RESOLUTION NO. 15, 2014

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA GRANTING UGN, INC. AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR TANGIBLE REAL 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, UGN, Inc. (the "Company") has filed with the Common Council a **Statements of Benefits Real Property Improvements (FORM SB-1/Real Property)** dated **July 3, 2014** proposing real property improvements, more specifically related to the expansion of its manufacturing facility to support the manufacturing of automotive parts for the next generation of Honda and Subaru passenger vehicles, including wheelhouse and dash insulators, anticipated to cost $984,338 (the "Project"), estimated to be installed and placed-in-service on or prior to May 31, 2015 and to be fully assessed on March 1, 2016;

WHEREAS, A Statements of Benefits Real Property (FORM SB-1/Real Property) was submitted to the Common Council as the designating body before and prior to the construction, renovation, redevelopment or installation of real property improvements related to the Project for which the Company desires to request an assessed valuation deduction; and;

WHEREAS, The Company's facility located at 2252 Industrial Drive in the City (real property key number 64-10-32-126-001.000-029) 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 UGN, Inc. upon review of the (FORM SB-1/real property as well as other pertinent information provided by the Valparaiso Economic Development Corporation and upon the following findings and determinations 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 construction, renovation, redevelopment or installation of real property improvements related 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 from the construction, renovation, redevelopment or installation of real property improvements related 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 <u>not</u> 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 real property for a period of **ten (10) years** to the Company, being UGN, Inc., in accordance with IC 6-1.1-12.1-3(c) and IC 6-1.1-12.1-17(b) as it relates to the Project.

BE IT FURTHER RESOLVED that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) of real property with an abatement schedule provided below pursuant IC 6-1.1-12.1-17(b) consistent with the above abatement period as it relates to the Project.

Approved Abatement Schedule:	
Year One (1)	**100%**
Year Two (2)	**95%**
Year Three (3)	**80%**
Year Four (4)	**65%**
Year Five (5)	**50%**
Year Six (6)	**40%**
Year Seven (7)	**30%**
Year Eight (8)	**20%**
Year Nine (9)	**10%**
Year Ten (10)	**5%**

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 **five percent (5%)** 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(c);

(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 five percent (5%) 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., 5% 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 final determination of the amount of assessed valuation deduction as applied to the Project for real property improvements 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 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/Real Property, as approved, properly completed and executed 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/Real Property.

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 5 "Ayes" and 0 "Nays" of those Council members present on this day,

July 14, 2014.

Jon Costas
Mayor

ATTEST:

Sharon Swihart, Clerk-Treasurer

Sound Solutions for the Automotive Industry®

July 14, 2014

EXHIBIT A

Pat Lyp
Economic Development Director
City of Valparaiso
166 Lincolnway
Valparaiso, Indiana 46383

Dear Mr. Lyp:

UGN, Inc. (the "Company") as the property owner that has submitted a FORM SB-1 (Statement of Benefits) dated July 3, 2014 to the City of Valparaiso, Indiana (the "City") Common Council, as the designating body, for approval of an assessed valuation deduction (Tax Abatement) consents to the imposition of a fee (the "Imposed Fee") pursuant to Indiana Code ("IC") 6-1.1-12.1-14(b).

The Company understands that the City Common Council will incorporate the following statements into a resolution as its approval of the Company's statement of benefits and assessed valuation deduction:

1) The Common Council's intent to subject the Company to an Imposed Fee pursuant to IC 6-1.1-12.1-14;
2) The percentage to be applied by the Porter County Auditor for purposes of STEP TWO of subsection 14(c), which may not exceed fifteen percent (15%), is **five percent (5%)** and which shall remain in effect throughout the term of the assessed valuation deduction; and
3) The one or more public or nonprofit entities established to promote economic development within the City served by the City Common Council, as the designating body, identified solely as the Valparaiso Redevelopment Commission shall receive distributions of the Imposed Fee and the proportions of those distributions by the Porter County Auditor

The Company understands that for each year in which its property tax liability is reduced as the result of the application of an assessed valuation deduction pursuant to IC 6-1.1-12.1-14, the Company shall pay to the Porter County Treasurer upon notification the Imposed Fee in an amount calculated by the Porter County Auditor pursuant to IC 6-1.1-12.1-14(c) for distribution to the one or more public or nonprofit entities as designated by the City Common Council. <u>The Company shall pay the Imposed Fee within 30 days of notification</u>.

Furthermore the Company understands that pursuant to IC 6-1.1-12.1-14(e), if the City Common Council determines that the Company has not paid the Imposed Fee in accordance with IC 6-1.1-12.1-14, the City Common Council may adopt a resolution terminating the Company's assessed valuation deduction under Sections 3, 4.5 or 4.8. And, if the City Common Council adopts such a resolution, the assessed valuation deduction, previously approved under Sections 3, 4.5 or 4.8 as now terminated, does not apply to the next installment of property taxes owed by the Company or to any subsequent installment of property taxes.

Very truly yours,

Randy Khalaf
Chief Financial Officer
UGN, Inc

DEPARTMENT OF ECONOMIC DEVELOPMENT
CITY OF VALPARAISO, INDIANA

Economic Development Analysis of
Real and/or Personal Property Investment(s):
Project Incentive Analysis: 10-Year Traditional Deduction of Real & PP Property Assessed Valuation ("Tax Abatement")

Prepared For:

Prospect UGN (2014)

Prepared On:
July 14, 2014
(AS FINALIZED)

VISION STATEMENT

Valparaiso is a quality community with a strong economic environment attracting motivated and talented business and entrepreneurs, offering outstanding lifelong learning, a pro-business climate, cutting edge technology, collaborative spirit, social harmony and distinctive physical design.

DEPARTMENT OF ECONOMIC DEVELOPMENT
166 W. Lincolnway
Valparaiso, IN 46383
Telephone: (219) 462-1161 Facsimile: (219) 464-4273
www.valpoedc.org

VALPARAISO
VIBRANT • VISIONARY

Reviewed by:

Pat Lyp, Economic Development Director	**Bill Oeding, City Administrator**
Dated: 7/14/14	Dated:

NOTE: *The Economic Development Model Analysis attached hereto is an estimate of tax implications based upon data and information provided by the prospect, current tax and assessment data and assumptions, for which actual results may vary and may be material. This analysis is provided as a resource for City staff and elected official in making determinations as to the estimated impact of the project on the City of Valparaiso.*

DEPARTMENT OF ECONOMIC DEVELOPMENT
CITY OF VALPARAISO, INDIANA

Prospect UGN (2014)

Schedule of Year One (Layer 1) Real Property (Land and Improvements) Estimate of Assessed Valuations -
Including Assessed Valuation Deduction (Tax Abatement)

Assessed Valuation Deduction Limitation, If Applicable:

								TAX ABATEMENT CALCULATION									
	Fully Assessed March 1, xxxx		(Rounded to $100) Estimated Assessed Valuation Real Property					Abatement Period in Years: 10	(Tax Abatement)								
Project Year	Assessment Year	Collection Year	Land	Improvements	Total Assessed Valuation	Estimated Effective Tax Rate (1)	Estimated Real Property Taxes	Abatement Percentage (2)	Assessed Valuation Deduction (4)	Net Assessed Valuation	Estimated Net Real Property Tax Rate (1)	Estimated Net Real Property Taxes	Application of Legislative Circuit Breaker (3)	Anticipated Taxes Due	Accumulated Real Property Taxes Due	Estimated Tax Savings	Accumulated Tax Savings
1	2015	2016	$ -	$ 262,800	$ 262,800	$ 2.8543	$ 7,501	100%	$ 262,800	$ -	$ 2.8543	$ -	n/a	$ -	$ -	$ 7,501	$ 7,501
2	2016	2017	-	262,800	262,800	2.8543	7,501	95%	249,660	13,140	2.8543	375	n/a	375	375	7,126	14,627
3	2017	2018	-	262,800	262,800	2.8543	7,501	80%	210,240	52,560	2.8543	1,500	n/a	1,500	1,875	6,001	20,628
4	2018	2019	-	262,800	262,800	2.8543	7,501	65%	170,820	91,980	2.8543	2,625	n/a	2,625	4,501	4,876	25,503
5	2019	2020	-	262,800	262,800	2.8543	7,501	50%	131,400	131,400	2.8543	3,751	n/a	3,751	8,251	3,750	29,254
6	2020	2021	-	262,800	262,800	2.8543	7,501	40%	105,120	157,680	2.8543	4,501	n/a	4,501	12,752	3,000	32,254
7	2021	2022	-	262,800	262,800	2.8543	7,501	30%	78,840	183,960	2.8543	5,251	n/a	5,251	18,003	2,250	34,504
8	2022	2023	-	262,800	262,800	2.8543	7,501	20%	52,560	210,240	2.8543	6,001	n/a	6,001	24,004	1,500	36,004
9	2023	2024	-	262,800	262,800	2.8543	7,501	10%	26,280	236,520	2.8543	6,751	n/a	6,751	30,755	750	36,754
10	2024	2025	-	262,800	262,800	2.8543	7,501	5%	13,140	249,660	2.8543	7,126	n/a	7,126	37,881	375	37,129
11	2025	2026	-	262,800	262,800	2.8543	7,501		-	262,800	2.8543	7,501	n/a	7,501	45,382	-	37,129
						TOTALS	$ 82,511	97.50%	= 10-Year Average Deduction Percentage				TOTALS	$ 45,382		$ 37,129	

Totals may not sum as a result of rounding; however, said rounding is immaterial.

NOTES:

(1) Changes (increases or decreases) in the gross tax rate may or have not been factored into this analysis (See Worksheet titled Tax Rates Applied).

(2) See Worksheet titled Abatement Percentages.

(3) Application of House Enrollment Act (HEA) 1001(2008). If the legislative Circuit Breaker is applicable, the effective tax rate of the Statutory tax cap plus the Exempt Debt is applied in Lake and St. Joseph Counties.

(4) Assessed valuation deduction applied to real property improvements related to structural or building improvements/infrastructure. The estimated assessed valuation of land and other improvements such as asphalt are not qualified for an assessed valuation deduction.

DEPARTMENT OF ECONOMIC DEVELOPMENT
CITY OF VALPARAISO, INDIANA

Prospect UGN (2014)

Schedule of Year Two (Layer 2) Real Property (Land and Improvements) Estimate of Assessed Valuations -
Including Assessed Valuation Deduction (Tax Abatement)

Assessed Valuation Deduction Limitation, If Applicable:

TAX ABATEMENT CALCULATION (Abatement Period in Years: 10)

Project Year	Assessment Year (Fully Assessed March 1, xxxx)	Collection Year	Estimated Assessed Valuation Real Property (Rounded to $100): Land	Improvements	Total Assessed Valuation	Estimated Effective Tax Rate (1)	Estimated Real Property Taxes	Abatement Percentage (2)	(Tax Abatement) Assessed Valuation Deduction (4)	Net Assessed Valuation	Estimated Net Real Property Tax Rate (1)	Estimated Net Real Property Taxes	Application of Legislative Circuit Breaker (3)	Anticipated Taxes Due	Accumulated Real Property Taxes Due	Estimated Tax Savings	Accumulated Tax Savings
1	2015	2016	$ -	$ -	$ -	$ 2.8543	$ -	0%	$ -	$ -	$ 2.8543	$ -	n/a	$ -	$ -	$ -	$ -
2	2016	2017	-	613,200	613,200	2.8543	17,503	100%	613,200	-	2.8543	-	n/a	-	-	17,503	17,503
3	2017	2018	-	613,200	613,200	2.8543	17,503	95%	582,540	30,660	2.8543	875	n/a	875	875	16,628	34,131
4	2018	2019	-	613,200	613,200	2.8543	17,503	80%	490,560	122,640	2.8543	3,501	n/a	3,501	4,376	14,002	48,133
5	2019	2020	-	613,200	613,200	2.8543	17,503	65%	398,580	214,620	2.8543	6,126	n/a	6,126	10,502	11,377	59,510
6	2020	2021	-	613,200	613,200	2.8543	17,503	50%	306,600	306,600	2.8543	8,751	n/a	8,751	19,253	8,752	68,262
7	2021	2022	-	613,200	613,200	2.8543	17,503	40%	245,280	367,920	2.8543	10,502	n/a	10,502	29,754	7,001	75,264
8	2022	2023	-	613,200	613,200	2.8543	17,503	30%	183,960	429,240	2.8543	12,252	n/a	12,252	42,006	5,251	80,515
9	2023	2024	-	613,200	613,200	2.8543	17,503	20%	122,640	490,560	2.8543	14,002	n/a	14,002	56,008	3,501	84,016
10	2024	2025	-	613,200	613,200	2.8543	17,503	10%	61,320	551,880	2.8543	15,752	n/a	15,752	71,761	1,751	85,766
11	2025	2026	-	613,200	613,200	2.8543	17,503	5%	43,800	569,400	2.8543	16,252	n/a	16,252	88,013	1,251	87,017
						TOTALS	$ 175,030	50.00%	= 10-Year Average Deduction Percentage				TOTALS	$ 88,013		$ 87,017	

Totals may not sum as a result of rounding; however, said rounding is immaterial.

NOTES:

(1) Changes (increases or decreases) in the gross tax rate may or have not been factored into this analysis (See Worksheet titled Tax Rates Applied).

(2) See Worksheet titled Abatement Percentages.

(3) Application of House Enrollment Act (HEA) 1001(2008). If the legislative Circuit Breaker is applicable, the effective tax rate of the Statutory tax cap plus the Exempt Debt is applied in Lake and St. Joseph Counties.

(4) Assessed valuation deduction applied to real property improvements related to structural or building improvements/infrastructure. The estimated assessed valuation of land and other improvements such as asphalt are not qualified for an assessed valuation deduction.

DEPARTMENT OF ECONOMIC DEVELOPMENT
CITY OF VALPARAISO, INDIANA

Prospect UGN (2014)

Schedule of Year Two (Layer 2) Real Property (Land and Improvements) Estimate of Assessed Valuations -
Including Assessed Valuation Deduction (Tax Abatement)

Assessed Valuation Deduction Limitation, If Applicable:

Project Year	Assessment Year (Fully Assessed March 1, xxxx)	Collection Year	Estimated Assessed Valuation: Real Property (Rounded to $100) Land	Improvements	Total Assessed Valuation	Estimated Effective Tax Rate (1)	Estimated Real Property Taxes	TAX ABATEMENT CALCULATION (Tax Abatement) Assessed Valuation Deduction (4)	Net Assessed Valuation	Estimated Net Real Property Tax Rate (1)	Estimated Net Real Property Taxes	Application of Legislative Circuit Breaker (3)	Anticipated Taxes Due	Accumulated Real Property Taxes Due	Estimated Tax Savings	Accumulated Tax Savings
1	2015	2016	$ -	$ 262,800 (2)	$ 262,800	$ 2.8543	$ 7,501	$ 262,800	$ -	$ 2.8543	$ -	n/a	$ -	$ -	$ 7,501	$ 7,501
2	2016	2017	-	876,000 (2)	876,000	2.8543	25,004	862,860	13,140	2.8543	375	n/a	375	375	24,629	32,130
3	2017	2018	-	876,000	876,000	2.8543	25,004	792,780	83,220	2.8543	2,375	n/a	2,375	2,750	22,629	54,759
4	2018	2019	-	876,000	876,000	2.8543	25,004	661,380	214,620	2.8543	6,126	n/a	6,126	8,876	18,878	73,637
5	2019	2020	-	876,000	876,000	2.8543	25,004	529,980	346,020	2.8543	9,876	n/a	9,876	18,753	15,128	88,764
6	2020	2021	-	876,000	876,000	2.8543	25,004	411,720	464,280	2.8543	13,252	n/a	13,252	32,005	11,752	100,516
7	2021	2022	-	876,000	876,000	2.8543	25,004	324,120	551,880	2.8543	15,752	n/a	15,752	47,757	9,252	109,768
8	2022	2023	-	876,000	876,000	2.8543	25,004	236,520	639,480	2.8543	18,253	n/a	18,253	66,010	6,751	116,519
9	2023	2024	-	876,000	876,000	2.8543	25,004	148,920	727,080	2.8543	20,753	n/a	20,753	86,763	4,251	120,770
10	2024	2025	-	876,000	876,000	2.8543	25,004	74,460	801,540	2.8543	22,878	n/a	22,878	109,641	2,126	122,896
11	2025	2026	-	876,000	876,000	2.8543	25,004	43,800	832,200	2.8543	23,753	n/a	23,753	133,395	1,251	124,146
						TOTALS	$ 257,541					TOTALS	$ 133,395		$ 124,146	

Totals may not sum as a result of rounding; however, said rounding is immaterial.

NOTES:

(1) Changes (increases or decreases) in the gross tax rate may or have not been factored into this analysis (See Worksheet titled Tax Rates Applied).

(2) Total investment of $1,095,000. Estimated investment first assessed March 1, 2015 is $329,000, or 30 percent of the total investment. Estimated investment first assessed March 1, 2016 is $766,000, or 70 percent of the total investment.

(3) Application of House Enrollment Act (HEA) 1001(2008). If the legislative Circuit Breaker is applicable, the effective tax rate of the Statutory tax cap plus the Exempt Debt is applied in Lake and St. Joseph Counties.

(4) Assessed valuation deduction applied to real property improvements related to structural or building improvements/infrastructure. The estimated assessed valuation of land and other improvements such as asphalt are not qualified for an assessed valuation deduction.

CITY OF VALPARAISO, INDIANA
DEPARTMENT OF ECONOMIC DEVELOPMENT

Prospect UGN (2014)

Schedule of Estimated Business Personal Property Investments Data Entry

First Year of Business Personal Property Investment: **2014**
Totals may not sum as a result of rounding; however, said rounding is immaterial.

Year	Investment Year	(3/1/xxx) Assessment Year	(Payable) Collection Year	LIFE POOLS (1 to 4 Year Life) Pool 1 (2)	(5 to 8 Year Life) Pool 2	(9 to 12 Year Life) Pool 3	(13 Years Plus Life) Pool 4	(See Note 1) Pool 5	Special Tooling	Year Investment Totals
1	2014	2015	2016	$ -	$ 751,000	$ -	$ -	$ -	$ -	$ 751,000
2	2015	2016	2017	-	1,753,000	-	-	-	1,222,000	2,975,000
3	2016	2017	2018	-	-	-	-	-	-	-
4	2017	2018	2019	-	-	-	-	-	-	-
5	2018	2019	2020	-	-	-	-	-	-	-
6	2019	2020	2021	-	-	-	-	-	-	-
7	2020	2021	2022	-	-	-	-	-	-	-
8	2021	2022	2023	-	-	-	-	-	-	-
9	2022	2023	2024	-	-	-	-	-	-	-
10	2023	2024	2025	-	-	-	-	-	-	-
11	2024	2025	2026	-	-	-	-	-	-	-
	TOTALS			**$ -**	**$ 2,504,000**	**$ -**	**$ -**	**$ -**	**$ 1,222,000**	**$ 3,726,000**

Notes:
(1) Effective January 1, 2003 and is unique unto integrated steel mills and oil refining/petrochemical companies. The miniminum valuation limitation of 30% does not apply to Pool Number 5.
(2) Includes both PPME with a federal depreciation life of 1 to 4 years and new computer software.

CITY OF VALPARAISO, INDIANA
DEPARTMENT OF ECONOMIC DEVELOPMENT

Prospect UGN (2014)

Schedule of Estimated Business Personal Property Investments as Depreciated (True Tax Value)

		POOLS SUMMARY BY TRUE TAX VALUE (Assessed Valuation)										
Year	Assessment Year	(1 to 4 Year Life) Pool 1	(5 to 8 Year Life) Pool 2	(9 to 12 Year Life) Pool 3	(13 Years Plus Life) Pool 4	Total	30% of Adjusted Cost	Greater of Total or 30% AC	Special Tooling	Total BPP TTV	MVR	Minimum Mandated Value
1	2015	$ -	$ 300,400	$ -	$ -	$ 300,400	$ 225,300	$ 300,400	$ 366,600	$ 667,000	0.75000	$ 667,000
2	2016	-	1,121,760	-	-	1,121,760	751,200	1,121,760	36,660	1,158,420	0.66966	1,158,420
3	2017	-	1,297,100	-	-	1,297,100	751,200	1,297,100	36,660	1,333,760	0.57914	1,333,760
4	2018	-	976,580	-	-	976,580	751,200	976,580	36,660	1,013,240	0.76922	1,013,240
5	2019	-	741,200	-	-	741,200	751,200 (2)	751,200	36,660	787,860	1.01349	751,200
6	2020	-	555,900	-	-	555,900	751,200 (2)	751,200	36,660	787,860	1.35132	751,200
7	2021	-	428,190	-	-	428,190	751,200 (2)	751,200	36,660	787,860	1.75436	751,200
8	2022	-	375,600	-	-	375,600	751,200 (2)	751,200	36,660	787,860	2.00000	751,200
9	2023	-	375,600	-	-	375,600	751,200 (2)	751,200	36,660	787,860	2.00000	751,200
10	2024	-	375,600	-	-	375,600	751,200 (2)	751,200	36,660	787,860	2.00000	751,200
11	2025	-	375,600	-	-	375,600	751,200 (2)	751,200	36,660	787,860	2.00000	751,200

NOTE 1: Effective January 1, 2003 and is unique unto integrated steel mills and oil refining/petrochemical companies. The miniminum valuation limitation of 30% does not apply to Pool Number 5.

NOTE 2: PPME for all investments at the 30 percent floor for assessment purposes.

DEPARTMENT OF ECONOMIC DEVELOPMENT
CITY OF VALPARAISO, INDIANA

Prospect UGN (2014)

Estimated Assessed Valuation of Personal Property:
Initial Personal Property Investment - Summary of All Pools

				See: Worksheet of Investments	Assessed Valuation Deduction (Tax Abatement)								
	Fully Assessed March 1, xxxx			(No Abatement)	Abatement Years: 10	(Tax Abatement)							
Project Year	**Assessment Year**	**Collection Year**	**Total Estimated Assessed Valuation**	**Estimated Taxes Due**	**Abatement Percentage**	**Assessed Valuation Deduction**	**Estimated Net Assessed Valuation**	**Estimated Net Bus PP Tax Rate (2)**	**Estimated Net Bus PP Taxes Due**	**Application of Legislative Circuit Breaker**	**Anticipated Taxes Due**	**Accumulated Taxes Due**	**Tax Savings**
1	2015	2016	$ 667,000	$ 19,038	100% / 0%	$ 300,400	$ 366,600	$ 2.8543	$ 10,464	n/a	$ 10,464	$ 10,464	$ 8,574
2	2016	2017	1,158,420	33,065	90% / 100%	1,079,704	78,716	2.8543	2,247	n/a	2,247	12,711	30,818
3	2017	2018	1,333,760	38,070	80% / 90%	1,135,848	197,912	2.8543	5,649	n/a	5,649	18,360	32,421
4	2018	2019	1,013,240	28,921	70% / 80%	757,232	256,008	2.8543	7,307	n/a	7,307	25,667	21,614
5	2019	2020	787,860	22,488	60% / 70%	507,573	280,287	2.8543	8,000	n/a	8,000	33,667	14,488
6	2020	2021	787,860	22,488	50% / 60%	432,453	355,407	2.8543	10,144	n/a	10,144	43,812	12,344
7	2021	2022	787,860	22,488	40% / 50%	355,837	432,023	2.8543	12,331	n/a	12,331	56,143	10,157
8	2022	2023	787,860	22,488	30% / 40%	277,950	509,910	2.8543	14,554	n/a	14,554	70,697	7,934
9	2023	2024	787,860	22,488	20% / 30%	202,830	585,030	2.8543	16,699	n/a	16,699	87,396	5,789
10	2024	2025	787,860	22,488	10% / 20%	127,710	660,150	2.8543	18,843	n/a	18,843	106,238	3,645
11	2025	2026	787,860	22,488	0% / 10%	52,590	735,270	2.8543	20,987	n/a	20,987	127,225	1,501
			TOTALS:	**$ 276,509**					**$ 127,225**		**$ 127,225**		**$ 149,284**

Totals may not sum as a result of rounding; however, said rounding is immaterial.

Notes:

(1) House Enrollment Act (HEA) 1001-2008 amends the 2006 legislative circuit breaker. The circuit breakers applicable to Pay 2010 taxes for tangible personal property is 3.0 percent plus the Exempt debt tax levy in Lake/St. Joseph Counties. The statutory circuit breaker percentage applies to gross assessed valuation before deductions NOT net assessed valuation while the Exempt debt tax levy

(2) Changes (increases or decreases) in the net tax rate may or have not been factored into this analysis.

(3) PPME for Pool 2 as first assessed on March 1, 2015 for assessed valuation deduction purposes is depreciated as in Pool 2 including subsequent year PPME investments, then mulitplied by the Minimum Value Ratio ("MVR") to determine the qualified amount of assessed valuation for deduction.

Model Developed for the
Department of Economic Development by:

Cender & Company LLC

VALPARAISO IN
VIBRANT • VISIONARY

Printed:
7/14/2014

DEPARTMENT OF ECONOMIC DEVELOPMENT
CITY OF VALPARAISO, INDIANA

Prospect UGN (2014)

Summary of Real and Personal Property Investment(s) -
Estimated Assessed Valuation of Property AFTER Assessed Valuation Deductions (Tax Abatement) and Estimated Taxes Due

	Fully Assessed March 1, xxxx		NET OF AV DEDUCTIONS TOTAL OF: Estimated Assessed Valuation		Estimated	Estimated	Anticipated Taxes Due			
Project Year	**Assessment Year**	**Collection Year**	**Real Property**	**Personal Property Investments**	**Real Property Tax Rate**	**Bus PP Tax Rate**	**Real Property**	**Personal Property**	**TOTAL**	**Accumulated**
1	2015	2016	$ -	$ 366,600	$ 2.8543	$ 2.8543	$ -	$ 10,464	$ 10,464	$ 10,464
2	2016	2017	13,140	78,716	2.8543	2.8543	375	2,247	2,622	13,086
3	2017	2018	83,220	197,912	2.8543	2.8543	2,375	5,649	8,024	21,110
4	2018	2019	214,620	256,008	2.8543	2.8543	6,126	7,307	13,433	34,543
5	2019	2020	346,020	280,287	2.8543	2.8543	9,876	8,000	17,877	52,420
6	2020	2021	464,280	355,407	2.8543	2.8543	13,252	10,144	23,396	75,816
7	2021	2022	551,880	432,023	2.8543	2.8543	15,752	12,331	28,084	103,900
8	2022	2023	639,480	509,910	2.8543	2.8543	18,253	14,554	32,807	136,707
9	2023	2024	727,080	585,030	2.8543	2.8543	20,753	16,699	37,452	174,158
10	2024	2025	801,540	660,150	2.8543	2.8543	22,878	18,843	41,721	215,879
11	2025	2026	832,200	735,270	2.8543	2.8543	23,753	20,987	44,740	**260,620**
						TOTALS:	**$ 133,395**	**$ 127,225**	**$ 260,620**	

Totals may not sum as a result of rounding; however, said rounding is immaterial.

Note:

(1) Application of House Enrollment Act (HEA) 1001(2008). If the legislative Circuit Breaker is applicable, the effective tax rate of the Statutory tax cap plus the Exempt Debt is applied.

DEPARTMENT OF ECONOMIC DEVELOPMENT
CITY OF VALPARAISO, INDIANA

Prospect UGN (2014)

Summary of Real and Personal Property Investment(s) -
Estimated Assessed Valuation of Property AFTER Assessed Valuation Deductions (Tax Abatement) and Estimated Taxes Due

(SCHEDULE CONTINUED)

	Fully Assessed March 1, xxxx		Estimated Net Taxes Savings From Assessed Valuation Deductions (Tax Abatement)		
Project Year	**Assessment Year**	**Collection Year**	**Real Property**	**Personal Property**	**Tax Savings Accumulated**
1	2015	2016	$ 7,501	$ 8,574	$ 16,075
2	2016	2017	24,629	30,818	71,522
3	2017	2018	22,629	32,421	126,571
4	2018	2019	18,878	21,614	167,063
5	2019	2020	15,128	14,488	196,678
6	2020	2021	11,752	12,344	220,774
7	2021	2022	9,252	10,157	240,182
8	2022	2023	6,751	7,934	254,867
9	2023	2024	4,251	5,789	264,907
10	2024	2025	2,126	3,645	270,678
11	2025	2026	1,251	1,501	273,430
		TOTALS:	**$ 124,146**	**$ 149,284**	*Totals may not sum as a result of rounding; however, said rounding is immaterial.*

DEPARTMENT OF ECONOMIC DEVELOPMENT
CITY OF VALPARAISO, INDIANA

Prospect UGN (2014)

Summary of Real and Personal Property Investment(s) -
Estimated Tax Savings AFTER Assessed Valuation Deductions (Tax Abatement) and AFTER an Imposed Fee per I.C. 6-1.1-12.1-14

NOTE: CALCULATED FOR INFORMATIONAL PURPOSES ONLY

	Fully Assessed March 1, xxxx		Estimated Net Taxes Savings From Assessed Valuation Deductions (Tax Abatement)				Reference: Indiana Code 6-1.1-12.1.14 — Estimated Imposed Fee of the City of Valparaiso City Council As a Result of Assessed Valuation Deductions (Tax Abatement)						
Project Year	**Assessment Year**	**Collection Year**	**Real Property**	**Personal Property**	**TOTAL**	**Tax Savings Accumulated**	**Imposed Fee Percentage**	**Calculated Imposed Fee Real**	**Calculated Imposed Fee Personal**	**Actual Imposed Fee Due (1) Real**	**Actual Imposed Fee Due (1) Personal**	**Actual Imposed Fee Due (1) TOTAL**	**NET Tax Savings**
1	2015	2016	$ 7,501	$ 8,574	$ 16,075	$ 16,075	5.000%	$ 375	$ 429	$ 375	$ 429	$ 804	$ 15,271
2	2016	2017	24,629	30,818	55,447	71,522	5.000%	1,231	1,541	1,231	1,541	2,772	52,675
3	2017	2018	22,629	32,421	55,049	126,571	5.000%	1,131	1,621	1,131	1,621	2,752	52,297
4	2018	2019	18,878	21,614	40,492	167,063	5.000%	944	1,081	944	1,081	2,025	38,467
5	2019	2020	15,128	14,488	29,615	196,678	5.000%	756	724	756	724	1,480	28,135
6	2020	2021	11,752	12,344	24,096	220,774	5.000%	588	617	588	617	1,205	22,891
7	2021	2022	9,252	10,157	19,408	240,182	5.000%	463	508	463	508	971	18,437
8	2022	2023	6,751	7,934	14,685	254,867	5.000%	338	397	338	397	735	13,950
9	2023	2024	4,251	5,789	10,040	264,907	5.000%	213	289	213	289	502	9,538
10	2024	2025	2,126	3,645	5,771	270,678	5.000%	106	182	106	182	288	5,483
11	2025	2026	1,251	1,501	2,752	273,430	5.000%	63	75	63	75	138	2,614
		TOTALS:	**$ 124,146**	**$ 149,284**	**$ 273,430**		**TOTALS**	**$ 6,208**	**$ 7,464**			**$ 13,672**	**$ 259,758**

Totals may not sum as a result of rounding; however, said rounding is immaterial.

One-Time Imposed Fee Paid on or prior to December 31, 2014: $ 11,714
One-Time Imposed Fee Paid on or prior to December 31, 2015: $ 12,065

Notes:

(1) Per I.C. 6-1.1-12.1-14(c) Step Three, a property owner is limited to an assessed valuation deduction (tax abatement) Imposed Fee of $100,000 annually. However, according to the Indiana Department of Local Government Finance (Pam Eustace, April 20, 2006) the statute is vague on how the $100,000 limitation is applied. Therefore, until the DLGF provides further interpretation, the imposed fee limitation may be applied based upon the consent of both the designating body and the applicant property owner either: (1) uniquely to real property limited to $100,000 annually and to personal property limited to $100,000 if the designating body approves separate resolutions for Form SB-1/RE and Form SB-1/PP as submitted, or (2) to real and personal property limited to $100,000 if the Forms SB-1/RE and SB-1/PP are approved together under one resolution. Consent to the imposed fee as negotiated between the designating body and the applicant property owner is the determining factor for the calculation of the imposed fee by the County Auditor. This model assumes each type of tangible property (real and personal) is treated as a unique assessed valuation deductions.

STATEMENT OF BENEFITS
PERSONAL PROPERTY
State Form 51764 (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 6-1.1-12.1-5.1.

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*** *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.*
2. *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.*
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 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.*
4. *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)*
5. *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	Name of contact person	
UGN, Inc.	Randy Khalaf	
Address of taxpayer *(number and street, city, state, and ZIP code)*		**Telephone number**
18410 Crossing Drive Suite C, Tinley Park, IL 60487		(773) 437-2497

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body		Resolution number (s)
City of Valparaiso		
Location of property	**County**	**DLGF taxing district number**
2252 Industrial Drive, Valparaiso, IN 46383	Porter	

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.)*		ESTIMATED START DATE	ESTIMATED COMPLETION DATE
UGN is planning a manufacturing expansion to support the manufacturing of automotive parts for the next generation Honda Civic and Subaru Impreza. The manufactured parts will include wheelhouses and dash insulators. The project includes equipment and building improvements/expansion.	Manufacturing Equipment	09/01/2014	05/31/2015
	R & D Equipment		
	Logist Dist Equipment		
	IT Equipment		

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
284	$11,011,238	0	0	14	$356,429

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	0							
Plus estimated values of proposed project	3,836,800							
Less values of any property being replaced	0							
Net estimated values upon completion of project	3,836,800							

SECTION 5 — WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted *(pounds)* N/A

Estimated hazardous waste converted *(pounds)* N/A

Other benefits:

SECTION 6 — TAXPAYER CERTIFICATION

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

Signature of authorized representative		Date signed *(month, day, year)*
[signature]		7/3/2014
Printed name of authorized representative	**Title**	
Randy Khalaf	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 ________________________________ .

B. The type of deduction that is allowed in the designated area is limited to:

1. Installation of new manufacturing equipment; ☐ Yes ☐ No
2. Installation of new research and development equipment; ☐ Yes ☐ No
3. Installation of new logistical distribution equipment. ☐ Yes ☐ No
4. Installation of new information technology equipment; ☐ Yes ☐ 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 is allowed for:

☐ Year 1 ☐ Year 2 ☐ Year 3 ☐ Year 4 ☐ Year 5 (see below *)

☐ Year 6 ☐ Year 7 ☐ Year 8 ☐ Year 9 ☐ 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.

20____ PAY 20____

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.

STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS

State Form 51767 (R5 / 12-13)

Prescribed by the Department of Local Government Finance

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 UGN, Inc.		
Address of taxpayer *(number and street, city, state, and ZIP code)* 18410 Crossing Drive Suite C, Tinley Park, IL 60487		
Name of contact person Randy Khalaf	Telephone number (773) 437-2497	E-mail address randy.khalaf@ugnauto.com

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body City of Valparaiso		Resolution number
Location of property 2252 Industrial Drive, Valparaiso, IN 46383	County Porter	DLGF taxing district number
Description of real property improvements, redevelopment, or rehabilitation *(use additional sheets if necessary)* UGN is planning a manufacturing expansion to support the manufacturing of automotive parts for the next generation Honda Civic and Subaru Impreza. The manufactured parts will include wheelhouses and dash insulators. The project includes equipment and building improvements.		Estimated start date *(month, day, year)* 09/01/2014 Estimated completion date *(month, day, year)* 05/31/2015

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
284.00	$11,011,238.00	0.00	$0.00	14.00	$356,429.00

SECTION 4 — ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	0.00	
Plus estimated values of proposed project	984,338.00	
Less values of any property being replaced	0.00	
Net estimated values upon completion of project	984,338.00	

SECTION 5 — WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted *(pounds)* ____________________

Estimated hazardous waste converted *(pounds)* ____________________

Other benefits

N/A

SECTION 6 — TAXPAYER CERTIFICATION

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

Signature of authorized representative		Date signed *(month, day, year)* 7/3/2014
Printed name of authorized representative Randy Khalaf	Title 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.

STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS
State Form 51767 (R5 / 12-13)
Prescribed by the Department of Local Government Finance

20____ PAY 20____
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: UGN, Inc.		
Address of taxpayer (*number and street, city, state, and ZIP code*): 18410 Crossing Drive Suite C, Tinley Park, IL 60487		
Name of contact person: Randy Khalaf	Telephone number: (773) 437-2497	E-mail address: randy.khalaf@ugnauto.com

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body: City of Valparaiso		Resolution number:
Location of property: 2252 Industrial Drive, Valparaiso, IN 46383	County: Porter	DLGF taxing district number:
Description of real property improvements, redevelopment, or rehabilitation (*use additional sheets if necessary*): UGN is planning a manufacturing expansion to support the manufacturing of automotive parts for the next generation Honda Civic and Subaru Impreza. The manufactured parts will include wheelhouses and dash insulators. The project includes equipment and building improvements.		Estimated start date (*month, day, year*): 09/01/2014 Estimated completion date (*month, day, year*): 05/31/2015

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
284.00	$11,011,238.00	0.00	$0.00	14.00	$356,429.00

SECTION 4 — ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	**ASSESSED VALUE**
Current values	0.00	
Plus estimated values of proposed project	984,338.00	
Less values of any property being replaced	0.00	
Net estimated values upon completion of project	984,338.00	

SECTION 5 — WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (*pounds*) ____________ Estimated hazardous waste converted (*pounds*) ____________

Other benefits

N/A

SECTION 6 — TAXPAYER CERTIFICATION

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

Signature of authorized representative: [signature]		Date signed (*month, day, year*): 1/3/2014
Printed name of authorized representative: Randy Khalaf	Title: 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.

STATEMENT OF BENEFITS
PERSONAL PROPERTY
State Form 51764 (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 6-1.1-12.1-5.1.

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*** *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.*
2. *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.*
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 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.*
4. *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)*
5. *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: UGN, Inc.	Name of contact person: Randy Khalaf
Address of taxpayer *(number and street, city, state, and ZIP code)*: 18410 Crossing Drive Suite C, Tinley Park, IL 60487	Telephone number: (773) 437-2497

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body: City of Valparaiso		Resolution number (s):
Location of property: 2252 Industrial Drive, Valparaiso, IN 46383	County: Porter	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.)*

UGN is planning a manufacturing expansion to support the manufacturing of automotive parts for the next generation Honda Civic and Subaru Impreza. The manufactured parts will include wheelhouses and dash insulators. The project includes equipment and building improvements/expansion.

	ESTIMATED START DATE	ESTIMATED COMPLETION DATE
Manufacturing Equipment	09/01/2014	05/31/2015
R & D Equipment		
Logist Dist Equipment		
IT Equipment		

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
284	$11,011,238	0	0	14	$356,429

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 COST	MANUFACTURING EQUIPMENT ASSESSED VALUE	R & D EQUIPMENT COST	R & D EQUIPMENT ASSESSED VALUE	LOGIST DIST EQUIPMENT COST	LOGIST DIST EQUIPMENT ASSESSED VALUE	IT EQUIPMENT COST	IT EQUIPMENT ASSESSED VALUE
Current values	0							
Plus estimated values of proposed project	3,836,800							
Less values of any property being replaced	0							
Net estimated values upon completion of project	3,836,800							

SECTION 5 — WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted *(pounds)* N/A

Estimated hazardous waste converted *(pounds)* N/A

Other benefits:

SECTION 6 — TAXPAYER CERTIFICATION

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

Signature of authorized representative:	Date signed *(month, day, year)*: 7/3/2014
Printed name of authorized representative: Randy Khalaf	Title: 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 ______________________________ .

B. The type of deduction that is allowed in the designated area is limited to:

1. Installation of new manufacturing equipment;	☐ Yes	☐ No
2. Installation of new research and development equipment;	☐ Yes	☐ No
3. Installation of new logistical distribution equipment.	☐ Yes	☐ No
4. Installation of new information technology equipment;	☐ Yes	☐ 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 is allowed for:

☐ Year 1	☐ Year 2	☐ Year 3	☐ Year 4	☐ Year 5	(see below *)
☐ Year 6	☐ Year 7	☐ Year 8	☐ Year 9	☐ 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.