

Synopsis: The proposed Resolution, if adopted, would provide the Company with a property tax abatement for a number of years as determined by Council, for the installation of new manufacturing equipment, new research and development equipment, new logistical equipment, or new information technology equipment as described in the Company's Statement of Benefits/Personal Property.

RESOLUTION NO. 1-R-22

RESOLUTION TO APPROVE STATEMENT OF BENEFITS/PERSONAL PROPERTY

WHEREAS, I.C. 6-1.1-12.1, *et seq.* provides for a deduction in property taxes for property which has been designated as being within an economic revitalization area and for which a statement of benefits has been approved by the Common Council of the City of Huntington, Indiana "Council"; and

WHEREAS, "Innovative Packaging Inc" has submitted to the Council its Statement of Benefits/Personal Property on a form prescribed by the State Board of Tax Commissioners, which is attached hereto and incorporated herein as Exhibit "A", and has made application to the Council for a determination that the purchase of new logistical distribution equipment and new information technology equipment upon a portion of the Real Estate qualified for property tax deductions provided for in I.C. 6-1.1-12.1-4.5;

WHEREAS, pursuant to I.C. 6-1.1-12.1-4.5, the Council must review the Statement of Benefits Personal Property, make certain findings required by statute, and determine whether a deduction should be allowed, as it has already been determined that the subject real estate is located within Huntington County, Indiana and in a designated economic revitalization area;

NOW, THEREFORE, BE IT RESOLVED that from the information contained in the Statement of Benefits Personal Property, and additional relevant information, this Council does hereby determine as follows:

(a) The estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment or new information technology equipment is reasonable for equipment of that type.

(b) The estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the

new manufacturing equipment, new research and development equipment, new logistical equipment, or new information technology equipment.

(c) The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment or new information technology equipment.

(d) There are other benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment or new information technology equipment.

(e) The totality of the benefits is sufficient to justify the deduction for the Company.

BE IT FURTHER RESOLVED that the deduction applied for by the Company under the Statement of Benefits Personal Property is hereby approved for a period of 10 years, subject to compliance with the remaining requirements of applicable law;

BE IT FURTHER RESOLVED that the deduction applied for by the Company under the Statement of Benefits Personal Property is hereby approved for a period of 10 years, subject to compliance with the remaining requirements of applicable law;

BE IT FURTHER RESOLVED that the following abatement schedule will apply to that deduction:

Year 1	100% exempt
Year 2	90% exempt
Year 3	80% exempt
Year 4	70% exempt
Year 5	60% exempt
Year 6	First year of full property tax payment

BE IT FINALLY RESOLVED that the submitted Statement of Benefits Personal Property is approved and the Council President is authorized and directed to execute that Statement of Benefits on behalf of the City of Huntington, Indiana.

[Signature Block Next Page]

RESOLUTION NO. 1-R-22

Duly passed on first and final reading this 12 day of April, 2022 by a vote of 7 in favor and 0 in opposition.

CITY OF HUNTINGTON, INDIANA by its COMMON COUNCIL

Voting in favor:

Joe Blomeke

remote

P J Felton

Dave Funk

Todd Johnson

remote

Paul Pike

Voting in opposition:

Joe Blomeke

Charles Chapman
(President)

P J Felton

Dave Funk

Todd Johnson

Seth Marshall

Paul Pike

Attest:

Christi McElhaneey
City Clerk-Treasurer

Presented by me to the Mayor for approval or veto, this 12 day of April, 2022.

Christi McElhaneey
City Clerk-Treasurer

This Resolution having been adopted by the Common Council and presented to me is [APPROVED or VETOED], this 12 day of April, 2022.

[Signature]
Mayor of the City of Huntington



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R5 / 1-21)

Prescribed by the Department of Local Government Finance

FILED

MAR 02 2022

CITY OF HUNTINGTON
OFFICE OF THE
CITY CLERK/TREASURER

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 January 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between January 1 and the extended due date of that year.
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 INNOVATIVE PACKAGING INC				Name of contact person CARRIE MILLER					
Address of taxpayer (number and street, city, state, and ZIP code) 1312 FLAXMILL RD HUNTINGTON IN 46750						Telephone number (260) 356-6577			
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT									
Name of designating body INNOVATIVE PACKAGING INC						Resolution number (s) 1-R-22			
Location of property 1312 FLAXMILL ROAD HUNTINGTON IN 46750				County HUNTINGTON		DLGF taxing district number 35005			
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.) USED 38" X 94" S&S TWO COLOR FLEXO FOLDER GLUER, LOAD FORMER, CONVEYOR, ALL SET UP TO MAKE NEW MACHINE OPERATIONAL. USED 66" X (80"OR 110") ROTARY DIECUTTER, CONVEYOR, ALL SET UP TO MAKE NEW MACHINE OPERATIONAL.						ESTIMATED			
						START DATE		COMPLETION DATE	
						Manufacturing Equipment		05/01/2022 12/31/2022	
						R & D Equipment			
						Logist Dist Equipment			
IT Equipment									
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT									
Current Number 45	Salaries 1,700,000	Number Retained 45	Salaries 1,700,000	Number Additional 5	Salaries 200,000				
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	2,400,000	642,000							
Plus estimated values of proposed project	2,000,000	2,000,000							
Less values of any property being replaced	175,000	52,500							
Net estimated values upon completion of project	4,225,000	2,694,500							
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 <i>Carrie Miller</i>						Date signed (month, day, year) 3/2/2022			
Printed name of authorized representative Carrie Miller						Title Controller / owner			

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 1 calendar years * (see below). The date this designation expires is Dec 31, 2022. NOTE This question addresses whether the resolution contains an expiration date for the designated area.

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

1. Installation of new manufacturing equipment;	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 Check box if an enhanced abatement was approved for one or more of these types.
2. Installation of new research and development equipment;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
3. Installation of new logistical distribution equipment.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
4. Installation of new information technology equipment;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

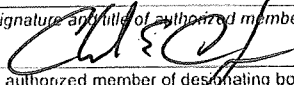
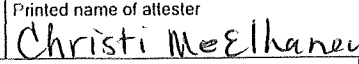
G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

<input type="checkbox"/> Year 1	<input type="checkbox"/> Year 2	<input type="checkbox"/> Year 3	<input type="checkbox"/> Year 4	<input checked="" type="checkbox"/> Year 5	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 Number of years approved: _____ (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)
<input type="checkbox"/> Year 6	<input type="checkbox"/> Year 7	<input type="checkbox"/> Year 8	<input type="checkbox"/> Year 9	<input type="checkbox"/> Year 10	

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? ☐ Yes ☐ No
If yes, attach a copy of the abatement schedule to this form.
If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

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

Approved by (signature and title of authorized member of designating body)	Telephone number	Date signed (month, day, year)
	(260) 356-1400	4-12-22
Printed name of authorized member of designating body	Name of designating body	
Charles Chapman	Common Council City of Huntington	
Attested by (signature and title of attester)	Printed name of attester	
	Christi McElhane	

* 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. Except as provided in IC 6-1.1-12.1-18, 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.

2.0

Tax Abatement Impact Model

Project Box

Equipment/Personal Property

Investment Amount

\$ 2,000,000

Tax Rate:

3

Year	Depreciation Schedule	Assessed Value	Percent Deduction	Rate	Tax Liability	Tax Savings
1	40%	\$ 800,000	100%	3	\$ -	\$ 24,000
2	56%	\$ 1,120,000	90%	3	\$ 3,360	\$ 30,240
3	42%	\$ 840,000	80%	3	\$ 5,040	\$ 20,160
4	32%	\$ 640,000	70%	3	\$ 5,760	\$ 13,440
5	24%	\$ 480,000	60%	3	\$ 5,760	\$ 8,640
6	18%	\$ 360,000	0%	3	\$ 10,800	\$ -
7	15%	\$ 300,000	0%	3	\$ 9,000	\$ -
8	15%	\$ 300,000	0%	3	\$ 9,000	\$ -
9	15%	\$ 300,000	0%	3	\$ 9,000	\$ -
10	15%	\$ 300,000	0%	3	\$ 9,000	\$ -
					\$ 66,720	\$ 96,480

Real Property

Investment Amount

Tax Rate:

Year	Depreciation Schedule	Assessed Value	Percent Deduction	Rate	Tax Liability	Tax Savings
1	100%		100%	3	\$ -	\$ -
2	100%		90%	3	\$ -	\$ -
3	100%		80%	3	\$ -	\$ -
4	100%		70%	3	\$ -	\$ -
5	100%		60%	3	\$ -	\$ -
6	100%		50%	3	\$ -	\$ -
7	100%		40%	3	\$ -	\$ -
8	100%		30%	3	\$ -	\$ -
9	100%		20%	3	\$ -	\$ -
10	100%		10%	3	\$ -	\$ -
					\$ -	\$ -

Disclosures:

- *This spreadsheet is intended to be ILLUSTRATIVE AND PRELIMINARY. Companies must consult their own tax advisors to determine their actual tax liability.
- *Tax abatement is a discretionary program with eligibility otherwise regulated by State Law.
- *Real property in Indiana is subject to annual adjustments of assessed value to market value (trending). Values illustrated in the spreadsheet cannot adjust to this dynamic, thus, a constant value is shown.
- *The spreadsheet assumes a one-time, initial investment.
- *Business Personal Property (equipment) is assumed to use Pool#2 for depreciation.
- *The spreadsheet is only intended to "model" estimates. Actual impacts may differ based on:
 - *The timing of the investment
 - *Actual governmental assessment practices
 - *Variations with depreciation pools
 - *Potential changes in taxation rates or other tax law or methodology