



CITY OF FRANKLIN

DEPARTMENT OF COMMUNITY DEVELOPMENT

Staff Report

To: Economic Development Commission Members
From: Dana Monson, Community Development Specialist
Date: July 13, 2021
Re: Case EDC 2021-08– Peterson Property Group

Case EDC 2021-08 – Peterson Property Group: A request for a 10-year tax abatement on \$26,663,000 in real property investment for the construction of a speculative building. This building will be marketed to potential companies in the industrial, flex, manufacturing, distribution and logistics sectors.

Location: Jim Black Road, Franklin, IN. 46131



Summary:

- Characteristics of this location:**
This property is currently agricultural and located adjacent to Mitsubishi Turbo Engine America and The Sunbeam Development.
- Characteristics of this petitioner:**
Peterson is a full service construction, property, maintenance and tenant improvement company. They have built a number of facilities in Greenwood for developers such as Becknell, Shear and Scannell in addition to working directly with companies in the region. The company is headquartered in Indianapolis.

3. Characteristics of this project:

This company will build a 450,000 sf speculative building that will sit on 36 acres. The building will be constructed in such a way that it could be divided for multiple tenants or for one large user.

4. Economic Revitalization Area (ERA):

The property is not located in a current ERA and will require this designation as part of the case.

5. ERA & Tax Abatements Findings (Real Property):

Indiana Code Section 6-1.1-12.1-3 states that the following findings must be made when considering an ERA designation and the granting of a tax abatement for real property:

- a. Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
- b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

6. City of Franklin "Tax Abatement Policy" criteria:

The "Tax Abatement Policy" section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and this request follows:

- a. *Diversification of Local Occupations:* This project will provide a flexible building that can accommodate a wide range of tenants, thus potentially increasing the diversity of local businesses in our community.
- b. *Diversification of Local Employment:* The project does not have any jobs connected as this is speculative and no tenant has been identified. There is potential for a variety of skilled labor positions, depending on the end user.
- c. *Increase in Local Salaries:* There are no jobs specifically tied to this project so no wage projections can be made, however, with this size building and the potential for multi-tenants, there can be a number of skilled positions which would pay at or above the average county wage. This will be completely dependent on the end user.
- d. *Sustainable Land Use:* The petitioner proposes to make this investment on 36.2 acres that has been undeveloped land.

- e. *Future Community Investment*: The applicant should share with the EDC their plans for future community investment. At this time they are not agreeing to any economic development fee. They have requested on their application to reconsider this once a tenant is identified.
- f. *Conformance with the Comprehensive Plan*: The Comprehensive Plan - Future Land Use Plan identifies this property as Industrial General. Industrial General zoning permits the following uses: Industrial Uses • agricultural products terminal • dry cleaners (commercial) • food & beverage production • general industrial production • light industrial assembly & distribution • light industrial processing and distribution • power generation facility (commercial) • research and development facility • truck freight terminal • warehouse & distribution facility

7. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:

- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and
- d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

8. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be for the first year taxes are assessed at an increased assessment rate.

Staff Comments:

The Mayor's Office has indicated they are supportive of a tax abatement of 10 years for real property for this project based on the investment amount and the potential of a diversification of the employment base. This type of development is what this area was designed to attract and support.



CITY OF FRANKLIN

Community Development DEPARTMENT

Tax Abatement Application

Organization/Corporation	Requesting	Tax	Abatement
PETERSON PROPERTY GROUP, LLC		Organization/Corporation Name:	
LARRY D. SIEGLER		Primary	Contact
Name:	PETERSON PROPERTY GROUP, LLC		
Contact Address:	7132 ZIONSVILLE RD.		
City:	INDIANAPOLIS	State:	IN Zip: 46268
Phone Number:	317-710-7010		
Email:	LSIEGLER@PETERSON-PROPERTY.COM		
Three possible dates before the EDC meeting to conduct a site visit: CALL LARRY SIEGLER AT ABOVE NUMBER TO SCHEDULE TIMES			
Name of Owner:	PETERSON PROPERTY GROUP, LLC		
Parent Company (If Applicable):			

Primary	Contact	for	Yearly	Compliance	Reports
SEE ABOVE					Name: _____
					Title: _____
					Address: _____
					City: _____
					State: _____ Zip: _____
Phone Number:					
Email:					

Description	of	Project
Project Location/Address:	COUNTY ROAD N 500 E (JIM BLACK ROAD) AND MITSUBISHI PARKWAY	
Parcel Number:	41-07-18-014-001.000-018,41-07-18-011-004.000-018,41-07-18-011-003.000-018,41-07-18-011-002.000-018	
Brief Description of Project:		
A 450,000 SF cross docked light industrial building on 36 acres at the corner of Jim Black Rd and Mitsubishi Parkway on the east side of I-65 in Franklin, IN.		

Current Assessed Value (AV) of the Property:

1. Land	50,900
2. Building	N/A
3. Inventory	N/A
4. Equipment	N/A

Have building permits been applied for (if applicable): Yes No ☒

Has equipment been installed (if applicable): Yes No ☒

Required Attachments:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Completed SB-1 Form(s) | <input type="checkbox"/> Summary of Benefits (if applicable) |
| <input checked="" type="checkbox"/> Legal Description of the Property | <input type="checkbox"/> Employment Phase-In Schedule |
| <input type="checkbox"/> Company Financial Statement | <input checked="" type="checkbox"/> Company Investment Timetable |
| <input type="checkbox"/> Job and Wage Description Information Sheet | <input checked="" type="checkbox"/> Compliance Affidavit |

Type of Abatement Requested

Real Property ☒

Personal Property ☐

Length of Abatement Requested: 10 Years

Project Size (square feet): 450,000 SF

Size of Site (acres): 36.2 ACRES

Type of Building:

Multiple Tenants (leased) ☒

Single Tenant (leased)

Owner Occupied

Corporate Headquarters

Capital Investment

1. Real property capital investment only: 26,663,000

2. Personal property capital investment only: 0

3. Total capital investment for proposed project: 26,663,000

Jobs Created and/or Retained

1. Estimated number of full time jobs created by the proposed project: N/A SPECULATIVE BUILDING

2. Estimated number of full time jobs retained as a direct result of the proposed project: _____

3. Total number of full time jobs upon project completion: _____

Wages Created and Retained

1. Average hourly wage rate for new jobs (w/o benefits)

N/A SPECULATIVE BUILDING

2. Average hourly wage rate for jobs retained (w/o benefits)

***In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.

ABATEMENT IS NECESSARY IN ORDER TO HAVE COMPETITIVE RENTAL RATES WITH IN THE AREA.

Company Information

How long has the company been in existence? N/A SPECULATIVE BUILDING

Current address of company headquarters and duration at that address: _____

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: _____

Have you ever received tax abatement at your current location? Yes No ☒

If yes, when and for what term? _____

What specifically has the company done to give back to the community: _____

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website (www.franklin.in.gov) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes No ☒

If yes, at what percent(s)? _____

WE WOULD REQUEST THE EDF BE ADDRESSED AFTER THE BUILDING IS FULLY LEASED.

SAMPLE COMPANY INVESTMENT TIMETABLE

Year of Abatement	Buildings	Equip. Type 1	Equip. Type 2	Equip. Type 3	Total
1st Quarter	\$4,163,000				
2nd Quarter	\$5,625,000				
3rd Quarter	\$5,625,000				
4th Quarter	\$5,625,000				
Year of Abatement					
1st Quarter	\$5,625,000				
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL	\$26,663,000				

**EMPLOYMENT PHASE-IN SCHEDULE
SAMPLE JOB CREATION/RETENTION TIMETABLE**

	Job Type 1	Job Type 2	Job Type 3	Job Type 4	Total
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL					

N/A SPECULATIVE BUILDING

N/A SPECULATIVE BUILDING

**JOB AND WAGE DESCRIPTION
FOR TAX ABATEMENT APPLICATION**

Please provide the following job and wage earning information that is associated with this Tax Abatement Petition (*Please specify all wages in an hourly format without benefits*):

- (1) Company NAICS code: _____.
- (2) The total number of jobs current at the site: _____, the number of those jobs that will be retained as a direct result of the proposed investment _____, and the number of new jobs which will be created as a direct result of the proposed investment _____.
- (3) The total number of full-time employees at the site: _____.
- (4) The total number of temporary and/or contract employees currently at the site: _____.
- (5) The average hourly wages for the new jobs: _____.
- (6) Will the new jobs being created begin as temporary and/or contract employees? _____
If yes, please provide an explanation of the typical transition process to full time:

- (7) Number of new and/or retained jobs in:

- (a) Managerial/Professional Specialty Occ.: _____ Average Hourly Wage: _____
- (b) Technical/Sales/Admin. Support Occ.: _____ Average Hourly Wage: _____
- (c) Service Occ.: _____ Average Hourly Wage: _____
- (d) Precision Production/Craft/Repair Occ.: _____ Average Hourly Wage: _____
- (e) Operators/Fabricators/Laborers: _____ Average Hourly Wage: _____

Note: The total number of jobs specified above should correspond with the Statement of Benefits Form SB-1.

- (8) Attach detailed information on the types of benefits offered for new employees. A description of all possible bonuses and incentives should also be given if provided.

**ENVIRONMENTAL, LAND USE, AND
PERMITTING COMPLIANCE AFFIDAVIT**

I, Patrick A. Sherman (representative) on behalf of Peterson Property Group, LLC (company) represent that, except to the extent that the City of Franklin has been given written notice of any environmental, chemical, or waste hazards or violations prior to the date of this affidavit, the petition and project plan of Peterson Property Group, LLC (company) does not contemplate, contain, nor anticipate:

- (1) any violation(s) of City of Franklin Municipal codes and/or ordinances;
- (2) any violation(s) of applicable zoning ordinances;
- (3) any violation(s) of site plan review and/or building permit requirements;
- (4) any violation(s) of federal or state laws, including but not limited to OSHA and ADA, and all other regulations regarding safety, land use, and access;
- (5) any violation(s) of federal or state laws, including but not limited to the creation, maintenance, utilization, control, handling, existence, and/or disposal of hazardous waste, chemicals, conditions, equipment, materials, entities, or components as defined under federal and/or state law.

Further, Peterson Property Group, LLC (company) states that the construction ^{QWA} and operation of the proposed facility will in no way result in any discharges which will result in interruptions, inconsistencies, or failures in the operation of the Franklin Wastewater Treatment facility. The petitioner understands that the violation of any element of this affidavit may result in the revocation of any tax abatements or other economic incentives which may have been granted by the City of Franklin.

Patrick A. Sherman, CPA
Petitioner

6-23-2021
Date

STATE OF Indiana

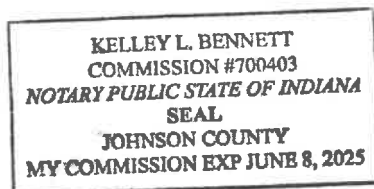
SS:

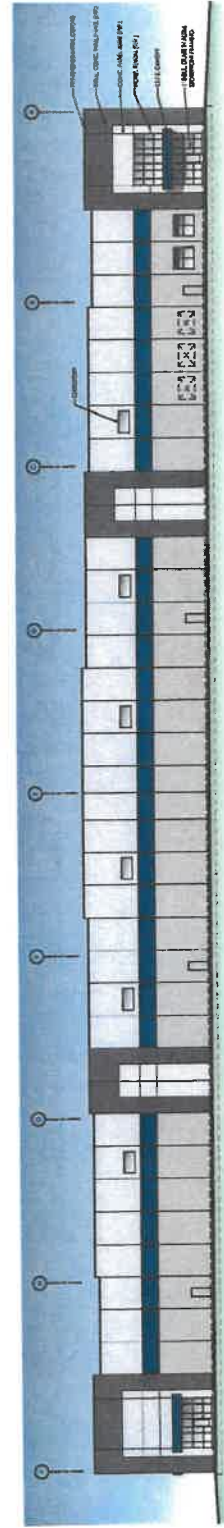
COUNTY OF Johnson

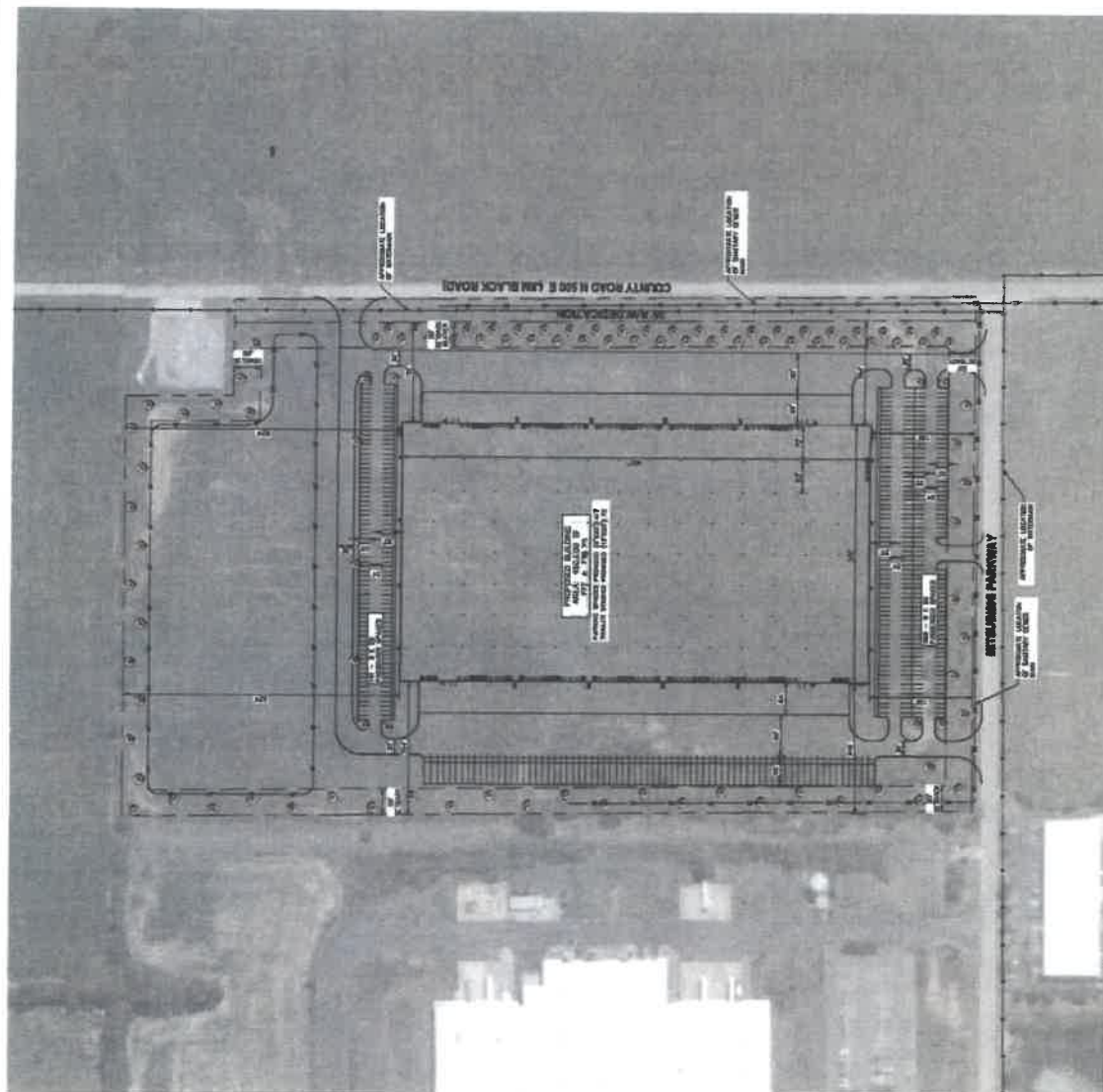
Subscribed and sworn to before me on this 23rd Day of June, 2021.

My Commission Expires: 6/8/2025

Kelley L Bennett
Notary Public





[illegible]

6/17/2021

FRANKLIN INDUSTRIAL
FRANKLIN, IN

CONCEPT SITE PLAN

Kimley»Horn

EXHIBIT D

EXHIBIT A

Franklin Industrial

Legal Description for Abatement

A part of the Northeast Quarter of Section 18, Township 12 North, Range 5 East, Johnson County, Indiana, more particularly described as follows:

Commencing at the Northeast corner of said Northeast Quarter; thence South 00 degrees 00 minutes 00 seconds West (assumed bearing) on and along the East line of said Northeast Quarter 208.71 feet to the place of beginning; thence continuing South 00 degrees 00 minutes 00 seconds West on and along the East line of said Northeast Quarter 1420.57 feet to the North line of a 60 foot right of way as described in instrument number 9600312; thence North 89 degrees 32 minutes 07 seconds West along said right of way line 1016.69 feet; thence North 00 degrees 02 minutes 39 seconds East 1629.34 feet to the North line of said Northeast Quarter; thence South 89 degrees 31 minutes 53 seconds East on and along the North line of said Northeast Quarter 806.72 feet; thence South 00 degrees 00 minutes 00 seconds West 208.71 feet; thence South 89 degrees 31 minutes 53 seconds East 208.71 feet to the place of beginning, containing 37.00 acres, more or less.

EXHIBIT B



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R7 / 1-21)

Prescribed by the Department of Local Government Finance

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:

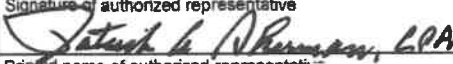
1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise, this statement must be submitted to the designating body **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.
2. 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.
3. 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.
4. 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)
5. 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

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.

SECTION 1		TAXPAYER INFORMATION			
Name of taxpayer PETERSON PROPERTY GROUP, LLC (thru entity to be formed)					
Address of taxpayer (number and street, city, state, and ZIP code) 7132 ZIONSVILLE RD.					
Name of contact person LARRY D. SIEGLER		Telephone number (317) 710-7010		E-mail address LSIEGLER@PETERSON-PROPERTY.COM	
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT			
Name of designating body FRANKLIN COMMON COUNCIL		Resolution number			
Location of property COUNTY ROAD N 500 E (JIM BLACK ROAD) AND MITSUBISHI PARKWAY		County JOHNSON		DLGF taxing district number 018	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) A 450,000 SF cross docked light industrial building on 36 acres at the corner of Jim Black Rd and Mitsubishi Parkway on the east side of I-65 in Franklin, IN				Estimated start date (month, day, year) MARCH 1, 2022	
				Estimated completion date (month, day, year) APRIL 30, 2023	
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT			
Current Number	Salaries	Number Retained	Salaries	Number Additional	Salaries
				N/A	N/A
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT			
		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
Current values		4,163,000.00			
Plus estimated values of proposed project		22,500,000.00			
Less values of any property being replaced					
Net estimated values upon completion of project		26,663,000.00			
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER			
Estimated solid waste converted (pounds) _____		Estimated hazardous waste converted (pounds) _____			
Other benefits Abatement savings will be passed through to tenant.					
SECTION 6		TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.					
Signature of authorized representative 				Date signed (month, day, year) 6-23-2021	
Printed name of authorized representative PATRICK A. SHERMAN, CPA on behalf of				Title LARRY D. SIEGLER, CO, THE PETERSON COMPANY	

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.

EXHIBIT C

Real Property Schedule

36.2 acres

Jim Black Road

Parcel Number:

41-07-18-014-001.000-018

41-07-18-011-004.000-018

41-07-18-011-003.000-018

41-07-018-011-002.000-018

Resolution 2021-28

Peterson Property Group

Year	Abatement
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%

Indiana Tax Abatement Results

- Johnson County, Franklin City - Needham Twp
- Tax Rate (2021): 3.3758
- Project Name: Peterson

Real Property: \$26,663,000.00

		With Abatement			Without Abatement			Estimated Tax Abatement Savings
	Abatement Percentage	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100%	\$ 0.00	\$0.00	\$0.00	\$900,090.00	(\$100,200.00)	\$799,890.00	\$799,890.00
Year 2	95%	\$ 45,004.00	\$0.00	\$45,004.00	\$900,090.00	(\$100,200.00)	\$799,890.00	\$754,886.00
Year 3	80%	\$ 180,018.00	\$0.00	\$180,018.00	\$900,090.00	(\$100,200.00)	\$799,890.00	\$619,872.00
Year 4	65%	\$ 315,031.00	\$0.00	\$315,031.00	\$900,090.00	(\$100,200.00)	\$799,890.00	\$484,859.00
Year 5	50%	\$ 450,045.00	\$0.00	\$450,045.00	\$900,090.00	(\$100,200.00)	\$799,890.00	\$349,845.00
Year 6	40%	\$ 540,054.00	\$0.00	\$540,054.00	\$900,090.00	(\$100,200.00)	\$799,890.00	\$259,836.00
Year 7	30%	\$ 630,063.00	\$0.00	\$630,063.00	\$900,090.00	(\$100,200.00)	\$799,890.00	\$169,827.00
Year 8	20%	\$ 720,072.00	\$0.00	\$720,072.00	\$900,090.00	(\$100,200.00)	\$799,890.00	\$79,818.00
Year 9	10%	\$ 810,081.00	(\$10,191.00)	\$799,890.00	\$900,090.00	(\$100,200.00)	\$799,890.00	\$0.00
Year 10	5%	\$ 855,085.00	(\$55,195.00)	\$799,890.00	\$900,090.00	(\$100,200.00)	\$799,890.00	\$0.00
Totals		\$4,545,453.00	(\$65,386.00)	\$4,480,067.00	\$9,000,900.00	(\$1,002,000.00)	\$7,998,900.00	\$3,518,833.00

Disclosures

- The abatement calculator is prepared by Baker Tilly Municipal Advisors, LLC, a financial consulting firm, in conjunction with Hoosier Energy, based on current Indiana law. This calculation is intended to provide an ILLUSTRATIVE and PRELIMINARY indication of the level of property taxes and potential property tax savings for a proposed investment based on certain assumptions. Please read the Disclosures carefully. Companies must consult their own tax advisors to determine their actual tax liability and to prepare their annual Indiana filings.
- To be eligible to receive property tax abatements in Indiana, a company must follow a specific application process. Please contact your Hoosier Energy Representative for further guidance.
- Assumes taxes payable 2019 property tax rates, as provided by the Indiana Department of Local Government Finance.
- Real property in Indiana is subject to annual adjustments of assessed value to the market value of the structure based on annual sales data ("Trending").
- All personal property (equipment) is assumed to be new, and is assumed to be depreciated in Pool #2 (5-8 year depreciable life) for property tax purposes. A mixture of new and existing equipment (as well as a mixture of depreciation pools) will produce different tax savings results.
- Assumes a one-time investment in real and personal property. Staggering the investments may have a material effect on the actual value of property tax abatements.
- Includes the calculation of Minimum Value Ratio (MVR) for tax abatement of personal property, which effectively increases the assessed value used in the abatement calculation when the taxpayer is subject to the 30% depreciation floor. The MVR equals the adjusted assessed value at the 30% floor divided by the depreciated assessed value of the equipment.
- It is assumed that the Circuit Breaker Tax Credit, which limits property tax liability to 3.0% of gross assessed value for commercial and industrial properties, is applied.
- Does not account for the application of the Local Income Tax (LIT) Property Tax Replacement Credit (PTRC) in any jurisdictions in which a LIT PTRC is applicable. The application of the LIT PTRC may reduce the property tax liability and the impact of the Circuit Breaker Tax Credit for a commercial/industrial taxpayer.
- The property tax abatement savings value is an ESTIMATE based on preliminary information entered into this calculator. Actual abatement savings may differ materially from the results of this calculator based on the timing of the investment, actual assessment of structures upon completion by the local assessing official, differences in depreciation pools for personal property, annual changes in tax rates, changes to Indiana property tax law or regulations, or changes in assessment methodology.

Hoosier Energy's Tax Abatement Estimator was developed with the assistance of [Baker Tilly Municipal Advisors, LLC](#).