

**FILED**

**JUN 30 2016**

**CITY CLERK**

**Tri Aerospace, LLC**

To: Terre Haute City Common Council

From: Lindy Price

Date: 6/22/2016

Re: Compliance with Personal Tax Abatements (RS 29, 2012 & RS 4, 2013)

The memo is provided to assist in the review of the Compliance of Benefits Form (CF-1).

When the Form SB-1 for these abatements was originally filed and accepted, Section 3 of the form, which details the estimate of employees and salaries as a result of the proposed project, was filled out using average wages per employee versus total wages for the company and total estimated wages for employees. Generally, the forms CB-1 and subsequent CF-1 filings are prepared using total wage numbers. Tri Aerospace presented the information on the current year CF-1 filing consistent with the use of average wage numbers, however presenting the wage information in this way can be confusing, and is not an accurate reflection of our compliance with the personal tax abatement. We present the following information for both the original SB-1 filing and the current year CF-1 filing, with wages shown in totals versus averages, to assist in assessing compliance with the abatement:

As restated for the original SB-1:

Current Number of Employees: 33	Retained Employees: 33	Additional Employees: 3
Current salaries: \$1,316,684	Current Retained: \$1,316,684	Additional Salaries: \$183,390

As restated for the current year CF-1:

Current Number of Employees: 37	Retained Employees: 37	Additional Employees: 4
Current salaries: \$1,225,799	Current Retained: \$1,225,799	Additional Salaries: \$172,557

During 2015, we lost several employees who were highly experienced. The replacement of those individuals with less experienced individuals resulted in our average wages (as shown on the CF-1 filed for the current year) to be significantly lower.