

**RESOLUTION NO. 2020-01**

**LAFAYETTE COMMON COUNCIL**

**A RESOLUTION APPROVING A DEDUCTION FOR TAX ABATEMENT  
IN AN ECONOMIC REVITALIZATION AREA (ERA)**

**WORWAG COATINGS, LLC  
PERSONAL PROPERTY**

**WHEREAS**, IC 6-1.1-12.1 allows for a partial abatement of property taxes attributable to the rehabilitation/redevelopment of real property and/or installation of new personal property in an Economic Revitalization Area (ERA); and

**WHEREAS**, IC 6-1.1-12.1 empowers the Common Council to designate Economic Revitalization Areas (ERAs); and

**WHEREAS**, the Common Council of the City of Lafayette, Indiana has designated the Lafayette Redevelopment Commission as the agency to make preliminary investigations, determinations, and recommendations to said Common Council as to what areas should be designated Economic Revitalization Areas (ERA); and

**WHEREAS**, on January 6, 2014 by Confirming Resolution No. 2014-02, the Common Council designated certain real estate as an Economic Revitalization Area (ERA) for a period of ten (10) years commencing January 1, 2014; and

**WHEREAS**, Worwag Coatings, LLC filed a Statement of Benefits dated 12/9/2019, and a Supplement to Statement of Benefits, requesting the approval of a deduction for the purposes of Tax Abatement in an Economic Revitalization Area (ERA) for a period of seven (7) years on personal property, which Statement of Benefits and Supplement are attached hereto as EXHIBIT "A;" and

**WHEREAS**, Worwag Coatings, LLC has requested a deduction from the assessed value of such new manufacturing equipment, research and development equipment and IT equipment ("Personal Property") installed pursuant to the Statement of Benefits over a period of seven (7) years in accordance with the following abatement schedule percentages:

Year	Percentage
1	100
2	85
3	71
4	57
5	43
6	29
7	14

and;

**WHEREAS**, Worwag Coatings, LLC has agreed to enter into a Memorandum of Agreement (MOA) setting forth certain terms and understandings related to the approval of the deduction for tax abatement purposes, which MOA is attached hereto as EXHIBIT “B;” and

**WHEREAS**, the Lafayette Redevelopment Commission, on 12/19/2019, by Resolution No. LRC-2019-10, recommended that the requested deduction for tax abatement purposes and Memorandum of Agreement be approved as written.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF LAFAYETTE** that:

1. The Common Council finds that
  - A. The estimated cost of the installation of new Personal Property is reasonable for this type and projects of this nature; and
  - B. 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 installation of new Personal Property; and
  - C. The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new Personal Property; and
  - D. The tax base of the City of Lafayette and all relevant taxing districts can be reasonably expected to increase from the proposed installation of new Personal Property; and
  - E. The total benefits are sufficient to justify the deduction.
2. The Statement of Benefits filed 12/9/2019, including the Supplement to Statement of Benefits is hereby approved.
3. Worwag Coatings, LLC shall be entitled the opportunity to apply for property tax deductions for the increase in assessed value resulting from installation of Personal Property over a period of seven (7) years in accordance with the following abatement schedule percentages:

Year	Percentage
1	100
2	85
3	71
4	57
5	43
6	29
7	14

4. A Memorandum of Agreement has been entered into under the terms and conditions as reached between the Applicant and the City of Lafayette for a period during the term of the Tax Abatement and for a period of two (2) years thereafter.

This Resolution shall be in full force and effect from and after its passage and signing by the Mayor.

**PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF LAFAYETTE, INDIANA, on the 13th day of January, 2020.**

COMMON COUNCIL OF THE  
CITY OF LAFAYETTE, INDIANA

\_\_\_\_\_  
Ron Campbell, President

ATTEST:

\_\_\_\_\_  
Cindy Murray, City Clerk

Presented by me to the Mayor of the City of Lafayette, this 13<sup>th</sup> day of January, 2020

\_\_\_\_\_  
Cindy Murray, City Clerk

Signed and approved by me, the Mayor of the City of Lafayette, Indiana, this 13<sup>th</sup> day of January, 2020.

\_\_\_\_\_  
Tony Roswarski, Mayor

ATTEST:

\_\_\_\_\_  
Cindy Murray, City Clerk

Sponsored by Tony Roswarski, Mayor

# **EXHIBIT “A”**

**Statement of Benefits Real Estate Improvements (SB-1/Personal Property)**

**and**

**Supplement to Statement of Benefits – Real Estate & Personal Property**



**STATEMENT OF BENEFITS  
PERSONAL PROPERTY**

State Form 51764 (R4 / 11-15)

Prescribed by the Department of Local Government Finance

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 Wörwag Coatings, LLC			Name of contact person Mike Grandy or Laura Chapman					
Address of taxpayer (number and street, city, state, and ZIP code) 3420 Kossuth Street, Lafayette, IN 47905				Telephone number ( 765 ) 427-7766				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT								
Name of designating body City of Lafayette Common Council				Resolution number (s)				
Location of property 3420 Kossuth Street, Lafayette, IN 47905		County Tippacanoe		DLGF taxing district number 79004				
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.) R&D - Minolta Color Machine, Eco & Pico Bell, Devilbliss Spraymatic, Flash Point Tester Mfg - Mixing Tanks (5) - 5000/2500*2/1800/1000 gallons; upgrade existing tanks; 3 Mixing Stations, Drum lift, Scales IT - ERP System upgrade - Microsoft Navision			ESTIMATED					
				START DATE	COMPLETION DATE			
			Manufacturing Equipment	01/01/2020	12/01/2020			
			R & D Equipment	01/01/2020	09/29/2020			
			Logist Dist Equipment	—	—			
IT Equipment	03/01/2020	02/24/2021						
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT								
Current number 67	Salaries \$4,675,196	Number retained 67	Salaries \$4,675,196	Number additional 20	Salaries \$1,185,450			
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	COST	ASSESSED VALUE
	Current values	2,346,000		989,000				318,000
	Plus estimated values of proposed project	1,019,000		179,000				100,000
	Less values of any property being replaced							
Net estimated values upon completion of project	3,365,000		1,168,000				418,000	
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER								
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____					
Other benefits: Variable speed mixers will be installed and will be more energy efficient.								
SECTION 6 TAXPAYER CERTIFICATION								
I hereby certify that the representations in this statement are true.								
Signature of authorized representative <i>Laura Chapman</i>				Date signed (month, day, year) 12/09/19				
Printed name of authorized representative Laura Chapman			Title Controller					

**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 12/31/2023. 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;	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 Check box if an enhanced abatement was approved for one or more of these types.
2. Installation of new research and development equipment;	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
3. Installation of new logistical distribution equipment.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
4. Installation of new information technology equipment;	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ 1,019,000.00 cost with an assessed value of \$ \_\_\_\_\_ (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 \$ 179,000.00 cost with an assessed value of \$ \_\_\_\_\_ (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 \$ \_\_\_\_\_ (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 \$ 100,000.00 cost with an assessed value of \$ \_\_\_\_\_ (One or both lines may be filled out to establish a limit, if desired.)

G. Other limitations or conditions (specify) \_\_\_\_\_

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:

<input type="checkbox"/> Year 1	<input type="checkbox"/> Year 2	<input type="checkbox"/> Year 3	<input type="checkbox"/> Year 4	<input type="checkbox"/> Year 5	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 Number of years approved: _____ (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)
<input type="checkbox"/> Year 6	<input checked="" type="checkbox"/> Year 7	<input type="checkbox"/> Year 8	<input type="checkbox"/> Year 9	<input type="checkbox"/> Year 10	

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)	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.

**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.

## SUPPLEMENT TO STATEMENT OF BENEFITS Real Estate & Personal Property

**INSTRUCTIONS:**

1. This completed SUPPLEMENT and the completed STATEMENT OF BENEFITS, along with all other requested materials, must be submitted to Greater Lafayette Commerce.
2. This SUPPLEMENT TO STATEMENT OF BENEFITS is part of the total application, and the CERTIFICATION in the STATEMENT OF BENEFITS applies to all statements in the APPLICATION.
3. To qualify, the project investment must be at least \$500,000.

<b>SECTION 1</b>	<b>APPLICANT</b>
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Name of Taxpayer: Wörwag Coatings, LLC	
Address of Taxpayer (street and number, city, state & ZIP code): 3420 Kossuth Street, Lafayette, IN 47905	Telephone: 765-427-7766 E-mail: <a href="mailto:laura.chapman@woerwag.com">laura.chapman@woerwag.com</a>

Name of Applicant if different from Taxpayer:	
Address of Applicant if different from Taxpayer (street and number, city, state & ZIP code):	Telephone: E-mail:
Description of relationship of Applicant to Taxpayer: Controller	

Contact for this Application: Laura Chapman or Mike Grandy	
Address of Contact if different from Taxpayer (street and number, city, state & ZIP code):	Telephone: E-mail:

Name of Parent Company (if any): Karl Wörwag Gmbh & Co Industrielacke
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Does the company currently conduct business at this site?	Yes	<u>X</u>	No	
If "No", how is the site currently used?				

Annual Report & History of Company	Parent Company 101 year old - coatings business, operating in Lafayette since 1998
Company Certified Public Accountant:	Girardot, Strauch & Co. ; Richard Bartholomew
Company Commercial Bankers:	First Merchants Bank, Dan House
Company Counsel:	Reiling, Teder, & Schrier, LLC; Ryan Munden

**To be completed by GLC Staff**

Is this area currently designated as an Economic Revitalization Area?	Yes	<u>X</u>	No	
Has it ever been so designated in the past?	Yes	<u>X</u>	No	
Is this property in a Tax Increment Finance (TIF) district (requires RD Commission Approval)?	Yes	<u>X</u>	No	



**SECTION 5 PERSONAL PROPERTY**

Type of Project:		
Research & Development	\$	179,000.00
Machinery & Equipment	\$	1,019,000.00
Logistics	\$	-
Information Technology	\$	100,000.00
Other		_____ Please specify:
Estimated Investment	\$	1,298,000.00

**\*\*ATTACH DEPRECIATION SCHEDULE\*\***

**\*APPLIES ONLY FOR THE CITY OF LAFAYETTE\***

Please note that all Personal Property tax abatements are subject to a Memorandum of Agreement that may require repayment of all or a portion of the tax savings realized in a designated ERA if it is terminated because the property is removed from the City of Lafayette by the applicant. Please contact the City of Lafayette Economic Department for details.

**SECTION 6 EMPLOYMENT**

How many do you employ today?	67			
How many will you employ after the project is complete?	87			
How many jobs will be created?	20	Full-time	_____	Part-time
How many jobs are retained?	67	Full-time	_____	Part-time
How many jobs will be eliminated?	0	Full-time	_____	Part-time
Will any of the new positions be temporary or filled by contract employees	Yes	_____	No	_____ X
If "Yes", describe the contract:				

Will new employees be hired from the Tippecanoe region?	Yes	_____ X	No	_____
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If any positions are to be eliminated, please explain the circumstances and if any of the employees from these positions will be eligible for the new positions.

N/A

How many additional employees are:			How many retained employees are:		
	Number	Hourly Average		Number	Hourly Average
Production	8	16.5	Production	23	19.3
Administrative	2	24.5	Administrative	5	26.27
Management	2	48	Management	14	52.2
Professional/Technical	7	35.5	Professional/Technical	25	36.4
Other	1	18	Other		
Total/Average Wage	20	28.5	Total/Average Wage	67	33.55

What is the anticipated time frame for reaching full employment and the salary goals, per SB-1, from completion of improvement?						
Year	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	> 5
Employment	80%	100%				

Salary 

--	--	--	--	--	--

**\*\*IF GREATER THAN FIVE YEARS PROVIDE DETIALED TIMETABLE\*\***

Does the company provide benefits to full time employees? Yes  No

If "Yes", explain and list:

Health Insurance	<u>85</u> % paid
Life insurance	<u>100</u> % paid
Disability	<u>100</u> % paid
Childcare	<u>0</u> % paid
Vacation	<u>10</u> min. # of days
Retirement	<u>0</u> % paid
Other	<u>401K match 6</u> % paid

To be completed by GLC Staff.

Is the average wage at or above the Tippecanoe County average? Yes  No

**SECTION 7 IMPACTS & STATUS**

Please estimate the % of your products or services sold outside this 8-county economic region? 99 %

Does the applicant supply any local firms? Yes  No

If yes, please list:

Will any additional public utilities, city services or other infrastructure be required by this project? Yes  No

If "Yes", explain:

Will any environmental permits be needed? Yes  No

If "Yes", explain:

Drainage plan for underground water storage for loading docks

Current Zoning Industrial Business

Will any changes, special exceptions be required? Yes  No

Have they been approved? Yes  No  N/A

Has the applicant or any predecessor of the applicant defaulted in any material respect the performance of financial obligations by the applicant? Yes  No

Is there any pending litigation materially affecting the applicant? Yes  No

If "Yes", please describe giving procedural posture of the case(s):

Are there any restrictions contained in the applicant's Articles or Certificate of Incorporation, Charter, Bylaws, Code of Regulations or any agreements to which the applicant is a party that could affect the applicant's ability to engage in this project?	Yes	_____
	No	<u>      X      </u>
If "Yes", explain:		

**SECTION 8 AFFIRMATION OF TAX PAYMENTS**

I affirm that the applicant is current with all local, state, and federal tax obligations and understand that failure to have paid said taxes in a timely manner may render the applicant, during the course of this tax abatement, noncompliant and, therefore, ineligible for tax abatement.

<i>Laura Chapman</i>	12/9/2019
_____ Signature	_____ Date
Laura Chapman	Controller
_____ Name Printed	_____ Title
<a href="mailto:laura.chapman@woerwag.com">laura.chapman@woerwag.com</a>	765-427-7766
_____ E-mail	_____ Phone

**EXHIBIT B**  
**CITY OF LAFAYETTE, INDIANA**  
**MEMORANDUM OF AGREEMENT**  
**WORWAG COATINGS, LLC**

This Memorandum of Agreement (“Agreement”) is dated this 19th day of December, and serves as the confirmation of the commitment by Worwag Coatings, LLC. (the “Applicant”), to comply with the project description and job creation and retention (and associated wage rates and salaries) figures contained in its designation application; Statement of Benefits; Supplement to Statement of Benefits; Resolution No. LRC-2019-10, a resolution of the Lafayette Redevelopment Commission (“Commission”); Resolution No. 2020- 01, adopted by the Lafayette Common Council (“Council”); and this Agreement (“Commitments”).

Section 1. Grant of Abatement.

Subject to the adoption of the deduction approval Resolution by the Council, the City of Lafayette, Indiana (“City”) commits to providing a seven (7) - year personal property tax abatement for the Applicant’s capital expenditures of approximately one million two hundred ninety-eight thousand (\$1,298,000.00) dollars for new Manufacturing, Research and Development, and IT Equipment (Personal Property), approved as part of the Commitments. The Applicant shall assume responsibility for the redevelopment and the installation of the new Personal Property and for compliance with the Statement of Benefits. The project will create twenty (20) full-time, permanent positions, retain sixty-seven (67) existing full-time, permanent positions, and create no (0) full-time variable positions, aside from those created or retained through the construction phase of the project. The capital expenditures for the Project shall occur no later than the estimated completion dates of 12/01/2020 for Manufacturing Equipment, 09/29/2020 for Research and Development Equipment, 02/24/2021 for IT Equipment installation as contained in the Statement of Benefits Form (“Completion Date”).

Section 2. Annual Information.

During the term of the tax abatement and for a period of two (2) years thereafter, the City or its authorized agent may annually request information from the Applicant concerning the nature of the Project and the approved capital expenditures for the Project and the Applicant shall provide the City with adequate written evidence thereof within 45 days of such request ("Annual Survey"). The City shall utilize this information and the information required to be filed by the Applicant in the CF-1 Compliance with the Statement of Benefits form 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 tax 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 request.

### Section 3. Termination.

A. Right to Terminate. The City, by and through the Council, after recommendation by the Commission, reserves the right to terminate the personal property tax abatement deduction if it determines that the Applicant has not made reasonable efforts to substantially comply with all of the Commitments and the Applicant's failure to substantially comply with the Commitments was not due to factors beyond its control.

B. Factors Beyond Control. 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 the Agreement. New technological developments and process improvements may also be included as factors beyond of the control of the applicant.

C. Repayment Upon Termination: Pursuant to Resolution 2004-22 if the new Personal Property equipment is removed from the City of Lafayette, and the City terminates the personal property tax abatement, the City may require the Applicant to

repay all of the personal property tax abatement savings received through the date of such termination.

D. Notice of Termination and Repayment. In the event that the City determines that the tax abatement deductions should be terminated or that all of the tax abatement savings should be repaid, it will give the Applicant notice of such determination, including a written statement calculating the amount due from the Applicant, and will provide the Applicant with an opportunity to meet with the City's designated representatives to show cause why the abatement should not be terminated and/or the tax benefits repaid. Such notice shall state the names of the person with whom the Applicant may meet and will provide that the Applicant shall have ninety (90) days from the date of such notice to arrange such meeting and to provide its evidence concerning why the abatement termination and/or tax benefits repayment should not occur. If, after giving such notice and receiving such evidence, if any, the City determines that the abatement termination and/or tax benefits repayment action is proper, the Applicant shall be provided with written notice and a hearing before the Council before any final action shall be taken terminating the abatement and/or requiring repayment of tax benefits. If the Council adopts a Resolution terminating the tax abatement and/or requiring repayment of tax benefits, the Applicant shall be entitled to appeal that determination to a Tippecanoe County Superior or Circuit Court.

E. Time of Repayment. In the event that the City requires repayment of the tax abatement benefits as provided hereunder, it shall provide Applicant with a written statement calculating the amount due ("Statement"), and the Applicant shall make such repayment to the City within ninety (90) days of the date of delivery of the Statement, unless such repayment has been stayed pending an appeal. If the Applicant does not make timely repayment, the City shall be entitled to all reasonable costs and attorneys fees incurred in the enforcement and collection of the tax abatement savings required to be repaid hereunder.

Section 4. Use of Local Suppliers and Contractors for Project and Local Persons to Fill Positions Created by Project.

The Applicant agrees to make a meaningful, good-faith effort to use local suppliers, and local contractors for the Project.

Local suppliers and local contractors are defined as contractors and suppliers that are primarily engaged, reside in or have their principal office in Tippecanoe County or employ a significant number of residents of the City of Lafayette.

Additionally, applicant agrees to make a meaningful, good-faith effort to hire qualified individuals who are residents of the City of Lafayette for the new positions that will be created by the Project.

#### Section 5. General Provisions.

A. This Agreement contains the entire understanding between the City and the Applicant with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, and conditions, expressed or implied, oral or written, except as herein contained. This Agreement may not be modified or amended other than by an agreement in writing signed by the City and Applicant. The Applicant understands that any and all filings required to be made or actions required to be taken to initiate or maintain the tax abatement are solely the responsibility of the Applicant.

B. Neither the failure nor any delay on the part of the City to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege with respect to any occurrence or be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

C. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by the laws and decisions of the courts of the State of Indiana, without regard to conflict of law principles.

D. The Applicant hereby irrevocably consents to the jurisdiction of the Courts of the State of Indiana and of the Tippecanoe County Circuit or Superior Court in connection with any action or proceeding arising out of or relating to this Agreement or any documents or instrument delivered with respect to any of the obligations hereunder, and any action relating to this Agreement or any documents or instruments delivered with respect to any of the obligations hereunder, and any action related to this Agreement shall be brought in such County and in such Court.

E. All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been received when delivered by hand or by facsimile (with confirmation by registered or certified mail) or on the third business day following the mailing, by registered or certified mail, postage prepaid, return receipt requested, thereof, addressed as set forth below:

If to Applicant:      Worwag Coatings, LLC  
                                 3420 Kossuth Street  
                                 Lafayette, IN 47905  
                                 Attn: Laura Chapman, Controller

If to City:              City of Lafayette, Indiana  
                                 515 Columbia Street  
                                 Lafayette, Indiana 47901  
                                 Attn: Dennis H. Carson,  
                                 Director of Economic Development

F. This Agreement shall be binding upon and inure to the benefit of the City and the Applicant and their successors and assigns, except that no party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

G. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. By executing this Agreement, each person so executing affirms that he or she has been duly authorized to execute this Agreement on behalf of such party and that this Agreement constitutes a valid and binding obligation of such party.

H. The provisions of this Agreement and of each section or other subdivision herein are independent of and separable from each other, and no provisions shall be effected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part unless this Agreement is rendered totally unenforceable thereby.

I. No official, director, officer, employee or agent of the City shall be charged personally by the Applicant, its employees or agents with any liabilities or expenses of defense or be held personally liable to the Applicant under any term or provision of this Agreement or because of the execution by such party of this Agreement or because of any default by such party hereunder.

J. The Parties hereto agree to treat, and to cause their respective directors, officers, employees and agents to treat, as strictly confidential to the fullest extent permitted by law (including the Federal Freedom of Information Act, and any counterpart Indiana statutes), the contents of this Agreement and all attachments hereto, all documents executed in connection herewith and all information provided by or to the Parties in connection herewith.

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

Applicant

City

Worwag Coatings, LLC

City of Lafayette, Indiana

By: Laura Chapman  
Laura Chapman

By: \_\_\_\_\_  
Ron Campbell, Common Council

Printed: Laura Chapman

Title: Controller

Attest: \_\_\_\_\_  
Cindy Murray, City Clerk

## PRINCIPLES

### FOR CONSIDERATION OF PROPERTY TAX ABATEMENT IN LAFAYETTE, INDIANA

These principles are used in determining the guidelines and considerations for each category of project, and will also be used in determining the length of an abatement within each category.

1. Firms receiving tax abatement are expected to give local construction firms and local suppliers of goods and services the opportunity to do business.
2. Existing industry will be considered for tax abatement on the same basis as firms being recruited to the community.
3. Preference will be given to firms that diversify and fill gaps in our local economy rather than those that compete for business in the local economy with existing firms.
4. Products that are sold outside our local community and bring value to the local economy will be given a high priority.
5. Abatement will be used to recruit and assist firms that create a technology based product or service or use advanced technology in manufacturing.
6. Location in the downtown, the urban enterprise zone, or declining area designated as an economic development area will be given a higher priority.
7. Projects that involve retail or are primarily office operations will be considered only in the locations described in #6 above unless the office operations are technology related.
8. The number of jobs created per dollar of investment will be an important consideration for the warehouse distribution and manufacturing areas.
9. The level of wages and benefits will be an important consideration for all applications.
10. Housing will be evaluated in terms of percentage of units available to lower income families, mix of income levels, distance from other projects serving a similar clientele, availability of services, potential displacement of existing housing, and compatibility of design.
11. Projects will not be considered that will require variances or special exceptions unless primary review indicates that no problems will be encountered.
12. Adverse environmental impacts will negatively affect the consideration of abatement.
13. Any need for additional public infrastructure or other additional public support in the project will be considered in determining the length of the abatement.
14. Major development projects will be individually evaluated.
15. The time period of depreciation of equipment will be considered in the length of abatement for equipment.
16. Economic Revitalization Areas (ERAs) designated by the Common Council for new manufacturing equipment will include a Memorandum of Understanding that will provide for the repayment to the City of all or a portion of the tax savings realized through the designation in event that the ERA is terminated because the new manufacturing equipment is removed from the City.

## **GUIDELINES**

### **FOR CONSIDERATION OF PROPERTY TAX ABATEMENT IN LAFAYETTE, INDIANA**

Projects will be considered for abatement only if the proposed investment is at least \$250,000 and development has not begun and/or equipment has not been ordered. In addition, if the applicant is not the owner, authorization of the application must be obtained from the owner.

The length of the abatement period for real estate and equipment will be considered by the guidelines in the categories below:

#### **6-10 Years**

Real Estate Improvements

Manufacturing

Technology Based

#### **3-6 Years**

Equipment and Machinery

Warehouse/Distribution

Office

Retail

#### **1-3 Years**

Housing

**Redevelopment Commission Guidelines  
For  
Economic Revitalization Area Designation  
City of Lafayette, Indiana**

The Lafayette Redevelopment Commission has formulated guidelines for granting requests for designation of an Economic Revitalization Area. Each category has a threshold of acceptance and a benchmark for the number of years of tax abatements. The number of years of tax abatement may be increased or decreased by the Redevelopment Commission and/or the Common Council with the addition of positive or negative factors cited. Final authority rests with the Common Council.

**Manufacturing/Commercial**

Threshold:

1. Development/redevelopment not begun/Equipment not ordered
2. Commercial only eligible in Central TIF
3. More than \$250,000 investment
4. Variances/special exceptions have

Benchmark:

Six (6) years – real estate  
Five (5) years – equipment

Positive Factors (increase years of abatement):

1. Located in Central TIF or Urban Enterprise Zone
2. More than one (1) job created/retained per \$100,000 investment
3. Jobs are supported by product/service sales outside the Greater Lafayette area
4. Commitment to hire/train residents of the Greater Lafayette area, including for construction
5. Jobs include benefits
6. Jobs pay more than county average

Negative Factors (decrease years of abatement):

1. Location in TIF other than Central TIF
2. Jobs retained but no new jobs created
3. Prior tax abatement received

**Retail**

Threshold:

1. Project includes more than one (1) tenant
2. Variances/special exceptions have passed initial review
3. Development/redevelopment not begun
4. Investment more than \$250,000

Benchmark:

Three (3) years

Factors:

1. Redevelopment (rehab) rather than new development
2. Vacancies (measured in square footage, number of spaces and length of time)
3. Property taxes paid by tenant
4. Decline in assessed value
5. Impact on surrounding area

**Multi-family Rental Housing**

Threshold:

1. 20% of units dedicated to low and moderate income households
2. Investment of more than \$250,000 or increased assessment of at least \$50,000
3. Development or redevelopment not yet begun
4. Variances/special exceptions have passed initial review

Benchmark:

Six (6) years

Positive Factors (increase years of abatement):

1. Located in Central TIF or Urban Enterprise Zone
2. More than 40% of the units dedicated to low or moderate income households or more than 20% of units dedicated to low income households

Negative Factors (decrease years of abatement):

1. Located in TIF other than Central TIF
2. Low or moderate income households displaced
3. No units dedicated for low income households
1. Demolition or incompatible alteration of historic structures

## SUMMARY OF IMPACT EVALUATIONS

### COMMUNITY IMPACTS

Yes/No/N/A

- |     |     |  |
|-----|-----|--|
| Yes | 1.  | Is the project compatible with Tippecanoe County's current comprehensive plan?                   |
| Yes | 2.  | Does the applicant own the property of the project?  |
| No  | 3.  | Will any historic structures be demolished?  |
| No  | 4.  | Will any historic structures be redeveloped?   |
| No  | 5.  | Is a change in zoning necessary? From _____ to _____   |
| No  | 6.  | Are Variances or Special Exceptions needed?  |
| No  | 7.  | Will any negative environmental impacts or pollution result from the project?                    |
| Yes | 8.  | Are any environmental permits needed? Drainage plan- underground water storage for loading docks |
| No  | 9.  | Will any households be displaced?  |
| No  | 10. | Will the project have a negative effect on the local housing market?                             |
| No  | 11. | Will the project include rehabilitation or redevelopment of existing structures?                 |
| Yes | 12. | Will the project have other benefits on the community?   |
| No  | 13. | Will the project have other negative effects on the community?                                   |
| No  | 14. | Has any work begun or any equipment been ordered?  |
| No  | 15. | Is the project located in Downtown or the LUEZ?  |
| Yes | 16. | Are products primarily sold outside community?   |

### EMPLOYMENT IMPACTS

- |     |     |  |
|-----|-----|--|
| Yes | 17. | Will jobs be created or retained? <u>20 created, 68 retained</u>   |
| Yes | 18. | Will wages be equal or be above the county's average? <u>\$28.50/hr avg – new \$33.55/ hr avg -retained</u>        |
| Yes | 19. | Will employees receive health insurance? <u>85% paid</u>   |
| Yes | 20. | Will employees receive retirement benefits? <u>0 % paid, but 401K match 6% paid</u>                                |
| Yes | 21. | Will employees receive life insurance? <u>100% paid</u>  |
| Yes | 22. | Will employees receive other benefits? List: <u>Disability – 100% paid, Vacation – min. 10 days/yr,</u>            |
| N/A | 23. | What is the ratio of investment to jobs creation: <u>\$86.4k:1</u>   |
| Yes | 24. | Will construction labor from the local region (Tippecanoe and contiguous counties) be used?                        |
| Yes | 25. | Will new employees resulting from the project be hired from the local region (Tippecanoe and contiguous counties)? |
| No  | 26. | Does the project include advanced technology or manufacturing processes?   |

### FISCAL IMPACTS

- |     |     |  |
|-----|-----|--|
| No  | 27. | Will the project be in competition with existing local business?   |
| Yes | 28. | Will the project complement existing local businesses?   |
| Yes | 29. | Will new infrastructures, not yet in place, be required for this project?  |
| No  | 30. | Will the project have other special tax treatments or financing such as grants, low interest loans, etc.   |
| Yes | 31. | Has the applicant ever applied for or benefited from tax abatement in any other project in Lafayette or elsewhere? A tax abatement for Personal Property (7 years), were granted in 2014 |
| Yes | 32. | Has financing for this project been approved?  |

**RESOLUTION NO. LRC-2019-10**

**LAFAYETTE REDEVELOPMENT COMMISSION**

**A RESOLUTION RECOMMENDING APPROVAL OF A DEDUCTION FOR  
THE PURPOSE OF TAX ABATEMENT IN AN ECONOMIC REVITALIZATION  
AREA**

**WORWAG COATINGS, LLC  
PERSONAL PROPERTY**

**WHEREAS**, IC 6-1.1-12.1 allows for a partial abatement of property taxes attributable to the redevelopment/rehabilitation of real property and/or installation of new tangible personal property in an Economic Revitalization Area (ERA); and

**WHEREAS**, the Common Council of the City of Lafayette, Indiana, has requested that the Lafayette Redevelopment Commission receive all applications for designation of real estate as an Economic Revitalization Area (ERA), for purposes of tax abatement under IC 6-1.1-12.1 and recommend the approval of deductions for the purposes of tax abatement in an Economic Revitalization Area; and

**WHEREAS**, the Common Council has also requested that the Lafayette Redevelopment Commission investigate such applications to determine the best interest of the City and make recommendations concerning whether the findings required by IC 6-1.1-12.1 can be made in the affirmative; and

**WHEREAS**, on January 6, 2014 by Confirming Resolution No. 2014-02, the Common Council, designated certain real estate as an Economic Revitalization Area (ERA) for a period of ten (10) years commencing January 1, 2014; and

**WHEREAS**, Worwag Coatings, LLC filed a Statement of Benefits dated December 9, 2019, and a Supplement to Statement of Benefits, requesting the approval of a deduction for the purposes of Tax Abatement in an Economic Revitalization Area (ERA) for a period of seven (7) years on personal property, which Statement of Benefits and Supplement are attached hereto as EXHIBIT "A;" and

**WHEREAS**, Worwag Coatings, LLC has requested a deduction from the assessed value of such new Manufacturing Equipment, Research and Development Equipment, and IT Equipment (Personal Property) installed pursuant to the Statement of Benefits over a period of seven (7) years in accordance with the following abatement schedule percentages:

Year	Percentage
1	100
2	85
3	71
4	57
5	43
6	29
7	14

**WHEREAS,** Worwag Coatings, LLC has agreed to enter into a Memorandum of Agreement (MOA) setting forth certain terms and understandings related to the approval of the deduction for tax abatement purposes, which MOA is attached hereto as Exhibit “B;” and

**WHEREAS,** the Lafayette Redevelopment Commission has considered the Statement of Benefits and Supplement to Statement of Benefits filed by Worwag Coatings, LLC,

**NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT COMMISSION OF THE CITY OF LAFAYETTE** that the following recommendations be made to the Common Council:

1. That the Application for deductions for the purposes of tax abatement meet the criteria for approval of a deduction for the purpose of tax abatement under IC 6-1.1-12.1 and as such that Worwag Coatings, LLC be entitled the opportunity to apply for property tax deductions for the installation of new Personal Property over a period of seven (7) years in accordance with the following abatement schedule percentages:

Year	Percentage
1	100
2	85
3	71
4	57
5	43
6	29
7	14

2. That the attached Memorandum of Agreement (MOA) be approved and entered into by the Common Council.

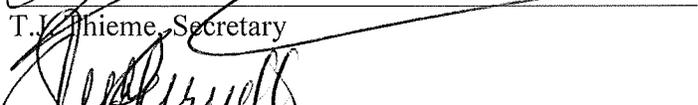
**ADOPTED AND PASSED** by the Lafayette Redevelopment Commission this 19th day of December, 2019.

**LAFAYETTE REDEVELOPMENT COMMISSION**

  
Donald J. Teder, President

\_\_\_\_\_  
Jos Holman, Vice President

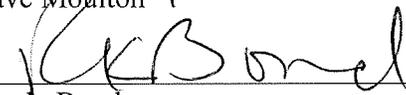
  
T. J. Thieme, Secretary

  
Shelly Henriott

\_\_\_\_\_  
Jim Terry

ATTEST:

  
\_\_\_\_\_  
Dave Moulton

  
\_\_\_\_\_  
Randy Bond