

FILED

NOV 20 2020

CITY CLERK

**TERRE HAUTE CITY COUNCIL
STATE OF INDIANA
RESOLUTION NO. 10, 2020**

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City Commonly Identified as 925 Fruitridge Avenue, Terre Haute, Indiana 47804, as an Economic Revitalization Area for the Purpose of a Ten Year Personal Property Tax Abatement

WHEREAS, A Petition for a ten (10) 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, Gavina Inc. (the "petitioner") has submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council to make an informed decision, said information including a map of the property and description of the real property, and more particularly described as follows:

925 Fruitridge Avenue, Terre Haute, IN 47804

The legal description of the real property is:

Lot 1 in Dever Subdivision, as shown on the plat thereof recorded on August 10, 2018, as Instrument No. 2018008638 in the Recorder's Office of Vigo County, Indiana.

AND

Lot 2 in Dever Subdivision, as shown on the plat thereof recorded on August 10, 2018, as Instrument No. 2018008638 in the Recorder's Office of Vigo County, Indiana.

WHEREAS, petitioner has represented and presented evidence that the projects will create 65 new permanent full-time jobs over the next 5 years as follows:

1st year - 20 new employees
2nd year - 15 additional new employees
3rd year - 10 additional new employees
4th year - 10 additional new employees
5th year - 10 additional new employees

with combined annual salaries of \$1,600,000.00 and that the cost of the project will be \$1,672,500 for equipment (the "manufacturing and IT equipment").

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 has become undesirable for or impossible of normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements, character of occupancy, age, obsolescence, substandard buildings and other factors, which prevent normal development or use;

WHEREAS, the personal 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:

Abatement	Percentage	Tax Abated	Tax Paid
1	100%	\$20,070.00	\$0.00
2	90%	\$24,083.00	\$4,015.00
3	80%	\$15,050.50	\$6023.00
4	70%	\$9,172.00	\$6,884.00
5	60%	\$6,448.50	\$8,604.00
6	50%	\$4,296.50	\$10,756.00
7	40%	\$2,145.50	\$12,907.00
8	30%	\$0.00	\$15,058.00
9	20%	\$0.00	\$17,209.00
10	10%	<u>\$0.00</u>	<u>\$19,360.00</u>
Totals		\$81,266.00	\$100,816.00

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

I. The petitioner's estimate of the cost of new manufacturing equipment is reasonable for manufacturing and IT equipment of that type in view of current technologies.

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 and installation of new manufacturing equipment.

3. The petitioner's estimate of the annual salaries or wages of the individuals who will be employed and retained, and the benefit thereby, can reasonably be expected to result from the project and the installation of the new manufacturing and IT equipment.

4. That the benefits about which information has been requested can reasonably be expected to result from the installation of the new manufacturing and IT equipment.

5. The totality of the benefits of the proposed Project and installation of the new manufacturing and IT equipment can reasonably be expected to result from the project and are sufficient to justify a ten (10) year personal property tax deduction from assessed valuation under Indiana statutes, and each such deduction should be, and they are hereby, allowed.

6. That the petition for designating the subject property as an economic revitalization area for the purposes of ten year personal property tax abatement and the Statement of Benefits, copies of which were submitted with the petitions, 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 and petitioner is entitled to a ten year personal property tax abatement as provided therein for the proposed acquisition of the new manufacturing equipment.

7. That notice hereof should be published according to law stating the adoption and substance hereof, that a copy of the description of the affected area is available for inspection in the County Assessor's Office and stating a date on which the Council will hear and receive remonstrances and objections and take final action, all as required by law.

8. That this Resolution is supplementary to and in addition to any prior resolution.

[SIGNATURES ON FOLLOWING PAGE]

Presented by:

Cheryl Loudermilk
Cheryl Loudermilk, Councilman

Passed in open Council this 10TH day of DECEMBER, 2020.

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

ATTEST:

Michelle Edwards
Michelle Edwards, City Clerk

Presented by me to the Mayor this 11TH day of DECEMBER, 2020.

Michelle Edwards
Michelle Edwards, City Clerk

Approved by me, the Mayor, this 11TH day of DECEMBER, 2020.

Duke A. Bennet
Duke A. Bennet, Mayor
City of Terre Haute, Indiana

ATTEST:

Michelle Edwards
Michelle Edwards, City Clerk

This instrument prepared by Jeffry A. Lind, Lind Law Firm, 400 Ohio Street, Terre Haute, IN 47807 phone 812-234-5463

**FINAL ACTION BY COMMON COUNCIL OF
THE CITY OF TERRE HAUTE, INDIANA
REGARDING RESOLUTION NO. 10, 2020**

WHEREAS, the Common Council of the City of Terre Haute adopted Resolution 10, 2020, on the 10th day of DECEMBER, 2020, and pursuant to Indiana Law has published notice of the adoption and substance of said Resolution including a description of the affected area, known as 925 Fruitridge Avenue, Terre Haute, Indiana and legally described as

Lot 1 in Dever Subdivision, as shown on the plat thereof recorded on August 10, 2018, as Instrument No. 2018008638 in the Recorder's Office of Vigo County, Indiana.

AND

Lot 2 in Dever Subdivision, as shown on the plat thereof recorded on August 10, 2018, as Instrument No. 2018008638 in the Recorder's Office of Vigo County, 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 would receive and hear remonstrances and objections; and

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

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

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

1. That the area has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of

growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property.

2. That the estimate of the cost of the redevelopment and rehabilitation-is reasonable for projects of that type.
3. That the estimate of individuals who will be employed or whose employment will be retained as a result of the redevelopment and rehabilitation can reasonably be expected to result from the proposed project.
4. The estimate of annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to result from the proposed redevelopment and rehabilitation and the project.
5. That the benefits can reasonably be expected to result from the proposed redevelopment and rehabilitation and the project.
6. That the totality of benefits of the Project are sufficient to justify a ten (10) year personal property tax deduction from assessed valuation to result therefrom under Indiana statutes, and each and all of such deductions should be, and are hereby, allowed.
7. That the real property is located within an Economic Revitalization Area as required by Indiana Code 6-1.1-12.1-2 for the type of facility proposed by Petitioner.
8. That all qualifications for establishing an economic revitalization area have been met.
9. That the Petition for designating the subject property as an Economic Revitalization Area for the purposes of a ten (10) year personal property tax abatement and the Statement of Benefits on new, or new to Indiana, equipment (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 10, 2020, the Common Council of the City of Terre Haute, Indiana, RESOLVES, FINDS AND DETERMINES that:

1. All of the requirements for designation of the real estate described in Resolution 10, 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. Resolution 10, 2020, is in all respects confirmed and approved (as modified to incorporate therein this final action) and that the benefits of the proposed project and the redevelopment and rehabilitation are sufficient to justify a ten year personal property tax abatement under Indiana statutes for the proposed redevelopment and rehabilitation described in the petitioner's Statement of Benefits and the deduction for the proposed project and redevelopment and rehabilitation and the statements of benefits submitted are approved and the Council authorizes and directs the endorsement of said Statement of Benefits to show such approval and that the real estate described in Resolution 10, 202_, is declared an economic revitalization area for the purposes of a ten year personal 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.* and petitioner is entitled to the ten year personal property tax abatement as provided therein in connection with the proposed development and the project.
3. Said Resolution supplements any other designation of the real estate as a Revitalization Area or similar designation.
4. That this Final Action, findings and confirmation of Resolution 10, 2020, shall be incorporated in and be a part of Resolution 10, 2020.

[SIGNATURES ON FOLLOWING PAGE]

Introduced by: Cheryl Loudermilk
Cheryl Loudermilk, Councilman

Passed in open Council this 7 day of January 2021.

O. Earl Elliott
O. Earl Elliott, City Council President

ATTEST: Michelle Edwards Michelle Edwards, City Clerk

Presented by me to the Mayor this 11th day of JANUARY, 2021

Michelle Edwards
Michelle Edwards, City Clerk

Approved by me, the Mayor, this 11th day of JANUARY, 2021.

Duke A. Bennett
Duke A. Bennett, Mayor

ATTEST: Michelle Edwards, City Clerk

This instrument prepared by Jeffry A. Lind, Lind Law Firm, 400 Ohio Street, Terre Haute, IN 47807 (812) 234-5463.

CITY OF TERRE HAUTE PETITION FOR PERSONAL PROPERTY TAX ABATEMENT CONSIDERATION

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

1. Describe the proposed project, including information about the new manufacturing equipment personal property ("Equipment") to be installed, the amount of land to be used, if any, the proposed use of the equipment and a general statement as to the value of the project to your business:

Gavina Inc.(the proposed Terre Haute operating company) hopes to expand the operations of its sister company, Gavina Graphics currently operating in Charelston, IL, at a new facility in Terre Haute, IN. The project would include an estimated \$1,672,500 of new or new to Indiana manufacturing and IT equipment to be used in the Company's Screen Printing and Embroidery Business. The existing Illinois facility has clients across the United States supplying Decorated Apparel to the Music Industry, Professional Sports Teams and Corporate clients. The Illinois operation utilizes, and the proposed Indiana operation would utilize, state of the art equipment on scale to efficiently produce large volume orders in short periods of time.

2. The project will create 65 new, permanent jobs within the next five years as follows:

1st year - 20 new employees
2nd year - 15 additional new employees
3rd year - 10 additional new employees
4th year - 10 additional new employees
5th year - 10 additional new employees

Average Annual Salary for the 65 new employees: \$1,600,000.00

3. Estimate the cost of the Equipment: \$1,672,500.00

4. (a) The Equipment for which tax abatement consideration is petitioned is owned or to be owned by the following individuals or corporations (if the business organization is publicly held, indicate also the name of the corporate parent, if any, and the name under which the corporation has filed with the Securities and Exchange Commission):

NAME	ADDRESS	INTEREST
Gavina Inc.	1920 18 th Street, Charleston, IL 61920	100%

(b) The following other persons lease, intend to lease or have an option to buy the Property (including corporate information as required in 4(a) above, if applicable:

Gavina Inc 925 Fruitridge Avenue, Terre Haute, IN 47804

(c) A brief description of the overall nature of the business and of the operations occurring at the location for which tax abatement is required:

Screen Printing and Embroidery Business serving the Music Industry, Professional Sports Teams and Corporate clients.

5. The commonly known address of the real property where the Equipment is or will be located is: 925 Fruitridge Avenue, Terre Haute, IN 47804

6. The legal description of the real property is:

Lot 1 in Dever Subdivision, as shown on the plat thereof recorded on August 10, 2018, as Instrument No. 2018008638 in the Recorder's Office of Vigo County, Indiana.

AND

Lot 2 in Dever Subdivision, as shown on the plat thereof recorded on August 10, 2018, as Instrument No. 2018008638 in the Recorder's Office of Vigo County, Indiana.

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

8. This is a new manufacturing facility and as such, no equipment is being replaced and no equipment associated with the real estate has previously been assessed.

9. The current use of the real property where the Equipment will be installed is vacant ground, and the current zoning is M-2.

10. The best estimate of the market value of the new equipment after installation is: \$1,672,500.

11. Petitioner is seeking a 10 year personal property tax abatement. The best estimate of the amount of taxes to be abated during each of the 10 years after installation is as follows:

Assumed Assessed Value of Abatable personal property: \$1,672,500
 Estimated Annual Average Tax without Abatement: \$17,561.00. Personal property taxes estimated to be paid with the 10 year tax abatement: \$ 100,816, estimated annual average, \$10,081.00 (estimated annual average and the information set out below as taken from Tax Abatement Calculator, Southwest Indiana Economic Development Coalition)

Abatement	Percentage	Tax Abated	Tax Paid
1	100%	\$20,070.00	\$0.00
2	90%	\$24,083.00	\$4,015.00
3	80%	\$15,050.50	\$6,023.00
4	70%	\$9,172.00	\$6,884.00
5	60%	\$6,448.50	\$8,604.00
6	50%	\$4,296.50	\$10,756.00
7	40%	\$2,145.50	\$12,907.00
8	30%	\$0.00	\$15,058.00
9	20%	\$0.00	\$17,209.00
10	10%	<u>\$0.00</u>	<u>\$19,360.00</u>
Totals		\$81,266.00	\$100,816.00

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

13. Other anticipated public financing for the project (including, if any, industrial revenue bonding to be sought or already authorized, assistance through the United States Department of Housing and Urban Development Funds from the City of Terre Haute or other public financial assistance: Not applicable.

15. Describe how and why the manufacturing equipment to be replaced or the facility in which the Equipment will be added is currently technologically, economically or energy obsolete and how and why that obsolescence may lead to a decline in employment and tax revenues: The properties current potential use is warehousing. The project will bring a manufacturing facility with an anticipated 65 new jobs to Terre Haute over the next 5 years as follows:

1st year - 20 new employees
 2nd year - 15 additional new employees
 3rd year - 10 additional new employees
 4th year - 10 additional new employees
 5th year - 10 additional new employees

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

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

Name: Jeff Lind
Address: 400 Ohio St.
City, State, Zip: Terre Haute, IN 47807
Telephone: 812-234-5463

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

Name of Property Owner(s):

Gavina, Inc.

By: 

Bridget K. Johnson, President

DO NOT USE THIS SPACE

Resolution # _____ Target Area Required _____
Yes _____ No _____

Confirming Ordinance # _____
Date of Notice _____

Final Action _____
Target Area Ord. Effective _____

This instrument prepared by Jeffry A. Lind, Lind Law Firm, 400 Ohio Street, Terre Haute, IN 47807 (812) 234-5463.

EXHIBIT A





STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R4 / 11-15)

Prescribed by the Department of Local Government Finance

CONFIDENTIAL

FORM SB-1 / PP

PRIVACY NOTICE

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

INSTRUCTIONS

- This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
- The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
- To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between January 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between January 1 and the extended due date of that year.
- Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1 TAXPAYER INFORMATION						
Name of taxpayer Gavina Inc.			Name of contact person Bridget K. Johnson			
Address of taxpayer (number and street, city, state, and ZIP code) 1920 18th Street, Charleston, IL 61920				Telephone number (217) 345-9228		
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT						
Name of designating body Terre Haute City Council				Resolution number (s) [10]		
Location of property 925 Fruitridge Avenue, Terre Haute, IN 47804			County Vigo		DLGF taxing district number 002-Harrison	
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.) See Exhibit A				ESTIMATED		
				START DATE	COMPLETION DATE	
				Manufacturing Equipment	02/02/2021 03/31/2021	
				R & D Equipment		
				Logist Dist Equipment		
				IT Equipment	02/02/2021 03/31/2021	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT						
Current number N/A	Salaries N/A	Number retained N/A	Salaries N/A	Number additional 65	Salaries \$1,600,000.00	
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
Current values		0		0		0
Plus estimated values of proposed project		1,652,000		0		20,500
Less values of any property being replaced		0		0		0
Net estimated values upon completion of project		1,652,000		0		20,500
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER						
Estimated solid waste converted (pounds) 0			Estimated hazardous waste converted (pounds) 0			
Other benefits: estimated cost of build out and landscaping converting vacant warehouse space to office and manufacturing space and of new personal property to the City not eligible for tax abatement						
SECTION 6 TAXPAYER CERTIFICATION						
I hereby certify that the representations in this statement are true.						
Signature of authorized representative 				Date signed (month, day, year) 11-19-2020		
Printed name of authorized representative Bridget K. Johnson			Title President			

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed 10 calendar years * (see below). The date this designation expires is N/A. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.

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

1. Installation of new manufacturing equipment;
2. Installation of new research and development equipment;
3. Installation of new logistical distribution equipment.
4. Installation of new information technology equipment;

☒ Yes ☐ No ☐ Enhanced Abatement per IC 6-1.1-12.1-18
☐ Yes ☒ No Check box if an enhanced abatement was
☐ Yes ☒ No approved for one or more of these types.
☒ Yes ☐ No

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

D. The amount of deduction applicable to new research and development equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

F. The amount of deduction applicable to new information technology equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

G. Other limitations or conditions (specify) N/A

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

☐ Year 1 ☐ Year 2 ☐ Year 3 ☐ Year 4 ☐ Year 5 ☐ Enhanced Abatement per IC 6-1.1-12.1-18
☐ Year 6 ☐ Year 7 ☐ Year 8 ☐ Year 9 ☒ Year 10 Number of years approved: 10
 (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? ☐ Yes ☐ No
 If yes, attach a copy of the abatement schedule to this form.
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

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

Approved by: (Signature and title of authorized member of designating body) <u>O. Earl Elliott</u>	Telephone number <u>(812) 244-2103</u>	Date signed (month, day, year) <u>01-07-2021</u>
Printed name of authorized member of designating body <u>O. Earl Elliott</u>	Name of designating body <u>Terre Haute City Council</u>	
Attested by: (Signature and title of attester) <u>Michelle L Edwards</u>	Printed name of attester <u>Michelle L Edwards</u>	

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

IC 6-1.1-12.1-17

Abatement schedules

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

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

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

SB-1
EXHIBIT A

Gavina, Inc. will create 65 new permanent full-time jobs over the next 5 years as follows:

1st year - 20 new employees
2nd year - 15 additional new employees
3rd year - 10 additional new employees
4th year - 10 additional new employees
5th year - 10 additional new employees

with combined annual salaries of \$1,600,000.00

EXHIBIT A

CITY OF TERRE HAUTE PROPERTY TAX ABATEMENT PROGRAM APPLICATION

Ownership Information

Name	Address	Percentage Interest (if applicable)
Gavina Inc.	1920 18 th Street Charleston, IL 61920	100%

Affiliate Tenant of Jolis Endeavors LLC- Fee owner, same address

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 partners.

If the owner is a sole proprietor, list the name, address and telephone number of the proprietor.

Property Description

A. Street Address: 925 Fruitridge Avenue, Terre Haute, IN 47804

B. Parcel ID Number(s): 84-06-13-200-017.000-002

Current Status of Property

A. Current zoning designation of property: M-2

B. Describe current improvements to the property, including estimated age of existing buildings: Applicable area is vacant warehouse space, estimated age of the improvements is 54 years

C. Describe current use of the property, including the names of businesses currently operating (if applicable) and the current number of jobs (if applicable): Previously Dever Distributing, applicable area is currently a vacant warehouse

D. Current total assessed valuation of land and all improvements: \$809,900.00.

EXHIBIT A

- E. Describe any unique historical structure or aesthetic improvements: Not applicable

Proposed Improvements:

- A. Describe proposed real property improvements and projected costs:
We will be Polishing 45,000 sq feet of concrete floors, Adding 1900 sq' of office space on second level, constructing a state of the 2400 sq' stencil making room, adding a bathroom, upgrading the electrical system, replacing carpet, painting entire interior of building, adding air conditioning to 46,400 sq '. Adding 1500 sq' of landscaping and softscape. Total costs for above improvements \$ 325,000
- B. Describe proposed depreciable personal property improvements and projected costs: \$1,672,500.
- C. List any public infrastructure improvements with estimated costs that will be necessary for the project: None
- D. Project Start Date: 2/02/2021
- E. Project Completion Date: 3/31/2021

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 the 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 applicable space has been vacant since Dever Distributing closed, its current likely use would be limited to warehousing rather than manufacturing. The project would include interior build out modernizing the interior for use as office and manufacturing. Its age and obsolescence impair development without a project of this nature. The current facilities are technologically and economically obsolete which obsolescence may lead to a decline in employment and tax revenues

EXHIBIT A

- 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:

Number of new employees: 65 over the next five years
as follows:

- 1st year - 20 new employees
- 2nd year - 15 additional new employees
- 3rd year - 10 additional new employees
- 4th year - 10 additional new employees
- 5th year - 10 additional new employees

Average Annual Salary for the 65 new employees: \$1,600,000.00

Number of retained employees 0 Average Annual Salary: 0

Description of employee benefits for new and/or retained employees:
Paid time off, Vacation pay, Illinois employees who move to this facility will receive moving expenses

- 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 for 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.

EXHIBIT A

- 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 I.C. 7.1-3-10 or any other entity that is required to operate under a license issued under I.C. 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 I.C. 7.1-5-7-11; or
 - c. Operates a facility under:
 - i. A beer wholesaler's permit under I.C. 7.1-3-3;
 - ii. A liquor wholesaler's permit under I.C. 7.1-3-8; or
 - iii. A wine wholesaler's permit under I.C. 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)*

Gavina Inc.

DATE

By


Bridget K. Johnson, President

11-19-2020

- If the entity seeking a 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 C

City of Terre Haute
Personal Property Tax Abatement Guideline Scoring Criteria

Company Name: GAVINA, INC.

Application Date: August 20, 2020

1. New Personal Property Investment	5 points maximum	<u>3</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>5</u>
1 to 10 employees	1	
11 to 20 employees	2	
21 to 30 employees	3	
31 to 40 employees	4	
41 employees and up	5	
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>2</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		<u>15</u>

Exhibit C

Scoring

Length of Personal Property Abatement

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

Bonus Points

1. American Made	Council may award one bonus point if equipment to be installed is manufactured or engineered in the United States	<u>1</u>
2. Installation by Local Contractor(s)	Council may award one bonus point if a substantial portion of the equipment to be installed is installed by a contractor, company or individuals maintaining a place of business in Vigo County	<u>1</u>
3. Materials and Supplies from Vigo County Vendors	Council may award one bonus point if the applicant commits to purchase a substantial amount of materials and supplies for the construction work associated with the project from Vigo County based vendors	<u>1</u>
4. Rehabilitation of Existing Facilities	Council may award one bonus point if the project involves the rehabilitation of existing facilities	<u>1</u>
5. Mentoring/Intern Program	Council may award one bonus point if applicant pledges to participate in a mentoring or intern program associated with a Vigo County educational institution	<u>1</u>
Total Bonus Points		<u>5</u>
Grand Total Points		<u>20</u>
Recommended Length of Personal Property Abatement Per Guideline Scoring Criteria		<u>10</u> Years

AGREEMENT

This Agreement (the "Agreement") dated as of the ____ day of _____, 2020, serves as a confirmation of the Gavina, Inc.'s (the "Applicant") commitment, pending a December 10, 2020, public hearing, to comply with the project description, and job employment and retention (and associated wage rates and salaries) figures contained in its designation application, Statement of Benefits, the Preliminary Economic Revitalization Area Resolution No. 10, 2020, and attachments adopted by the Common Council of the City of Terre Haute, Indiana (the "Council") on Thursday, December 10, 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 a ten (10) year personal property tax abatement for the Applicant's capital expenditure of up to \$1,672,500.00 associated with new equipment or equipment new to Indiana. The capital expenditure of the Project occur within months if the Final Resolution is adopted and the filling of positions shall occur within five (5) years of the estimated completion date of March 31, 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 information from the Applicant concerning the status of the Project, the approval 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 & 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 CFI to the Board of Public Works and Safety at the same time the CFI 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 \$1,672,500.00 in equipment for the Project.

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 any at 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 calculation of the amount due (the "Statement"), and Applicant shall make such repayment to the City within 30 days of the date of the Statement. If the Applicant does not make

timely repayment, the City shall be entitled to all reasonable costs and attorney fees incurred in the enforcement and collection of the tax abatement savings required to be repaid hereunder.

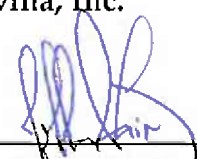
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

Applicant

Board of Public Works & Safety
City of Terre Haute

Gavina, Inc.

By: _____



Jeffrey A. Lind
Attorney for Gavina, Inc.

Lind Law Firm
400 Ohio Street
Terre Haute, IN 47807
812-234-5463

Approved as to Legal Adequacy and Form on this ____ day of _____, 2020.

By: _____

Title: _____

Receipt

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

Date: 11/20/2020

Name: Gavina Inc

Reason: Tax Abatement Filing fee

TERRE HAUTE, INC
PAID
NOV 20 2020
COMPTROLLER

Cash: _____

Check: # 4569 \$500

Credit: _____

Total: \$500

Received By: L Ellis