

RESOLUTION 15- 2024

**A RESOLUTION OF THE CITY OF AUBURN, INDIANA
FOR PERSONAL PROPERTY TAX ABATEMENT**

SUMMARY

This Resolution, if adopted, would grant a seven (7) year tax abatement for 26:12 Holdings, LLC.

_____ Recorder's Office

_____ Publish Public Hearing

 x Auditor's Office or

 x Clerk's Office or

_____ Publish O/R after adoption

 x Assessor

RESOLUTION 15 - 2024

**A RESOLUTION OF THE CITY OF AUBURN, INDIANA
FOR PERSONAL PROPERTY TAX ABATEMENT**

WHEREAS, the City of Auburn, Indiana (the “City”) desires to promote economic development and expansion;

WHEREAS, 26:12 Holdings, LLC, an Indiana limited liability company (“Company”), is a subsidiary holding company for DeKalb Metal Finishing, Inc., which provides zinc nickel electroplating services for the automotive industry;

WHEREAS, Company desires to enhance its manufacturing operations at 1201 S. Grandstaff Dr., Auburn, Indiana (the “Site”) with the purchase of certain new manufacturing equipment, research and development equipment, logistical distribution equipment, and information technology equipment, and has requested from the Common Council (the “Council”) of the City provide to Company a seven (7) year personal property tax abatement on qualifying personal property at the Site (the “Abatement”);

WHEREAS, Company submitted to the Council its Statement of Benefits Personal Property, Indiana State Form 51764 which is attached hereto and incorporated herein as Exhibit A (“SB1”);

WHEREAS, according to the SB1, Company anticipates the new equipment will aid in retaining 67 employees and adding 53 additional employees and will significantly bolster productivity at the Site;

WHEREAS, Company plans to invest approximately \$11,978,759.00 for the purpose of acquiring the subject manufacturing equipment more particularly described on the SB1;

WHEREAS, Company plans to invest approximately \$300,000.00 for the purpose of acquiring the subject research and development equipment more particularly described on the SB1;

WHEREAS, Company plans to invest approximately \$610,000.00 for the purpose of acquiring the subject logistical distribution equipment more particularly described on the SB1;

WHEREAS, Company plans to invest approximately \$400,000.00 for the purpose of acquiring the subject information technology equipment more particularly described on the SB1;

WHEREAS, in accordance with Ind. Code § 6-1.1-12.1-2.5, by prior Council Resolution No. 05-2024, the Site was previously designated an economic revitalization area;

WHEREAS, the Council is authorized, pursuant to Ind. Code § 6-1.1-12.1 et. seq. (the “Act”), to provide the Abatement; and

WHEREAS, the Council desires grant the Abatement.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF AUBURN, INDIANA as follows:

1. Based on the Council's review of the SBI and Company's request for the Abatement, the Council has found and determined the following:

- a. The value of the project is reasonable for 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 Company's growth at the Site;
- 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 project;
- d. There are additional benefits that can be reasonably expected to result from project; and
- e. The totality of benefits is sufficient to justify the deduction.

2. The Council hereby declares, after considering the factors and making the findings as required by the Act, that the application of Company for the Abatement, including SBI, is hereby granted and approved and, accordingly, the Council hereby approves a seven (7) year personal property tax abatement of personal property taxes assessed on qualifying personal property located at the Site identified in the SBI pursuant to the Schedule attached hereto and incorporated herein as Exhibit B.


3. Upon adoption, the City shall cause this Resolution to be filed in the Offices of the DeKalb County Auditor and Assessor.

4. This Resolution shall be effective upon its passage.


RESOLVED, PASSED, AND ADOPTED by the Common Council of the City of Auburn, Indiana, this 17th day of December, 2024.


James Finchum, Councilmember

ATTEST:


Lorrie K. Pontius
Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this me this 17th day of December, 2024.


Lorrie K. Pontius, Clerk-Treasurer

APPROVED AND SIGNED by me this 17th day of December, 2024.

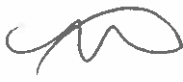

David E. Clark, Jr., Mayor

VOTING:

AYE

NAY

Natalie DeWitt



Rod Williams



James Finchum



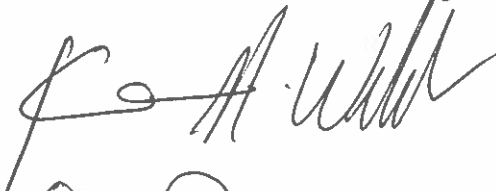
Dan Braun



David Bundy



Kevin Webb



Emily Prosser

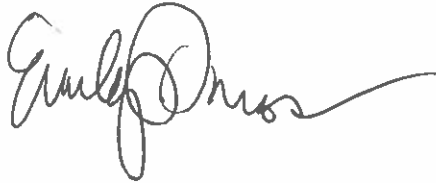


EXHIBIT "A"

SB1



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51764 (R5 / 1-21)

Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

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, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
- The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
- To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between January 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between January 1 and the extended due date of that year.
- Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1						TAXPAYER INFORMATION									
Name of taxpayer 26:12 Holdings, LLC						Name of contact person Matt Morris / mmorris@dekalbmetal.com									
Address of taxpayer (number and street, city, state, and ZIP code) PO Box 70, Auburn, IN 46706						Telephone number (260) 925-1820 ext. 114									
SECTION 2						LOCATION AND DESCRIPTION OF PROPOSED PROJECT									
Name of designating body City of Auburn, Indiana Common Council						Resolution number (s)									
Location of property 1201 S. Grandstaff Dr., Auburn, IN 46706						County DeKalb County			DLGF taxing district number 025						
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) Fanta Plating Line(s) (Model RTM60) plus auxiliaries, Air Compressor (Model CSD130) plus auxiliaries, MacDermid Wastewater Treatment System (Model M10000&BT300) plus auxiliaries, R&D Equipment, Logistical Distribution Equipment for management of product inventories, and IT equipment. See attached Exhibit A for itemized list of equipment.						ESTIMATED									
												START DATE		COMPLETION DATE	
						Manufacturing Equipment			11/18/2024		08/31/2025				
						R & D Equipment			01/15/2025		08/31/2025				
						Logist Dist Equipment			12/16/2024		08/31/2025				
IT Equipment			01/15/2025		08/31/2025										
SECTION 3						ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT									
Current Number 67		Salaries \$4,108,332.80		Number Retained 67		Salaries \$4,108,332.80		Number Additional 53		Salaries \$3,519,963.20					
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.						MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT			
						COST		ASSESSED VALUE		COST		ASSESSED VALUE		COST	
Current values						0		0		0		0			
Plus estimated values of proposed project						11,978,759		11,978,759		300,000		300,000			
Less values of any property being replaced						0		0		0		0			
Net estimated values upon completion of project						11,978,759		11,978,759		300,000		300,000			
610,000						610,000		400,000		400,000					
SECTION 5						WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER									
Estimated solid waste converted (pounds) _____						Estimated hazardous waste converted (pounds) 474,720 lbs.									
Other benefits: Untreated wastewater places an undue burden on the treatment process of Auburn's utility company. Use of the proposed wastewater treatment system allows the business to operate in an environmentally efficient manner with no adverse impacts to local treatment ops.															
SECTION 6						TAXPAYER CERTIFICATION									
I hereby certify that the representations in this statement are true.															
Signature of authorized representative <i>Thomas M. Niezer</i>						Date signed (month, day, year) November 19, 2024									
Printed name of authorized representative Thomas M. Niezer						Title Authorized Representative									

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____. *NOTE: This question addresses whether the resolution contains an expiration date for the designated area.*

B. The type of deduction that is allowed in the designated area is limited to:

- | | | | |
|--|------------------------------|-----------------------------|---|
| 1. Installation of new manufacturing equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18
Check box if an enhanced abatement was approved for one or more of these types. |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 3. Installation of new logistical distribution equipment. | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 4. Installation of new information technology equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

- | | | | | | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|--|
| <input type="checkbox"/> Year 1 | <input type="checkbox"/> Year 2 | <input type="checkbox"/> Year 3 | <input type="checkbox"/> Year 4 | <input type="checkbox"/> Year 5 | <input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18
Number of years approved: _____
(Enter one to twenty (1-20) years; may not exceed twenty (20) years.) |
| <input type="checkbox"/> Year 6 | <input type="checkbox"/> Year 7 | <input type="checkbox"/> Year 8 | <input type="checkbox"/> Year 9 | <input type="checkbox"/> Year 10 | |

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? Yes No
If yes, attach a copy of the abatement schedule to this form.
If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body)	Telephone number (260) 925-6450	Date signed (month, day, year) 12/17/2024
Printed name of authorized member of designating body Kevin Webb	Name of designating body City of Auburn Common Council	
Attested by: (signature and title of attester) Lorrie K Pontius	Printed name of attester Lorrie K Pontius	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. Except as provided in IC 6-1.1-12.1-18, an abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

New Location Purchases

Equipment	Description	Item Cost	Owned By	Install Date
MANUFACTURING EQUIPMENT				
Fanta Plating Line (Model RTM60 -- Line 5)	New Fanta Plating Line to facilitate metal finishing	\$ 2,496,000	26.12	2025
Fanta Plating Line (Model RTM60 -- Line 6)	New Fanta Plating Line to facilitate metal finishing	\$ 2,496,000	26.12	2025
Plating Line Auxiliaries	(e.g. Max Evap. Carbo ejector, Flow Meters)	\$ 231,520	26.12	2025
Plating Line Electrical Feeds	Electrical hookup to supply power to plating equipment	\$ 479,802	26.12	2025
Plating Line Ventilation	Ductwork to move air off of process tanks	\$ 2,600,000	26.12	2025
Plating Line Containment Trenches	Primary containment in the event of a tank leak or spill	\$ 497,914	26.12	2025
MacDermid Wastewater Treatment System (Model M10000 & BT3000)	MacDermid System	\$ 1,843,910	26.12	2024
Waste Treatment Water Lines	Water Lines and Manholes to support the Waste Treatment Plant	\$ 68,400	26.12	2024
Waste Treatment Containment Trenches	Primary containment in the event of a tank leak or spill	\$ 485,000	26.12	2024
Waste Treatment Electrical Hookup	Electrical hookup to supply power to waste treatment equipment	\$ 35,861	26.12	2024
Waste Treatment Flooring	Protective coating to seal off walls and floors in the event of a leak or spill	\$ 46,908	26.12	2024
Air Compressor (Model CSD130)->Air Loop	Air to supply pumps on plating lines and waste treatment	\$ 208,492	26.12	2024
Water Loop	Water to supply rinse tanks and waste treatment systems	\$ 49,883	26.12	2024
Gas Loop	Gas to supply heat for process tanks	\$ 101,984	26.12	2024
Maintenance Equipment	(e.g. Welders, Floor Scrubbers Model T300e, T17, T6100, etc.)	\$ 337,085	26.12	2025
CATEGORY TOTAL		\$ 11,978,759		

R&D EQUIPMENT				
Lab Equipment	New R&D Equipment for improving products and processes	\$ 300,000	26.12	2025
CATEGORY TOTAL		\$ 300,000		

LOGISTICS EQUIPMENT				
Logistics Equipment	Fork Trucks (Model S155FT), Scales, Lift Tables etc	\$ 610,000	26.12	2024/2025
CATEGORY TOTAL		\$ 610,000		

IT EQUIPMENT				
Technology Equipment	Servers and IT Infrastructure for monitoring / programming equipment	\$ 400,000	26.12	2025
CATEGORY TOTAL		\$ 400,000		

ABATMENT REQUEST		\$ 13,288,759		
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EXHIBIT "B"

PERSONAL PROPERTY ABATEMENT SCHEDULE

Personal Property	
Year	Abatement
1	100%
2	85%
3	71%
4	57%
5	43%
6	29%
7	14%