

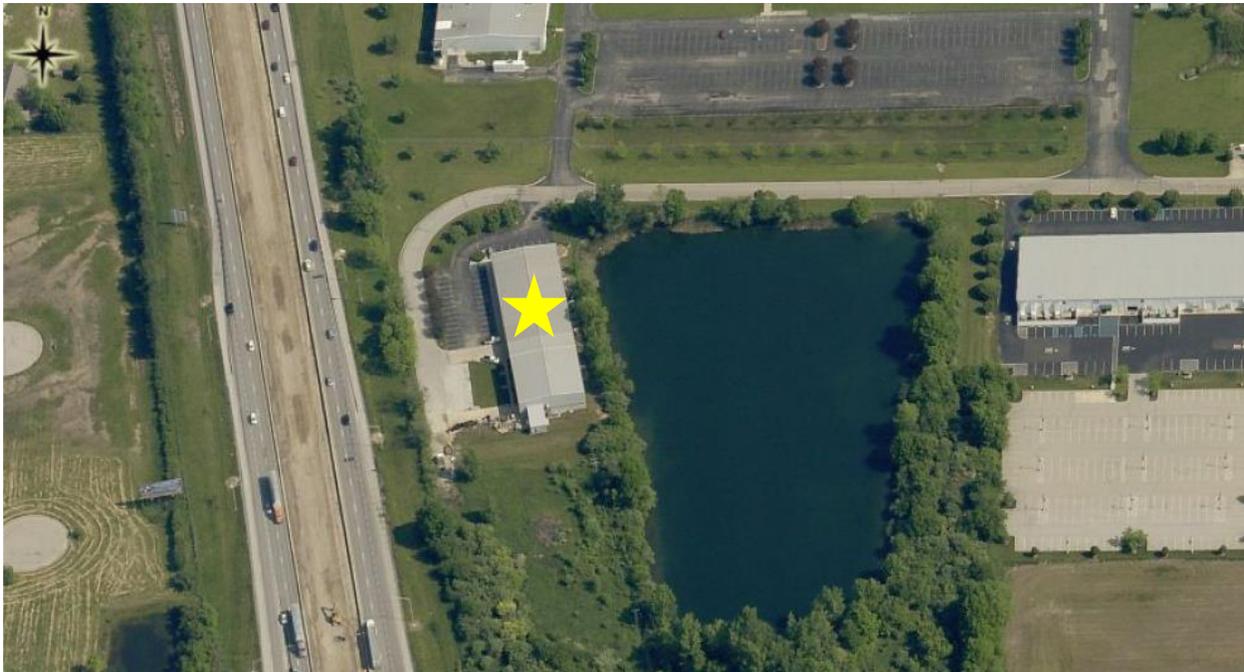


Staff Report

To: Economic Development Commission Members
From: Krista Linke, Director
Date: December 9, 2016
Re: Case EDC 2016-08 – Tube Forming Systems, Inc. (Overton Industries)

Case EDC 2016-08 – Tube Forming Systems, Inc.: A request for a 10-year tax abatement on a 12,000 square foot building addition and \$726,000 of personal property investment.

Location: 2155 McClain Drive



Summary:

- Characteristics of this location:
Existing Location – 2155 McClain Drive
- Characteristics of this petitioner:
Overton & Sons Tool & Die Company, Inc. was incorporated in 1968 by Ruby Overton. After working for Gentry Carbide Tool & Die in Indianapolis for 8 years, Gentry Company was acquired by Talon Corporation. With the buyers not being interested in the portion of the business in which Ruby worked, he brought some customers with him to his upstart business. With the calling card of

Overton & Sons being primarily carbide material, close tolerance, detail-oriented work, Ruby set the foundation for his three sons to build upon.

After nearly 20 years of business, Ruby passed away suddenly in August of 1986, leaving his three sons to be business owners overnight. Ron, Steve, and Rick Overton each sought out a position in the business that suited their strongest traits. Ron, being the oldest, assumed CEO responsibilities as well as being the driving force behind the sales and marketing efforts. Steve, with a business degree from the University of Evansville, assumed the CFO duties and managed the finances of the business. Rick, with a well-rounded shop experience, became the President of the Tool & Die Company and managed the day-to-day operations of manufacturing. Each has continued a legacy that was created through Ruby's hard work and dedication to developing a manufacturing company that employees have a sense of pride to work for. A true family business.

After starting out in a small 600 SF building in a residential neighborhood in Mooresville in 1968, Ruby moved the business in 1973 to a newly developed business park south of Mooresville. Eventually the shop would grow to a size large enough where it was deemed necessary to divide the business into multiple divisions. In 1992 and 1994, Overton Mold and then Overton Roll were added as divisions to the original Tool & Die Division. With these additions, an additional manufacturing space was needed to house the growing divisions. In 1993, Overton Mold and eventually Overton Roll found their home next door to the Tool & Die facility in a newly constructed 11,200 SF building that the Mold Division still calls home today. Continuing to grow, another division was added in 1997 to create a home for the multitude of carbide work that was being done in the Tool & Die Division as well as the Roll Division. With many of the carbide customers being in along I-65 south of Indianapolis, the decision was made to build the new facility in Franklin, IN. This new division was comprised of much of the carbide detail work from the Tool and Die division as well as what was Overton Roll. The new division was called Overton Carbide Tool & Engineering. After nearly 20 years and multiple expansions, the division is now called Overton Industries – Tube Forming Systems.

3. Characteristics of this project:

Tube Forming Systems plans to build a 12,000 square foot addition onto the building that will cost \$911,353. They also plan to purchase equipment for this additional valued at \$658,000. There is an additional request for abatement on \$25,000 of logistic equipment and \$43,000 of IT equipment. The total personal property investment is \$726,000.

4. Economic Revitalization Area (ERA):

This property was designated an ERA by Resolution 2012-17 and confirmed by Resolution 2012-18.

5. Previous Tax Abatement Received:

Overton & Sons Tool & Die Company has one current tax abatement through Resolution 2005-19. They were previously granted a 10-year real property abatement and a 7-year personal property abatement (which has expired).

Overton Carbide Tool & Engineering currently has two tax abatements: Resolution 2010-20 is a 5-year personal property abatement; Resolution 2012-17 is a 5-year personal property abatement.

Their most recent tax abatement was granted in 2015 to Tube Forming Systems for a piece of equipment through Resolution 2015-06.

6. ERA & Tax Abatements Findings (Real Property):

Indiana Code Section 6-1.1-12.1-3 states that the following findings must be made when considering an ERA designation and the granting of a tax abatement for real property:

- a. Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
- b. Whether 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 proposed redevelopment or rehabilitation;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

7. ERA & Tax Abatements Findings (Personal Property):

Indiana Code Section 6-1.1-12.1-4.5 states that the following findings must be made when considering an ERA designation and the granting of tax abatement for personal property:

- a. Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- b. Whether 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 instillation of new manufacturing equipment;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

8. City of Franklin "Tax Abatement Policy" criteria:

The "Tax Abatement Policy" section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and the proposed request follows:

- a. *Diversification of Local Occupations:* In 2014, 12.3% of all jobs in Johnson County were in the manufacturing sector. There were 5,420 manufacturing employees in Johnson County and 103 of them were in special die and tool, die set, jig, and fixture manufacturing. The applicant will retain 42 employees and add 10 new employees with the completion of the building addition and the personal property purchased.

- b. *Diversification of Local Manufacturing Employment:* According to STATS Indiana, in the first quarter of 2014, machinery manufacturing made up 4% of the manufacturing jobs in Johnson County. Also according to STATS Indiana, there were 138 manufacturing establishments in Johnson County in 2014, and 5 of them were special die and tool, die set, jig, and fixture manufacturing.
- c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for the first quarter of 2014 was \$16.20. The average hourly wage in Johnson County for manufacturing in the first quarter of 2014 was \$24.01 per hour. The average hourly wage for machinery manufacturing employees in the first quarter of 2014 was \$26.00 per hour. The average hourly wage (without benefits) for the 42 retained jobs is \$26.21 (\$2,290,243 divided by 42 jobs, divided by 52 weeks, divided by 40 hours per week). The average hourly wage for the 10 new jobs is \$23.00 (\$478,400 divided by 2 jobs, divided by 52 weeks, divided by 40 hours per week).
- d. *Sustainable Land Use:* The petitioner proposes to make this investment at their current location.
- e. *Future Community Investment:* The Company has indicated on their application that they are agreeable to a 2% Economic Development Fee.
- f. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Future Land Use Plan identifies this property as Manufacturing. Manufacturing areas are intended to accommodate large scale businesses that produce finished products from raw materials. Uses in these areas may include product manufacturers as well as any related warehousing and offices. Manufacturing areas may include facilities that involve emissions or the outdoor storage of materials and finished products. These two factors are the primary distinction between manufacturing areas and light industrial areas.

The property is zoned IG, Industrial: General. The "IG," Industrial: General zoning district is intended to provide locations for general industrial manufacturing, production, assembly, warehousing, research and development facilities, and similar land uses. This district is intended to accommodate a variety of industrial uses in locations and under conditions that minimize land use conflicts. This district should be used to support industrial retention and expansion in Franklin.

9. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:

- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and
- d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

10. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be effective for the tax year 2017, payable 2018.

Staff Comments:

Making use of an existing facility and strengthening the viability of an existing company within the City of Franklin is critical to Franklin's economy.



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

* put in road

Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: Tube Forming Systems, Inc.,
 Primary Contact Name: Steve Overton
 Contact Address: 1250 Old State Road 67 South
 City: Mooresville State: IN Zip: 46158
 Phone Number: (317) 831-4542
 Email: steve@overtonind.com
 Three possible dates before the EDC meeting to conduct a site visit: _____
 Name of Owner: Steve Overton
 Parent Company (If Applicable): My Three Sons Partnership, LLC

Primary Contact for Yearly Compliance Reports

Name: Rita Shearer
 Title: Accounts Receivable
 Address: 1250 Old State Road 67 South
 City: Mooresville State: IN Zip: 46158
 Phone Number: (317) 831-4542
 Email: rita@overtonind.com

Description of Project

Project Location/Address: 2155 McClain Drive Franklin, IN 46131
 Parcel Number: 41-07-18-013-002.004-018
 Brief Description of Project:
Building addition and equipment

Current Assessed Value (AV) of the Property:

- | | |
|--------------|---------------------|
| 1. Land | <u>\$120,000.00</u> |
| 2. Building | <u>\$878,700.00</u> |
| 3. Inventory | _____ |
| 4. Equipment | _____ |

Have building permits been applied for (if applicable): Yes No
 Has equipment been installed (if applicable): Yes No

Required Attachments:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Completed SB-1 Form(s) | <input checked="" type="checkbox"/> Summary of Benefits (if applicable) |
| <input checked="" type="checkbox"/> Legal Description of the Property | <input checked="" type="checkbox"/> Employment Phase-In Schedule |
| <input checked="" type="checkbox"/> Company Financial Statement | <input checked="" type="checkbox"/> Company Investment Timetable |
| <input checked="" type="checkbox"/> Job and Wage Description Information Sheet | <input checked="" type="checkbox"/> Compliance Affidavit |

Type of Abatement Requested

Real Property Personal Property
Length of Abatement Requested: 10 Years
Project Size (square feet): 10,000 Sq. Ft. Size of Site (acres): 2
Type of Building: 12,000
Multiple Tenants (leased) Single Tenant (leased) Owner Occupied Corporate Headquarters

Capital Investment

1. Real property capital investment only:	\$911,353.00
2. Personal property capital investment only:	\$726,000.00
3. Total capital investment for proposed project:	\$1,637,353.00

Jobs Created and/or Retained

1. Estimated number of full time jobs created by the proposed project: 10 over 3 yrs.
2. Estimated number of full time jobs retained as a direct result of the proposed project: 42
3. Total number of full time jobs upon project completion: 52?

Wages Created and Retained

1. Average hourly wage rate for new jobs (w/o benefits) \$23.00
2. Average hourly wage rate for jobs retained (w/o benefits) \$23.00

***In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.

The building addition, equipment and abatement will allow us to expand our business as our sales increase, and will allow us to become globally competitive

Company Information

How long has the company been in existence? 43
Current address of company headquarters and duration at that address: 2155 McClain Drive Franklin, IN 46131
2155 McClain Drive Franklin, IN 46131

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: 39%

Have you ever received tax abatement at your current location? Yes No
If yes, when and for what term? Various - 2001 10 yr, 2005 7/10 yr, 2010 5 yr, 2012 5 yr

What specifically has the company done to give back to the community: This company continues to be a stable and growing, tax-paying company in the community with the opportunity of decent wages for employees.

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website (www.franklin.in.gov) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes No
If yes, at what percent(s)? 2%



**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R6 / 10-14)

Prescribed by the Department of Local Government Finance

20 18 PAY 20 19

FORM SB-1 / Real Property

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.

This statement is being completed for real property that qualifies under the following Indiana Code (*check one box*):

- Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
- Residentially distressed area (IC 6-1.1-12.1-4.1)

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** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
3. To obtain a deduction, a Form 322/RE must be filed with the County Auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between March 1 and May 10 of a subsequent year.
4. A property owner who files for the deduction must provide the County Auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5.1(b)
5. For a Form SB-1/Real Property 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/Real Property 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 Tube Forming Systems, Inc.		
Address of taxpayer (number and street, city, state, and ZIP code) 2155 McClain Drive Franklin, IN 46131		
Name of contact person Steve Overton	Telephone number (317) 831-4542	E-mail address steve@overtonind.com

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body The City of Franklin Common Council		Resolution number
Location of property 2155 McClain Drive Franklin, IN 46131	County Johnson	DLGF taxing district number Franklin
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) 10,000 Sq. Ft. light manufacturing building addition and access road shared with IVY Tech		Estimated start date (month, day, year) 12/01/16
		Estimated completion date (month, day, year) 04/30/17

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
42.00	\$2,290,243.00	42.00	\$2,290,243.00	10.00	\$478,400.00

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values		
Plus estimated values of proposed project	911,353.00	
Less values of any property being replaced	0.00	
Net estimated values upon completion of project	911,353.00	

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) <u>0.00</u>	Estimated hazardous waste converted (pounds) <u>0.00</u>
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Other benefits
Continuous training of workforce. Local high school students that qualify have tuition paid at Vincennes University and enter an apprenticeship program after graduation.

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative 	Date signed (month, day, year) 11/21/16
Printed name of authorized representative Steve Overton	Title CEO/CFO

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

- 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. Redevelopment or rehabilitation of real estate improvements Yes No
 2. Residentially distressed areas Yes No
- C. The amount of the deduction applicable is limited to \$ _____.
- D. Other limitations or conditions (specify) _____
- E. Number of years allowed: Year 1 Year 2 Year 3 Year 4 Year 5 (* see below)
 Year 6 Year 7 Year 8 Year 9 Year 10
- F. 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.

We have also 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 of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by (signature and title of attester)	Printed name of attester	

* 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.

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4.1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. The deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

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. 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.

	A	B	C	D	E
1	Tube Forming Systems Expansion Project 2016				
2	Item description		Cost		Notes
3					
4	Contractor		\$598,000.00		
5	Excavation costs		\$82,853.00		
6	Electrical + lighting		\$75,000.00		
7	Office (2) engineering (1) leader (1) conf room		\$54,000.00		
8	Floor Epoxy / polished		\$51,000.00		4.25 x 12,000 sq ft
9	Plumbing (connect from current supply)		\$8,000.00		
10	Sewer (connect from current supply)		\$7,000.00		
11	Air supply (connect from current supply)		\$10,000.00		
12	Fire door		\$8,500.00		
13	Welding hood		\$5,500.00		
14	Landscaping		\$5,000.00		
15	Drainage for water runoff		\$6,500.00		
16					
17	Sub - total		\$911,353.00		
18					



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51764 (R4 / 11-15)

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 Tube Forming Systems, Inc.			Name of contact person Steve Overton						
Address of taxpayer (number and street, city, state, and ZIP code) 2155 McClain Drive Franklin, IN 46131				Telephone number (317) 831-4542					
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT									
Name of designating body The City of Franklin Common Council				Resolution number (s)					
Location of property 2155 McClain Drive Franklin, IN 46131			County Johnson		DLGF taxing district number Franklin				
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.) See Attached List			ESTIMATED						
			START DATE		COMPLETION DATE				
			Manufacturing Equipment	12/01/2016	06/30/2017				
			R & D Equipment						
			Logist Dist Equipment	12/01/2016	06/30/2017				
IT Equipment									
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT									
Current number 42	Salaries 2290243.	Number retained 42	Salaries 2290243.0	Number additional 10	Salaries 478400.				
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								
	Plus estimated values of proposed project		658,000			25,000		43,000	
	Less values of any property being replaced								
Net estimated values upon completion of project		658,000			25,000		43,000		
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER									
Estimated solid waste converted (pounds) 0			Estimated hazardous waste converted (pounds) 0						
Other benefits: Continuous training of workforce. Local high school students that qualify have tuition paid at Vincennes University and enter an apprenticeship program after graduation.									
SECTION 6 TAXPAYER CERTIFICATION									
I hereby certify that the representations in this statement are true.									
Signature of authorized representative 				Date signed (month, day, year) 11/21/16					
Printed name of authorized representative Steve Overton			Title CEO/CFO						

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 <i>Check box if an enhanced abatement was approved for one or more of these types.</i>
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 ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by: (signature and title of attester)	Printed name of attester	

* 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. 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.

	A	B	C	D	E	F
	Equipment needs			YR	QTR	
1						
2	CNC Mill		\$50,000.00	1	3	VM - 2 or 4
3	100 Ton Press		\$25,000.00	2	1	48" x 36" bed - 6" Min. stroke - 24" min. shut height
4	Small Trak lathe		\$30,000.00	2	2	
5	CNC Jig grinder		\$145,000.00	2	3	
6	CNC Mill		\$45,000.00	1	4	
7	CNC Mill		\$175,000.00	3	3	
8	Okamoto wet grinder		\$60,000.00	2	2	
9	Compressor		\$18,000.00	1	1	Kaiser 40 h.p.
10	Deleivery vehicle	✓	\$25,000.00	1	2	1-ton delivery vehicle
11	Fork truck (4000#) Three wheel		\$7,500.00	1	3	
12	Caging for inventory		\$5,000.00	1	2	
13	Racks, carts, tables		\$7,500.00	1	2	
14	(2) Cranes - 5 ton, 10 ton		\$90,000.00	1	3	
15	Computer Hardware	✓	\$28,000.00	1	2	
16	Phone System	✓	\$15,000.00	1	2	
17						
18						
19	Total Equipment		\$726,000.00			

**JOB AND WAGE DESCRIPTION
FOR TAX ABATEMENT APPLICATION**

Please provide the following job and wage earning information that is associated with this Tax Abatement Petition (*Please specify all wages in an hourly format without benefits*):

- (1) Company NAICS code: 333514.
- (2) The total number of jobs current at the site: 42, the number of those jobs that will be retained as a direct result of the proposed investment 42, and the number of new jobs which will be created as a direct result of the proposed investment 10.
- (3) The total number of full-time employees at the site: 40.
- (4) The total number of temporary and/or contract employees currently at the site: 1.
- (5) The average hourly wages for the new jobs: \$23.00.
- (6) Will the new jobs being created begin as temporary and/or contract employees? No
If yes, please provide an explanation of the typical transition process to full time:

(7) Number of new and/or retained jobs in:

- (a) Managerial/Professional Specialty Occ.: ____ Average Hourly Wage: _____
- (b) Technical/Sales/Admin. Support Occ.: 1 Average Hourly Wage: \$28.00
- (c) Service Occ.: ____ Average Hourly Wage: _____
- (d) Precision Production/Craft/Repair Occ.: 9 Average Hourly Wage: \$23.00
- (e) Operators/Fabricators/Laborers: ____ Average Hourly Wage: _____

Note: The total number of jobs specified above should correspond with the Statement of Benefits Form SB-1.

(8) Attach detailed information on the types of benefits offered for new employees. A description of all possible bonuses and incentives should also be given if provided.

EMPLOYMENT PHASE-IN SCHEDULE

	Office	Shop	Total
1st Year of Abatement			
1st Quarter			
2nd Quarter	1	2	3
3rd Quarter			
4th Quarter			
2nd Year of Abatement			
1st Quarter		1	1
2nd Quarter			
3rd Quarter		2	2
4th Quarter			
3rd Year of Abatement			
1st Quarter		1	1
2nd Quarter			
3rd Quarter		2	2
4th Quarter		1	1
<hr/> Total	1	9	10

COMPANY INVESTMENT TIMETABLE

	BUILDING	EQUIPMENT	IT	LOGISTICS	Total
1st Year of Abatement					
1st Quarter	911,353.00	18,000.00			929,353.00
2nd Quarter		12,500.00	43,000.00	25,000.00	80,500.00
3rd Quarter		147,500.00			147,500.00
4th Quarter		45,000.00			45,000.00
2nd Year of Abatement					
1st Quarter		25,000.00			25,000.00
2nd Quarter		90,000.00			90,000.00
3rd Quarter		145,000.00			145,000.00
4th Quarter					-
3rd Year of Abatement					
1st Quarter					-
2nd Quarter					-
3rd Quarter		175,000.00			175,000.00
4th Quarter					-
Total	911,353.00	658,000.00	43,000.00	25,000.00	1,637,353.00

3 YEAR

Tube Forming Systems, Inc.

Sample Property Tax on Real Property (3 Year) with 2% Economic Development Fee

Real Property Tax Investment: \$911,353

Tax Rate: 3.0%

	2017 Payable 2018	2017 Payable 2018	2018 Payable 2019	
True Cash Value	\$911,353	\$911,353	\$911,353	
Assessed Value	\$911,353	\$911,353	\$911,353	
Net Tax Rate	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$27,341	\$27,341	\$27,341	\$82,022
Abatement Rate	100%	66%	33%	
Amount Abated	\$27,341	\$18,045	\$9,022	Total
Taxes Paid w/Abatement	\$0	\$9,296	\$18,318	\$27,614

Total Fees Paid

2% Fee	\$547	\$361	\$180	\$1,088
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Total Tax Saving without Economic Development Fee

\$54,408

Total Tax Savings with 2% Economic Development Fee

\$53,320

5 YEAR

Tube Forming Systems, Inc.

Sample Property Tax on Real Property (5 Year Period) with 2% Economic Development Fee

Real Property Tax Investment: \$911,353

Tax Rate: 3.0%

	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	2020 Payable 2021	2021 Payable 2022	
True Cash Value	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	
Assessed Value	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$27,341	\$27,341	\$27,341	\$27,341	\$27,341	\$136,703
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	\$27,341	\$21,872	\$16,404	\$10,936	\$5,468	Total
Taxes Paid w/Abatement	\$0	\$5,468	\$10,936	\$16,404	\$21,872	\$54,681

						Total Fees Paid
2% Fee	\$547	\$437	\$328	\$219	\$109	\$1,640

**Total Tax Saving without Economic Development Fee
\$82,022**

**Total Tax Savings with 2% Economic Development Fee
\$80,381**

7 YEAR

Tube Forming Systems, Inc.

Sample Property Tax on Real Property (7 Year) with 2% Economic Development Fee

Real Property Tax Investment: \$911,353

Tax Rate: 3.0%

	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	2020 Payable 2021	2021 Payable 2022	2022 Payable 2023	2023 Payable 2024	
True Cash Value	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	
Assessed Value	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$27,341	\$27,341	\$27,341	\$27,341	\$27,341	\$27,341	\$27,341	\$191,384
Abatement Rate	100%	85%	71%	57%	43%	29%	14%	
Amount Abated	\$27,341	\$23,240	\$19,412	\$15,584	\$11,756	\$7,929	\$3,828	Total
Taxes Paid w/Abatement	\$0	\$4,101	\$7,929	\$11,756	\$15,584	\$19,412	\$23,513	\$82,295
								Total Fees Paid
2% Fee	\$547	\$465	\$388	\$312	\$235	\$159	\$77	\$2,182

**Total Tax Saving without Economic Development Fee
\$109,089**

**Total Tax Savings with 2% Economic Development Fee
\$106,907**

10 YEAR

Tube Forming Systems, Inc.

Sample Property Tax on Real Property (10 Year Period) Schedule with 2% Fee

Real Property Tax Investment: \$911,353

Tax Rate: 3.0%

	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	2020 Payable 2021	2021 Payable 2022	2022 Payable 2023	2023 Payable 2024	2024 Payable 2025	2025 Payable 2026	2026 Payable 2027	
True Cash Value	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	
Assessed Value	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	\$911,353	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	Total
Tax w/o Abatement	\$32,986	\$32,986	\$32,986	\$32,986	\$32,986	\$32,986	\$32,986	\$32,986	\$32,986	\$32,986	\$329,864
Abatement Rate	100%	95%	80%	65%	50%	40%	30%	20%	10%	5%	
Amount Abated	\$32,986	\$31,337	\$26,389	\$21,441	\$16,493	\$13,195	\$9,896	\$6,597	\$3,299	\$1,649	Total
Taxes Paid w/Abatement	\$0	\$1,649	\$6,597	\$11,545	\$16,493	\$19,792	\$23,090	\$26,389	\$29,688	\$31,337	\$166,581
											Total Fees Paid
2% Fee	\$660	\$627	\$528	\$429	\$330	\$264	\$198	\$132	\$66	\$33	\$3,266

Total Tax Saving without Economic Development Fee

\$163,283

Total Tax Savings with 2% Economic Development Fee

\$160,017

3 YEAR

Tube Forming Systems, Inc.

Sample Property Tax on Personal Property (3 Year)

Personal Property Tax Investment: \$726,000

Tax Rate: 3.0%

	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	
Cost of Equipment	\$726,000	\$726,000	\$726,000	
True Cash Percentage Rate	65%	50%	35%	
True Cash Value	\$471,900	\$363,000	\$254,100	
Net Tax Rate	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$14,157	\$10,890	\$7,623	\$32,670
Abatement Rate	100%	66%	33%	
Amount Abated	\$14,157	\$7,187	\$2,516	Total
Taxes Paid w/Abatement	\$0	\$3,703	\$5,107	\$8,810

Total Fees Paid

5% Fee	\$708	\$359	\$126	\$1,193
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**Total Tax Savings without Economic Development Fee
\$23,860**

**Total Tax Savings with 5% Economic Development Fee
\$22,667**

5 YEAR

Tube Forming Systems, Inc.

Sample Property Tax on Personal Property (5 Year Period)

Personal Property Tax Investment: \$726,000

Tax Rate: 3.0%

	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	2020 Payable 2021	2021 Payable 2022	
Cost of Equipment	\$726,000	\$726,000	\$726,000	\$726,000	\$726,000	
True Cash Percentage Rate	40%	56%	42%	32%	24%	
True Cash Value	\$290,400	\$406,560	\$304,920	\$232,320	\$174,240	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$8,712	\$12,197	\$9,148	\$6,970	\$5,227	\$42,253
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	\$8,712	\$9,757	\$5,489	\$2,788	\$1,045	Total
Taxes Paid w/Abatement	\$0	\$2,439	\$3,659	\$4,182	\$4,182	\$14,462

						Total Fees Paid
5% Fee	\$436	\$488	\$274	\$139	\$52	\$1,390

**Total Tax Savings without Economic Development Fee
\$27,791**

**Total Tax Savings with 5% Economic Development Fee
\$26,402**

7 YEAR

Tube Forming Systems, Inc.

Sample Property Tax on Personal Property (7 Year Period)

Personal Property Tax Investment: \$726,000

Tax Rate: 3.0%

	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	2020 Payable 2021	2021 Payable 2022	2022 Payable 2023	2023 Payable 2024	
Cost of Equipment	\$726,000	\$726,000	\$726,000	\$726,000	\$726,000	\$726,000	\$726,000	
True Cash Percentage Rate	40%	56%	42%	32%	24%	18%	15%	
True Cash Value	\$290,400	\$406,560	\$304,920	\$232,320	\$174,240	\$130,680	\$108,900	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$8,712	\$12,197	\$9,148	\$6,970	\$5,227	\$3,920	\$3,267	\$49,441
Abatement Rate	100%	85%	71%	57%	43%	29%	14%	
Amount Abated	\$8,712	\$10,367	\$6,495	\$3,973	\$2,248	\$1,137	\$457	Total
Taxes Paid w/Abatement	\$0	\$1,830	\$2,653	\$2,997	\$2,980	\$2,783	\$2,810	\$16,052

								Total Fees Paid
5% Fee	\$436	\$518	\$325	\$199	\$112	\$57	\$23	\$1,669

**Total Tax Savings without Economic Development Fee
\$33,389**

**Total Tax Savings with 5% Economic Development Fee
\$31,719**

10 YEAR

Tube Forming Systems, Inc.

Sample Property Tax on Personal Property (10 Year Period)

Personal Property Tax Investment: \$726,000

Tax Rate: 3.0%

	2017 <i>Payable 2018</i>	2018 <i>Payable 2019</i>	2019 <i>Payable 2020</i>	2020 <i>Payable 2021</i>	2021 <i>Payable 2022</i>	2022 <i>Payable 2023</i>	2023 <i>Payable 2024</i>	2024 <i>Payable 2025</i>	2025 <i>Payable 2026</i>	2026 <i>Payable 2027</i>	
Cost of Equipment	\$726,000	\$726,000	\$726,000	\$726,000	\$726,000	\$726,000	\$726,000	\$726,000	\$726,000	\$726,000	
True Cash Percentage Rate	40%	60%	55%	45%	37%	30%	25%	20%	16%	12%	
True Cash Value	\$290,400	\$435,600	\$399,300	\$326,700	\$268,620	\$217,800	\$181,500	\$145,200	\$116,160	\$87,120	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$8,712	\$13,068	\$11,979	\$9,801	\$8,059	\$6,534	\$5,445	\$4,356	\$3,485	\$2,614	\$74,052
Abatement Rate	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	
Amount Abated	\$8,712	\$11,761	\$9,583	\$6,861	\$4,835	\$3,267	\$2,178	\$1,307	\$697	\$261	Total
Tax Paid w/Abatement	\$0	\$1,307	\$2,396	\$2,940	\$3,223	\$3,267	\$3,267	\$3,049	\$2,788	\$2,352	\$24,590
											Total Fees Paid
5% Fee	\$436	\$588	\$479	\$343	\$242	\$163	\$109	\$65	\$35	\$13	\$2,473

**Total Tax Savings without Economic Development Fee
\$49,462**

**Total Tax Savings with 5% Economic Development Fee
\$46,989**