

Received 1/26/2019 via email

RESOLUTION 01- 2019

RESOLUTION QUALIFYING NEW MACHINERY FOR TAX PHASE-IN

Summary

This resolution establishes that certain equipment and real estate improvements are to be installed or located within an economic revitalization area.

Further, the resolution allows for *Tower Automotive Operations USA I, LLC* to receive tax phase-in for new manufacturing equipment with an estimated cost and estimated assessed value of **\$6,550,000.00** 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 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 manufacturing equipment.

This resolution also sets forth that the Clerk-Treasurer shall file a certified copy of this same resolution with the County Auditor and/or Assessor as directed by statute.

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

RESOLUTION 01- 2019

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 implement economic revitalization and tax phase-in pursuant to this statute;

WHEREAS, **Tower Automotive Operations USA I, 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 December 21, 2018, with the City of Auburn, Indiana; and

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; and

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

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 December 21, 2018, statements of benefits describing a certain new project (a copy of said statements of benefits is incorporated herein and made a part hereof of this Resolution, such project being within the real estate (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

WHEREAS, on January 15, 2019, the sub-committee on tax phase-in of the City Council adopted a Declaratory Finding and Vote and findings of fact approving the SB-1 form and requesting a public hearing; said findings and declaratory actions are incorporated herein to this Resolution; and

WHEREAS, notice of adoption and substance of said Declaratory Resolution and the scheduling of a public hearing on February 15, 2019, at the Common Council meeting located at Council Chambers, 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:

Part of the Northeast Quarter of Section 31, Township 34 North, Range 13 East of the Second Principal Meridian in DeKalb County, Indiana, more particularly described as follows: Commencing at the intersection of the east right-of-way line of Grandstaff Road with the south line of said Northeast Quarter; thence North 88 degrees, 25 minutes, 29 second East a distance of 534.0 feet along said south line to the Point of Beginning; thence North 01 degree, 38 minutes, 20 seconds West a distance of 982.5 feet to the southerly right-of-way line of 15th Street; thence North 88 degrees, 31 minutes, 40 seconds East a distance of 750.0 feet to the northwesterly right-of-way of the Auburn Port Authority (former Consolidated Rail Corp.); thence South 22 degrees, 16 minutes 22 seconds West a distance of 465.3 feet along said northwesterly right-of-way line; thence southwesterly a distance of 633.2 feet along a line being an arc to the right (chord bearing = South 27 degrees, 05 minutes, 03 seconds, West; ch, = 633.1; R = 3,760.0 feet) to the south line of said Northeast Quarter; thence South 88 degrees, 25 minutes, 29 seconds West a distance of 260.0 feet to the Point of Beginning; containing 11.8 acres, more or less, and subject to rights-of-way and easements of record.

PRESENTLY AND COMMONLY KNOWN AS 801 West 15th Street, Auburn, Indiana, 46706 and the current location of the company commonly referred to as Tower Automotive and pursuant to the Application on SB1/PP identified as Tower Automotive Operations USA I, 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, any of the above reasons the is it declared and found that an *economic revitalization area exists herein*.

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. **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 **\$6,550,000.00** 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 **19th day of February, 2019**, 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 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 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 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 19th day of February, 2019.**

James Finchum, Council Member

ATTEST:

Patricia Miller, Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this **18th day of February, 2019.**

PATRICIA MILLER
Clerk-Treasurer

APPROVED AND SIGNED by me this 19th day of February, 2019.

NORMAN E. YODER, Mayor

VOTING

AYE

NAY

Denny Ketzenberger

Mike Watson

Kevin Webb

Wayne Madden

Dennis K Kruse, II

James Finchum

Michael Walter