RESOLUTION 12, 2005
A RESOLUTION GRANTING TAX ABATEMENT FOR NEW EQUIPMENT FOR TASK FORCE TIPS, INC.

WHEREAS, the Common Council of the City of Valparaiso, Indiana has designated certain real estate within the City of Valparaiso, Indiana as an Economic Revitalization Area by the adoption of the Resolution No. 9, 1992 on June 22, 1992; and

WHEREAS, said Resolution No. 9, 1992, was confirmed by Resolution No. 10, 1992 on July 13, 1992 pursuant to Indiana Code 6-1.1-12.1 et. seq.; and

WHEREAS, Resolution No. 10, 1992 remains in full force and effect; and

WHEREAS, Resolution No. 12, 1995 extended the time period for use of tax abatement from December 31, 1995 to December 31, 2006;

WHEREAS, the City Council has determined to exercise its authority under Indiana Code 6-1.1-12.1-11.3 to partially waive the Company's noncompliance with the statement of benefits requirements in connection with the Company's New Statement of Benefits and its installation of the New Equipment in the ERA subject to the terms and conditions set forth in this Resolution.

NOW, THEREFORE BE IT RESOLVED, The Common Council of the City of Valparaiso hereby grants a personal property tax deduction for new **EQUIPMENT** for a period of **TEN (10)** years to **TASK FORCE TIPS, INC.** This action by the by the Common Council is based upon the following findings which were made by this Council after reviewing a statement of benefits as presented by the applicants. Council finds that:

1. That the application of **TASK FORCE TIPS, INC.** meets the requirements for filing of tax abatement.

2. That **TASK FORCE TIPS, INC.** is hereby granted deduction for new **Equipment** for the period of **Ten (10) years**. The proposed amount is not to exceed **$980,000. (Nine Hundred, Eighty Thousand Dollars).**

3. That **TASK FORCE TIPS, INC.** is hereby granted deduction for a total abatement for the period of **Ten (10) years**. The total proposed amount is not to exceed **$980,000. (Nine Hundred, Eighty Thousand Dollars).**

4. That the final determination of the amount of deduction shall be made by the appropriate County and State agencies.

ADOPTED this 13th day of June, 2005 by a 7 vote in favor and 0 vote opposed of all members present and voting.

Joe Larr

Ed Howe

John Bowker

Chuck Williams

Al Eisenmenger

Robert McCasland

Jan M. Dick

Jon Costas, Mayor

ATTEST:

Sharon Swihart

Sharon Swihart, Clerk-Treasurer

TASK FORCE TIPS,® INC.

High Performance Fire-Suppression Equipment
Registered by UL to ISO 9001

www.tft.com

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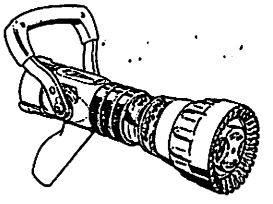

February 18, 2004

Mr. William Hanna
Economic Development Director
City of Valparaiso
166 Lincolnway
Valparaiso, IN 46383

Dear Bill:

It is the time of year again where we need to request that we be put on the docket for the City Council meeting on February 23rd to request tax abatements on new manufacturing equipment being placed in service during the next property tax fiscal year and to report compliance with prior years' abatements.

Enclosed you will find the following items:

CF-1 - Compliance with Statement of Benefits for the building addition we did in 1993 and subsequent purchases of various pieces of manufacturing equipment. Per instruction number 2 on the form it must be filed annually by February 28. I have to also give a copy of this to the county auditor. The instructions do not mention any action needed to be taken by the council since you have already made a resolution (93-6) for it.

SB-1 - Statement of Benefits for equipment we plan to purchase during the next twelve months. I believe this will require a resolution or action disclosed in the minutes from the council. We estimate purchasing and placing in service $950,000 of new manufacturing equipment. As a result of purchasing this equipment, we intend to hire at least two employees to operate this new equipment and to respond to increased customer demand.

We are very excited about the next twelve months and beyond. We are going to introduce fifteen new products this spring and if I may say so myself, they are some awesome products for the firefighting industry!

As with most US manufacturers, we are facing more international competition from low wage countries. A big part of our success and continued strategy is to stay ahead of that competition by hiring the best people and investing in the best technology available to produce our products. The three new machines we plan to purchase are part of our ongoing strategy to be the best manufacturer of firefighting equipment in the industry. In Valparaiso, we currently employ approximately 126 employees, and our payroll to that group of employees is well in excess of $5,000,000. While we anticipate hiring two more individuals to help us operate this new equipment, our primary goal is to be competitive and improve our productivity so that we are here for many years to come. We think we have the best employees in the area and are proud of all of them. Combine those employees and our commitment to technology, and we believe we are the best in the business and can win the fight against any competitor put in front of us. The City Council has been a big supporter of Task Force Tips over the years, and we have greatly appreciated that support. Any financial help we receive from the community makes us that much stronger.

Enclosed are copies for you, the mayor and each of the council members, plus two copies of each form, which will need to be signed and returned to me. I plan on stopping in at City Hall on Tuesday morning to retrieve those copies. Please let me know if you need additional information prior to the meeting. Both Stewart McMillan and I will plan on seeing you at 7:00 PM on Monday, February 23rd.

Again, we have always appreciated your support and the support of the mayor and the city council on our abatement requests. Should you have any questions concerning the above, please do not hesitate to call me.

Sincerely,

James M. Cunningham
Chief Financial Officer
Task Force Tips, Inc.

Enclosure

WHERE NEW IDEAS FLOW!™

Position Statement

Executive Administration of the
City of Valparaiso

Background

In the new millennium and new economy, we find our employers feeling the pressures of globalization, new technology, and a rapidly evolving economy where change is the only constant. Competition, both globally and domestically, has become very fierce resulting in mergers, acquisitions and even closures - as was the case with Magnequench. While many of the region's firms have gone from being locally owned to being under the leadership of corporate heads that live outside our state and in some cases our country, **Task Force Tips** continues to strive to compete in a global market from right here in Valparaiso.

Task Force Tips is currently engaged in a competition with firms in Asia and other locations where the cost of labor is a mere fraction of the cost in the U.S. Respect for intellectual property or patents in some of these countries is weak or non-existent, and few requirements are made of firms with respect to environmental impact. All of this and more translates into the bottom line which is this – they can bring products to market cheaper than we can domestically.

Task Force Tips' solution to this challenge is to be quicker at developing new ideas, better at delivering quality, and more productive through the use of technology and innovation. They have been successful through these means and can continue on that path, however, it requires tremendous and constant investments in new state-of-the-art equipment and the heart of Task Force Tips – their employees. Task Force Tips is meeting the competition on their own court by exporting large amounts of product each year. They are keeping jobs here, sending products around the world and ultimately bringing the wealth back to our community.

In keeping with their strategy, Task Force Tips plans to purchase **$950,000 in new equipment** over the next year. They feel this new purchase will help them meet the increased demands of their customers while helping to establish a competitive advantage over their market rivals. The new equipment will have two new hires attached to it but more importantly will help ensure the retention of Task Force Tips' current labor force of **126**. Payroll in support of these employees is in excess of **$5,000,000** giving them an average salary of approximately **$39,000 plus benefits.**

Financial Impact

Task Force Tips currently pays **$171,897** in personal and real property tax annually and their substantial payroll now contributes to the City's EDIT funds . They regularly expand, further growing the Valparaiso tax base while providing much needed additional employment opportunities for our constituents. The purchase of nearly a million dollars in new equipment will represent yet another phase of their constant growth and will yield more tax revenue incrementally to the city over the course of an abatement.
**Center Twp. is currently unable to produce projections of tax revenue on $950,000 in equipment within the time required for the completion of this abatement.*

Task Force Tips is an excellent corporate citizen giving thousands of dollars to United Way and other community non-profits consistently.

Position of the Executive Administration of the City of Valparaiso

For the above stated reasons and with all aspects of this project considered, the Executive Administration of the City of Valparaiso strongly supports a **ten-year** abatement for this project. The administration feels that this will be a sound investment for the City Government, current employees of Task Force Tips as well as those in need of employment, and the citizens of Valparaiso. We feel a strong responsibility to partner in their efforts to maintain and grow their position in the global market place. We respectfully request your support in our efforts to further strengthen and diversify our economy.

Task Force Tips, Inc.
Form SB-1 Attachment
Estimated Cost of Manufacturing Equipment to be Installed
March 2, 2004 - March 1, 2005

Description	Amount
CNC Integrex Machine with Gantry Unit	$ 550,000
(2) CNC Lathe Machining Centers	320,000
Wire EDM Machine	30,000
Tooling for New Product Lines	50,000
	$ 950,000

SEAL OF THE STATE OF INDIANA 1816

STATEMENT OF BENEFITS

State Form 27167 (R7 / 12-01)
Prescribed by the Department of Local Government Finance

FORM SB - 1

INSTRUCTIONS:

1. *This statement must be submitted to the body designating the economic revitilization 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, or **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)*
2. *Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, or prior to installation of the new manufacturing equipment and / or research and development equipment, **BEFORE** a deduction may be approved.*
3. *To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PPME and / or 322 ERA / PPR & DE, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of: (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PPME and / or 322 ERA PPR & DE must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and / or research and development equipment becomes assessable, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.*
4. *Property owners whose Statement of Benefits was approved after June 30, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)*
5. *The schedules established under IC 6-1.1-12.1-4(d) and IC 6-1.1-12.1-4.5 (e) effective July 1, 2000 apply to any statement of benefits filed on or after July 1, 2000.*
   The schedules effective prior to July 1, 2000 shall continue to apply to those statement of benefits filed before July 1, 2000.

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer
TASK FORCE TIPS, INC.

Address of taxpayer *(street and number, city, state and ZIP code)*
2800 E. EVANS AVENUE, VALPARAISO, IN 46383

Name of contact person JIM CUNNINGHAM OR STEWART MCMILLAN	Telephone number ((219) 462-6161

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body VALPARAISO CITY COUNCIL		Resolution number
Location of property 2800 E. EVANS AVENUE, VALPARAISO, IN 46383	County PORTER	Taxing district VALPARAISO/WASHINGTON

Description of real property improvements and / or new manufacturing equipment and / or research and development equipment *(use additional sheets if necessary)*

SEE ATTACHED LIST

	ESTIMATED	
	Start Date	Completion Date
Real Estate		
New Mfg Equipment	03/02/2004	03/01/2005
R & DE		

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
126	$5,188,396.00	126	$5,188,396.00	2	$60,000.00

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.	Real Estate Improvements		Machinery		Research and Development Equipment	
	Cost	Assessed Value	Cost	Assessed Value	Cost	Assessed Value
Current values						
Plus estimated values of proposed project			$950,000.00			
Less values of any property being replaced						
Net estimated values upon completion of project						

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

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

Other benefits:

SECTION 6 TAXPAYER CERTIFICATION

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

Signature of authorized representative	Title CEO	Date signed *(month, day, year)* 2/17/04

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. Redevelopment or rehabilitation of real estate improvements; ☐ Yes ☐ No
   2. Installation of new manufacturing equipment; ☐ Yes ☐ No
   3. Installation of new research and development equipment; ☐ Yes ☐ No
   4. Residentially distressed areas ☐ Yes ☐ No

C. The amount of deduction applicable for redevelopment or rehabilitation is limited to $ _________________ cost with an assessed value of $ __________________.

D. The amount of deduction applicable to new manufacturing equipment is limited to $ _________________ cost with an assessed value of $ ____________________.

E. The amount of deduction applicable to new research and development equipment is limited to $ _________________ cost with an assessed value of $ ____________________.

F. Other limitations or conditions *(specify)*____

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: *(signature and title of authorized member)*	Telephone number ( )	Date signed *(month, day, year)*
Attested by:	Designated body	

* If the designating body limits the time period during which an area is an economic revitilization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4 or 4.5

Tax Abatement Consideration

Applicant: TFT **Today's Date:** ____________________

Job Creation/Retention:

Outstanding — Unsatisfactory

10 9 [✓ 8] 7 6 5 4 3 2 1 0

Criteria:

- ✓ 1. Total Number of New Jobs
- ✓ 2. Jobs created per $1000 investment
- ✓ 3. Are the jobs new to the area (less than 30-miles)?
- ✓ 4. Percentage of full-time and part-time jobs
- ✓ 5. Potential to create additional jobs to related industries

Smaller on the Creation side w/ 2 new Jobs but high on Retention for 124 positions.

Overall Job Quality:

[✓ 10] 9 8 7 6 5 4 3 2 1 0

Criteria:

- ✓ 1. Acceptable average salary of jobs created and/or retained
- ✓ 2. Benefit package related to new jobs
- ✓ 3. Do the new jobs offer unique employment opportunities?
- ✓ 4. Is there a need for such jobs in the community?

TFT is one of our strongest employer with an average Salary of 39K + Benefits

Company:

[✓ 5] 4 3 2 1 0

Criteria:

- ✓ 1. Number of years in business
- ✓ 2. Financial Condition of Firm
- ✓ 3. Potential for additional expansion
- ✓ 4. Ability to attract related / auxiliary companies
- ✓ 5. Reputation for community involvement

They meet all of these Criteria strongly

Project Size & Scope:

10 [✓ 9] 8 7 6 5 4 3 2 1 0

Criteria:

- ✓ 1. Overall investment in project
- ✓ 2. Quality of Construction
- ✓ 3. Aesthetics of project N/A
- ✓ 4. Effect on Tax Base
- ✓ 5. Compatibility with nearby existing structures

Strong investment of almost 1 million dollars compatible with intended use of their facility

Project Effect on City:

[✓ 10] 9 8 7 6 5 4 3 2 1 0

Criteria:

- ✓ 1. Infrastructure implications
- ✓ 2. City services required
- ✓ 3. Environmental considerations
- ✓ 4. Compatibility with Comprehensive Plan
- ✓ 5. Effect on Tax Increment Financing District Plan
- ✓ 6. Effect on School District(s)

No adverse effects on the City positive expansion to Tax base + employment.

Total Points: 42

Range for approval: (Circle Approved Level)

10-Year Abatement: 35-45
6-Year Abatement: 27-34
3-Year Abatement: 23-26
5-year-equipment Abatement: 25-34
[✓ 10-year-equipment Abatement: 35-45]