

ORIGINAL

RESOLUTION NO. 2011.026

RESOLUTION DECLARING AN ECONOMIC REVITALIZATION AREA FOR
McGUNEGILL ENGINE PERFORMANCE (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

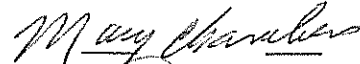
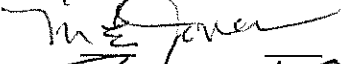
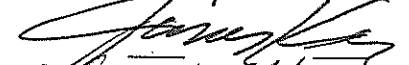
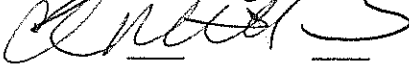



WHEREAS, the Act provides that the county council of a county may find that a particular area within the county's jurisdiction is an economic revitalization area under the procedures prescribed in I.C. 6-1.1-12.1-2.5; and

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

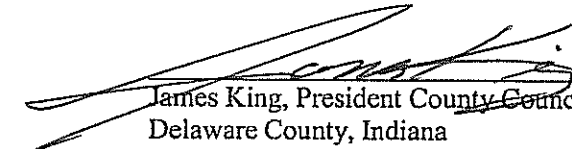
WHEREAS, McGunegill Engine Performance has requested the Delaware County Council designate the area of 2900 East CR 350 North, Muncie, Delaware County, Indiana, as an economic revitalization area, said area being further identified on an attached map and legal description included herein.


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

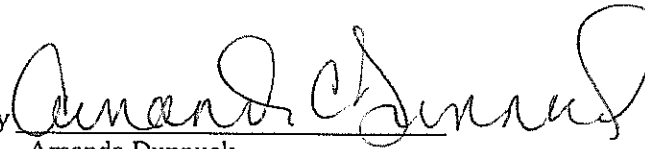
1. The Delaware County Council finds and determines that the Area described in this Resolution meets the qualifications for an economic revitalization area for the purposes of I.C. 6-1.1-12.1-1 et. seq.
2. The Delaware County Auditor shall take such further actions as may be required by all applicable 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 five (5) 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 McGunegill Engine Performance is responsible for following all annual state and local filing requirements regarding this abatement to assure receipt of the abatement per the applicable five (5) year schedules.

	Yeas	Nays	Abstained	Absent
Mary Chambers			___	___
Mike Jones			___	___
James King			___	___
Chris Matchett			___	___
Kevin Nemyer			___	___
Ron Quakenbush			___	___
Rick Spangler			___	___

Passed by the County Council of Delaware County, Indiana, this _____ day of _____, 2011.

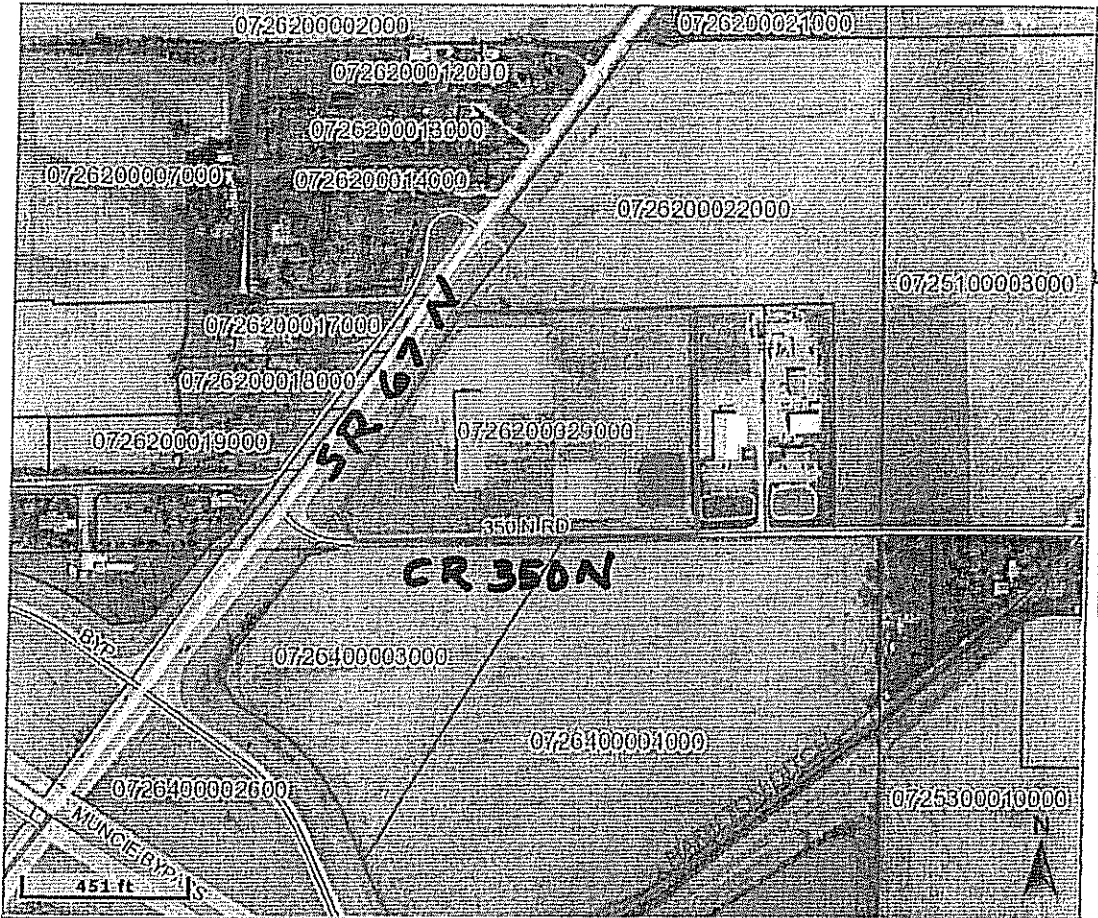

 James King, President County Council
 Delaware County, Indiana

ATTEST:

 Judy Rust, Auditor
 Delaware County, Indiana

This Resolution is approved in form by 
 Amanda Dunnuck,
 Legal Counsel

Delaware County, IN

McGaughey Engine Performance



A part of the South Half (S 1/2) of the Northeast Quarter (NE 1/4) of Section Twenty-six (26), Township Twenty-one (21) North, Range Ten (10) East, more particularly described as follows, to-wit:

Beginning at a point in the South line, Four Hundred Eighty-three and Sixty-five Hundredths (483.65) feet West of the Southeast corner of said South Half of the Northeast Quarter and running thence South Eighty-nine degrees Seven minutes Six seconds West (S 89°07'06" W) on said South line, Eight Hundred Eighty and Three Hundredths (880.03) feet to a point in the Easterly limited access right-of-way line of State Road No. 67 produced Southerly; thence running North Twenty-eight degrees Fifty-five minutes Twenty-eight seconds West (N 28°55'28" W) on said line, Ninety-four and Sixty-seven Hundredths (94.67) feet; thence running North Thirty degrees Thirty-six minutes Nine seconds East (N 30°36'09" E) on said line, Six Hundred Five and Sixty-four Hundredths (605.64) feet; thence running North Eighty-nine degrees Seven minutes Six seconds East (N 89°07'06" E) and parallel with the South line of said South Half of the Northeast Quarter, Six Hundred Eight and Twenty-five Hundredths (608.25) feet; thence running South Zero degrees Fifty-two minutes Fifty-four seconds East (S 00°52'54" E) Six Hundred (600,0) feet to the point of beginning, containing 10.818 acres, more or less,

This property is more commonly known as 2900 East County Road 350 North, Muncie, IN 47303 (the "Real Estate").

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: 10/11/11 Name of Company: MCGUANEILL ENGINE PERFORMANCE
Address of Property: 2900 E. CR 350 N
Township: HAMELTON
Is legal description attached? Yes X No
Property Owner (s): MAINSOURCE BANK
Name Address 2105 N. STATE ROAD 3 GREENSBURG IN 47240

Owner's Representative:
Name MARK STURGIS (ADM) Telephone 765 282 7785
Address 3410 FOX RIDGE LANE MUNCIE IN 47304

Is property / facility served by adequate utilities?
Yes No K

Are present utilities adequate for new equipment?
Yes No K

If not, please explain:
3 PHASE ELECTRIC NEEDED FOR SHOP MACHINES

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

Tax Assessment and Payment:
Amount of last business personal property assessment: \$
Amount of last business personal property taxes: \$
(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: 8
Number of Minorities: _____; Number of Females: 1; Number of Handicapped: _____
What percentage of employees are Delaware County Residents? 50 %
Number of new employees to be added as a result of abatement : 7 Actual (+-) jobs 15
Fringe Benefits: Health Insurance (Y or N) N; % paid by employer: _____; % paid by employee: _____
Pension: (Y or N) Y; % paid by employer: _____; % paid by employee: _____
Wage Package: Starting Wage: \$ 11; High Wage: \$ 15; Average Wage: \$ 13
Job skill of new employees / entry level skill: ENTRY LEVEL (4)
SKILLED - AUTOMOTIVE / MACHINIST (3)
Current average expected wage for jobs resulting from abatement (range): \$ 13
Number of jobs retained as a result of this project: 8

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

W D McLaughlin Owner 10-12-11
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:

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 March 1, 1983 and ending December 31, 2011 or such other date as extended by Indiana code. The equipment must be used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining or finishing of other tangible personal property.

A non-refundable fee of one hundred fifty dollars (\$150.00) payable to the **Delaware County Treasurer** is required of applicants for filing of applications for designation of economic revitalization areas and for tax abatement in already approved areas.

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: 10/11/11 Name of Company: MCGUANE GILL ENGINE PERFORMANCE

Address of Property: 2900 E. CR 350 N.

Township: HAMILTON

Is legal description attached? Yes X No

Property Owner (s): MAIN SOURCE BANK

Name Name

Address 2105 N. STATE Rd. 3 CYPRES Address

GREENSBURG IN 47240

Owner's Representative:

Name MARK STURGIS (ADM) Telephone 765-282-7785

Address 3410 FOX RIDGE LAVE MUNCIE IN 47304

Is property / facility served by adequate utilities?

Yes No X

Are present utilities adequate for new equipment?

Yes No X

If not, please explain:

3 PHASE ELECTRIC NEEDED FOR SHOP MACHINES

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

Tax Assessment and Payment:

Amount of last business personal property assessment: \$

Amount of last business personal property taxes: \$

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

APPLICATION FOR NEW INFORMATION TECHNOLOGY EQUIPMENT TAX ABATEMENT - PAGE 2

Total number of employees currently working for the company: 8
Number of Minorities: _____; Number of Females: 1; Number of Handicapped: _____

What percentage of employees are Delaware County Residents? 50 %

Number of new employees to be added as a result of abatement: 7 Actual (+-) jobs 15

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

Wage Package: Starting Wage: \$ 11; High Wage: \$ 15; Average Wage: \$ 13

Job skill of new employees / entry level skill: ENTRY LEVEL (4)
SKILLED - AUTOMOTIVE / MALHAWIST (3)

Current average expected wage for jobs resulting from abatement (range): \$ 13

Number of jobs retained as a result of this project: 8

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

W.D. McFungel owner 10-12-11
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 ending December 31, 2011 or such other date as extended by Indiana code. IT equipment would include equipment and software used in the fields of information processing, office automation, telecommunication facilities and networks, informatics, network administration, software development, and fiber optics.

A non-refundable fee of one hundred fifty dollars (\$150) payable to the **Delaware County Treasurer** is required of applicants for filing of applications for designation of economic revitalization areas and for tax abatement in already approved areas.



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

Slate 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:

1. 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)
2. 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
3. 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.
4. 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)
5. 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 <i>MCGUANEKILL ENGINE PERFORMANCE</i>	
Address of taxpayer (number and street, city, state, and ZIP code) <i>1726 N. ELM ST. MUNCIE IN 47303</i>	
Name of contact person <i>DEWAINE MCGUANEKILL JR</i>	Telephone number <i>765-282-1913</i>

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body <i>DELAWARE COUNTY COUNCIL</i>		Resolution number (s)	
Location of property <i>2900 CR 350 N.</i>	County <i>DELAWARE</i>	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) <i>SEE ATTACHED</i>		ESTIMATED	
		START DATE	COMPLETION DATE
		Manufacturing Equipment	<i>12-1-11 1-1-12</i>
		R & D Equipment	<i>12-1-11 1-1-12</i>
		Logist Dist Equipment	
IT Equipment			

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number <i>8</i>	Salaries <i>\$13/hr</i>	Number retained <i>8</i>	Salaries <i>\$13/hr</i>	Number additional <i>7</i>	Salaries <i>\$13/hr</i>
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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	ASSESSED VALUE	COST	ASSESSED VALUE
Current values	<i>90123</i>	<i>62140</i>	<i>20000</i>	<i>15380</i>				
Plus estimated values of proposed project	<i>100000</i>		<i>16400</i>					
Less values of any property being replaced								
Net estimated values upon completion of project	<i>190123</i>	<i>162140</i>	<i>36400</i>	<i>31780</i>				

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 <i>[Signature]</i>	Title <i>owner</i>	Date signed (month, day, year) <i>10/12/11</i>
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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)
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



Physical Improvements, Use, & Projected cost:

- 3 Phase electric: Cost \$20,000
3 phase electric needed to run our machinery.
- Air Conditioning: Cost \$35,000
Air conditioning will be added in the general shop area. Climate control is necessary for us to perform precision machining operations.
- Chassis Dyno Area: Cost \$10,000
The Chassis Dyno is a diagnostic machine is recessed into the ground and requires a dedicated amount of room for the controller, sensors, and other components.

Machine Description and Cost:

- CNC Block Machine: Cost \$75,000 expected depreciable life – 10yrs
CNC Block Machine improves productivity by completing several machining processes in the same fixture, previously done in multiple machines with extensive set up time.
- Flow Bench: Cost \$10,000 expected depreciable life – 10yrs
Used primarily for testing the intake and exhaust ports of cylinder heads of internal combustion engines. It is also used to test the flow capabilities of any component such as air filters, carburetors, manifolds or any other part that is required to flow gas. It is one of the primary tools of high performance engine builders.
- Jet Sprayer: Cost: \$5,000 expected depreciable life – 10yrs
Used for cleaning critical parts and pieces.
- Sonic Cleaner: Cost: \$10,000 expected depreciable life – 8yrs
Used for cleaning critical parts and pieces.

New R&D, Information Technology Equipment:

- EFI Live: Cost \$1,399 expected depreciable life – 5yrs
EFI Live gives users the ability to adjust and map the onboard controllers in modern vehicles, allowing the user the ability to improve performance and tune performance vehicles.
- Chassis Dyno: Cost \$15,000 expected depreciable life – 5yrs
The chassis dyno will be used to measure and adjust the performance output of a vehicle.