

RESOLUTION NO. 2015-031 ORIGINAL

RESOLUTION APPROVING DEDUCTION FROM ASSESSED VALUE OF NEW MANUFACTURING EQUIPMENT IN AN ALREADY DECLARED ECONOMIC REVITALIZATION AREA FOR Mid-West Metal Products Co. Inc

WHEREAS, the Indiana General Assembly has enacted a statute, I.C. 6-1.1-12.1 (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, 2015, or such other date as extended by Indiana Code, in an area that is declared an economic revitalization area; and

WHEREAS, Mid-West Metal Products Co. Inc. will install a new Turret Manufacturing Machine in the amount of \$301,393.00, shown in the attached quote, at its plant located at 3701 South Cowan Road, Muncie, Indiana 47302 during the above described period; and

WHEREAS, by previously adopted resolutions, the Delaware County Council declared and affirmed that the area commonly described as 3701 South Cowan Road, Muncie, Indiana 47302, which is defined and shown on the attached map (the "Area"), as an economic revitalization area, and authorizes deductions from assessed value of new manufacturing equipment, installed in the area for purposes of taxation; and

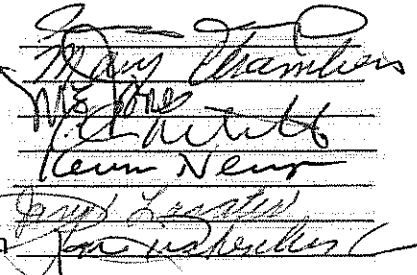
WHEREAS, as a condition of approval of the ensuing abatement, Mid-West Metal Products Co. Inc. agrees to update the County Council on an annual basis with regards to the status of employment at the facility during the term of the life of the abatement.


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

1. The Delaware County Council finds and determines that the new manufacturing equipment to be installed in the above referenced area by Mid-West Metal Products Co. Inc., shall be allowed a deduction of five (5) years from the assessed value of such equipment, in accordance with the provisions of I.C. 6-1.1-12.1-45.
2. The Delaware County Auditor shall take such further actions as may be required to carry out the purposes of this resolution and to insure the eligibility of the new manufacturing equipment for the deduction described herein.
3. This Resolution shall be in full force and effect from and after its passage by the Delaware County Council and after advertised in such publications as may be required by law.

APPROVED, this 22 day of September, 2015

Scott Alexander
Mary Chambers
Michael Jones
Chris Matchett
Kevin Nemyer
Jane Lasater
Ron Quakenbush



Attest:

Steven Craycraft, Auditor
Delaware County, Indiana

APPLICATION FOR TAX ABATEMENT
New Manufacturing Equipment
(Personal Property)

Date: 8/31/15 Name of Company: MID-WEST METAL PRODUCTS Co. Inc.

Address of property where equipment will be located: 3701 SOUTH LAMAN RD.
MUNCIE, IN 47302

Is the property within the corporate limits of a City or Town? Yes No

Name of City or Town: MUNCIE Township: _____

Is a legal description attached? Yes No

Property Owner(s): MID-WEST METAL PRODUCTS

Name: _____ Name: _____

Address: 3142 SOUTH LAMAN RD. Address: _____
MUNCIE, IN 47302

Are utilities at the property adequate to accommodate the equipment? Yes No
If not, please explain: _____

Briefly describe the new equipment to be purchased: TARGET MANUFACTURING
MACHINE - Type of punch press used for metal forming

Briefly describe the intended use of the new equipment: Upgrade machine to support
current customers and future growth

What is the Purchase Price of the Equipment? \$ 301,393 (Attach Quote)

Where is the new equipment being brought from? (Please check one)
Out of the County _____, Out of the State , Out of the Country _____

What is the amount of your last personal property tax assessment? \$ 3,379,090

What is the amount of your last business property tax assessment? \$ 3,379,090

Are the business and company owners above current on ALL tax liabilities? Yes No
If not, please explain: _____

Are there any judgments, liens or pending litigation against the business and company owners?
Yes No If yes, please explain: Pending WC case; Attorney advised MWM
not at fault

How many years has the company been in business? 94

Is the company headquarters located in Delaware County? Yes No
If not, where are they located? _____

What is the total number of employees currently working for the company in County? 154

Number of minorities: 4 Number of Females: 20 Number with disabilities: 0

What percentage of employees are Delaware County residents? 79 %

What is the number of new employees to be added as a result of this abatement? 0

What is the number of new employees anticipated to be hired in the next twelve months? 5

How many employees are anticipated to be retained as a result of this abatement? 3

Wages and Benefits:

What is the starting hourly wage? \$ 10.00 High Wage \$ 21.43 Average Wage \$ 13.92

What is the expected average hourly wage for the jobs resulting from this abatement? \$ _____

What is the required skill level of new employees? General operator is low-skilled but programmers are highly skilled

Does the company offer health insurance? Yes No _____

If "yes", what percentage is paid from the Employer 50 % and Employee 50 %.

Does the company offer a Pension Plan? Yes _____ No

If "yes", what percentage is paid from the Employer _____ % and Employee _____ %.

Does the company pay for any training or continuing education? Yes No _____

If "yes", please explain: Programming machines, new software & technology

Please include with this application a map identifying the general location of the investment and a non-refundable check for \$150 made payable to the Delaware County Treasurer.

I hereby certify that the information and representations on this application are true and complete. By signing below I accept responsibility of the representations above and I hereby acknowledge that this form will become public record. Furthermore, I understand and am aware that by requesting this abatement, I am responsible for annually filing a 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 the tax deduction.

Chad Smith
Name:

CFD
Title:

8/31/15
Date:

Submit the completed form to c/o:
Brad Bookout, Director of Economic Development, Delaware County, Indiana
1208 West White River Blvd., Suite 109
Muncie, Indiana 47303
Ph: 765-808-1484
Email: bbookout@ecirpd.org



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51784 (R3 / 12-13)
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 6-1.1-12.1-6.1.

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 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, 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 Mid-West Metal Products Co., Inc.		Name of contact person Chad Smith							
Address of taxpayer (number and street, city, state, and ZIP code) 3142 South Cowan Road, Muncie, IN 47302			Telephone number (765) 287-3139						
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT							
Name of designating body Delaware County Council		County Delaware		Resolution number (#) 18002					
Location of property 3701 South Cowan Rd., Muncie, IN 47302		DLGF taxing district number 18002							
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.) New Turret Machine - Type of punch press used for metal forming		ESTIMATED							
				START DATE	COMPLETION DATE				
		Manufacturing Equipment		11/01/2015	11/15/2015				
		R & D Equipment							
		Logist Dist Equipment							
		IT Equipment							
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT							
Current number 154	Salaries 3,960,000	Number retained 3	Salaries 120,000	Number additional 0	Salaries 0				
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	16,250,000.00	3,200,000.00						
	Plus estimated values of proposed project	300,000.00	300,000.00						
	Less values of any property being replaced	250,000.00	0.00						
Net estimated values upon completion of project	16,300,000.00	3,500,000.00							
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>Chad Smith</i>				Date signed (month, day, year) 9/10/15					
Printed name of authorized representative CHAD SMITH			Title CFO						

DELAWARE COUNTY, INDIANA

Mid-West Men

ESTIMATED PROPERTY TAX LIABILITY FOR PERSONAL PROPERTY
Assumes a Traditional 5-Year Personal Property Tax Abatement on the Proposed Investment

Taxes Payable Year	Estimated Net Assessed Value (1)		Tax Rate (3)	Estimated Property Tax Liability			Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement		With Proposed Abatement	Without Proposed Abatement	Net	
	Property Taxes	3% Credit (4)	Property Taxes	3% Credit (4)	Property Taxes	Property Taxes	
2017	\$3,030,817	\$3,186,532	3.3449	\$0	\$101,380	\$106,590	\$5,210
2018	3,228,988	3,427,079	3.3449	0	108,010	114,630	6,620
2019	3,478,906	3,606,038	3.3449	(790)	115,580	120,620	0
2020	3,678,690	3,750,227	3.3449	(7,470)	115,580	125,440	0
2021	3,824,060	3,852,697	3.3449	(12,330)	115,580	128,870	0
Totals				(\$20,590)	\$556,130	\$596,150	\$11,830

- (1) Based on the investment assumptions outlined on page 2.
- (2) Assumes a traditional 5-year personal property tax abatement for the proposed machinery and equipment. The abatement percentages for each year are: 100%, 80%, 60%, 40% and 20%.
- (3) Represents the certified pay 2015 tax rate for the Center Township-Muncie Sanitary taxing district.
- (4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of the gross assessed value, is applied.

Note: Any changes to the assumptions outlined on page 2 or above may have a material effect on the property tax abatement savings estimates included in this analysis.

(Subject to the attached letter dated September 9, 2015)
(Preliminary - Subject to Change)
(For Internal Use Only)

DELAWARE COUNTY, INDIANA

Mid-West Metal

ASSUMPTIONS

The following investment assumptions are based on information provided by Company representatives

	<u>Estimated Cost</u>
Depreciable Personal Property:	
Existing Machinery and Equipment (1) - March 1, 2015 taxes payable 2016	\$12,561,479
Proposed Machinery and Equipment (2) Pool #2 (3) - First assessed January 1, 2016 for taxes payable in 2017	<u>301,393</u>
Total Investment	<u><u>\$12,862,872</u></u>

- (1) Per the Indiana Personal Property tax return for March 1, 2015 filed by the Company.
- (2) Per information provided by the Company.
- (3) For the purposes of this analysis, it has been assumed that the equipment will be purchased as new and be depreciated in Pool #2 (5-8 year useful life) for property tax purposes. Once installed, the Company may report the depreciation in a different pool, which may have a material effect on the resulting tax increment calculations. No assumption has been made for future equipment retirement/replacement.

Property Tax Rates	
Certified Pay 2015 Tax Rate - Center Township-Muncie Sanitary	\$3.3449

Note: Indiana Code 6-1.1-20.6 provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property (the "Circuit Breaker Tax Credit"). For commercial and industrial property, the Circuit Breaker Tax Credit reduces a taxpayer's tax liability to 3% of their property's gross assessed value. The Indiana property tax caps, in combination with other potential future changes, such as increases in budgets and tax rates of overlapping taxing units, a loss of a major taxpayer, the adoption of local option income tax for property tax relief purposes, or future changes in Indiana property tax law and regulations, could affect the actual assessed value of the proposed development and the applicable property tax rates, and cause the actual tax liability to differ significantly from the estimates shown in these schedules.

(Subject to the attached letter dated September 9, 2015)
(Preliminary - Subject to Change)
(For Internal Use Only)

Vendor No. 4053

DELAWARE COUNTY TREAS.

Invoice	Invoice Date	Description	Amount	Discount	Net Amount
8/31/15ABATE	08/31/2015		150.00	0.00	150.00

No: 134658 8/31/2015 Amount: 150.00

THIS CHECK HAS A COLORED BACKGROUND AND CONTAINS MULTIPLE SECURITY FEATURES. SEE BACK FOR DETAILS

134658

MW Mid-West Metal Products
Company, Inc.
P.O. Box 1031, Muncie, IN 47308

Key National Association
52-2
112

Check No: 134658 Date: 8/31/2015

Amount: *****150.00

One Hundred Fifty and no/100 USD*****

Pay to the Order of DELAWARE COUNTY TREAS.
100 WEST MAIN
P O BOX 1089
MUNCIE IN 47308
USA



Handwritten signature

⑈ 134658 ⑈ ⑆0⑆⑆200022⑆ 6⑆90⑆000⑆623⑈



12975 Clarence Center Rd.
Akron NY 14001
Telephone 800-828-1527
FAX 716-542-5957

www.stripplit.com

Mid-West Metal Products
2100 W. Mt. Pleasant Rd.
Muncie, IN 47302
Attn: Archie Adamisin

08/27/15

The following is a summary quote for new LVD Stripplit punching machine.

<u>Description</u>	<u>Price</u>
LVD Stripplit VX-1225 Turret Punch Press	\$380,070.00
Auxillary Hydraulic Cooler	\$4,510.00
Air Blow Tool Lubrication	\$3,588.00
Two Seats of Cadman P Programming Software	\$13,360.00
Training for 2 people on Cadman P Software	\$3,105.00
Cadman Updates for 2 seats	\$5,400.00
Substitution of 1 D station to an E station	\$5450.00
<u>Subtotal</u>	<u>\$415,483.00</u>
<u>Trade-In Allowance for 1500H30</u>	<u>-\$40,000.00</u>
<u>Less Incentive Discount</u>	<u>-\$74,090.00</u>
<u>Total Package Price</u>	<u>\$301,393.00</u>

Freight (Ex works – Akron, NY for Turrets) and Rigging charges will be the responsibility of Mid-West Metal Products. Rigging of machine on return truck to LVD Stripplit is at Mid-West Metals expense. The standard terms are 20% down with order, Net 30. The package includes an installation and training period performed by a factory trained LVD Stripplit technician and a full one year parts and labor warranty. Please see full quote attached for specifications and full terms and conditions. This special package pricing is available until 08/31/15.

To complete an order, we will need the following items:

1. Signed Purchase Order
2. Signed PMSA or payment in full prior to shipment
3. 20% Deposit Check
4. Bank or Financing Information

Please contact me at 716-310-9189 or dcaprio@stripplit.com to discuss this information.

Regards,

Daniel Caprio

Daniel Caprio
Punching Products Sales Manager

