

RESOLUTION NO. 10-04

**A RESOLUTION APPROVING THE DESIGNATION OF
AN ECONOMIC REVITALIZATION AREA FOR
PROPERTY TAX ABATEMENT FOR PURDUE
RESEARCH FOUNDATION**

WHEREAS, IND. CODE chapter 6-1.1-12.1 allows a partial abatement over a seven year period of property taxes attributable to the installation of new manufacturing equipment in Economic Revitalization Areas;

WHEREAS, IND. CODE chapter 6-1.1-12.1 allows a partial abatement over a ten year period of property taxes attributable to certain real estate redevelopment and/or rehabilitation in Economic Revitalization Areas;

WHEREAS, IND. CODE chapter 6-1.1-12.1 empowers the Common Council to designate Economic Revitalization Areas by following a procedure involving the adoption of a preliminary resolution, provision of public notice, conducting of a public hearing and adoption of a final resolution confirming the preliminary resolution or a modified version of the preliminary resolution; and

WHEREAS, the business (called applicant) named above and in the attachment to this resolution, which attachment is incorporated by reference, has an ownership interest in the geographic area (called subject real estate) described in such attachment; and

WHEREAS, the applicant has requested that the subject real estate be designated as an Economic Revitalization Area for the purpose of achieving property tax savings in connection with the new research and development equipment/new manufacturing equipment (called New Equipment) and certain real estate redevelopment and/or and rehabilitation (called Real Estate) identified in such attachment; and

WHEREAS, evidence and testimony were considered by the Common Council.

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

Section 1. The Common Council, after consideration of the application and Statement of Benefits contained in the attachment and the evidence presented finds that:

The estimate of the cost of the installation of New Equipment reasonable for that type of equipment.

The estimate of the cost of the real estate redevelopment and/or rehabilitation is reasonable.

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 described New Equipment and redevelopment and/or rehabilitation of Real Estate.

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 described real estate redevelopment and rehabilitation and installation of New Equipment and redevelopment and/or rehabilitation of Real Estate.

Other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described real estate rehabilitation and redevelopment and installation of New Equipment and redevelopment and/or and rehabilitation of Real Estate.

The totality of benefits is sufficient to justify the deduction.

Section 2. The Common Council designates, finds and establishes the subject real estate an Economic Revitalization Area, subject to final confirmation after public hearing. This designation is subject to the condition that designation allows abatement of property taxes only for installation of New Equipment for a period of seven years and redevelopment and/or rehabilitation of Real Estate for a period of ten years. However, on the written request of the applicant, the Director of the Department of Development is allowed to authorize, in writing, substitutions, modifications and additions to the tax abatement set forth above and in the attachment which are not substantial in nature to the specified real estate redevelopment and rehabilitation and installation of New Equipment and redevelopment and/or rehabilitation of Real Estate before March 1st of the year in which the initial certified deduction application for rehabilitation and installation of New Equipment and redevelopment and/or rehabilitation of Real Estate is filed with the Tippecanoe County Auditor and the State Board of Tax Commissioners.

Section 3. The Economic Revitalization Area designation terminates three years after the date of the final resolution. Accordingly, partial abatement of property taxes is allowed, to the extent provided above relative to specified real estate redevelopment and rehabilitation and New Equipment installed on the subject real estate during the period from the date of the submission of the Statement of Benefits, March 15, 2004, until three years after adoption of the final resolution. However, termination of this designation does not limit the period of time to a period of less than the applicant or successor owner is entitled to receive a partial abatement of property taxes relative to New Equipment installed on the subject real estate and redevelopment and/or rehabilitation of Real Estate before the termination of such designation, as provided by IND. CODE chapter 6-1.1-12.1.

Section 4. The partial abatement of taxes attributed to the installation of the New Equipment and redevelopment and/or rehabilitation of Real Estate is subject to limitations contained in the Statement of Benefits, which is a part of the attachment to this resolution.

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

INTRODUCED AND FILED ON _____, 2004.

PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF WEST LAFAYETTE, INDIANA ON _____, 2004, HAVING BEEN PASSED BY A VOTE OF ____ IN FAVOR AND ____ OPPOSED.

Presiding Officer

Attested:

Clerk-Treasurer

PRESENTED BY ME TO THE MAYOR OF THE CITY OF WEST LAFAYETTE, INDIANA ON _____, 2004, AT THE HOUR OF _____ .M.

Clerk-Treasurer

THIS RESOLUTION APPROVED AND SIGNED BY ME ON _____, 2004, AT THE HOUR OF _____ .M.

Jan H. Mills, Mayor

Attested:

Clerk-Treasurer



STATEMENT OF BENEFITS

State Form 27167 (R7 / 12-01)

Prescribed by the Department of Local Government Finance

**FORM
SB - 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, or **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, or prior to installation of the new manufacturing equipment and / or research and development equipment, **BEFORE** a deduction may be approved.
- To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PPME and / or 322 ERA / PPR & DE, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of: (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PPME and / or 322 ERA PPR & DE must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and / or research and development equipment becomes assessable, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
- Property owners whose Statement of Benefits was approved after June 30, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- The schedules established under IC 6-1.1-12.1-4(d) and IC 6-1.1-12.1-4.5 (e) effective July 1, 2000 apply to any statement of benefits filed on or after July 1, 2000. The schedules effective prior to July 1, 2000 shall continue to apply to those statement of benefits filed before July 1, 2000.

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer Purdue Research Foundation	
Address of taxpayer (street and number, city, state and ZIP code) 3000 Kent Avenue, West Lafayette, IN 47906	
Name of contact person Michelle White, Vice President-Development and Assistant Treasurer	Telephone number (765) 494-8645

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Purdue Research Foundation		Resolution number		
Location of property NE Corner of Kent Avenue and Cumberland Avenue, West Lafayette, IN		County Tippecanoe	Taxing district Wabash 168	
Description of real property improvements and / or new manufacturing equipment and / or research and development equipment (use additional sheets if necessary) 60,000 square foot, 3 story facility to be used as incubator space for technology based businesses.		ESTIMATED		
			Start Date	Completion Date
		Real Estate	05/04/2004	01/05/2005
		New Mfg Equipment	05/04/2004	01/05/2005
	R & DE			

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
0	\$0.00	0	\$0.00	12	\$1,120,200.00

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	Real Estate Improvements		Machinery		Research and Development Equipment	
	Cost	Assessed Value	Cost	Assessed Value	Cost	Assessed Value
Current values						
Plus estimated values of proposed project	\$7,000,000.00				\$200,000.00	\$200,000.00
Less values of any property being replaced						
Net estimated values upon completion of project	\$7,000,000.00				\$200,000.00	\$200,000.00

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) 156,000 Estimated hazardous waste converted (pounds) 4,000

Other benefits:
See Exhibit A

SECTION 6 TAXPAYER CERTIFICATION

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

Signature of authorized representative 	Title Senior Vice President	Date signed (month, day, year) 3/15/04
--	--------------------------------	---

**CITY OF WEST LAFAYETTE
TAX ABATEMENT APPLICATION FORM
WEST LAFAYETTE ECONOMIC DEVELOPMENT COMMISSION**

Please complete the following questions prior to applying for tax abatement. Should questions arise please contact the Department of Development, 609 W. Navajo, West Lafayette, Indiana 47906, 765-775-5160. The abatement process is explained in the "West Lafayette Tax Abatement Handbook" attached to this document. Please be sure that you also fill out the additional "supplementary" information sheets also attached.

SECTION I-- APPLICANT

1. Name of Applicant: Purdue Research Foundation
2. Address: 3000 Kent Avenue, West Lafayette, IN 47906
3. Date Organized or Incorporated: 1930
4. Chief Executive Officer: President Martin Jishcke
5. Principal Contact or Agent: Michelle L. White, Vice President-Development and Assistant Treasurer
6. Principal Office Address: 3000 Kent Avenue, West Lafayette, IN 47906 Phone 765-494-8645
7. Name of Parent Company (if any): same
8. Address of Parent Company (if any): same
9. Applicant is applying for Economic Revitalization Area designation for the purpose of:
 - Real Property Tax Abatement
 - Personal Property Tax Abatement (New Manufacturing Equipment)
 - Number of full-time personnel currently employed locally

10. Please Provide:

- a. a brief history of the company and eight (8) copies of the last Annual Report
- b. Relevant financial information, e.g. annual report, etc.

SECTION II-- LOCATION OF IMPROVEMENT

11. Location of Site: NE corner of Kent & Cumberland directly beside the current Purdue Technology Center

12. Assessor's Parcel (key) #: 168-05301-0378

13. Owner of Property: Purdue Research Foundation

14. Does the company currently conduct business at the location?

X Yes _ No

If yes, describe:

SECTION III-- NATURE OF THE IMPROVEMENT

15. Nature of the product or service to be performed at the site:

80% of this addition will be dedicated to provide space for technology based start up businesses and the related facilities and services will enhance and accelerate their growth. The addition will provide: wet lab, office, and conference space. The remaining 20% will be utilized for the exempt purpose of Purdue Research Foundation for office space to market and promote the Purdue Research Park and the companies located in the Park along with commercialization of Purdue University discoveries.

16. Description of the proposed physical improvements. What physical changes will be made on the project property?

Real Property or Manufacturing Improvements:

The vacant land north of the existing facility will be used to add a 60,000 square foot quality facility designed to provide flexible space, facilities and amenities to attract and foster the growth of technology based start up business. This expansion will allow Purdue Research Foundation to retain and expand one of our growing life science companies, Endocyte. Purdue Research Foundation will pass thru the tax abatement savings thru the lease to Endocyte.

Personal Property (New Manufacturing Equipment, R&D/Lab Equipment):

The PTC addition will require special equipment to provide various types of Wet Labs, including a generator for emergency power.

What are your products or services sold outside the eight (8) county area?

A large percentage of the services and products generated by businesses within the facility will be sold outside the county area including international sales.

29. The following is a definition of an "economic revitalization area". Please read the definition and answer the following question as it pertains to your project. According to IC 6-1.1.1-12.1-1:

"Economic revitalization area" means an area which is within the corporate limits of a city, town or county which has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors which have impaired values or prevent a normal development of property or use of property. The term "economic revitalization area" also includes any area where a facility or groups of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues.

What evidence can be provided that the project property should be designated as an "Economic Revitalization Area" based on this definition?

On May 4, 1998, the West Lafayette Common Council adopted Resolution No. 12-98 which designated the property located at the corner of Kent and Cumberland Avenue, West Lafayette, in Tippecanoe County, Indiana, as an Economic Revitalization Area. This is the area we are requesting tax abatement for the expansion of the Purdue Technology Center. The expansion of the Purdue Technology Center will continue to encourage economic development in the State of Indiana as well as in West Lafayette, IN and Tippecanoe County. The results of this expansion will be additional high paying quality jobs in technology based businesses. The intent of this facility is to provide business assistant services to the companies that will be housed in this facility.

SECTION IV-- ADDITIONAL APPLICANT INFORMATION

30. Has the applicant or any predecessor of the applicant defaulted in any material respect the performance of financial obligations by the applicant?

_____ yes no If yes, explain:

31. Has the applicant ever applied for or benefited from any tax abatement in any other project in the State of Indiana or elsewhere? Yes _____ No

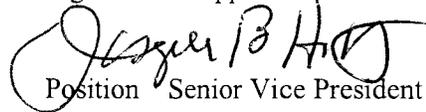
If yes, explain:

Yes, the Purdue Technology Center currently located at the northeast corner of Cumberland Avenue and Kent Avenue, West Lafayette, in Tippecanoe County, Indiana applied for tax abatement in 1998 and is currently receiving the tax abatement benefit.

SECTION V -- ANNUAL REPORT & HISTORY OF COMPANY

32. Is there any pending litigation materially affecting the applicant?
_____ Yes X No If yes, please describe (or have counsel for the applicant describe) giving procedural posture of the case(s):
33. 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 X No If yes, explain:
34. Certified Public Accountant: Ernst & Young
35. Commercial Bankers: Bank One
36. Company Counsel: Stuart & Branigin

I hereby certify that the above information and representations are to the best of my knowledge true and complete.

Signature of Applicant

Position Senior Vice President and Treasurer

Date Submitted
3/15/04

Company Contact Person Michelle White
Address 3000 Kent Avenue, West Lafayette, IN 47906
Phone (765) 494-8645
Fax (765) 496-1146

**SUPPLEMENTARY INFORMATION SHEET
 TAX ABATEMENT APPLICATION
 CITY OF WEST LAFAYETTE
 ECONOMIC DEVELOPMENT COMMISSION**

To be completed by applicant

R&D/LAB, MANUFACTURING OR COMMERCIAL

Is this request for:

 X improvements to real estate X new manufacturing equipment that has not
 been taxed in Indiana before

Length of abatement requested for equipment and property:

Real Property _____ 3 years bldg _____ 6 years bldg X 10 years bldg
 Mfg. Equipment _____ 5 years equip _____ 10 years equip
 R&D/Lab Equipment _____ 3 year X 7 year _____ 10 year

Number of jobs for residents of the Greater Lafayette area:

<u>Current</u>	<u>Retained</u>	<u>Additional</u>	Construction
Engineering _____	Engineering _____	Engineering _____	Refer to Endocyte
Sales _____	Sales _____	Sales _____	application for
Administration _____	Administration _____	Administration _____	projected jobs.
Manufacturing _____	Manufacturing _____	Manufacturing _____	
Maintenance _____	Maintenance _____	Maintenance _____	
Other (Specify) _____	Other (Specify) _____	Other (Specify) _____	

Salaries of jobs for residents of the Greater Lafayette area:

<u>Current</u>	<u>Retained</u>	<u>Additional</u>	Construction
Engineering _____	Engineering _____	Engineering _____	
Sales _____	Sales _____	Sales _____	
Administration _____	Administration _____	Administration _____	
Manufacturing _____	Manufacturing _____	Manufacturing _____	
Maintenance _____	Maintenance _____	Maintenance _____	
Other (Specify) _____	Other (Specify) _____	Other (Specify) _____	
		<u>Refer to Endocyte application</u>	

Payroll Categories:

Retained

_____ up to \$20,000
_____ \$20,000 to \$28,000
_____ \$28,001 to \$35,000
_____ greater than \$35,000

Additional

_____ up to \$20,000
_____ \$20,000 to \$28,000
_____ \$28,001 to \$35,000
_____ greater than \$35,000

Explanation of how the numbers of jobs were calculated and the time frame for reaching full employment level:

In year one the number of jobs were calculated by utilizing additional staff of the companies that will locate in the new addition (Endocyte, and Purdue Research Foundation Office Technology Commercialization). The projection for estimated jobs in year three were based on experience in the existing 60,000 square feet of incubation space in the Purdue Technology Center.

Type(s) of equipment, installation schedule(s), and depreciation pool(s):

1. Various Laboratory equipment
2. Over the next three years
3. Pool 2

Narrative description of need (attach separate sheet if needed):

EXHIBIT A

Business Incubators accelerate the successful development of entrepreneurial companies through an array of business support resources and services, developed or orchestrated by incubator management, and offered both in the incubator and through its network of contacts. A business incubator's main goal is to produce successful firms that will leave the program financially viable and freestanding. These incubator "graduates" create jobs, commercialize critical new technologies and strengthen local, state and national economies. Management guidance and consulting suitable for young growing companies is critical to the definition of incubator. Incubators usually also provide clients access to appropriate rental space and flexible leases, shared basic business services and equipment, technology support services, and assistance in obtaining the financing necessary for company growth.

Two principles characterize effective business incubation:

- 1) The incubator aspires to have a positive impact on its community's economic health by maximizing the success of emerging companies.
- 2) The incubator is itself a dynamic model of a sustainable, efficient business operation.

PURDUE RESEARCH FOUNDATION

The Purdue Research Foundation was incorporated as a non-profit organization on December 30, 1930. Its Founders included the President of Purdue University and the entire Board of Trustees of the University.

In order to fully understand the purposes and scope of the Foundation, it is appropriate to quote a portion of its Articles of Incorporation:

“Article II. The objects and purposes for which this corporation is organized are to promote educational purposes...by encouraging, sponsoring, aiding, or conducting scientific investigations, research and educational studies, activities and pursuits of all kinds; by training and developing persons for the conduct of such investigations and research and by acquiring and disseminating knowledge in relation thereto; by fostering and encouraging education and learning in science, agriculture, and mechanic arts and promoting the liberal and practical education of the industrial classes in the several pursuits and professions of life...and this corporation shall also have, use, and enjoy any and all powers necessarily or properly incident to or connected with any of the foregoing purposes and powers, including the power to acquire in any lawful manner such property, real, personal or mixed or any interest therein as may be necessary to the transaction of its business or the execution of any trust, and may hold, use, lease, sell, mortgage, pledge, assign, transfer or convey the same or any part thereof”.

“Article III. Said corporation may receive by gift, devise, bequest, or otherwise, any money or property absolutely or in trust, to be used, either the principal or the income therefrom, for the furtherance of any of the corporate purposes expressed in its charter, or for any other purpose which may hereafter be or become within its corporate powers”.

Summary of Officers and Members

The Foundation is currently composed of approximately 73 members. None of the members hold stock or have any financial interest in the corporation. The members are chosen on the basis of their interests and qualifications from five groups. Two of the groups, the Founders and Research members, are made up of distinguished educators and citizens who have had a long interest in the University and the Foundation and who have made significant gifts to the Foundation. A third group includes all of the members of the University Board of Trustees. A fourth group is made up of alumni of the University, and the fifth group is composed of prominent scientists and administrators from both the University and industry.

The Foundation is organized into several units which carry out the general purposes of the Foundation.

The Foundation has assets of securities and real estate conservatively valued at more than \$600 million. The Treasurer of the Foundation, under the direction of the President, carries out the Foundation's responsibilities as a Trustee and supervises the financial and business matters of the Foundation. The Foundation also acts for the University in the management of certain patent and copyright matters.

Through the Division of Sponsored Programs, the Foundation and the University coordinate all proposals for sponsored research, working closely with the faculty and sponsoring agencies of government, industry, foundations, and private donors.

Through a special restricted fund, known as the "XR Fund", the Foundation provides support for a wide variety of research projects involving faculty and graduate students. Through a second restricted fund, known as the "XL Fund", the Foundation supports individual scholarly projects of the faculty, particularly during the summer months when University funds are not available to the academic-year appointees.

In these, and many other ways, the Foundation assists the University in carrying out its missions in undergraduate and graduate teaching, research, and public service.

Abatement Request

Date: January-04
Company: Purdue Research Foundation
Location: West Lafayette
Taxing District: West Lafayette 164
Gross Rate: \$2.65850
PTRC: 0.269239
Business PP PTRC: 0.182223
Real Estate Net Rate: \$1.94273
Net Rate Business PP \$2.17406
Real Estate Investment: \$7,000,000
RE % Estimated Value 100%
Equipment Investment: \$0

Prepared by: Lafayette - West Lafayette Economic Development Corp

Options	Abatement	Real Property Abatement
10 Year	\$0	\$673,155
9 Year	\$0	\$674,515
8 Year	\$0	\$614,679
7 Year	\$0	\$542,604
6 Year	\$0	\$478,688
5 Year	\$0	\$407,973
4 Year	\$0	\$339,977
3 Year	\$0	\$270,622
2 Year	\$0	\$203,986
1 Year	\$0	\$135,991

Company Name: Purdue Research Found. Real Property Tax Abatement Illustration

Abatement Term: 10 Year

Location: West Lafayette

Date: January-04

Township: West Lafayette 164

Net Rate: \$1.94273 Gross Rate: \$2.65850

Year	Building Investment	True Tax Value	Assessed Value Without Abatement	Percent Tax Abatement	Taxable Assessed Value	Taxes Abated	New Taxes Paid
1	\$7,000,000	100%	\$7,000,000	100%	\$0	\$135,991	\$0
2	\$7,000,000	100%	\$7,000,000	95%	\$350,000	\$129,191	\$9,305
3	\$7,000,000	100%	\$7,000,000	80%	\$1,400,000	\$108,793	\$37,219
4	\$7,000,000	100%	\$7,000,000	65%	\$2,450,000	\$88,394	\$65,133
5	\$7,000,000	100%	\$7,000,000	50%	\$3,500,000	\$67,995	\$93,048
6	\$7,000,000	100%	\$7,000,000	40%	\$4,200,000	\$54,396	\$111,657
7	\$7,000,000	100%	\$7,000,000	30%	\$4,900,000	\$40,797	\$130,267
8	\$7,000,000	100%	\$7,000,000	20%	\$5,600,000	\$27,198	\$148,876
9	\$7,000,000	100%	\$7,000,000	10%	\$6,300,000	\$13,599	\$167,486
10	\$7,000,000	100%	\$7,000,000	5%	\$6,650,000	\$6,800	\$176,790
Total						\$673,155	\$939,780

Assumptions:

- 1 The net property tax rate does not change for the period.
- 2 The building investment is the total planned investment in real property improvement.
- 3 The building investment is new construction only. Taxes cannot be abated on existing assessed value or land.
- 4 All property assumed to be placed in service in the same year.
- 5 This illustration assumes that no reassessment of real property occurs during the 10 years.
- 6 Taxes Abated are based upon the Net Tax Rate, New Taxes Paid are based upon the Gross Tax Rate.

Abatement Request

Date: January-04
Company: Purdue Research Foundation
Location: West Lafayette
Taxing District: West Lafayette 164
Gross Rate: \$2.65850
PTRC: 0.269239
Business PP PTRC: 0.182223
Real Estate Net Rate: \$1.94273
Net Rate Business PP: \$2.17406
Real Estate Investment: \$7,000,000
RE % Estimated Value: 100%
Equipment Investment: \$0

Prepared by: Lafayette - West Lafayette Economic Development Corp

Abatement Personal Property Real Property

Options	Abatement	Abatement
10 Year	\$0	\$673,155
9 Year	\$0	\$674,515
8 Year	\$0	\$614,679
7 Year	\$0	\$542,604
6 Year	\$0	\$478,688
5 Year	\$0	\$407,973
4 Year	\$0	\$339,977
3 Year	\$0	\$270,622
2 Year	\$0	\$203,986
1 Year	\$0	\$135,991

Company Name: Purdue Research Found. Real Property Tax Abatement Illustration

Abatement Term: 10 Year

Location: West Lafayette

Date: January-04

Township: West Lafayette 164

Net Rate: \$1,94273 Gross Rate: \$2,65850

Year	Building Investment	True Tax Value	Assessed Value Without Abatement	Percent Tax Abatement	Taxable Assessed Value	Taxes Abated	New Taxes Paid
1	\$7,000,000	100%	\$7,000,000	100%	\$0	\$135,991	\$0
2	\$7,000,000	100%	\$7,000,000	95%	\$350,000	\$129,191	\$9,305
3	\$7,000,000	100%	\$7,000,000	80%	\$1,400,000	\$108,793	\$37,219
4	\$7,000,000	100%	\$7,000,000	65%	\$2,450,000	\$88,394	\$65,133
5	\$7,000,000	100%	\$7,000,000	50%	\$3,500,000	\$67,995	\$93,048
6	\$7,000,000	100%	\$7,000,000	40%	\$4,200,000	\$54,396	\$111,657
7	\$7,000,000	100%	\$7,000,000	30%	\$4,900,000	\$40,797	\$130,267
8	\$7,000,000	100%	\$7,000,000	20%	\$5,600,000	\$27,198	\$148,876
9	\$7,000,000	100%	\$7,000,000	10%	\$6,300,000	\$13,599	\$167,486
10	\$7,000,000	100%	\$7,000,000	5%	\$6,650,000	\$6,800	\$176,790
Total						\$673,155	\$939,780

Assumptions:

- 1 The net property tax rate does not change for the period.
- 2 The building investment is the total planned investment in real property improvement.
- 3 The building investment is new construction only. Taxes cannot be abated on existing assessed value or land.
- 4 All property assumed to be placed in service in the same year.
- 5 This illustration assumes that no reassessment of real property occurs during the 10 years.
- 6 Taxes Abated are based upon the Net Tax Rate, New Taxes Paid are based upon the Gross Tax Rate.