

## RESOLUTION NO. 14, 2013

### A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA GRANTING MCGILL MANUFACTURING COMPANY, INC. AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR TANGIBLE PERSONAL PROPERTY UNDER INDIANA CODE 6-1.1-12.1

- WHEREAS,** Pursuant to Resolution No. 5-2010, as confirmed by Resolution No. 7-2010, the Common Council of the City of Valparaiso, Indiana (the "City"), designated a certain area located within the City as an economic revitalization area (an "ERA");
- WHEREAS,** Resolution No. 5-2010 remains in full force and effect;
- WHEREAS,** McGill Manufacturing Company, Inc. (the "Company") has filed with the Common Council a Statements of Benefits Personal Property (FORM SB-1/PP) dated **June 4, 2013** proposing the installation of new research and development (R&D) equipment as detailed in said form (the "Project") anticipated to cost \$2,536,061, estimated to be installed and placed-in-service on or prior to October 1, 2014 and to be fully assessed on March 1, 2015;
- WHEREAS,** The Company submitted said Statements of Benefits Personal Property ("FORM SB-1/PP") to the Common Council as the designating body prior to the installation of the Project for which the Company desires to request an assessed valuation deduction;
- WHEREAS,** The new personal property research and development (R&D) equipment as installed as it relates to the Project will be used by the Company consistent with IC 6-1.1-12.1-1(12);
- WHEREAS,** The new personal property research and development (R&D) equipment as tangible personal property installed as it relates to the Project has never been used for any purpose in Indiana before consistent with IC 6-1.1-12.1-1(12)(E); and
- WHEREAS,** The Company's facility located at 909 N. Lafayette Street in the City (real property key number 64-09-24-103-002.000-004) is within the boundaries of an ERA, and therefore the Common Council may make a determination pursuant to IC 6-1.1-12.1-3(b) based upon the evidence as to whether Company shall be allowed an assessed valuation deduction.

**NOW, THEREFORE, BE IT RESOLVED** that the actions of the Common Council of the City of Valparaiso, Indiana are based upon the evidence as presented by McGill Manufacturing Company, Inc. upon review of the (FORM SB-1/PP as well as other pertinent information provided by the Valparaiso Economic Development Corporation and upon the following findings pursuant to IC 6-1.1-12.1-3(b), such that:

- (1) The Project is reasonable for a project of its nature;
- (2) The estimated number of individuals who will be employed or whose employment will be retained can reasonably be expected to result from the installation of the Project;
- (3) The estimated annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to result from the installation of the Project; and

(4) The totality of the benefits is sufficient to justify an assessed valuation deduction on the Project.

**BE IT FURTHER RESOLVED** that the Common Council acknowledges that the Project is not located within a designated allocation area of the Valparaiso Redevelopment District.

**BE IT FURTHER RESOLVED** that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from tangible personal property – research & development (R&D) equipment for a period of **ten (10) years** to the Company, being McGill Manufacturing Company, Inc. in accordance with IC 6-1.1-12.1 as it relates to the Project.

**BE IT FURTHER RESOLVED** that having received the consent of the Company and in accordance with Indiana Code 6-1.1-12.1-14(b), a copy of which is attached hereto as **EXHIBIT A** and is made a part hereof as incorporated herein, and pursuant to Indiana Code 6-1.1-12.1-14 for each year the Company's personal property tax liability is reduced by an assessed valuation deduction related specifically to the Project, the Company shall pay to the Porter County Treasurer a fee in the amount computed and determined by the Porter County Auditor pursuant to the provisions of subsection (c) of Indiana Code 6-1.1-12.1-14 (the "Imposed Fee") such that:

- (1) The Common Council hereby determines that fifteen percent (15%) shall be the percentage to be applied by the Porter County Auditor for purposes of STEP TWO of subsection (c) of Indiana Code 6-1.1-12.1-14;
- (2) Accordingly, for each year the Imposed Fee is payable by the Company, the Imposed Fee shall be equal to the lesser of One Hundred Thousand Dollars (\$100,000) or fifteen percent (15%) of the additional amount of personal property taxes that would have been paid by the Company during that year if the deductions approved in this Resolution had not been in effect (i.e., 15% of the Company's personal property tax savings attributable to a deduction from the assessed valuation from the Project; and
- (3) The Imposed Fee as collected shall be distributed to the **City of Valparaiso Redevelopment Commission** as a public entity established to promote economic development within the corporate limits of the City as determined by the Common Council as the designating body.

**Be It Further Resolved** that the Company has agreed to the following imposed reasonable condition for approval of an assessed valuation deduction for research & development (R&D) equipment as herein specified and authorized under I.C. 6-1.1-12.1-2(i)(6) and as included under Item G (page 2) of the approved FORM SB-1/PP:

**Condition:** The Company by May 10 of each calendar year during the period for which an assessed valuation deduction is applicable shall submit to the City as it applies to the Project, the FORM 103, FORM 103-EL and/or FORM 103-ERA to supplement the FORM CF-1/PP ("Compliance with Statement of Benefits") that is annually filed with the City for each personal property assessed valuation deduction so that the City may verify and confirm the following: (i) the assessed valuation deductions reported by the Company and/or approved by the Office of the Porter County Assessor and (ii) the calculation of the Imposed Fee by Office of the Porter County Auditor.

**Be It Further Resolved** that the City agrees to comply with the privacy notices of said FORM 103, FORM 103-EL and FORM 103-ERA as confidential filings in accordance with I.C. 6-1.1-35-9 and that said documents: (i) are not statutorily required filings to the City to review a personal property assessed valuation deduction of the Company but as a reasonable condition as herein specified and included under Item G (page 2) of an approved FORM SB-1/PP and (ii) are submitted to supplement the Company's annually filed FORM CF-1/PP for each personal property assessed valuation deduction such that City may only utilize said forms to verify and confirm: (a) assessed valuation deductions

reported by the Company and/or approved by the Office of the Porter County Assessor and (b) the calculation of an Imposed Fee by Office of the Porter County Auditor; and, therefore said documents are deemed not to be public record(s) and shall not be made available to the public.

**BE IT FURTHER RESOLVED** that the final determination of the amount of assessed valuation deduction as applied to the Project for research & development (R&D) equipment shall be made by the appropriate Porter County or State of Indiana agency.

**BE IT FURTHER RESOLVED** that the Clerk-Treasurer of the City is hereby directed to file with the Office of the Porter County Assessor the following information as it applies to this Resolution and the approval of the Company's assessed valuation deduction:

1. The FORM SB-1/PP, as approved, properly completed consistent with this Resolution and as signed and attested by the appropriate City officials;
2. A certified copy of this Resolution; and
3. A copy of the meeting minutes which approved this Resolution and the FORM SB-1/PP.

**BE IT FURTHER RESOLVED** that the Clerk-Treasurer of the City is hereby directed to file with the Office of the Porter County Auditor the following information as it applies to this Resolution and the approval of the Company's assessed valuation deduction in order to insure the application of an assessed valuation deduction as calculated by the Office of the Porter County Assessor, assuming an annual FORM CF-1 is approved by the City Council and all required documents are filed in a timely manner:

1. The FORM SB-1/PP, as approved, properly completed consistent with this Resolution and as signed and attested by the appropriate City officials;
2. A certified copy of this Resolution; and
3. A copy of the meeting minutes which approved this Resolution and the FORM SB-1/PP.

**BE IT FURTHER RESOLVED** that if any part, clause, or portion of this Resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of this Resolution as a whole or any other part, clause, or portion of this Resolution.

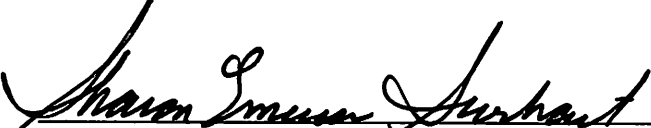
**BE IT FURTHER RESOLVED** that this Resolution shall be in full force and effect from and after its passage and adoption by the City Common Council and upon the signature of the Mayor of the City as the executive of the City.

**PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA,**

by a vote of 7 "Ayes" and 0 "Nays" of those Council members present on this day,  
July 22, 2013.

  
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Jon Costas  
Mayor

**ATTEST:**

  
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Sharon Emma Surbant

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Sharon Swihart, Clerk-Treasurer

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GRANTING MCGILL MANUFACTURING COMPANY, INC. AN ASSESSED VALUATION DEDUCTION  
(TAX ABATEMENT) FOR TANGIBLE PERSONAL PROPERTY UNDER INDIANA CODE 6-1.1-12.1**

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**EXHIBIT A**

Consent of the Company for the Imposition of a Fee  
In accordance with Indiana Code 6-1.1-12.1-14(b)