

RESOLUTION NO. 14, 2010

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

- WHEREAS,** Pursuant to Resolution No. 5-2010, as confirmed by Resolution No. 7-2010, the Common Council of the City of Valparaiso, Indiana (the "City"), designated a certain area located within the City as an economic revitalization area (an "ERA");
- WHEREAS,** Resolution No. 5-2010 remains in full force and effect;
- WHEREAS,** U.G.N., Inc. (the "Company") has filed with the Common Council a Statements of Benefits Personal Property (FORM SB-1/PP) dated November 15, 2010 proposing the installation of a "Resinated Line and Camry Trunk Investment Project" (the "Project") anticipated to cost \$1,582,900 estimated to be completed and installed by August 31, 2011 and to be fully assessed on March 1, 2012;
- WHEREAS,** The Statements of Benefits Personal Property (FORM SB-1/PP) was submitted to the Common Council as the designating body before the installation of the Project for which the Company desires to request an assessed valuation deduction;
- WHEREAS,** The new manufacturing equipment installed as it relates to the Project will be used in the direct production, manufacture, fabrication, assembly or finishing of other tangible personal property consistent with IC 6-1.1-12.1-1(3)(B);
- WHEREAS,** The new manufacturing equipment tangible personal property installed as it relates to the Project has never been used for any purpose in Indiana before consistent with IC 6-1.1-12.1-1(3)(D); and
- WHEREAS,** The Company's facility located at 2252 Industrial Drive in the City 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 the U.G.N., Inc. upon review of the Statement of Benefits (FORM SB-1/PP) dated November 15, 2010 as well as other pertinent information provided by the Valparaiso Economic Development Corporation and upon the following findings pursuant to IC 6-1.1-12.1-3(b), such that:

- (1) The Project is reasonable for a project of its nature;
- (2) The estimated number of individuals who will be employed or whose employment will be retained can reasonably be expected to result from the installation and completion of the Project;
- (3) The estimated annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to result from the installation and completion 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 Company's facility for which the Project is to be installed within the ERA is not located within a designated allocation area within the Valparaiso Redevelopment District, such that prior approval of this assessed valuation deduction pursuant to IC 6-1.1-12.1-2(l) is not required by the Valparaiso Redevelopment Commission as the designating body of an allocation area.

BE IT FURTHER RESOLVED that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from tangible personal property – new manufacturing equipment for a period of ten (10) years to the Company, being U.G.N., Inc., in accordance with IC 6-1.1-12.1 as it relates to the Project.

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

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

Be It Further Resolved that the Company has agreed to the following imposed reasonable condition for approval of an assessed valuation deduction for tangible personal property – new manufacturing equipment as herein specified and authorized under I.C. 6-1.1-12.1-2(i)(6) and as included under Item G (page 2) of the approved FORM SB-1/PP (Statement of Benefits Personal Property):

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

Be It Further Resolved that the City agrees to comply with the privacy notices of said FORM 103, FORM 103-EL and FORM 103-ERA as confidential filings in accordance with I.C. 6-1.1-35-9 and that said documents are not statutorily required filings to the City to review a personal property assessed valuation deduction of the Company but as a reasonable condition as herein specified and included under Item G (page 2) of an approved FORM SB-1/PP (Statement of Benefits Personal Property) are submitted to supplement the Company's annually filed FORM CF-1 (Compliance with Statement of Benefits) for each personal property assessed valuation deduction such that City may only utilize said forms to verify and confirm: (i) assessed valuation deductions reported by the Company and/or approved by the Office of the Porter County Assessor and (ii) the calculation of an Imposed Fee by Office of the Porter County Auditor; and, therefore said documents are deemed not to be public record(s) and shall not be made available to the public.

BE IT FURTHER RESOLVED that the final determination of the amount of assessed valuation deduction as applied to the Project for tangible personal property – new manufacturing equipment shall be made by the appropriate Porter County or State of Indiana agency.

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

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

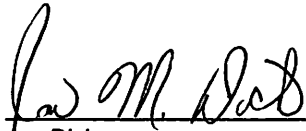
BE IT FURTHER RESOLVED that if any part, clause, or portion of this Resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of this Resolution as a whole or any other part, clause, or portion of this Resolution.

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.

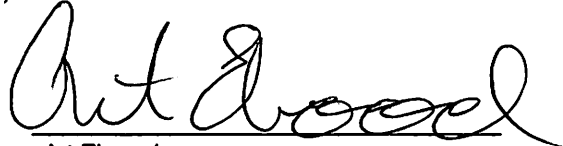
ADOPTED AND APPROVED by a vote of all members present and voting of the Common Council of the City of Valparaiso, Indiana this day **November 29th, 2010**.

SIGNATURE PAGE

ADOPTED AND APPROVED by a vote of all members present and voting of the Common Council of the City of Valparaiso, Indiana this day **November 29th, 2010.**



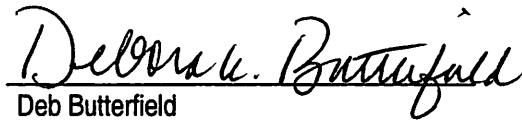
Jan Dick



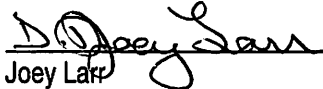
Art Elwood

absent

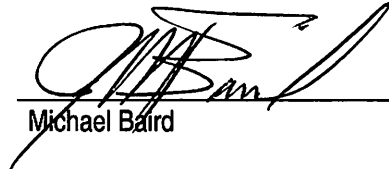
Robert Taylor



Deb Butterfield



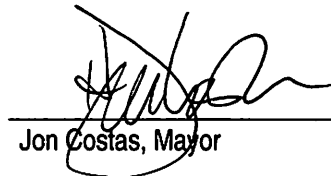
Joey Larr



Michael Baird

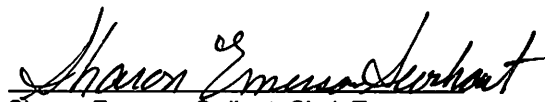


John Bowker



Jon Costas, Mayor

ATTEST:



Sharon Emerson Swihart, Clerk-Treasurer



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R / 1-06)

Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

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. "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)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved
- 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. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1		TAXPAYER INFORMATION	
Name of taxpayer UGN Inc			
Address of taxpayer (number and street, city, state, and ZIP code) 18410 Crossing Drive Tinley Park, IL 60487			
Name of contact person Gary Hibbler		Telephone number (773) 437-2459	
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT	
Name of designating body		Resolution number (s) 14-2010	
Location of property 2252 Industrial Drive Valparaiso, IN 46383		County 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) Resinated Line and Camry Trunk Investment Project		DLGF taxing district number	
		ESTIMATED	
		START DATE	COMPLETION DATE
		Manufacturing Equipment	10/31/2010 08/31/2011
		R & D Equipment	
		Logist Dist Equipment	
		IT Equipment	
SECTION 3			
ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT			
Current number 224	Salaries 7,321,933.00	Number retained 224	Salaries 7,321,933.00
		Number additional 28	Salaries 641,586.40
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
	COST		ASSESSED VALUE
	COST		ASSESSED VALUE
	COST		ASSESSED VALUE
	COST		ASSESSED VALUE
Current values	0.00		
Plus estimated values of proposed project	1,562,900.00		
Less values of any property being replaced	0.00		
Net estimated values upon completion of project	1,562,900.00		
SECTION 5			
WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER			
Estimated solid waste converted (pounds) 455,625.00		Estimated hazardous waste converted (pounds) 0.00	
Other benefits:			
SECTION 6			
TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.			
Signature of authorized representative		Title CFO	Date signed (month, day, year) 11/15/10

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 \$ _____.

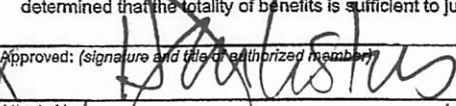
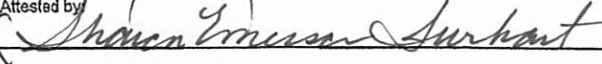
F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

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 on or after July 1, 2000, is allowed for:

- | | | |
|-------------------------------------|---|--|
| ☐ 1 year | ☐ 6 years | ** For ERA's established prior to July 1, 2000, <u>only</u> a 5 or 10 year schedule may be deducted. |
| ☐ 2 years | ☐ 7 years | |
| ☐ 3 years | ☐ 8 years | |
| ☐ 4 years | ☐ 9 years | |
| ☐ 5 years ** | ☒ 10 years ** | |

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)
	219-462-1161	11-29-10
Attested by	Designated body	
	CITY OF VALPARAISO Common Council	

* If the designating body limits the time period during which an area is an economic revitalization 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 6-1.1-12.1-4.5