

APPLICATION FOR TAX INCENTIVES

This application is to be completed and signed by the owner of the property where property redevelopment or rehabilitation and/or new construction and installation of new equipment is to occur. The designating body makes no representation as to the effect of a designation granted by it for purposes of any further applications or approvals required under I.C. 6-1.1-12.1, and makes no representation to an applicant concerning the validity of any benefit conferred, also under I.C. 6-1.1-12.1. This document is a public record and may be inspected and copied under I.C. 5- 14-3-3.

APPLICATION IS FOR: (check any or all)

- Tax Abatement Real Estate Improvements (New Building, Addition, and/or Modification);
- Tax Abatement New Equipment (Manufacturing, Research and Development, Logistical Distribution, and/or Information Technology);
- Tax Increment Financing; or
- Infrastructure Assistance (Water, Sewer, Electricity, and Roads).

There is a non-refundable fee of **\$500** for either tax abatement categories above or **\$750** for both. There is a non-refundable fee of **\$1,500** for an application for Infrastructure Assistance and/or Tax Increment Financing. There is a non-refundable fee of **\$1,500** for a non-compliance waiver request for failure to apply for tax abatement prior to obtaining building permits and/or installing equipment. The filing fee will be used to defray the costs incurred by the City of Garrett in processing the application. The City does not represent or guarantee that the Common Council, as the designating body, will approve an application for waiver of non-compliance. Please make the check payable to the Clerk-Treasurer and include it with the application, complete the **on-line SB-1 Form, include a printed copy of the completed SB-1, and other Required Attachments set forth on page 7 of this Application.** Please send check, application, and applicable state forms to:

City of Garrett
Attn: *Ms. Marcie Conkle (Clerk- Treasurer)*
130 S. Randolph Street; P.O. Box 332
Garrett, IN 46738

CONTACT INFORMATION

1. Taxpayer name for REAL Improvements: _____
Taxpayer name for PERSONAL Improvements: _____
(Please make sure these names match the SB-1 State forms for tax purposes.)
2. Contact person/representative: _____
3. Telephone number: _____ Fax number: _____
4. Mailing address of contact person: _____

5. E-mail address: _____
6. Contact Person for Annual Compliance Survey: _____
(Telephone & Email): _____

*Please note that the City may require a background check of the company and/or major shareholder.

JOB CREATION AND RETENTION

Please be specific on job descriptions by choosing an "Occupation Code" provided in the Occupational Employment Statistics Profiles at http://www.bls.gov/oes/current/oes_stru.htm

Click on the Occupation Group name and find the specific occupation that is being created and/or retained. List your company's wage information.

7. Current **full-time** employment:

EXAMPLE

Management	11-1021	8	\$72,000	\$57,000 - \$85,000
<i>Occupation</i>	<i>Occupation Code</i>	<i>Number of Jobs</i>	<i>Average Salary</i>	<i>Salary Range</i>

8. **Full-Time** jobs to be created as a result of this project:

EXAMPLE

Quality Control	51-9061	3	\$38,356	\$30,000 - \$40,000
<i>Occupation</i>	<i>Occupation Code</i>	<i>Number of Jobs</i>	<i>Average Salary</i>	<i>Salary Range</i>

9. Other employment

a. Please note any **temporary** positions:

<i>Occupation; Current or Created?</i>	<i>Occupation Code</i>	<i>Number of Jobs</i>	<i>Average Salary</i>	<i>Salary Range</i>

Please note any **part-time** positions:

<i>Occupation; Current or Created?</i>	<i>Occupation Code</i>	<i>Number of Jobs</i>	<i>Average Salary</i>	<i>Salary Range</i>

10. Summation of Questions 7, 8, & 9:

<i>Total Current Employees</i>	<i>Total Current Payroll (\$)</i>	<i>Proposed Total Employees</i>	<i>Proposed Total Payroll (\$)</i>	<i>Total No. of Employees Living in County</i>	<i>Total No. of Employees Living in DeKalb County</i>	<i>Total No. of Employees Living in Surrounding Counties</i>

11. Provide schedule for when new employee positions are expected to be filled: _____

12. Check all of the benefits listed below that the company provides to workers who have been employed for 6 months. The company must pay at least 70% of the benefit cost:

- | | | |
|---|---|--|
| <input type="checkbox"/> Paid Vacation | <input type="checkbox"/> Health Insurance | <input type="checkbox"/> Uniforms |
| <input type="checkbox"/> Sick Leave | <input type="checkbox"/> Life Insurance | <input type="checkbox"/> Employee Training |
| <input type="checkbox"/> Paid Holidays | <input type="checkbox"/> Dental Insurance | <input type="checkbox"/> Tuition Reimbursement |
| <input type="checkbox"/> 401k/Pension/SEP/Keogh | <input type="checkbox"/> Vision Insurance | <input type="checkbox"/> ESOP/Profit Sharing |
| <input type="checkbox"/> Daycare | <input type="checkbox"/> Other (Please list): | |

INVESTMENT

Sources of Funds (complete where applicable)	
Owner Equity	\$
Other Financing - indicate source, i.e. bank, type of public or other funding	\$
Other Financing - indicate source, i.e. bank, type of public or other funding	\$
TIF Financing - indicate source	\$
Total Sources of Funds	\$
Uses of Funds (complete where applicable)	
Land Acquisition	\$
Building Acquisition	\$
Construction Hard Costs or Rehabilitation Costs	\$
Sitework Construction Costs	\$
Construction Soft Costs (<i>break-out Architectural & Engineering Fees</i>)	\$
Capital/Equipment Costs, <i>if applicable</i>	\$
Tenant Improvements/Build-Outs, <i>if applicable</i>	\$
Developer Fees	\$
Financing Fees	\$
Other (describe):	\$
Total Uses of Funds and Total Project Costs	\$

13. Please provide the amount invested for each category:

- a. Total cost of real estate improvements: _____
- b. Total cost of manufacturing equipment: _____
- c. Total cost of research and development equipment: _____
- d. Total cost of logistical distribution equipment: _____
- e. Total cost of information technology equipment: _____
- f. Total cost of improvements and equipment: _____

▪ **Provide 3-Year Pro-Formas - Profit/Loss and Cash Flow Statements**

▪ **Provide Statement of Need and ROI Analysis (with and without TIF)**

BACKGROUND INFORMATION

- 14. What year was the company founded? _____
- 15. What is the company's NAICS code? _____
- 16. Indicate the company's business, in general: _____
 - a. Other: _____
- 17. Description of product or service to be offered at the project site: _____

18. For "Office" and "Service" businesses, please indicate the percentage of clients/customers that are located within the City of Garrett and DeKalb County and the State of Indiana: _____

19. Dollar amount of annual sales for each of the last three years: _____

20. List the three largest customers, their locations, and amount of annual gross sales:

<i>Customer</i>	<i>City / State</i>	<i>Annual Gross Sales</i>

21. List the three largest material suppliers, their locations, and amount of annual purchases:

<i>Supplier</i>	<i>City / State</i>	<i>Annual Gross Purchases</i>

22. Does the company's business include a retail component, meaning that goods or items are sold to the ultimate consumer for the consumer's use or consumption and not to a person for resale? _____ (If yes, continue below. If no, then skip to Question 23.)

- a. What percentage of floor space will be utilized for retail activities? _____
- b. What percentage of sales are made to the ultimate consumer as defined above? _____
- c. Provide the amount of sales tax collected in each of the last three years:

d. What percentage of business is from service calls? _____

23. Impact on existing businesses:

a. Will this project be in competition with existing local businesses? _____

b. Will this project complement existing local business? _____

c. Provide the names of who you consider to be your top three competitors:

24. On a separate page, please give a detailed description of what the impact on your business will be if the proposed real property improvement **is not** constructed (e.g. loss jobs, contract cancellations, loss of production, change in location, etc.).

GENERAL INFORMATION

25. Property owner(s): _____

26. Address of property: _____

27. Township: _____ Parcel number: _____

Legal description of property is attached: Yes No

28. Current zoning designation: _____

29. In order to be considered an Economic Revitalization Area (ERA), State Law (I.C. 6-1.1- 12.1-1) requires that the subject property be located in an area “which has become undesirable for, or impossible of, normal development and occupancy because of age, 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.” It also includes 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.”

How does the property for which you are requesting designation meet the above definition of an ERA (*describe below*)? _____

REAL ESTATE TAX PHASE-IN

Complete this section **only** if you are requesting a deduction from assessed value for real estate improvements.

30. Will the current property be reutilized, deconstructed, or demolished? _____

31. Current use of the property:

a. How is the real estate presently used? _____

b. What structures are on the property? _____

c. What is (are) the general condition of structure(s)? _____

32. Current assessed value of the real estate:

a. Land: _____ b. Improvements: _____

33. Total real property taxes owed during the immediate past year: _____

34. Describe the proposed improvements to the subject property: _____

35. Have building permits been filed for this project? Yes No

36. Will additional public infrastructure/facilities be required? Yes No If Yes, please explain in detail costs/funding source and schedule for construction: _____

37. Projected Construction timeframe:

a. Construction start date: _____

b. Construction completion date: _____

38. Will this project require approval of a rezoning, plat, development plan, annexation, variance, special exception, building permit, or contingent use prior to the issuance of an Improvement Location Permit? Yes No If yes, list: _____

39. Is the Company current on all property, income, and withholding taxes? Yes No

If No, list: _____

40. Will local suppliers and contractors be used in the construction/operation of the proposed project? Yes No If Yes, list: _____

41. Does the proposed project take advantage of any "green" technology to reduce adverse environmental impact? Yes No If Yes, please explain: _____

PERSONAL PROPERTY TAX PHASE-IN

Complete this section **only** if you are requesting a deduction from the assessed value of new manufacturing, research and development, logistical distribution, or information technology equipment.

42. Current Assessed Value of existing equipment at the project site: _____

43. Total Personal Property taxes owed during the immediate past year: _____

44. Description of proposed equipment at the project site: _____

45. Please provide a list of the equipment for which you are applying for a personal property tax abatement along with the expected life of the asset for purposes of depreciation (**attach a separate sheet if necessary**):

<u>Proposed Equipment (list individually)</u>	<u>Expected Life of Asset for Purpose of Depreciation</u>
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46. Will any of the equipment listed above be classified as special tooling (as defined by regulation No. 16 and reported on Form 103-T) for property tax purposes? Yes No

a. If yes, please indicate the total cost of special tooling: _____

47. Has any of the equipment for which you are seeking a designation been installed? _____

48. Has any of the proposed equipment ever been used for any purpose in Indiana? _____

49. Development time frame

a. Equipment purchase date: _____

b. Equipment installation date: _____

COMMUNITY BENEFITS

50. How will the proposed incentives further the economic development objectives of the City? (Please answer Yes or No, and provide an explanation if the answer is Yes).

a. Will the incentive improve the utilization of vacant or under-utilized land?

b. Will the incentive encourage the improvement of a deteriorated structure or the replacement of an obsolete structure?

c. Will the incentive encourage the improvement or replacement of obsolete manufacturing, research and development, logistical distribution, or information technology equipment?

d. Will the incentive assist in the inducement of a project providing substantial employment opportunities relative to the value of the improvements to be made and/or the equipment to be installed?

e. Will the incentive assist in the inducement of a project which would provide long-term benefits to the tax base of the City warranting the granting of the annually decreasing percentage of property tax abatement as provided in I.C. 6-1.1-12.1?

51. The City of Garrett has created the Tax Abatement Development Fund as a means to fund future economic development efforts which benefit expanding or new industries. The fund is being capitalized with voluntary contributions of either 10% or 5% of the tax savings realized by companies receiving tax abatement. Is the company willing to contribute a portion of its tax savings? (Please check one)

Yes: 10% 5% No:

TAX ABATEMENT REQUEST & HISTORY
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52. For the proposed project, is the applicant requesting other incentives from the City (e.g., tax increment financing, economic development revenue bond financing)? If so, please explain:

53. Has applicant previously been approved for economic development incentives from the City (e.g., tax abatement, tax increment financing, economic development revenue bond financing)? If so, please explain and include information with respect to applicant's compliance with project representations made to the City at the time the incentives were approved: _____

54. What is the term of the tax abatement requested (maximum 10 years)? _____

55. An example of a traditional abatement schedule is as follows:

Year	% of Assessed Value Exempt From Real Property Taxes
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%

56. Complete the following schedule concerning the proposed property taxes to be abated and include on a separate page the worksheets for calculating the figures provided below:

- a. Projected Current Conditions Without Abatement:
 - i. Current Annual Real Property Taxes: _____
 - ii. Projected 10-Year Total: _____
- b. Projected Conditions With Abatement:
 - i. Projected 10-Year Real Property Taxes: _____
 - ii. Projected 10-Year Abatement: _____
- c. Projected Total (Assumes Abatement Granted):
 - i. Total Amount Abated: _____
 - ii. Total Taxes to be Paid: _____

REQUIRED ATTACHMENTS

This application will not be considered complete unless the items listed below are attached. Once the application is determined to be complete, then this project will be placed on the agenda of the appropriate designating body.

- 1) Application Fee (Make check payable to "Garrett Clerk-Treasurer")
- 2) Statement of Benefits (SB-1) Form (complete online at <http://www.in.gov/dlgf/8516.htm>)
- 3) Legal description of property (if applicable)
- 4) Owner's Certificate (if applicant is not the owner of the property)

CERTIFICATION

Filing this application constitutes a request for Tax Incentives only and does not constitute an automatic deduction of property taxes. I understand it is the responsibility of the property owner to file the appropriate abatement forms with the Clerk-Treasurer if the designation is approved.

I hereby certify the information and representations of this application are true and complete and that neither an Improvement Location Permit nor a Structural Permit have been filed for construction of improvements, nor has any manufacturing, research and development, logistical distribution, or information technology equipment which is a part of this application been purchased and installed as of the date of the filing of this application.

I understand that I must file a correctly completed Compliance with Statement of Benefits form (CF-1) demonstrating compliance with the community benefits described on the Statement of Benefits form (SB-1) and that failure to demonstrate compliance on an annual basis may result in the termination of the tax abatement benefits allowed by the Economic Revitalization Area designation.

Signature of Owner or Authorized Representative

Date _____

Printed Name and Title