WARRICK COUNTY COUNCIL RESOLUTION NO. 2003-05

A PRELIMINARY RESOLUTION DECLARING AN ECONOMIC REVITALIZATION AREA FOR PROPERTY TAX ABATEMENT

WHEREAS, Newburgh Associates, LLC (the "Applicant") has submitted a Statement of Benefits and made application for Economic Revitalization Area designation pursuant to IC 6-1.1-12.1 et seq, and Warrick County Council Resolution No. 2003-05 (the "Tax Abatement Resolution") for the real estate located at 7844 Highway 66, Newburgh, Warrick County, Indiana and described as:

Lot 4 & part of lots 3 & 5 of Warrick Place as recorded in Plat File #1 Card #286 in the office of the recorder of Warrick County, and a part of the South Half (1/2) of the Southwest Quarter (1/4) of Section Twenty-Three (23), Township Six (6) South, Range Nine (9) West, Ohio Civil Township, Warrick County Indiana, and being more particularly described as follows:

Commencing at the Southwest Corner of Said Half-Quarter Section said point being marked by a Brass Plug; thence North 89 degrees 52 minutes 15 seconds East along the centerline of S.R. #66, a distance of 132.00 feet; thence North 0 degrees 03 minutes 39 seconds East and parallel to the West line of said Half-Quarter Section, a distance of 50.00 feet to the Southwest corner of Lot #5 of said Warrick Place and a point on a right-of-way for S.R. #66; thence continuing North along said line, a distance of 28.45 feet to a point on a new right-of-way for said S.R. #66 said point also being the POINT OF BEGINNING; thence continuing North along said line also being the West line of said Lot #5, a distance of 641.64 feet to the Northwest Corner of said Lot #5; thence North 89 degrees 57 minutes 37 seconds East along the North line of said Lot #5, a distance of 824.52 feet to the Northeast corner of said Lot #5; thence South 0 degrees 03 minutes 39 seconds West along the East line of said Lot #5, a distance of 289.03 feet to the Southeast corner of Lot #5 said point also being a point on a 50' right-of-way for Fruitwood Lane; thence continuing South along said line, a distance of 50.00 feet to a point on a 50' right-of-way for Fruitwood Lane said point also being the Northeast corner of Lot #4 of said Warrick Place; thence continuing South along the East line of said Lot #4, a distance of 201.00 feet to the Southeast corner of said Lot #4; thence South 89 degrees 57 minutes 51 seconds West, a distance of 12.40 feet; thence South 00 degrees 03 minutes 39 seconds West to a point on a new right-of-way for S.R. #66, a distance of 92.40 feet; thence North 89 degrees 52 minutes 15 seconds West along said right-of-way, a distance of 57.00 feet; thence South 0 degrees 03 minutes 39 seconds West along said right-of-way, a distance of 23.62 feet; thence North 89 degrees 52 minutes 15 seconds West along said right-of-way, a distance of 228.39 feet; thence North 27 degrees 22 minutes 01 second West along said right-of-way to a point on the West line of Lot #3 of said Warrick Place said point also being a point on a right-of-way for Orchard lane, a distance of 14.80 feet; thence South 0 degrees 03 minutes 39 seconds West along said West lot line and said Orchard Lane right-of-way line, a distance of 19.85 feet; thence South 45 degrees 08 minutes 40 seconds East along said new right-of-way line, a distance of 24.53 feet to a point on the South line of said Lot #3; thence South 89 degrees 46 minutes 52 seconds West along the South line of said Lot #3, a distance of 17.41 feet to a point on a right-of-way for Orchard

Lane; thence South 89 degrees 52 minutes 15 seconds West, a distance of 71.00 feet to the Southeast corner of said Lot #5; thence continuing West along the South lot line of said Lot #5, a distance of 21.03 feet to a point on the South line of said lot and a point on said new right-of-way; thence North 44 degrees 52 minutes 11 seconds East along said right-of-way to a point on the East line of said Lot #5 and a point on said Orchard Lane right-of-way, a distance of 29.83 feet; thence North 0 degrees 03 minutes 39 seconds East along said East lot line and said Orchard Lane right-of-way line, a distance of 58.90 feet; thence North 27 degrees 04 minutes 18 seconds East along said East lot line and said Orchard Lane right-of-way line, a distance of 13.69 feet; thence South 60 degrees 18 minutes 08 seconds West along said new right-of-way line, a distance of 21.84 feet; thence South 0 degrees 07 minutes 50 seconds East along said new right-of-way line, a distance of 44.29 feet; thence South 89 degrees 52 minutes 13 seconds West along said new right-of-way line, a distance of 331.40 feet; thence North 89 degrees 23 minutes 33 seconds West along said new right-of-way line, a distance of 104.93 feet to the POINT OF BEGINNING; said described tract containing 12.2422 acres, more or less.

AND WHEREAS, said property meets the criteria for designation as an Economic Revitalization Area pursuant to IC 6-1.1-12.1 et seq;

NOW, THEREFORE, BE IT RESOLVED by the Warrick County Council as follows:

Section 1. The Warrick County Council has reviewed the Statement of Benefits and additional information submitted pursuant to IC 6-1.1-12.1 et seq and the Tax Abatement Resolution, and made the following findings:

a. The estimate of the value for both the redevelopment and/or rehabilitation of property and construction of structures to be used for rental and services is reasonable for projects of that type, and

b. The estimate for the number of individuals who will be employed or whose employment will be retained by this project can be reasonably expected to result from the proposed redevelopment and/or rehabilitation, and construction of structures to be used for rental of real estate and services; and

c. The estimate of the 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/or rehabilitation; and

d. The totality of benefits likely to accrue from this project is sufficient to justify a tax deduction; and

e. The property known as Old K-Mart Center and specifically described above;

has been found to meet the requirements of an Economic Revitalization Area pursuant to IC 6-1.1-12.1.

Section 2. Based on these findings, the Warrick County Council has determined that the purposes of IC 6-1.1-12.1 are served by allowing the deduction and the property described in Section 1.e (above) is hereby declared to be an Economic Revitalization Area.

Section 3. The designation of this Economic Revitalization Area shall apply to property tax deductions for "property" as provided in IC 6-1.1-12.1-3 and "personal property" as described in IC 6-1.1-12.1-4.5.

Section 4. The designation of this Economic Revitalization Area shall be in effect up to and including December 31, 2006.

Section 5. Deductions for redevelopment and/or rehabilitation which takes place within this Economic Revitalization Area shall be allowed for a period of three (3) years beginning with increases in assessed value which are first assessed on March 1, 2003.

Section 6. The Warrick County Auditor shall cause to be published notice of the adoption and substance of this resolution in accordance with IC 5-3-1. Said notice shall be in compliance with IC 6-1.1-12.1-2.5(C).

Section 7. This Resolution shall be in full force and effect from and after its passage and action had confirming, modifying and/or rescinding the same.

PASSED this 3 day of April, 2003.

WARRICK COUNTY COUNCIL

Gary Meyer, President

Robert Addington

Raymond Bracher

David Hachmeister

Ray McIntyre

Joe Schitter

Greg Richmond

Attest:

Richard Kixmiller
Warrick County Auditor

Warrick County INDIANA

"A GREAT PLACE TO GROW"

Economic Development Department

March 24, 2003

Warrick County Council
% Mr. Richard Kixmiller
Warrick County Auditor
Warrick County Judicial Center
Boonville, IN 47601

Re: Newburgh Associates, LLC/Tax Abatement

Dear Mr. Kixmiller:

Newburgh Associates, LLC has forwarded me a new Preliminary Resolution and a Confirming Resolution for tax abatement for the K-Mart Building in Warrick County. They have advertised both the Preliminary and the Confirming Resolution in the Newburgh/Chandler Register and the Boonville Standard on March 20, 2003.

It is my understanding that they will be on the County Council's agenda for the April 3rd meeting requesting a tax abatement for a three year period. The original Application, the Statement of Benefits, the Point Criteria, the Legal Description and Site Plan were previously given to the Council for the February 20, 3003 meeting.

I have checked with Greg Granger regarding tax abatement procedures. He has informed me that since the Preliminary Resolution was previously approved at the March 6th Council Meeting, Newburgh Associates, LLC can use the previous Application and Statement of Benefits which was provided for that meeting. I have enclosed copies of the original Application, the Statement of Benefits, a new Preliminary Resolution and Confirming Resolution, the Legal Description and Site Plan, and the previous Point Scoring which was based on the original Application and information submitted.

P.O. Box 875 • Newburgh, IN 47629-0875
TEL: 812-858-3555 • FAX: 812-858-3558 • e-mail: bizinfo@warrick-edd.org

Mr. Dan Spindler of Newburgh Associates, LLC will give the presentation. I will be present for any questions.

Sincerely,

Sue Gibbens

Sue Gibbens, CEcD
Executive Director

Enclosures

Cc: Gary Meyer, DDS – President, County Council
Newburgh Associates, LLC

Reviewed and Filed
SG
2-27-03

TAX ABATEMENT PROGRAM

WARRICK COUNTY, INDIANA

APPLICATION FOR ECONOMIC REVITALIZATION AREA DESIGNATION AND ABATEMENT OF PROPERTY TAX ON REAL ESTATE IMPROVEMENTS AND/OR NEW MANUFACTURING EQUIPMENT

This application is to be completed and signed by a representative of the taxpayer seeking abatement.

Application is for Tax Abatement on: **Real Estate Improvements** (✓)
New Manufacturing Equipment ( )

Part I - Taxpayer Information:

1. **Name of Taxpayer Seeking Abatement:** Newburgh Associates, LLC
2. **Mailing Address:** P.O. Box 5012, Evansville, In 47716
3. **Name of Person Authorized to Represent Taxpayer in Making Application:** Dan Spindler or Allan Holeweger
4. **Address of Authorized Representative:** Same
5. **Telephone Number of Authorized Representative:** 812-471-2600
812-453-1100

Part II - General Information on Property:

1. **Address of Property:** 7844 State Road #66, Newburgh In 4763
2. **Township in Which Property is Located:** Ohio
3. **Legal Description of Property:**
See attachment

4. **Current Zoning:** C-4

5. **Tax Code (s) for Property:** 060-5310-0005

6. **Current Use of Property** Vacant

   A. **How is property currently being used?**

   Vacant

   B. **What structures are currently on the property?**

   Old K-Mart Building

   C. **What is the condition of the structures?**

   average to poor

Part III - Statutory Requirements

The law which allows property tax abatement (I.C. 6-1.1-12.1) requires the county council to designate the project site as an Economic Revitalization Area which must be found to have "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 the property." An Economic Revitalization Area may also include any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues.

What evidence can be provided that the project property meets the above statutory requirements?

Revitalization of vacant building
Creation of 170 to 200 new jobs.

Part IV - Employment Impact

1. How many new employees do you plan to hire upon completion of this project?

   Full Time 12 Part Time 50

   These numbers are very Conservative

2. How many new employees do you plan to hire over a five (5) year period as a result of this project (include the new employees listed in #1 above in this number.)?

   Full Time 120 to 150 Part Time 80 to 100

   These numbers are very Conservative

3. How many employees will be retained as a result of this project? (Include only employees whose jobs will be effected by this project.)

   Full Time 120 to 150 Part Time 80 to 100

   These numbers are very Conservative

4. Describe the type of work in which new employees will be engaged:

   Various, (Restaurants, hardware, Doctors, Furniture, ect.)

Part V - Furtherance of Development Objectives

Please identify how the proposed project meets one or more of the following development objectives:

1. Use of vacant or under-utilized land and/or buildings:

   Completely renovate existing K-Mart Building

2. Rehabilitation or replacement of obsolete, deteriorated, vacant or under-utilized buildings:

   Yes

3. Retention/expansion of employment opportunities:

   Yes

4. Improvement of the community's physical appearance:

   Yes

5. Preservation of historically or architecturally significant property:

   No

Part VI - Description of Proposed Project

1. **Give a brief overview of the scope of the proposed project (use only the space provided below):**

Plan on renovating existing building into a mall like atmosphere with numerous size spaces for lease.
Total investment will be about 4.5 million dollars.

Please see attached rendition of proposed building.

2. **Will the proposed project require any additional municipal services or facilities?**

Yes _____ **No** ✓

If yes, please explain.

3. **For projects seeking abatement for REAL ESTATE IMPROVEMENTS:**

a. **What physical changes will be made to develop or rehabilitate the property?**

4.5 million dollar renovation

b. **How will the project property be used?**

a rental center

c. **What is the anticipated cost of the rehabilitation or new construction of this project?**

4.5 million dollars

3. **For projects seeking abatement for NEW MANUFACTURING EQUIPMENT:**

a. **Please attach an itemized list of the proposed equipment acquisitions and the cost of each item. Designate this attachment as Exhibit A.**

b. **Total Cost of Equipment Itemized on Exhibit A**

$ None

c. **Describe the productive use of the proposed equipment acquisitions. (Please be as specific as possible.)**

d. **Has this equipment ever been installed and in use elsewhere in the State of Indiana?** Yes _____ **No** ✓

e. Date new manufacturing equipment is to be acquired: N/A

f. Will the proposed equipment have an impact on the environment? (i.e. waste or discharge generated by the productive use)

Yes _____ No ✓

If yes, explain in detail on a separate sheet identified as Exhibit B.

I hereby affirm and certify that the information and representations of fact made in this application are true and complete.

Signature of Authorized Representative — Title

Date 1-28-03

For this application to be complete, it must be accompanied by a signed "Statement of Benefits" (State form 27167 SB-1).

STATEMENT OF BENEFITS

State Form 27167 (R4 / 10-93)
Form SB - 1 is prescribed by the State Board of Tax Commissioners, 1989

FORM SB - 1

INSTRUCTIONS:

1. This statement must be submitted to the body designating the economic revitilization 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 Revitilization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment, or **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. A statement of benefits is not required if the area was designated an ERA prior to July 1, 1987 and the "project" was planned and committed to by the applicant, and approved by the designating body, prior to that date. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation or prior to installation of the new manufacturing equipment, **BEFORE** a deduction may be approved.
3. To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PP, New Machinery, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of: (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PP must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment becomes assessable, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and June 14 of that year.
4. Property owners whose Statement of Benefits was approved after July 1, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)

SECTION 1: TAXPAYER INFORMATION

Name of taxpayer: Newburgh Associates L.L.C.

Address of taxpayer (street and number, city, state and ZIP code): P.O. Box 5012 Evansville, In. 47716

Name of contact person: Dan Spindler or Allan Holweger

Telephone number: (812) 471-2600
812 453-1100

SECTION 2: LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body: Newburgh Associates, L.L.C.

Resolution number:

Location of property: 7844 State Road #66 Newburgh In 47630

County: Warrick

Taxing district: 060-5310-0005

Description of real property improvements and / or new manufacturing equipment to be acquired (use additional sheets if necessary): Old K-Mart Building

Estimated starting date: March 1, 2003

Estimated completion date: October 1, 2004

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries

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.	Real Estate Improvements		Machinery	
	Cost	Assessed Value	Cost	Assessed Value
Current values	1.4m		-0-	-0-
Plus estimated values of proposed project				
Less values of any property being replaced				
Net estimated values upon completion of project	4.5 m.			

SECTION 5: OTHER BENEFITS PROMISED BY THE TAXPAYER

Renovating an economic obsolesce piece of real estate and creating new jobs.

SECTION 6: TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative	Title	Date signed (month, day, year)
[illegible]	[illegible]	

Re: Newburgh Associates, LLC 2/27/03

PROPOSED CRITERIA FOR TAX ABATEMENT IN WARRICK COUNTY

prepared by the Warrick County Chamber of Commerce Tax Research Committee

100 POINTS MAXIMUM

Investment (25 points maximum)-

0 up to $1 million-	5 points		
$1 million up to $2.5 million-	10 points		
$2.5 million up to $5 million-	15 points	4.5 m	15
$5 million up to $10 million-	20 points		
$10 million +	25 points		

New employment (25 points maximum)-

5 to 24 employees-	5 points		
25-49 employees-	10 points		
50-74 employees-	15 points		
75-149 employees-	20 points		
*150 employees +	25 points	(See Note Below)	25

Wage level (15 points maximum)-

Less than county average wage-	0 points	
Equal to county average wage (+/-5%)-	5 points	
10% greater than county average wage-	10 points	
20% greater than county average wage-	15 points	5

Desirable/targeted industry (5 points maximum)-

Is the applicant in an industry that is deemed a "good fit" for the county, as determined by the Council or the Economic Development Department in its industry targeting? If yes, award 5 points. 5

Appropriate location (5 points maximum)-

Is the applicant making the investment in a location already zoned appropriately? If yes, award 5 points. 5

Existing industry (5 points maximum)-

Is the applicant seeking abatement already located in the county? If yes, award 5 points. 5

Need for abatement (20 points maximum)-

Is the offering of tax abatement necessary to induce the applicant to make its investment in the county? If yes, award 20 points. 20

* Please refer to my letter regarding employees.

DEDUCTIONS:

Competition (minus 10 points maximum)

If the applicant seeking tax abatement is new to the county, does it compete with an existing county industry in its end product such that the existing county industry may be damaged in its sales? If yes, deduct 5 or 10 points. — 5

Cost of county (minus 20 points maximum)

Will the direct expense incurred by the county to serve the applicant (roads, sewers, etc.) be recovered by county through new tax revenues (property and income), and if so, over what period of time? 0

If costs will be recovered within 3 years-	No deduction
If costs will be recovered within 5 years-	Deduct 5 points
If costs will be recovered within 7 years-	Deduct 10 points
If costs will be recovered within 10 years-	Deduct 15 points
If it takes over 10 years to recover costs-	Deduct 20 points

Environmental (minus 20 points maximum)

Is the applicant engaged in an activity which the Council deems to be environmentally unsuitable for either the county as a whole, or the location where it is locating? If yes, deduct 5, 10, 15 or 20 points depending on level of unsuitability. 0

SCORING-

Score	Equipment		Real property
Less than 50 points-	No abatement		No abatement
55 to 60 points-	5 years	OR	3 years
65 to 70 points-	5 years	AND	3 years
75 to 80 points-	5 years	AND	6 years
a85 to 90 points-	10 years	AND	6 years
95 to 100 points-	10 years	AND	10 years

An applicant may request that his abatement in one classification be reduced by one step so that his abatement in another be raised one step. For example, an applicant who qualifies for 5 years equipment abatement and 3 years of real property abatement (65 to 70 points) can request that his equipment abatement be reduced by one step (from 5 years to 0 years) and that his real abatement be increased by one step (from 3 years to 6 years).

TOTAL SCORE 75

ABATEMENT PERCENTAGES (State statute)

Year of Deduction	Manufacturing Equipment			Real Property	
	5 years	10 years	3 years	6 years	10 years
1	100%	100%	100%	100%	100%
2	95%	95%	66%	85%	95%
3	80%	90%	33%	66%	80%
4	65%	85%		50%	65%
5	50%	80%		35%	50%
6		70%		17%	40%
7		55%			30%
8		40%			20%
9		30%			10%
10		25%			5%