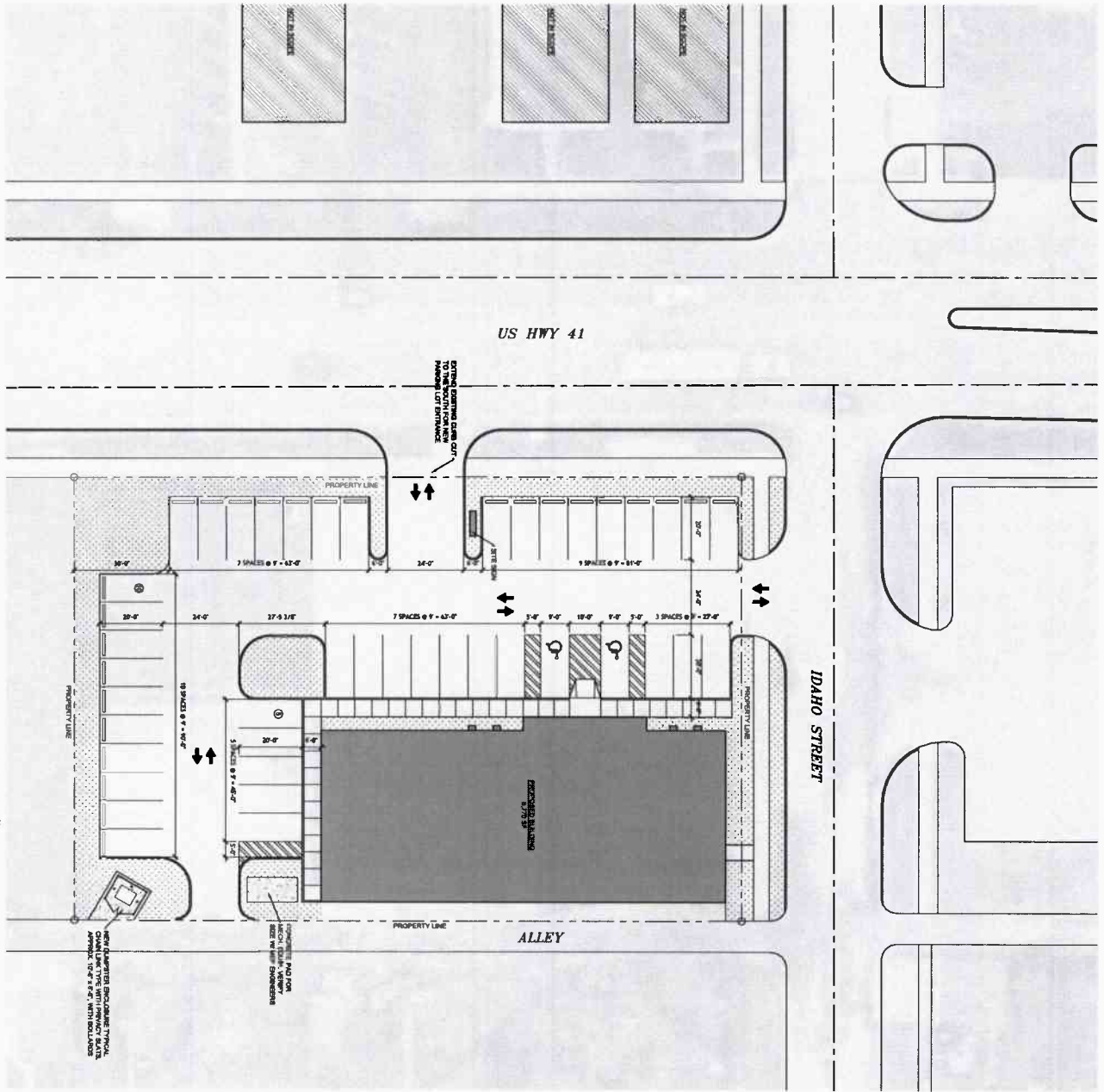
Parcel No.: 84-06-33-207-001.000-002, 84-06-33-207-002.000-002, 84-06-33-207-003.000-002, 84-06-33-207-004.000-002 & 84-06-33-207-005.000-002

Commonly known as 1800 3rd Street, Terre Haute, IN 47807.

EXHIBIT B

811
 Know what's below.
 Call before you dig.
 CALL 811 OR 1-800-382-5544
 48 HOURS BEFORE DIGGING

ARCHITECTURAL SITE PLAN FOR REFERENCE ONLY. THIS IS NOT A CONTRACT DOCUMENT. FOR FINAL SITE LAYOUT INFORMATION, CONSULT WITH THE ARCHITECT.



1 ARCHITECTURAL SITE PLAN
 SCALE: 1/8" = 1'-0"

SHEET NO. A1.0 A20-011	REVISIONS APPROVAL 1 - 06.18.2021	PROPOSED RENOVATION INSTRUCTIONS FOR: ELITE SMILES TERRE HAUTE, INDIANA	DRAWN BY: AM CHECKED BY: MLH PLOT SCALE: AS NOTED DATE: 06.18.2021	SCALE DOCUMENT THIS DOCUMENT IS THE PROPERTY OF HOLDER DESIGN, INC. AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF HOLDER DESIGN, INC. THE USER OF THIS DOCUMENT AGREES TO HOLD HOLDER DESIGN, INC. HARMLESS FROM ANY AND ALL CLAIMS, DAMAGES, LOSSES, AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, ARISING OUT OF OR RESULTING FROM THE USE OF THIS DOCUMENT. THE USER OF THIS DOCUMENT AGREES TO HOLD HOLDER DESIGN, INC. HARMLESS FROM ANY AND ALL CLAIMS, DAMAGES, LOSSES, AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, ARISING OUT OF OR RESULTING FROM THE USE OF THIS DOCUMENT.	HOLDER DESIGN, INC. 3100 N. 10th Street Terre Haute, Indiana 47787-1000 317.252.1000 www.holderdesign.com
	SHEET DESCRIPTION: ARCHITECTURAL SITE PLAN			06/18/21	

**FINAL ACTION BY COMMON COUNCIL OF
THE CITY OF TERRE HAUTE, INDIANA
REGARDING RESOLUTION 3, 2016**

WHEREAS, the Common Council of the City of Terre Haute, Indiana adopted Resolution 8, 2022, on the _____ day of _____, 2022, and pursuant to Indiana Law has published notice of the adoption and substance of said Resolution including a description of the affected area, commonly known as that area consisting of 1800, 1804, 186 and 1822 3rd Street, Terre Haute, Indiana and notice that a description of the affected area is available for inspection in the office of the Vigo County Assessor and further stating a date on which the Common Council of the City of Terre Haute, Indiana would receive and hear remonstrances and objections; and

WHEREAS, the Common Council of the City of Terre Haute, Indiana has conducted the hearing as required by law and has received no remonstrances or objections to designation of the affected area as an economic revitalization area or to approval of the Application and Statement of Benefits heretofore filed; and

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

WHEREAS, the Common Council of the City of Terre Haute, Indiana has received and examined, prior to such hearing, an Application and Statement of Benefits on the form prescribed by the City of Terre Haute and the State Board of Tax Commissioners and proper application for designation and has heard all appropriate evidence concerning the proposed project and has found and does find:

1. The petitioner's estimate of the value of the Project to be constructed on the subject real property is reasonable for projects of that nature in order to maintain, expand, update and improve services to the community.
2. The petitioner's estimate of the number of individuals who will be employed, and the benefits thereby, can reasonably be expected to result from the Project.
3. The petitioner's estimate of the annual salaries or wages of the individuals who will be employed, and the benefits thereby, can reasonably be expected to result from the Project.
4. The totality of the benefits of the Project are sufficient to justify a ten (10) year property tax deduction from assessed valuation to result therefrom under Indiana statutes, and each and all of such deductions should be, and they are hereby, allowed pursuant to the schedule set out in Resolution 8, 2022.
5. That all qualifications for establishing an Economic Revitalization Area have been met.

6. The Petition for designating the subject property as an Economic Revitalization Area for the purposes of ten (10) year real property tax abatement and the Statement of Benefits (copies of which were submitted with the Petition) are hereby approved and the real estate described hereinabove is hereby designated as an Economic Revitalization Area pursuant to I. C. 6-1.1-12.1-1 et. seq.

NOW, THEREFORE, for final action on Resolution 8, 2022, the Common Council of the City of Terre Haute, Indiana, RESOLVES, FINDS AND DETERMINES:


1. That all of the requirements for designation of the real estate described in Resolution 8, 2022, 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 8, 2022, is in all respects confirmed and approved (as modified to incorporate therein this final action); that the benefits of the proposed development are sufficient to justify a ten (10) year real property tax abatement under Indiana statutes for the proposed redevelopment described in the aforesaid Statement of Benefits; the deduction for the proposed project and development, as well as the Statement of Benefits submitted are each and all approved; the Common Council of the City of Terre Haute, Indiana authorizes and directs the endorsement of said Statement to show such approval; that the real estate described in Resolution 8, 2022, is declared an Economic Revitalization Area for the purposes of a ten (10) year real property tax abatement; and the said real estate is hereby designated as an Economic Revitalization Area pursuant to I. C. 6-1.1-12.1-1 et seq.

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

4. That this Final Action, findings and confirmation of Resolution 8, 2022, shall be incorporated in and be a part of Resolution 8, 2022.

Presented by:


Cheryl Loudermilk, Councilperson

Passed in open Council this _____ day of _____, 2022.

Cheryl Loudermilk, President,
Common Council of the City of
Terre Haute, Indiana

ATTEST:

Michelle Edwards, City Clerk

Presented by me to the Mayor this ____ day of _____, 2022.

Michelle Edwards, City Clerk

Approved by me, the Mayor, this ____ day of _____, 2022.

Duke Bennett, Mayor
City of Terre Haute, Indiana

ATTEST:

Michelle Edwards, City Clerk

This instrument prepared by Richard J. Shagley II, Attorney,
WRIGHT, SHAGLEY & LOWERY, 500 Ohio Street,
Terre Haute, Indiana 47807

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

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

1. The Project Petitioner, KP Properties LLC ("KP"), is the owner of the property located at 1800 3rd Street, Terre Haute, Indiana 47802. The property was vacant until its purchase by the owner. Remodel of the same occurred in the recent months. The owner intends to operate Elite Smiles Dental.
2. The construction project included a complete remodel of an existing building, which has been vacant since 2010, for the use of an adult dental clinic.
3. The project is an adult dental clinic that was completed using the local labor force. It has added 22 new employees with an average yearly payroll of \$1,200,000.00 plus benefits. The project is an important development for the City of Terre Haute because it took a deteriorated building, which sat vacant for more than 10 years, located on a major thoroughfare and created a newly renovated building that serves the Terre Haute, Vigo County community.

The development of this property will be a significant economic catalyst for continued development along the 3rd street corridor.

4. The project will require twenty two (22) full time employees with an estimated payroll of \$1,200,000.00 plus certain benefits.
5. Estimate the dollar value of the redevelopment or rehabilitation project:

The total project cost of the construction of Elite Smiles Dental was Two Million Three Hundred Thousand Dollars and 00/100 (\$2,300,000.00)

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

KP Properties, LLC
1107 Ohio Street
Terre Haute, IN 47807

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

Prior to the purchase by KP Properties, LLC, the property had been a variety of service businesses, but has been vacant since 2010.

The property is currently generating real property taxes, and the new owner will continue to pay in the future at what is expected to be a substantial increase.

7. The commonly known address of the Property is:

1800 3rd Street
Terre Haute IN 47802

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

8. An Engineering Site Plan showing the entire tract and the proposed footprint of the construction of the building and parking lots is attached hereto as Exhibit B and incorporated herein.

9. It is anticipated that the construction of this project has and will continue to provide significant economic benefits to the 3rd Street corridor and the City of Terre Haute. These benefits include construction expenditure, annual economic impacts, job impacts, income impacts, and revenue impacts.

10. Petitioner is seeking a ten (10) year tax abatement that would provide that during each of the first ten (10) years after rehabilitation the tax would abate as follows: The best estimate of the amount of taxes to be abated during each of the ten (10) years after rehabilitation is:

	With Abatement				Without Abatement			
	Abatement Percentage	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Estimated Tax Abatement Savings
Year 1	100%	\$ 0.00	\$ 0.00	\$ 0.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$69,000.00
Year 2	95%	\$ 5,169.00	\$ 0.00	\$ 5,169.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$63,831.00
Year 3	80%	\$ 20,677.00	\$ 0.00	\$20,677.00	\$103,385.00	(\$34,385.00)	\$69,000.00	\$48,323.00
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Totals		\$522,096.00	(\$70,341.00)	\$451,755.00	\$1,033,850.00	(\$343,850.00)	\$690,000.00	\$238,245.00

11. There has been no public financing or financial assistance for the project.
12. The property is located in an area that is within the boundaries of the City of Terre Haute, Indiana; an area that has become undesirable for, or impossible of, normal development and occupancy due to the lack of development and declining conditions which has impaired its value and prevented a normal development of the property. This cessation of growth and deterioration of improvements has created an area of declining in tax revenues.

13. (a) The current use of the Property is an adult dental clinic, Elite Smiles Dental, and the current zoning is:

A vacant building with deterioration of improvements, which have impaired its value and use.

The zoning is currently C-6 Strip Business.

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

The property is not located in an Allocation Area.

14. In view of the foregoing, Petitioner in good faith applies for a ten (10) year real property tax abatement.

15. Petitioner agrees to enter into an Agreement with the Board of Public Works for the City of Terre Haute, Indiana, in substantially the same form as is attached hereto and made a part hereof as Exhibit "C" and further, Petitioner agrees to comply with Special Ordinance 2, 2009 (which replaced Special Ordinance 43, 2000) for reporting and compliance.

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

Richard J. Shagley II, Attorney at Law
WRIGHT, SHAGLEY & LOWERY, P.C.
500 Ohio Street
Terre Haute, IN 47807
Phone: (812) 232-3388
Fax: (812) 232-8817

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

- a. Housing
 b. Office

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

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

Petitioner: KP Properties, LLC

By: 
 Theodore Kula, Member

Date: 10/4/22

DO NOT USE THIS SPACE

Resolution # _____	Target Area Required
	Yes _____ No _____
Confirmed Ordinance # _____	
Date of Notice _____	
Final Action _____	
Target Area Ord. Effective _____	

This instrument prepared by Richard J. Shagley II, Attorney,
 WRIGHT, SHAGLEY & LOWERY, 500 Ohio Street,
 Terre Haute, Indiana 47808

EXHIBIT A

LAND DESCRIPTION

Tract I – The North One-Half (1/2) of Lot Number Seven (7) of Block Number One (1) in John D. Chestnut's Addition to Terre Haute, being a part of the Northeast Quarter of Section Thirty-three (33), Township Twelve (12) North, Range Nine (9) West, as shown by the recorded plat in Plat Record 1, Page 267, dated May 11, 1870 and recorded July 30, 1870 records of Recorder's Office of Vigo County, Indiana.

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Tract V – Lot Number 8 in Block Number 1 in John D. Chestnut's Addition to the City of Terre Haute, Indiana, as shown by the recorded plat in Plat Record 1, Page 267, dated May 11, 1870 and recorded July 30, 1870 records of Recorder's Office of Vigo County, Indiana.

Parcel No.: 84-06-33-207-001.000-002, 84-06-33-207-002.000-002, 84-06-33-207-003.000-002, 84-06-33-207-004.000-002 & 84-06-33-207-005.000-002

More commonly known as 1800 3rd Street, Terre Haute, Indiana, 47807.

EXHIBIT B

EXHIBIT C AGREEMENT

This Agreement (the "Agreement") dated as of the ____ day of _____, 2022, serves as a confirmation of the commitment of KP Properties, LLC (the "Applicant"), pending an _____, 2022, public hearing, to comply with the project description, and job employment and retention (as associated wage rates and salaries) figures contained in its designation application, Statement of Benefits, the Preliminary Economy Revitalization Area Resolution No. 3, 2020, and attachments adopted by the Common Council of the City of Terre Haute, Indiana (the "Council") on _____, 2022, 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 provide a ten (10) year real property tax abatement for the Applicant's capital expenditure of up to \$2,300,000.00 associated with the construction of the Commitment. The capital expenditure of the Project and the filing of such positions shall immediately of completion date of March 2022, contained in the approved Statement of Benefits Form SB-1 (the "Commitment Date").

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

The City, by and through the Council, reserves the right to terminate the Economic Revitalization Area designation and associated property tax abatement deductions if the Applicant has not made reasonable efforts to substantially comply with all the commitments, and the Applicant's failure to substantially comply with the Commitments was not due to factors beyond its control. As used in the Agreement, "substantial compliance" shall mean the Applicant's compliance with the following: Making capital expenditures of up to \$2,300,000.00 for the Project.

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

If the City terminates the Economic Revitalization Area designation and associated tax abatement deductions, it may require the Applicant to repay the City all or a portion of the tax abatement savings received through the date of such termination. The amount of tax abatement required to be repaid for each year of noncompliance shall not exceed an amount equal to the percentage by which the Applicant has failed to attain substantial compliance in position retention

and/or creation and average hourly wage rate and salary categories multiplied by the dollar amount of taxes actually abated. If the Applicant fails to substantially comply with more than one of the aforementioned categories, repayment shall be based on the average level of noncompliance.

If any at time during the term of this Agreement, whether before or after the Commitment Date, the Applicant shall: (1) cease operations at the facility for which the tax abatement was granted; or (ii) announce the cessation of operations at such facility, then the City may immediately terminate the Economic Revitalization Area designation and associated future tax abatement deductions.

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

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

"Applicant"

Board of Public Works & Safety
City of Terre Haute

KP Properties, LLC

By:


Theodore Kula, Member

Approved as to Legal Adequacy and Form on this ____ day of _____, 2022.

By: _____

Title: _____

Exhibit A

CITY OF TERRE HAUTE

PROPERTY TAX ABATMENT PROGRAM OVERVIEW AND GUIDELINE SCORING SYSTEM

Program Description

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

Scoring System

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

Indiana Real Property Assessment Standard

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

Indiana Personal Property Assessment Standard

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

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

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 A

CITY OF TERRE HAUTE

PROPERTY TAX ABATEMENT PROGRAM APPLICATION

Ownership Information

Name	Address	Phone	Percentage Interest (if applicable)
KP Properties	1800 3rd St., Terre Haute, IN 47802	812-232-6654	

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: 1800 S 3rd St., Terre Haute, IN 47802

B. Parcel ID Number(s): 84-06-33-207-001.000-002 through 84-06-33-207-005.000-0

Current Status of Property

A. Current zoning designation of property: Commercial

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

Building appears to be built around 1983. Office has been renovated multiple times but most recently in late 2000s to accomodate a hand surgery office.

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 building has been vacant since the late 2010s with no one working there.

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

Exhibit A

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

Proposed Improvements

A. Describe proposed real property improvements and projected costs: Complete
renovation of entire building inside and out and addition

of a parking lot. New landscaping and signage. Renovation 2.3 M
and equipment 1M.

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

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

D. Project Start Date: June 2021

E. Project Completion Date: February 2022

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:

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: 13; Average Annual Salary: Doctors: \$275,000
Staff: \$43,000

Number of retained employees: 7; Average Annual Salary: _____

Description of employee benefits for new and/or retained employees: 401K a/match, health insurance allowance, dental plan, PTO, vacation career development, CE (continuing education)

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

Doctors ~ \$275,000
Staff ~ \$43,000

Number of new employees: 13 ; Average Annual Salary: _____

Number of retained employees: 7 ; Average Annual Salary: ~~_____~~

Description of employee benefits for new and/or retained employees: 401k w/ match, health insurance allowance, dental plan, PTO, vacation, career development, CE (continuing education)

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 - (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)*

Theodore Kula III
[Signature]
[Signature]

DATE

7-21-22
7-21-22
7-21-22

* 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 B
City of Terre Haute
Real Property Tax Abatement Guideline Scoring Criteria**

Company Name: KP Properties

Application Date: _____

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

Exhibit B

17

Total Points

Scoring

Length of Real Property Abatement

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

Bonus Points

- | | | |
|---|--|-------------------|
| 1. Common Construction Wage | Council may award one bonus point if company includes common construction wage requirement in its bid specs | <u>1</u> |
| 2. Contractors Licensed To Do Business in Vigo County | Council may award one bonus point if a substantial percentage of the total fees for construction work associated with the project are paid to companies licensed to do business in Vigo County | <u>1</u> |
| 3. Materials and Supplies From Vigo County Vendors | Council may award one bonus point if the applicant commits to purchase a substantial amount of materials and supplies for the construction work associated with the project from Vigo County-based vendors | <u>1</u> |
| 4. Existing Facility | Council may award one bonus point for use, reuse, rehabilitation and/or expansion of an existing facility | <u>1</u> |
| 5. Mentoring/Intern Program | Council may award one bonus point if applicant pledges to participate in a mentoring or intern program associated with a Vigo County educational institution | <u> </u> |

Total Bonus Points

4

Grand Total Points

21

Recommended Length of Real Property Abatement Per Guideline Scoring Criteria

10 Years

Adopted 4/14/15



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R7 / 1-21)

Prescribed by the Department of Local Government Finance

20 ____ PAY 20 ____

FORM SB-1 / Real Property

PRIVACY NOTICE

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

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

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

INSTRUCTIONS:

- This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise, this statement must be submitted to the designating body **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.
- The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
- To obtain a deduction, a Form 322/RE must be filed with the county auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between January 1 and May 10 of a subsequent year.
- A property owner who files for the deduction must provide the county auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5.1(b)
- For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/Real Property that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. IC 6-1.1-12.1-17

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer KP Properties, LLC		
Address of taxpayer (number and street, city, state, and ZIP code) 1800 3rd St. Terre Haute, IN 47802		
Name of contact person Theodore Kula	Telephone number (812) 232-6654	E-mail address tkula@dj4k.net

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Terre Haute City Council	Resolution number 8
Location of property 1800 3rd Street, Terre Haute, IN 47802	County VIGO
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) Vacant property renovated into a modern dentist office for adults.	Estimated start date (month, day, year) June 1 2021
	Estimated completion date (month, day, year) March 31, 2022

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

Current Number	Salaries	Number Retained	Salaries	Number Additional	Salaries
0.00	\$0.00	0.00	\$0.00	22.00	\$1,200,000.00

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	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) 0.00	Estimated hazardous waste converted (pounds) 0.00
--	--

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) 10/4/22
Printed name of authorized representative Theodore Kula	Title Member of KP Properties, LLC

FOR USE OF THE DESIGNATING BODY

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

- A. The designated area has been limited to a period of time not to exceed _____ calendar years* (see below). The date this designation expires is _____. *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. Redevelopment or rehabilitation of real estate improvements Yes No
 - 2. Residentially distressed areas Yes No
- C. The amount of the deduction applicable is limited to \$ _____.
- D. Other limitations or conditions (specify) _____
- E. Number of years allowed: Year 1 Year 2 Year 3 Year 4 Year 5 (* see below)
 Year 6 Year 7 Year 8 Year 9 Year 10
- F. For a statement of benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?
 Yes No
 If yes, attach a copy of the abatement schedule to this form.
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

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

Approved (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by (signature and title of attester)	Printed name of attester	

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

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4.1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. Except as provided in IC 6-1.1-12.1-18, the deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

IC 6-1.1-12.1-17

Abatement schedules

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

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

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. Except as provided in IC 6-1.1-12.1-18, 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: 10/4/22

Name: KP Properties

Reason: _____

Tax Abatement Filing Fee

TERRE HAUTE, IN.
PAID
OCT - 1 2022
CONTROLLER

Cash: _____

Check: \$500 #072943

Credit: _____

Total: \$500

Received By: G. White