

Received electronically 11/24/2020

## RESOLUTION 15 - 2020

### RESOLUTION QUALIFYING NEW MACHINERY FOR TAX PHASE-IN

#### Summary

This resolution establishes that certain new equipment is to be installed or located within an Economic Revitalization Area for Auburn Gear, LLC (“the Company”).

This resolution establishes that certain new equipment is to be installed or located within an Economic Revitalization Area as defined by Indiana Code and authorized by this body and enabled by the Ordinances of the City of Auburn, the Common Council and the Committee on Tax Phase-In, which unanimously passed a favorable recommendation for this Resolution. Pursuant to Ordinance 86-22 and the findings of the Committee on Tax Phase-In, it is hereby established that the tax phase-in is enabled and should be granted upon passage of this Resolution. This Ordinance makes further findings to support the tax credits to be received by the Company which will allow property taxes to be phased-in over a period of time pursuant to Indiana Code.

Further, this resolution allows for *Auburn Gear, LLC* to receive tax phase-in for new manufacturing equipment with an estimated assessed value of **\$3,164,205.00** as follows:

- Year 1: 100% of the value of the new manufacturing equipment shall be exempt from taxation.
- Year 2: 80% of the value of the new manufacturing equipment shall be exempt from taxation.
- Year 3: 60% of the value of the new manufacturing equipment shall be exempt from taxation.
- Year 4: 40% of the value of new manufacturing equipment shall be exempt from taxation.
- Year 5: 20% of the value of new manufacturing equipment shall be exempt from taxation.

No further exemptions shall be available after the fifth (5th) year for new equipment.

This Resolution also sets forth that the Clerk-Treasurer will file a certified copy of this same Resolution with the County Auditor and /or the County Assessor as may be applicable and to publish the Summary of said Resolution. A copy of this Resolution is available to the public in booklet form at the Office of the Clerk-Treasurer during regular business hours and can be located at [www.ci.auburn.in.us](http://www.ci.auburn.in.us).

<input checked="" type="checkbox"/> Recorder's Office	<input checked="" type="checkbox"/> Publish Public Hearing
<input checked="" type="checkbox"/> Auditor's /Assessor's Office	<input type="checkbox"/> Clerk's Office
<input type="checkbox"/> Other:	<input checked="" type="checkbox"/> Publish summary O/R

**RESOLUTION 15 - 2020**

**RESOLUTION QUALIFYING NEW MACHINERY FOR TAX PHASE-IN**

**WHEREAS**, the Common Council of the City of Auburn, Indiana, has approved of economic revitalization and tax phase-in pursuant to the provisions of Indiana Code I.C. 6-1.1-12.1 et seq. and has enacted ordinance number 86-22 to enable and implement economic revitalization and tax phase-in pursuant to said statute;

**WHEREAS**, Auburn Gear, LLC filed an application for tax phase-in for new manufacturing equipment pursuant to said statute and ordinance which application was filed on or about **October 30, 2020**, with the City of Auburn, Indiana; and

**WHEREAS**, said Committee of the Common Council reviewed said application with a do-pass recommendation and the applicant has paid the required filing fees; and

**WHEREAS**, this ordinance confirms and/or establishes and/or enables the area that is subject herein to be an Economic Revitalization Area, and this Ordinance shall confirm the same and establish the benefits that are allowed under the laws of the State of Indiana; and

**WHEREAS**, evidence has been received by the Committee and findings have been entered to support the establishment, enabling the recommendation of the Auburn Economic Development Committee to create an economic target area and the tax phase-in as further set forth herein;

**WHEREAS**, the declaration and designation of the real estate as an “Economic Revitalization Area” and the allowance of deductions from the assessed value of new

manufacturing equipment installed thereon, will encourage the development and improvement of the real estate; and

*WHEREAS*, Ind. Code § 6-1.1-12.1-3 and Ind. Code § 6-1.1-12.1-4.5 require that a taxpayer file statements of benefits with the City Council in order to obtain property tax abatement on the installation of new manufacturing equipment in an Economic Revitalization Area;

*WHEREAS*, the Company has filed with the City Council on or about **October 30, 2020**, statements of benefits describing a certain new project within the real estate; a copy of said statements of benefits is incorporated herein and made a part hereof of this Resolution (sometimes hereinafter referred to as the “Statements of Benefits”); and

*WHEREAS*, the City Council Tax Phase-in Committee and City Council have reviewed and considered the Company's Statements of Benefits and request this Resolution be passed; and

*WHEREAS*, on **November 17, 2020**, the sub-committee on tax phase-in of the City Council adopted a Declaratory Finding and voted on findings of fact that are the basis of the committee’s recommendation to approve the request for tax phase-in as set forth in the SB-1 form and public hearing request; and said findings and declaratory actions are incorporated herein to this Resolution; and

*WHEREAS*, notice of adoption and substance of said Declaratory Resolution were reviewed at a public hearing on **December 15, 2020**, at the Common Council meeting located at the Council Chambers at 6:00 p.m., regarding said resolution; and

**WHEREAS**, all requirements of Ind. Code § 6-1.1-12.1-2.5 have been fulfilled and careful consideration has been given to all comments and views expressed regarding the Statements of Benefits.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF AUBURN, DEKALB COUNTY, INDIANA, THAT:**

1. **AREA INCLUDED IN ECONOMIC REVITALIZATION AREA:**

It is hereby declared that the following described real estate, situate in DeKalb County, State of Indiana, to-wit:

See Legal Description of Real Estate attached as **Exhibit "A"**

**PRESENTLY AND COMMONLY KNOWN AS 400 East Auburn Drive, Auburn, Indiana and the current location of the company commonly referred to as Auburn Gear**, and pursuant to the Application on SB1/PP identified as Auburn Gear, LLC, is hereby declared an "*Economic Revitalization Area*" as that phrase is used and defined in the above cited statute and ordinance, in that the subject real estate has been "undesirable for, or impossible of, normal development and occupancy" inasmuch as the land has been underutilized and void of development, which factors have impaired values and prevented an efficient normal use of the subject property. In the alternative, the area described above is within the corporate limits of the City of Auburn, Indiana, and 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 a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues. Therefore, for any of the above reasons it is declared and found that an *Economic Revitalization Area* exists herein.

It is hereby found that the area herein fully qualifies for tax phase-in as further set forth herein.

Ordinance 86-22 of the Auburn Common Council is incorporated herein by reference. The Committee on Tax Phase-In has made findings that enable and recommend this Resolution to be confirmed and passed. The Committee on Tax Phase-In made findings enabling a recommendation of passage by Resolution of the Common Council.

The following Findings are made and confirmed and the enabling and confirmation of the tax phase-in is found as further set forth below.

2. **FINDINGS**. It is hereby found:

- (A) The estimate of value of the redevelopment or rehabilitation is reasonable for projects of this nature.
- (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 described redevelopment or rehabilitation.
- (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 described redevelopment or rehabilitation.

(D) There are other benefits about which information was requested and those benefits can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

(E) The totality of benefits is sufficient to justify the deduction allowed by statute.

3. **NEW MANUFACTURING EQUIPMENT IS ELIGIBLE.** That the Common Council of the City of Auburn hereby resolves and declares that the new manufacturing equipment described in the Statement of Benefits, Form SB-1, be hereafter eligible for property tax phase-in pursuant to the provisions of the above statute and ordinance. That the Common Council of the City of Auburn, Indiana, finds that the new equipment described in the application valued at approximately **\$3,164,205.00** is dedicated for use as manufacturing.
4. **EFFECTIVE DATE.** This resolution shall be effective upon its passage subject to the notice and hearing provisions of Indiana Code I.C. 6-1.1-12.1-2.5. The hearing contemplated by said statute was held at the time and the place designated for a regular meeting of the Common Council of the City of Auburn, Indiana, on the **15<sup>th</sup> day of December, 2020**, at the City of Auburn Common Council Chambers in Auburn, Indiana, at **6:00 p.m.** At such meeting the Common Council took final action in determining whether the qualifications for real estate improvements and new manufacturing equipment have been met and the Common Council then confirmed this resolution on the record. Such determination and final action by the Council shall be binding upon all affected parties, subject to the appeal procedures contemplated by Indiana Code, I.C. 6-1.1-12.1-1, et seq.

5. **PHASE-IN PERIOD.** That the Common Council of the City of Auburn further resolves and declares that the application shall receive tax phase-in on new manufacturing equipment for five (5) years. Should this Auburn facility of the applicant close and/or cease operations during the phase-in period any phase-in of taxes gained by this Resolution shall cease and applicant will immediately pay back any and all taxes abated by this resolution.

The tax phase-in shall be executed as follows:

- Year 1: 100% of the value of new manufacturing equipment shall be exempt from taxation.
- Year 2: 80% of the value of new manufacturing equipment shall be exempt from taxation.
- Year 3: 60% of the value of new manufacturing equipment shall be exempt from taxation.
- Year 4: 40% of the value of new manufacturing equipment shall be exempt from taxation.
- Year 5: 20% of the value of new manufacturing equipment shall be exempt from taxation.

No further exemptions shall be available after the fifth (5th) year of exemptions for new manufacturing equipment.

6. **ON-SITE INSPECTION.** Upon installation of the new equipment and/or rehabilitation of site that is to receive tax phase-in, the recipient shall notify the Clerk-Treasurer of the City of Auburn of the installation. Thereafter, the recipient shall allow the City to inspect the equipment to ensure compliance on an annual basis throughout the period of phase-in.

7. **FILING WITH DEKALB COUNTY AUTHORITIES.** Upon the adoption of this resolution the Clerk-Treasurer of the City of Auburn, Indiana, shall cause a certified copy of this resolution to be filed with the DeKalb County Auditor and/or Assessor as



may be applicable. Said deductions shall be implemented in due course in accordance with applicable laws.


**ADOPTED BY THE COMMON COUNCIL OF THE CITY OF AUBURN,  
INDIANA, ON THE 15<sup>th</sup> day of December, 2020.**

  
James Finchum, Council Member

**ATTEST:**

  
Patricia Miller, Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this 15<sup>th</sup> day of December, 2020.

  
**PATRICIA MILLER**  
Clerk-Treasurer

**APPROVED AND SIGNED** by me this 15<sup>th</sup> day of December, 2020.

  
**MICHAEL D. LEY**, Mayor

**VOTING**

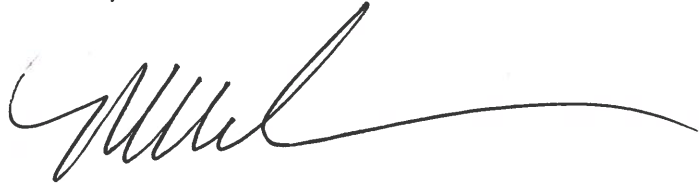
**AYE**

**NAY**

James Finchum



Mike Watson




Kevin Webb



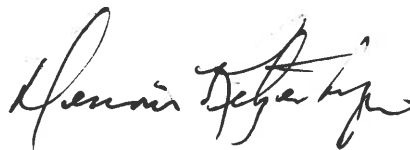
Natalie DeWitt



Dennis K Kruse II



Dennis Ketzenberger



Michael Walter

