

DUBOIS COUNTY COUNCIL

April 23, 2012

The Dubois County Council conducted its monthly meeting on Monday, April 23, 2012 in the Council Chambers in the Dubois County Annex. President Kendall called the meeting to order at 4:30 p.m. Present at the meeting were Board Members Gregory A. Kendall, Mark A. Brescher, Martha A. Wehr, Shane M. Lindauer, Jerry R. Hunefeld, Barbara Mathies, and Auditor Kathy Hopf. Member Bonnie J. Luebbehusen was absent. President Kendall asked if there were any additions or corrections to the minutes of the last meeting. On motion made by Barbara Mathies, seconded by Martha A Wehr, the minutes were unanimously approved as written.

RE: HIGHWAY DEPARTMENT – ADDITIONAL APPROPRIATIONS

Ann Messmer appeared to request an additional appropriation from the Highway Fund in the amount of \$283,000. On motion made by Barbara Mathies, seconded by Jerry R. Hunefeld, the additional appropriation was unanimously approved. Ann Messmer also requested an additional appropriation from the Local Road and Street Fund in the amount of \$46,000. On motion made by Mark A. Brescher, seconded by Shane M. Lindauer, the additional appropriation was unanimously approved.

RE: HEALTH DEPARTMENT

Donna Oeding, Health Department Administrative Director, appeared to present the Health Department 2011 Annual Report.

Mrs. Oeding requested that the Council consider increasing the mileage reimbursement rate, currently set at 44 cents per mile. Following discussion, Oeding was asked to research when the last mileage increase went into effect. She was also directed to discuss the request with the Commissioners.

Following an update on immunizations, the Council was advised that Alice Niehaus will be retiring from the Health Department on May 11, 2012, after 31 years of service.

RE: SOIL & WATER CONSERVATION DISTRICT

Brenda Sermersheim appeared to present a rent refund check to the County for \$3,500. They were not assessed rent for their space this year.

RE: IV-D PROSECUTOR

Bill Shaneyfelt appeared to inform the Council that Shari Spinner will be leaving the Deputy Prosecutor's office in May to take a position with the State. He requested Council approval for her replacement to be hired as soon as possible in order to be trained. No additional funding will be needed. On motion made by Jerry R. Hunefeld, seconded by Mark A. Brescher, the request was unanimously approved.

RE: SIRENS

President Kendall informed the Council that Scott Uebelhor had contacted him about the possibility of placing additional sirens in the county. It was the consensus of the Council to advertise for \$125,000 out of the EDIT fund, and this will be discussed at the next Council meeting.

RE: TAX ABATEMENT ORDINANCE

The Tax Abatement Ordinance was presented for approval and adoption. On motion made by President Gregory A. Kendall, seconded by Martha A. Wehr, the ordinance was unanimously adopted.

ORDINANCE NO. 2012 – 01

AN ORDINANCE OF THE COUNTY COUNCIL OF DUBOIS COUNTY, INDIANA
APPROVING TAX ABATEMENT PROCEDURES

WHEREAS, the County Council of Dubois County, Indiana has determined that economic revitalization and the attraction of capital investment and the attraction and/or retention of good paying jobs is beneficial to the economic welfare of its citizens; and

WHEREAS, said County Council of Dubois County, Indiana is permitted and has the power pursuant to the provisions of Indiana Law to promote economic revitalization by offering certain financial incentives within the non-incorporated areas of Dubois County, Indiana, for the purpose of attracting new capital investment and attracting and/or retaining good paying jobs; and

WHEREAS, this Ordinance provides a mechanism to objectively evaluate requests for tax phase – in and such procedures are set forth to promote and assist economic development within Dubois County, Indiana; and

WHEREAS, this Ordinance is in the best interest of Dubois County, Indiana and its citizens.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF DUBOIS COUNTY, INDIANA, AS FOLLOWS:

Section 1. PROPERTY TAX ABATEMENT AVAILABLE. There shall be available within the jurisdictional limits of Dubois County, Indiana, a program of property tax abatements in accordance with Indiana Code 6-1.1-12.1, as amended from time to time, for the redevelopment and/or rehabilitation of commercial and industrial property, and for the acquisition and installation of new manufacturing equipment in areas within the jurisdiction of Dubois County authority which is hereafter designated by the County Council as “economic revitalization areas.” The terms “economic revitalization areas,” “new manufacturing equipment,” “property,” “redevelopment” and “rehabilitation,” as used herein, shall have the same meaning as said terms are defined by I.C. 6-1.1-12.1-1 and as provided for in I.C. 6-1.1-12.1-2.

SECTION 2. APPLICATIONS FOR DESIGNATION/ABATEMENT. Dubois County shall prepare printed forms and require all applicants applying for designation/abatement to complete and submit such forms. Applicants shall submit separate forms for real property abatement and personal property abatement. The applications shall include, but not be limited to, the following information: description of the real estate, proposed use of the real estate, proposed type and costs of redevelopment, rehabilitation, and/or new manufacturing equipment and/or research and development equipment, description of the proposed operation and number of jobs to be created, wages for jobs to be created, and projected date of completion for the proposed improvements.

SECTION 3. FILING FEE. Upon filing its application and any other forms required by Dubois County for real property tax abatement, the applicant shall pay a non-refundable filing fee in the sum of Two Hundred Fifty Dollars (\$250.00), made payable to Dubois County, Indiana. Upon filing its application and any other forms required by Dubois County for personal property tax abatement, the applicant shall pay a non – refundable filing fee in the sum of Two Hundred Fifty Dollars (\$250.00), made payable to Dubois County, Indiana. If applicant files for both real property and personal property abatement, applicant shall pay total non – refundable fees of Five Hundred Dollars (\$500.00).

SECTION 4. APPLICATION PROCEDURE. The original completed application, fee and other forms required by Dubois County shall be submitted to the Auditor of Dubois County, Indiana. Said information shall be forwarded to a committee composed of the County Auditor, the President of the County Council of Dubois County, Indiana, and the President of the Board of County Commissioners of Dubois County, Indiana for review and to make written recommendations to the County Council regarding the desirability of designating the area described in the application as an economic revitalization area and may recommend the period of time during which the area shall be so designated and the type of abatement/incentives that should be allowed, in accordance with I.C. 6-1.1-12.1 and any other Indiana law, and after following the procedures set forth in Exhibit A attached hereto. The committee designated above may consult with such other individuals or entities as members of the committee determine advisable in review of the application to provide information necessary, in the sole opinion of the committee, to form a recommendation regarding the effect of granting the application. The County Council shall consider the application and recommendation and make the determination as to whether or not to grant economic revitalization area status in accordance with I.C. 6-1.1-12.1 and amounts of tax abatement in accordance with Exhibit A attached hereto. Pursuant to I.C. 6-1.1-12.1-17, the County Council of Dubois County hereby adopts as a guideline the alternative abatement schedule set forth in Exhibit A attached hereto, which considers the total amount of the applicants investment in real and personal property, the number of new full – time equivalent jobs created, the average wage of the new employees compared to the state minimum wage and the infrastructure requirements for the applicant's investment.

SECTION 5. EXPIRATION – REAPPLICATION. If the improvements proposed in the application for economic revitalization area status are not commenced (defined as obtaining a building permit and actual start of construction) within one year of the date of designation, the economic revitalization area designation for the real estate may be voided at the discretion of the County Council.

SECTION 6. REVIEW AND DETERMINATION OF COMPLIANCE. Property owners receiving tax abatement must annually file all documents as required by Indiana law, including the Compliance with Statement of Benefits Form (CF – 1). Said forms shall be reviewed by the County to determine compliance, and if the property owner is not in compliance, the County Council may act to rescind the remaining term of abatement and enforce penalties for paying back previously granted tax abatement as allowed by state law or by any agreement between the County and property owner.

SECTION 7. TAX ABATEMENT LIMITED BY STATE LAW. This Ordinance shall not give any applicant any rights to tax abatement for a longer period of time, or greater amount, than as provided by the laws of the state of Indiana.

SECTION 8. That any ordinance and/or parts of ordinances in conflict herewith are hereby repealed.

SECTION 9. Separability. If any section, sub – section, sentence, clause, phrase or portion of this Ordinance shall for any reason be held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereunder.

SECTION 10. Effective Date. This Ordinance shall be in full force and effect from and after its passage by the County Council, and completion of any other legal requirements, all in the manner as provided by law.

PASSED AND ADOPTED by the County Council of Dubois County, Indiana, this 23rd day of April, 2012.

EXHIBIT "A"

TO

ORDINANCE 2012 – 01

DUBOIS COUNTY, INDIANA

TAX PHASE – IN (ABATEMENT) PROGRAM OVERVIEW

AND GUIDELINE SCORING SYSTEM

Property tax abatement in Indiana is authorized under Indiana Code 6-1.1-12.1 in the form of deductions from assessed valuation. Property owners in a locally – designated Economic Revitalization Area (ERA) who make improvement to the real property or installs eligible new or used personal property (such as manufacturing equipment and certain research and development equipment) are eligible for property tax abatement. The County Council of Dubois County, Indiana decides whether or not to designate areas located within the jurisdiction of the County Council as Economic Revitalization Areas, in compliance with Indiana state law. Land does not qualify for abatement.

Ineligible Projects

Any applicant who commences construction on a proposed project or acquires new manufacturing equipment prior to filing the appropriate tax phase – in (abatement) applications may not be eligible for tax phase – in (abatement). This is because the decision of the County Council to designate the Economic Revitalization Area must be passed on the finding that the area is “undesirable for normal development.”

Pursuant to I.C. 6-1.1-12.1-3 (e) Tax abatement for the redevelopment or rehabilitation of real property may not be approved for the following facilities:

- (1) Private or commercial golf course.
- (2) Country club.
- (3) Massage parlor.
- (4) Tennis club.
- (5) Skating facility (including roller skating, skateboarding, or ice skating).
- (6) Racquet sport facility (including any handball or racquetball court).
- (7) Hot tub facility.
- (8) Suntan facility.
- (9) Racetrack.
- (10) Any facility the primary purpose of which is:
 - a. Retail food and beverage service;
 - b. Automobile sales or service; or
 - c. Other retail;

Unless the facility is located in an economic development target area established under Indiana law.

- (11) Residential.
- (12) A package liquor store that holds a liquor dealer’s permit under I.C. 7.1-3-10 or any other entity that is required to operate under a license issued under I.C.7.1. This subdivision does not apply to an applicant that:
 - a. Was eligible for tax abatement before July 1, 1995;
 - b. Is described in I.C. 7.1-5-7-11; or
 - c. Operates a facility under:
 - i. A beer wholesaler’s permit under I.C. 7.1-3-3;
 - ii. A liquor wholesaler’s permit under I.C. 7.1-3-8; or
 - iii. A wine wholesaler’s permit under I.C. 7.1-3-13 for which the applicant claims a deduction under this chapter.

The County Council will not generally consider granting Economic Revitalization Area designation for “Speculative Developments” for which no major tenant has been identified. The County Council may consider granting an ERA designation if exceptional circumstances, in the discretion of the County Council, exist.

Applications

The applicant must provide reasons why the project site qualifies as an Economic Revitalization Area as defined under State Law, i.e. lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors that have impaired values or prevent a normal development of property or use of property.

The application shall include information as to the total amount of investment to be made in real and personal property, the number of new Full – Time Equivalent Jobs being created, the average wage of the new employees compared to the state minimum wage and the infrastructure requirements for the taxpayer’s investment.

Scoring System

The County Council utilizes a scoring system as a GUIDE for determining the appropriate length of time (one of ten time periods are set forth in the guidelines) of the property tax abatement(s) being sought for a proposed project. The County Council may deviate from these guidelines and grant more or less tax abatement for longer or shorter periods of time (but not to exceed 10 years) on a case-by-case basis as long as all requirements of Indiana law are met. The County Council may, in its sole discretion, determine that certain projects should not receive any tax abatement, no matter what the outcome using the schedules in these guidelines.

Real Property

A property’s assessed value is the basis for property taxes. Annually, local assessing officials assess the value of real property on March 1 based on market value. Property owners can estimate the property taxes for new

construction by adding the cost of the land and improvements together and multiplying by the tax rate. For real property tax abatement calculation purposes, the cost of the improvements (the land itself cannot be abated) would be utilized as the real property assessed value. This real property assessment value could then be phased-in.

Personal Property

Personal property values are assessed March 1 of every year and are self reported by property owners to the Assessor using prescribed state forms. Generally speaking, personal property taxes are levied against all tangible property other than real property. Numerous deductions can be applied to personal property. Of course, the value of personal property over time will be subject to depreciation, therefore, applicants are advised to seek the counsel of a financial advisor.

To determine the eligibility of your specific type of personal property and for additional information on the State of Indiana's property tax assessment system, check the Indiana Department of Local Government Finance website at www.in.gov/dlgf.

Other Requirements

The applicant for tax abatement or an authorized representative must attend all meetings of the County Council that deal with the application for tax abatement.

Property owners receiving tax abatement are required to file forms pursuant to State law on an annual basis by the dates required by State law with the County Auditor for each year during which tax abatement is received. The Auditor will send a notice of the information required by February 1st, and it shall include copies of forms required for filing with the County Auditor. The Auditor will verify the information prior to presenting the annual report to the County Council.

Real and Personal Property Tax Abatement Guideline Scoring Criteria

Project Evaluation Criteria for NEW Business Within Jurisdiction of the Dubois County Council.

Category	Points
New Investment in property & equipment	
\$25,000 to \$99,999.	5
\$100,000 to \$249,999.	10
\$250,000 to \$499,999.	15
\$500,000 to \$749,999.	20
\$750,000 to \$999,999.	23
\$1,000,000 to \$1,999,999.	26
\$2,000,000 to \$3,999,999.	28
Over \$4,000,000.	30
New employment: number of new full-time equivalent (FTE) jobs:	
3 to 5 new FTE.	5
6 to 10 new FTE.	10
11 to 15 new FTE.	15
16 to 25 new FTE.	20
26 to 50 new FTE.	23
51 to 74 new FTE.	26
75 to 99 new FTE.	28
100 or more FTE.	30
New employment wage level: % above state minimum wage *(\$7.25 in 2011)	
140% of state minimum wage (\$10.15).	5
160% of state minimum wage (\$11.60).	10
180% of state minimum wage (\$13.05).	15
200% of state minimum wage (\$14.50).	20
225% of state minimum wage (\$16.31).	23
250% of state minimum wage (\$18.25).	26
300% of state minimum wage (\$21.75).	30
*Wage calculation based on average of all new positions.	

Infrastructure requirements already in place:	
Adequate road.	2
Water.	2
Wastewater.	2
Electric Service.	2
Gas..	<u>2</u>
Points possible based on specific evaluation criteria.	100
Targeted business bonus points*.	5
Use of existing vacant structure. (points will be awarded based on actual vacant structure to be used)	2-8
Offers Employer-sponsored health and wellness benefits.	2
Offers Employer-sponsored retirement plan.	2
Community Involvement.	1
Use of local suppliers and contractors in construction/operation of project.	1
Offers mentoring/internship program.	<u>1</u>
Total points possible with bonus points.	<u>120</u>

*Targeted business include those in Measuring, Testing and Navigational Instrument Manufacturing, Specialty Food Manufacturing, Durable Goods/Wholesaling/Distribution, Specialty Manufacturers such as medical and game, toy and children's vehicle manufacturing, and Crane Naval Surface Warfare Center Vendors.

Project Evaluation Criteria for Expanding EXISTING Business Within Jurisdiction of Dubois County Council

Category	Points
New Investment in property & equipment	
\$25,000 to \$99,999.	10
\$100,000 to \$249,999.	16
\$250,000 to \$499,999.	21
\$500,000 to \$749,999.	24
\$750,000 to \$999,999.	26
\$1,000,000 to \$1,999,999.	28
\$2,000,000 to \$3,999,999.	29
Over \$4,000,000.	30
New employment: number of new full-time equivalent (FTE) jobs	
3 to 5 new FTE.	10
6 to 10 new FTE.	16
11 to 15 new FTE.	21
16 to 25 new FTE.	24
26 to 50 new FTE.	26
51 to 74 new FTE.	28
75 to 99 new FTE.	29
100 or more FTE.	30
New employment wage level: % above state minimum wage *(\$7.25 in 2011)	
140% of state minimum wage (\$10.15).	10
160% of state minimum wage (\$11.60).	16
180% of state minimum wage (\$13.05).	21
200% of state minimum wage (\$14.50).	24
225% of state minimum wage (\$16.31).	26
250% of state minimum wage (\$18.25).	28
300% of state minimum wage (\$21.75).	30
*Wage calculation based on average of all new positions.	
Infrastructure requirements already in place:	
Adequate road.	1
Water.	1
Wastewater.	1
Electric Service.	1
Gas.	1

Years the applicant has operated in Dubois County:

1 to 2 years.	.	.	.	.	.	.	.	.	1
3 to 4 years.	.	.	.	.	.	.	.	.	2
5 to 6 years.	.	.	.	.	.	.	.	.	3
7 to 8 years.	.	.	.	.	.	.	.	.	4
9 or more years.	.	.	.	.	.	.	.	<u>5</u>	

Points possible based on specific evaluation criteria.	.	.	.	.	.	.	.	100	
Targeted business bonus points*.	.	.	.	.	.	.	.	5	
Use of existing vacant structure. (points will be awarded based on actual vacant structure to be used)	.	.	.	.	.	.	.	.	2-8
Offers Employer-sponsored health and wellness benefits.	.	.	.	.	.	.	.	2	
Offers Employer-sponsored retirement plan.	.	.	.	.	.	.	.	2	
Community Involvement.	.	.	.	.	.	.	.	1	
Use of local suppliers and contractors in construction/operation of project.	.	.	.	.	.	.	.	1	
Offers mentoring/internship program.	.	.	.	.	.	.	.	.	<u>1</u>
Total points possible with bonus points.	.	.	.	.	.	.	.	.	<u>120</u>

*Targeted businesses include those in Measuring, Testing & Navigational Instrument Manufacturing, Specialty Food Manufacturing, Durable Goods/Wholesaling/Distribution, Specialty Manufacturers such as medical and game, toy and children's vehicle manufacturing, and Crane Naval Surface Warfare Center Vendors.

Guideline for Real and Personal Property Tax Incentives Schedule of Abatement

Total Score	Property Tax Phase-In
1-9 points	100% Year 1
10-19 points	100% Year 1 75% Year 2
20-29 points	100% Year 1 75% Year 2 50% Year 3
30-39 points	100% Year 1 75% Year 2 50% Year 3 25% Year 4
40-49 points	100% Year 1 100% Year 2 75% Year 3 50% Year 4 25% Year 5
50-59 points	100% Year 1 100% Year 2 100% Year 3 75% Year 4 50% Year 5 25% Year 6
60-69 points	100% Year 1 100% Year 2 100% Year 3 100% Year 4 75% Year 5 50% Year 6 25% Year 7
70-79 points	100% Year 1

	100% Year 2
	100% Year 3
	100% Year 4
	100% Year 5
	75% Year 6
	50% Year 7
	25% Year 8
80-89 points	100% Year 1
	100% Year 2
	100% Year 3
	100% Year 4
	100% Year 5
	100% Year 6
	75% Year 7
	50% Year 8
	25% Year 9
90+ points	100% Year 1
	100% Year 2
	100% Year 3
	100% Year 4
	100% Year 5
	100% Year 6
	100% Year 7
	75% Year 8
	50% Year 9
	25% Year 10
100+ points	100% Year 1
	100% Year 2
	100% Year 3
	100% Year 4
	100% Year 5
	100% Year 6
	100% Year 7
	100% Year 8
	75% Year 9
	50% Year 10

Revocation of Tax Abatement by County Council

The County Council believes that the granting of a request for real and/or personal property tax abatement under the terms and conditions established results in a contractual arrangement between the County and the owners granted abatement.

- (A) An applicant who fails to file its annual report with the County Council as required may have the tax abatement revoked by the County Council.
- (B) An applicant who complies with the annual report requirement, but does not substantially comply with the estimates set forth in the documents used by the Council when granting the abatement, unless the failure to do so was due to factors beyond the applicant's control, may have the tax abatement revoked by the County Council.

RE: ADDITIONAL APPROPRIATIONS

Auditor Hopf requested an additional appropriation in the amount of \$231,000 from the Cum Cap Development Fund for the purchase of a new ambulance and the final payment on defibrillators. On motion made by Jerry R. Hunefeld, seconded by Shane M. Lindauer, the additional appropriation was unanimously approved.

Auditor Hopf requested an additional appropriation in the amount of \$800,000 from the Edit Fund for road paving. On motion made by Martha A. Wehr, seconded by Mark A. Brescher, the additional appropriation was unanimously approved.

Auditor Hopf requested an additional appropriation in the amount of \$11,100 from the General Fund for an upgrade to the Auditor's financial software. On motion made by Jerry R. Hunefeld, seconded by Shane M. Lindauer, the additional appropriation was unanimously approved.

RE: NEW FUND

Auditor Hopf requested that a new fund entitled "Dubois County 9-1-1 Fund" be created, as required by changes in 9-1-1 distributions. On motion made by Martha A. Wehr, seconded by Mark A. Brescher, the creation of the new fund was unanimously approved.

RE: FUTURE MEETINGS

The next meeting of the Dubois County Council will be held on Monday, May 21, 2012 in the Council Chambers, beginning at 4:30 p.m.

The Council will meet on Monday, June 25, 2012 at 4:30 p.m., on Monday August 6, 2012 at 8:00 a.m., and on Monday, August 27th at 4:30 p.m.