

Received electronically 8/14/2018

## RESOLUTION 08-2018

### RESOLUTION QUALIFYING REAL ESTATE IMPROVEMENTS FOR PROPERTY TAX PHASE IN FOR THE STRAWMAN GROUP, LLC

#### Summary

The attached resolution grants tax phase-in to **THE STRAWMAN GROUP, LLC** for certain real estate improvements.

The attached resolution establishes that certain real estate improvements are to be installed or located within an economic revitalization area and economic development target 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. .

Further, the Resolution allows for **THE STRAWMAN GROUP, LLC** to receive tax phase-in as follows:

Ten (10) years for real estate improvements with a cost of \$2,565,000.00 and an approximate net assessed value of \$2,583,600.00 upon completion of said project.

The percentages set forth herein represent the percent of deduction allowed for the increase in assessed valuation of said real estate each year.

In year one (1) the applicant shall receive tax credit or deduction for real estate improvements in the amount of one hundred percent (100%).

In year two (2) the applicant shall receive tax credit or deduction for real estate improvements in the amount of ninety-five percent (95%).

In year three (3) the applicant shall receive tax credit or deduction in the amount of eighty percent (80%).

In year four (4) the applicant shall receive tax credit or deduction for real estate improvements in the amount of sixty-five (65%).

In year five (5) the applicant shall receive tax credit or deduction for real estate improvements in the amount of fifty (50%).

In year six (6) the applicant shall receive tax credit or deduction for real estate improvements in the amount of forty percent (40%).

In year seven (7) the applicant shall receive tax credit or deduction for real estate improvements in the amount of thirty percent (30%).

In year eight (8) the applicant shall receive tax credit or deduction for real estate improvements in the amount of twenty percent (20%).

In year nine (9) the applicant shall receive a tax credit or deduction for real estate improvements in the amount of ten percent (10%).

In year ten (10) the applicant shall receive tax credit or deduction for real estate improvements in the amount of five percent (5%).

After year ten (10) no further deductions or credits shall be allowed.

The 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.

\_\_\_\_\_x\_\_\_\_\_ Recorder's Office

\_\_\_\_\_x\_\_\_\_\_ Publish Public Hearing

\_\_\_\_\_x\_\_\_\_\_ Auditor's Office

\_\_\_\_\_

\_\_\_\_\_ Clerk's Office

\_\_\_\_\_x\_\_\_\_\_ Publish O/R after adoption

\_\_\_\_\_ Other:

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**RESOLUTION 08-2018**

**RESOLUTION QUALIFYING REAL ESTATE IMPROVEMENTS FOR  
PROPERTY TAX PHASE IN FOR THE STRAWMAN GROUP, INC.**

*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, THE STRAWMAN GROUP, LLC* has filed an application for tax phase-in for real estate improvements and new manufacturing equipment pursuant to said statute and ordinance which application was filed on **July 17, 2018**;

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

*WHEREAS*, the Committee of the Common Council recommends and enables the area set forth in this ordinance to be an economic revitalization area. Further this Resolution designates this area appropriately as an economic development target area.

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

**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 AND THE ECONOMIC DEVELOPMENT TRAGET AREA:** It is hereby declared that the

following described real estate, situate in DeKalb County, State of Indiana, to-wit:  
Lot numbered thirteen (13) in the Original Plat of the City of Auburn, Indiana.

Commonly known as 131 West Seventh Street, 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 or the potential for the same exists therein.. 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.

In addition, it is hereby fond that the area is considered to be an economic development target area 6-1.1-12.1-7, as defined and allowed by the Indiana Code and that this particular area is within the guidelines of what may be considered an

economic development target area as defined by Indiana Code. Said declaration of an economic target area is made and requested to be considered if applicable.

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

(A) The estimate of value of the redevelopment or rehabilitation is reasonable for the 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. **REAL ESTATE IMPROVEMENT IS ELIGIBLE**. That the Common Council of the City of Auburn hereby resolves and declares that the real estate improvement described in the Statement of Benefits, Form SB-1, be hereafter eligible for property tax phase-in pursuant to the provisions for the above referenced statute and ordinance. That the Common Council of the City of Auburn, Indiana finds that the real estate with a project estimated value of **\$2,565,000.00** and a net estimated assessed value of **\$2,583,600.00** upon completion of said improvements as described in the application is herein dedicated for use of real estate improvements.

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 **4<sup>th</sup> day of September, 2018** the City of Auburn Common Council Chambers in Auburn, Indiana, at **6:00 p.m.** At such meeting the Common Council final action in determining whether the qualifications for real estate improvements 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 al.
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 real estate improvements for 10 (ten) years for real estate improvements. The schedule for the deductions is set forth below.

The percentages set forth herein represent the percent of deduction allowed for the increase in assessed valuation of said real estate each year.

In year one (1) the applicant shall receive tax credit or deduction for real estate improvements in the amount of one hundred percent (100%).

In year two (2) the applicant shall receive tax credit or deduction for real estate improvements in the amount of ninety-five percent (95%).

In year three (3) the applicant shall receive tax credit or deduction in the amount of eighty percent (80%).

In year four (4) the applicant shall receive tax credit or deduction for real estate improvements in the amount of sixty-five (65%).

In year five (5) the applicant shall receive tax credit or deduction for real estate improvements in the amount of fifty (50%).

In year six (6) the applicant shall review tax credit or deduction for real estate improvements in the amount of forty percent (40%).

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In year eight (8) the applicant shall receive tax credit or deduction for real estate improvements in the amount of twenty percent (20%).

In year nine (9) the applicant shall receive a tax credit or deduction for real estate improvements in the amount of ten percent (10%).

In year ten (10) the applicant shall receive tax credit or deduction for real estate improvements in the amount of five percent (5%).

After year ten (10) no further deductions or credits shall be allowed.

6. Should this Auburn real estate no longer be used for the purposes intended herein, as a commercial and corporate office location and the applicant closes and/or ceases 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. By accepting tax phase-in, applicant shall agree to be bound by the terms hereof.
7. **ON SITE INSPECTION.** Upon installation 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 insure compliance on an annual basis throughout the period of phase-in.

8. **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. Should for any reason a portion of this Resolution not be in compliance with applicable procedures or Indiana Code provisions, the remaining portions of said resolution not affected herein shall remain in full force and effect. The City of Auburn, Indiana preserves the right to modify and or amend this Resolution in an effort to comply with any portions that are not in compliance.

**ADOPTED BY THE COMMON COUNCIL OF THE CITY OF AUBURN,  
INDIANA, ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2018.**

\_\_\_\_\_  
James Finchum, Council Member

**ATTEST:**

\_\_\_\_\_  
Patricia Miller, Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
**PATRICIA MILLER**  
Clerk-Treasurer

**APPROVED AND SIGNED** by me this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
**NORMAN E. YODER, Mayor**

**VOTING**

**AYE**

**NAY**

Mike Watson

Dennis K. Kruse II

Denny Ketzenberger

James Finchum

Wayne Madden

Kevin Webb

Michael Walter