

ORIGINAL

RESOLUTION NO. 2010-041

RESOLUTION DECLARING AN ECONOMIC REVITALIZATION AREA FOR
PROGRESS RAIL MANUFACTURING CORPORATION, formerly PRL, Inc.
(New Manufacturing Equipment and
New Information Technology Equipment)

WHEREAS, the Indiana General Assembly has enacted a statute, I.C. 6-6.1-12.1 (the "Act"), authorizing certain deductions from the assessed value of new manufacturing equipment (as defined in the Act) for purposes of taxation of such equipment if installed during the period beginning March 1, 1983 and ending December 31, 2011, in an area that is declared an economic revitalization area; and

WHEREAS, the Act provides that economic revitalization areas must be in a geographic area that has become undesirable or impossible for normal development and occupancy because of cessation of growth, deterioration of improvements, age, obsolescence, substandard buildings or other factors which have impaired values or prevent a normal development of property or use of property; and

WHEREAS, the Act provides that the county council of a county may find that a particular area within the county's jurisdiction is an economic revitalization area under the procedures prescribed in I.C. 6-1.1-12.1-2.5; and

WHEREAS, the Delaware County Council has established standards and procedures for designation of economic revitalization areas; and

WHEREAS, Progress Rail Manufacturing Corporation, formerly PRL, Inc. has requested the Delaware County Council designate the area of 3500 South Cowan Road, Muncie, Delaware County, Indiana, as an economic revitalization area, said area being further identified on an attached map and legal description included herein.

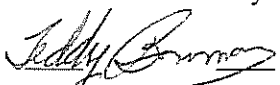
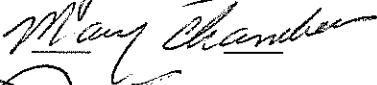
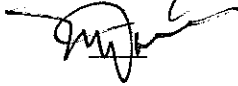

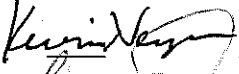
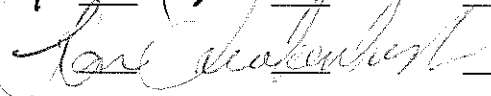
NOW, THEREFORE, BE IT RESOLVED by the County Council of Delaware County, Indiana:

1. The Delaware County Council finds and determines that the Area described in this Resolution meets the qualifications for an economic revitalization area for the purposes of I.C. 6-1.1-12.1-1 et. seq.

2. The Delaware County Auditor shall take such further actions as may be required by all applicable ordinances and laws, to carry out the purposes of this Resolution and to insure the eligibility of such new manufacturing equipment and new information technology equipment for purposes of allowing a deduction from the assessed value of said equipment for ten (10) years on the manufacturing equipment and five (5) years on the information technology equipment, all in accordance with applicable Indiana Code.

3. This Resolution shall be in full force and effect from and after its passage by the Delaware County Council and such publications as may be required by law.

4. It is understood that Progress Rail Manufacturing Corporation, formerly PRL, Inc. is responsible for following all annual state and local filing requirements regarding this abatement to assure receipt of the abatement per the applicable ten (10) and five (5) year schedules.


	Yeas	Nays	Abstained	Absent
Ted Bowman		_____	_____	_____
Mary Chambers		_____	_____	_____
Mike Jones		_____	_____	_____
James King	_____	_____	_____	<input checked="" type="checkbox"/>
Chris Matchett		_____	_____	_____
Kevin Nemyer		_____	_____	_____
Ron Quakenbush		_____	_____	_____

Passed by the County Council of Delaware County, Indiana, this 23 day of November, 2010.



Chris Matchett, President County Council
Delaware County, Indiana

ATTEST:


 Judy Rust, Auditor
 Delaware County, Indiana

This Resolution is approved in form by



Amanda Dunnuck,
Legal Counsel

**APPLICATION FOR TAX ABATEMENT
New Manufacturing Equipment**

This completed application, including a map identifying the general location of the facility, should be signed by the owner (or representative) of the new manufacturing equipment and submitted to:

**Delaware County Council
c/o Bruce Baldwin, Vision 2011
P.O. Box 842
Muncie, IN 47308-0842
PH: 765.751.9104
Please type or print.**

Date: 11/16/10 Name of Company: Progress Rail Manufacturing Corporation, formerly PRL Inc.

Address of Property: 3500 South Cowan Road Muncie, IN 47302

Township: Center

Current Zoning: IP Industrial Park Zone

Is legal description attached? Yes _____ No X (If possible, please provide at time of application.)

Property Owner (s):

Name: PROGRESS RAIL MANUFACTURING CORPORATION, formerly PRL INC.

Address: 3500 South Cowan Road
Muncie, IN 47302

Owner's Representative: Mr. Duane Cantrell
Address: Progress Rail Services Corporation
1600 Progress Drive
P.O. Box 1037
Albertville, AL 35950
Telephone (256) 505-6558

Is property / facility served by adequate utilities?

Yes X No _____

Are present utilities adequate for new improvements?

Yes X No _____

If not, please explain:

Briefly describe the use of the new equipment and its purchase price:

\$13,200,000 in 2011, \$3,800,000 in 2012, \$4,200,000 in 2013 and an additional \$61,900,000 from 2014 - 2025 for a total of approximately \$83,150,000 in new machinery (please see attached addendum).

Tax Assessment and Payment:

Amount of last business personal property assessment: \$ 0

Amount of last business personal property taxes: \$ 0

(Please attached a copy of your latest paid tax receipts to this form)

APPLICATION FOR NEW MANUFACTURING EQUIPMENT TAX ABATEMENT - PAGE 2

Total number of employees currently working for the company: 4,494 _____; At this facility? 0

Number of Minorities: N/A; Number of Females: N/A; Number of Disabled: N/A

What percentage of employees are Delaware County Residents? N/A %

Number of new employees to be added at this facility as a result of abatement: 650:

Actual (+-) jobs: +650

Fringe Benefits: Health Insurance (Y or N) Y; % paid by employer: 85% _____

% paid by employee: 15% _____

Pension: (Y or N) N; % paid by employer: N/A; % paid by employee: N/A

Wage Package: Starting Wage: \$ _____; High Wage: \$ _____; Average Wage: Year one: \$20.62/hr.

Year 15: \$31.19/hr.

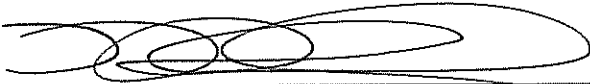
Job skill of new employees / entry level skill:

Analysts, technicians, manufacturing engineers, quality engineers, product engineers, facility engineers, production line assembly, equipment and facility maintenance.

Current average expected wage for jobs resulting from abatement (range): \$20.62/ hr. - \$31.19/hr.

Number of jobs retained as a result of this project: N/A

I hereby certify that the information and representations on this application are true and complete.



Name

Title

Date

NOTICE: Your signature above indicates that you are aware that you must annually file both form *CF-1 (Compliance with Statement of Benefits)*, and *Form 322 ERA/PP (Application for Deduction from Assessed Valuation)* by the dates indicated on the forms in order to actually receive your tax deduction.

The amount of the deduction equals the product of the taxes on the newly installed manufacturing equipment multiplied by the following percentages:

- 1st year 100%
- 2nd year 95%
- 3rd year 80%

APPLICATION FOR TAX ABATEMENT
New Information Technology Equipment

This completed application, including a map identifying the general location of the facility, should be signed by the owner (or representative) of the new information technology equipment and submitted to:

Delaware County Council
C/O Bruce Baldwin, Vision 2011
P.O. Box 842
Muncie, IN 47308-0842
PH: 765.751.9104
Please type or print.

Date: 11/16/10 Name of Company: Progress Rail Manufacturing Corporation, formerly PRL Inc.

Address of Property: 3500 South Cowan Road Muncie, IN 47302

Township: Center

Current Zoning: IP Industrial Park Zone

Is legal description attached? Yes _____ No X (If possible, please provide at time of application.)

Property Owner (s):

Name: PROGRESS RAIL MANUFACTURING CORPORATION, formerly PRL INC.

Address: 3500 South Cowan Road
Muncie, IN 47302

Owner's Representative: Mr. Duane Cantrell

Address: Progress Rail Services Corporation
1600 Progress Drive
P.O. Box 1037
Albertville, AL 35950

Telephone (256) 505-6558

Is property / facility served by adequate utilities?

Yes X No _____

Are present utilities adequate for new equipment?

Yes X No _____

If not, please explain:

Briefly describe the use of the new equipment and its purchase price: \$500,000 for new computers and IT hardware i
2011.

Tax Assessment and Payment:

Amount of last business personal property assessment: \$0 _____

Amount of last business personal property taxes: \$0 _____

(Please attached a copy of your latest paid tax receipts to this form)

APPLICATION FOR NEW INFORMATION TECHNOLOGY EQUIPMENT TAX ABATEMENT - PAGE

Total number of employees currently working for the company: 4,494 _____; At this facility? 0

Number of Minorities: N/A; Number of Females: N/A; Number of Disabled: N/A

What percentage of employees are Delaware County Residents? N/A %

Number of new employees to be added at this facility as a result of abatement: 650:

Actual (+-) jobs: +650

Fringe Benefits: Health Insurance (Y or N) Y; % paid by employer: 85% _____

% paid by employee: 15% _____

Pension: (Y or N) N; % paid by employer: N/A; % paid by employee: N/A

Wage Package: Starting Wage: \$ _____; High Wage: \$ _____; Average Wage: Year one: \$20.62/hr.
Year 15: \$31.19/hr.

Job skill of new employees / entry level skill:

Analysts, technicians, manufacturing engineers, quality engineers, product engineers, facility engineers, production l
assembly, equipment and facility maintenance.

Current average expected wage for jobs resulting from abatement (range): \$20.62/ hr. - \$31.19/hr.

Number of jobs retained as a result of this project: N/A

I hereby certify that the information and representations on this application are true and complete.



Name Title Date

NOTICE: Your signature above indicates that you are aware that you must annually file both form CF-1 (Compliance with Statement of Benefits), and Form 322 ERA/PP (Application for Deduction from Assessed Valuation) by the dates indicated on the forms in order to actually receive your tax deduction.

The amount of the deduction equals the product of the taxes on the newly installed information technology equipment multiplied by the following percentages:

1 st year	100%
2 nd year	95%
3 rd year	80%
4 th year	65%
5 th year	50%
6 th year and thereafter	0%

To be eligible for the abatement, the equipment must be installed during the period beginning July 1, 2004 and



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51764 (R / 1-06)
Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

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. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved
- 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. The 103-ERA must be filed between March 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 March 1 and the extended due date of that year.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1		TAXPAYER INFORMATION							
Name of taxpayer Progress Rail Manufacturing Corporation, formerly PRL, Inc.									
Address of taxpayer (number and street, city, state, and ZIP code) 3500 South Cowan Road, Muncie, IN 47302									
Name of contact person Duane Cantrell				Telephone number (256) 505-6558					
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT							
Name of designating body Delaware County, Indiana Council				Resolution number (s)					
Location of property 3500 South Cowan Road, Muncie, IN 47302		County Delaware		DLGF taxing district number					
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) Approximately \$83,150,000 in new machinery and \$500,000 in IT equipment for locomotive related business.				ESTIMATED					
				START DATE		COMPLETION DATE			
				Manufacturing Equipment		01/01/2011		12/31/2025	
				R & D Equipment					
				Logist Dist Equipment					
IT Equipment		01/01/2011		12/31/2025					
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT							
Current number 0	Salaries 0.00	Number retained 0	Salaries 0.00	Number additional 650	Salaries 30,460,000.00				
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		
	Current values								
	Plus estimated values of proposed project		83,150,000.00				500,000.00		
	Less values of any property being replaced								
Net estimated values upon completion of project									
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER							
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____						
Other benefits:									
SECTION 6		TAXPAYER CERTIFICATION							
I hereby certify that the representations in this statement are true.									
Signature of authorized representative				Title					
				Date signed (month, day, year)					

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 _____.
- 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 |
| 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 \$ _____.
- D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.
- E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.
- F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.
- 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 on or after July 1, 2000, is allowed for:

- | | |
|-------------------------------------|--------------------------------------|
| <input type="checkbox"/> 1 year | <input type="checkbox"/> 6 years |
| <input type="checkbox"/> 2 years | <input type="checkbox"/> 7 years |
| <input type="checkbox"/> 3 years | <input type="checkbox"/> 8 years |
| <input type="checkbox"/> 4 years | <input type="checkbox"/> 9 years |
| <input type="checkbox"/> 5 years ** | <input type="checkbox"/> 10 years ** |

** For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.

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: (signature and title of authorized member)	Telephone number	Date signed (month, day, year) 11-23-10
Attested by: 	Designated body	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5

EQUAL EMPLOYMENT OPPORTUNITY STATEMENT

The undersigned company agrees to comply with Executive Orders 11246 and 11478, and the rules, regulations and relevant orders of the Secretary of Labor. No segregated facilities will be maintained on said company's premises as required by Title VI of Civil Rights Act of 1964. Furthermore, the undersigned company attests to and agrees to the following policies regarding equal employment opportunity and affirmative action.

There will be no discrimination against any employee or applicant for employment because of race, religion, color, age sex, handicap, or national origin.

Affirmative action will be taken to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, age, sex, handicap, or national origin.

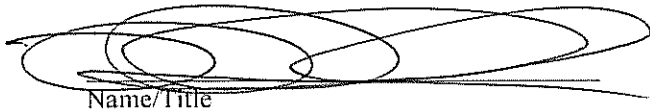
All qualified applicants will receive consideration for employment without regard to race, religion, color, age, sex, handicap, or national origin.

There will be no discrimination against any employee or applicant for employment because he or she is a disabled veteran or a veteran of the Vietnam Era in regard to any position for which the employee or applicant for employment is qualified.

Affirmative action will be taken to treat qualified disabled veterans and veterans of the Vietnam Era without discrimination based upon their disability or veteran status.

The company further agrees to post in conspicuous places, available to both employees and applicants for employment, notices to be provided setting forth the provisions of these nondiscriminating clauses and policies.

The previous policies will be adhered to in such employment practices as hiring, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.


Name/Title

Company Name

Date

Indiana Economic
Development Corporation
Incentives Application -
Addendum

New Investment	2011	2012	2013	2014	2015	2016	2017	2018	2019
Calendar Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
New Building Construction	\$1,952,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Building Improvements	\$11,500,000	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Machinery and Equipment	\$13,200,000	\$3,800,000	\$4,200,000	\$3,500,000	\$2,800,000	\$4,550,000	\$5,600,000	\$4,200,000	\$5,600,000
New Computer / IT Hardware	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
On-Site Rail Infrastructure	\$2,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$29,352,000	\$4,300,000	\$4,200,000	\$3,500,000	\$2,800,000	\$4,550,000	\$5,600,000	\$4,200,000	\$5,600,000

Public Infrastructure Needs (Off-site of project)
\$350,000.00

Investment
Summary

New Manufacturing & Information Technology Employment

Mfg. Eq.

IT Eq.

2011 \$13,200,000

\$500,000

2012 3,800,000

2013 4,200,000

2014 3,500,000

2015 2,800,000

2016 4,550,000

2017 5,600,000

2018 4,200,000

2019 5,600,000

2020 4,550,000

2021 6,300,000

2022 6,300,000

2023 5,250,000

2024 6,650,000

2025 6,650,000

Total \$82,150,000

Total \$6M.000

Indiana Economic
 Development Corporation
 Incentives Application -
 Addendum

New Investment Calendar Year	2020	2021	2022	2023	2024	2025	TOTAL
	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
New Building Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$1,952,000
Existing Building Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000,000
New Machinery and Equipment	\$4,550,000	\$6,300,000	\$6,300,000	\$5,250,000	\$6,650,000	\$6,650,000	\$83,150,000
New Computer / IT Hardware	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
On-Site Rail Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$2,200,000
TOTAL	\$4,550,000	\$6,300,000	\$6,300,000	\$5,250,000	\$6,650,000	\$6,650,000	\$99,802,000

Public Infrastructure Needs (Off-site of project) \$350,000.00