

RESOLUTION 01-2018

**RESOLUTION QUALIFYING
EQUIPMENT FOR PROPERTY TAX PHASE-IN**

Summary

The attached resolution grants tax phase-in to **SHILOH DIE CAST MIDWEST, LLC** for certain equipment.

The attached resolution establishes that certain equipment is to be installed within an economic revitalization area, which has been established by the Common Council of the City of Auburn, Indiana in accordance with applicable statute.

Further, the resolution allows for **SHILOH DIE CAST MIDWEST, LLC** to receive tax phase-in as follows:

Five (5) years for manufacturing equipment with an approximate cost of **\$4,432,061** and approximate assessed value of **\$2,659,236.00**.

The five (5) year phase-in shall be as follows:

Year 1: 100% of the value of new equipment shall be exempt from taxation.

Year 2: 95% of the value of new equipment shall be exempt from taxation.

Year 3: 80% of the value of new equipment shall be exempt from taxation.

Year 4: 60% of the value of new equipment shall be exempt from taxation.

Year 5: 50% of the value of new equipment shall be exempt from taxation.

No further exemptions shall be available after year five (5) for the equipment.

The Auburn Common Council Committee on Tax Phase-In recommends this Resolution. This resolution is a confirmatory Resolution of the Common Council of the City of Auburn, Indiana located DeKalb County State of Indiana and the Auburn Common Council approves the State of Indiana SB-1 application filed by **SHILOH DIE CAST MIDWEST, LLC** as further set forth herein.

The Resolution also sets forth that the Clerk-Treasurer will file a certified copy of this same Resolution with the appropriate County Offices of DeKalb County, Indiana.

____ Recorder's Office
 x Auditor's Office or
____ Clerk's Office or
 x Other: Assessor or

 x Publish Public Hearing

 x Publish O/R after adoption

RESOLUTION 01- 2018

**RESOLUTION QUALIFYING
NEW EQUIPMENT FOR PROPERTY 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 implement economic revitalization and tax phase-in pursuant to this statute;

WHEREAS, previously the area contained herein and associated with **SHILLOH CAST MIDWEST, LLC** was declared an economic revitalization area, and that this Resolution makes specific findings which are supported by the Committee on Tax Phase-In and now confirmed by the Common Council to declare the area described herein as an economic revitalization area in accordance with applicable statute; and

WHEREAS, **SHILOH DIE CAST MIDWEST, LLC** has filed an application for tax phase-in for new manufacturing equipment pursuant to said statute and ordinance which application was filed on or about **September 20, 2017** and said application is intended to amend and replace a previous application filed on or about August 17, 2017; and

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

WHEREAS, the City of Auburn, Indiana Common Council hereby grants tax phase-in to **SHILOH DIE CAST MIDWEST, LLC** for certain equipment located at **1200 Power Drive, City of Auburn, County of DeKalb, State of Indiana** as set forth on the application filed on or about September 20, 2017, said application is incorporated by reference as if further set forth herein.

This Resolution establishes that certain equipment is to be installed or located within an economic revitalization area.

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, which at the time of this Resolution is the location of a manufacturing facility under the ownership of **Shiloh Die Cast Midwest, LLC**, situate in DeKalb County, State of Indiana, to-wit:

Part of the Southwest Quarter of Section 31, Township 34 North, Range 13 East, DeKalb County, Indiana, more particularly described as follows:

Beginning at the intersection of the North line of the Southwest Quarter of Section 31, Township 34 North, Range 13 East, DeKalb County, Indiana, and the centerline of the Grandstaff Ditch, said intersection being 75 feet East of the Northwest corner of the Southwest Quarter of Section 31, Township 34 North, Range 13 East; thence East along the North line of the Southwest Quarter of Section 31, Township 34 North, Range 13 East, a distance of 930.0 feet; thence South with a deflection angle to the right of 90 degrees 52 minutes 30 seconds a distance of 615.0 feet; thence West with a deflection angle to the right of 89 degrees 07 minutes 30 seconds a distance of 930.0 feet to the centerline of the Grandstaff Ditch; thence North with a deflection angle to the right of 90 degrees 52 minutes 30 seconds along the centerline of the Grandstaff Ditch, a distance of 615.0 feet to the point of beginning, containing 13.13 acres.

PRESENTLY AND COMMONLY KNOWN AS 1200 Power Drive, Auburn, Indiana, 46706,

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. The Auburn Common Council Committee on Tax Phase-In, took declaratory action and made specific findings recommending the full Common Council approve this Resolution, by entering a do-pass finding after conducting an evaluation of the application in an open public meeting appropriately advertised, noticed and taking place at the Common Council Chambers of the City of Auburn, Indiana on December 5, 2017.

2. **FINDINGS** It is hereby found:
 - a. The estimate of the value of the redevelopment or rehabilitation is reasonable for the projects of that 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.

3. **MANUFACTURING EQUIPMENT IS ELIGIBLE** That the Common Council of the City of Auburn hereby resolves and declares that the manufacturing equipment described in the Statement of Benefits, Form SB-1, is 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 equipment described in the application with an approximate assessed cost of **\$4,432,061.01** and an approximate assessed value of **\$2,659,236.00** is dedicated for use as manufacturing.

The five (5) year phase-in for said manufacturing equipment shall be as follows:

- Year 1: 100% of the value of new equipment shall be exempt from taxation.
- Year 2: 95% of the value of new equipment shall be exempt from taxation.
- Year 3: 80% of the value of new equipment shall be exempt from taxation.
- Year 4: 60% of the value of new equipment shall be exempt from taxation.
- Year 5: 50% of the value of new equipment shall be exempt from taxation.

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

- 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 tax phase-in shall be effective from and after the date the Statement of Benefits was filed, which was on or about September 20, 2017. 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 **Tuesday, January 16, 2017**, at the City Hall Council Chambers, 210 East 9th Street in Auburn, Indiana, at **6:00 p.m.** Said meeting has been properly advertised and a public hearing has taken place allowing comment on said Resolution. At such meeting the Common Council took final action in determining whether the qualifications for new manufacturing equipment have been met and the Common Council will then confirm, modify or rescind this original resolution. Such determination and final action by the Council shall be binding upon all affected parties, subject to the appeal procedures contemplated by Indiana Code 6-1.1-12.1-1, et seq. Deductions from the assessed value of manufacturing equipment installed in the economic revitalization area established by this Resolution within four (4) years of the date of this Resolution shall be allowed over a five (5) year deduction period. For the Statement of Benefits submitted by the Company for the installation of manufacturing equipment, the Common Council makes the following findings of fact pursuant to Ind. Code § 6-1.1-12.1-4.5(c):
- a) The estimate of the cost of the manufacturing equipment is reasonable for equipment of that type.

- 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 installation of manufacturing equipment.
- 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 manufacturing equipment.
- d) Other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of manufacturing equipment.
- e) The location of the equipment will be placed within the appropriate economic revitalization area.
- f) The statement of benefits submitted by the Company on or about **September 20, 2017**, amending a previous submission made on or about August 17, 2017 should be and is hereby approved.

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 for 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 ceases and applicant will immediately pay back any and all taxes abated by this resolution. By accepting tax phase-in, applicant hereby agrees to be bound by the terms hereof. The deductions from the assessed value of the new equipment described in the State of Benefits which are implemented within four (4) yeas of the date of this Resolution being approved shall be allowed over the deduction period set forth herein.

6. **ON SITE INSPECTION** Upon installation of the new equipment 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 insure 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 appropriate County Offices of DeKalb County, Indiana.

BE IT FURTHER RESOLVED by the Common Council, that there shall be published notice of the adoption and substance of this Resolution in accordance with Ind. Code § 5-3-1, which notice shall name a date for the public hearing on the approval of the Statement of Benefits, and that at the conclusion of said public hearing the Common Council may take final action on said matters. Should the Common Council of the City of Auburn, find that any part, clause or portion of this Resolution be adjudged to be invalid or unconstitutional, such invalidity or unconstitutional shall not affect the validity or constitutionality of this Resolution as a whole or any other part, clause or portion of this Resolution.

**ADOPTED BY THE COMMON COUNCIL OF THE CITY OF AUBURN, INDIANA,
ON THE 16th DAY OF JANUARY, 2018.**

JAMES FINCHUM
Councilmember

ATTEST:

Patricia Miller
Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this **16th day of January, 2018.**

PATRICIA MILLER
Clerk-Treasurer

APPROVED AND SIGNED by me this **16th day of January, 2018.**

NORMAN E. YODER
Mayor

VOTING:

AYE

NAY

Mike Watson

Dennis “Matthew” Kruse III

Denny Ketzenberger

James Finchum

Wayne Madden

Kevin Webb

Michael Walter