



April 2, 2014

Ms. Krista Linke, AICP
Department of Planning & Economic Development
70 E. Monroe Street
Franklin, Indiana 46131

Re: Tax Abatement Compliance for Caterpillar Reman Powertrain Indiana LLC

Dear Ms. Linke:

Thank you for your inquiry regarding Caterpillar Reman Powertrain Indiana LLC's capital spending as related to the approved tax abatement which was granted to Caterpillar Reman Powertrain Indiana LLC in 2010 under Franklin Common Council Resolution No. 2010-15.

As we discussed, the Statement of Benefits lists the estimated completion date for the project to be 12/31/2013 (see Exhibit A below). Since there was no specific reference to indicate the completion date being firm, we were unaware that the Economic Development Council considered the completion date to be firm. Previous experience with tax abatements in other Indiana counties also led to our assumption.

Given our misunderstanding, we had already approved nearly \$2.3 million of qualified purchases that were in process at the end of the year (see Exhibit B below). Since these assets were still in process, we were unable to claim them in this year's tax abatement process.

We respectfully ask that the Council grant Caterpillar Reman Powertrain Indiana to be able to include these projects in the next tax year as qualified under the current tax abatement 2010-15. Caterpillar will then apply for additional tax abatements related to our planned growth beyond the projects listed.

Please review all of the enclosed documents, and if you have any questions or concerns regarding this matter, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lee Anspaugh".

Lee Anspaugh
Accounting Manager
Caterpillar Reman Powertrain Indiana

Exhibit A

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 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)
- 5. 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 Caterpillar Reman Powertrain Indiana LLC	
Address of taxpayer (number and street, city, state, and ZIP code) 751 International Drive; Franklin, IN 46131	
Name of contact person Lee Anspaugh	Telephone number (317) 346-3211
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT	
Name of designating body Franklin Common Council	
Resolution number (s)	
Location of property 751 International Drive; Franklin, IN 46131	Courty Johnson
DLGF taxing district number 41009	
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) Various new remanufacturing machinery and equipment.	ESTIMATED
	START DATE COMPLETION DATE
	Manufacturing Equipment 10/2010 12/31/2013
	R & D Equipment
	Logist Dist Equipment
IT Equipment	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT	
Current number 338	Salaries 10,278,445
Number retained 338	Salaries 10,278,445
Number additional	Salaries

Exhibit B

**Caterpillar Reman Powertrain Indiana LLC.
2013 Capital Spending Status
As of December 31, 2013**

Abatement	PROJECT NAME	PROJECT	Approved Amount	Total Capitalize	Total left in Cliff	
Y	M7 & 326 Turbo Line	30253760	\$ 363,000.00		\$ 321,415.67	88.54%
Y	Block Crank Bore Hone	3015219	\$ 23,200.00		\$ 23,200.00	100.00%
Y	CNC Machining Centers	30152310	\$ 111,860.00	\$ 66,168.00	\$ 12,799.23	70.59%
N	Dyno Upgrades(B/C)	30152920	\$ 630,000.00	\$ 315,000.00	\$ 287,603.21	95.65%
N	Used Dynamometer Bedplate for V8 Dyno Upgrade	30152990	\$ 30,000.00	\$ 15,000.00	\$ 15,000.00	100.00%
Y	TCT Reman Cart	30153020	\$ 9,000.00		\$ 8,492.37	94.36%
Y	Cylinder Head Machining Center	30153810	\$ 1,038,800.00	\$ -	\$ 1,174,871.40	113.10%
Y	Teardown Oven Winch	30150390	\$ 3,789.00	\$ -	\$ 3,076.24	81.19%
Y	Gas Chromatograph	30153860	\$ 65,992.00	\$ -	\$ 67,086.51	101.66%
N	6.4L Engine Wire Harness	30153880	\$ 6,780.00	\$ -	\$ 4,262.13	62.86%
Y	7 Blast It All Blast Cabinets	30153960	\$ 88,718.00	\$ -	\$ 90,767.82	102.31%
Y	Manuel Cabinet Parts Washer - EGR Cooler	30153990	\$ 10,218.00	\$ -	\$ 11,112.01	108.75%
Y	Pinpoint 6.4 HPPF	30153640	\$ 172,525.00	\$ -	\$ 174,994.62	101.43%
Y	6.4L HP and LP Turbo	30154040	\$ 323,215.00	\$ -	\$ 53,771.56	16.64%
Y	I-783 HCI Doser Tester	30154050	\$ 24,030.00	\$ -	\$ 20,167.92	83.93%
Y	I-6 Pressure Decay Leak Tester	30154020	\$ 24,300.00	\$ -	\$ 24,344.75	100.18%
Y	Blast It All Tumble Blaster	30150410	\$ 24,000.00	\$ -	\$ 22,500.00	93.75%
Y	F-69 Block Bore	30154080	\$ 170,684.00	\$ -	\$ 152,865.00	89.56%
Y	Force Monitoring for Sleeve Press	30154120	\$ 9,900.00	\$ -	\$ 9,900.00	100.00%
Y	6.0L Rod Mechanical Joining Tooling	30154110	\$ 33,584.00	\$ -	\$ 8,583.70	25.56%
N	Supply Chain Scanners and Printers	30153540	\$ 9,892.00	\$ -	\$ 9,514.44	96.18%
Y	I-6/I-308 Engine Wire Harness	30153890	\$ 4,305.00	\$ -	\$ 4,315.17	100.24%
Y	6.4L HPPF Tester Kidney Loop	30153980	\$ 4,500.00	\$ -	\$ 3,220.86	71.57%
N	UPS and Time Delay Circuits	30154070	\$ 30,000.00	\$ -	\$ 22,050.00	73.50%
Y	Facility Air Compressor (for machine line operations)	30154130	\$ 135,000.00	\$ -	\$ 110,500.50	81.85%
N	Racking Material and Labor	30154150	\$ 18,947.00	\$ -	\$ 12,782.64	67.47%
N	Accrued Capital Spend (Received not Invoiced)		\$ 55,318.34	\$ -	\$ 55,318.34	100.00%
			\$ 3,421,557.34	\$ 396,168.00	\$ 2,704,516.09	
Y	Qualified machinery for Tax Abatement		\$ 2,640,620.00	\$ 66,168.00	\$ 2,297,986.33	
N	Not Qualified for Abatement		\$ 780,937.34	\$ 330,000.00	\$ 406,530.76	