



# CITY OF FRANKLIN

## DEPARTMENT OF COMMUNITY DEVELOPMENT

# Staff Report

**To:** Economic Development Commission Members  
**From:** Dana Monson, Community Development Specialist  
**Date:** January 12, 2021  
**Re:** Case EDC 2021-01– IBC Advanced Alloys (Non Ferrous Products)

**Case EDC 2021-01 – IBC Advanced Alloys:** A request for a 10-year tax abatement on \$3,350,000 in real property investment and a 10-year tax abatement on \$1,810,000 in personal property investment for the construction of an expansion of their manufacturing capacity. This will create a copper alloy casting facility that would supply the current forging and machine shop.

**Location:** 401 Arvin Road, Franklin, IN. 46131



### Summary:

- Characteristics of this location:  
One parcel consisting of 25,000 sf building and additional 5.9 acres undeveloped ground.
- Characteristics of this petitioner:  
IBC Advanced Alloys was established in Franklin Indiana in 2007. The company is a leading supplier of high-performance beryllium-aluminum cast components, specialty copper, and other alloys for global markets. They are one of only two companies in the world that produce aerospace-grade beryllium-aluminum for defense and civilian markets. The company currently has 35 employees at

this location. Some of their largest customers include NASA, Caterpillar, Honeywell, General Dynamics, Los Alamos National Laboratory and Raytheon.

3. Characteristics of this project:

This project will add an additional 32,000 sf to their facility which will be used to create a copper alloy casting facility that would supply the current forging and machine shop process. This would bring an additional 25 employees to the facility with an average hourly base wage of \$27.19/hour.

4. Economic Revitalization Area (ERA):

The property is not located in a current ERA and will require this designation as part of the case. There was a previous ERA designation that expired in October 2000.

5. ERA & Tax Abatements Findings (Real Property):

Indiana Code Section 6-1.1-12.1-3 states that the following findings must be made when considering an ERA designation and the granting of a tax abatement for real property:

- a. Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
- b. Whether 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 proposed redevelopment or rehabilitation;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

6. ERA & Tax Abatements Findings (Personal Property):

Indiana Code Section 6-1.1-12.1-4.5 states that the following findings must be made when considering an ERA designation and the granting of tax abatement for personal property:

- a. Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- b. Whether 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 new manufacturing equipment;
- c. Whether the estimate of annual salaries of those 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;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and

- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

7. City of Franklin “Tax Abatement Policy” criteria:

The “Tax Abatement Policy” section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and this request follows:

- a. *Diversification of Local Occupations*: This project will retain a current Franklin company and the jobs that are located at the current plant. While this does not increase the diversification, it does maintain the current level of diverse jobs in the city.
- b. *Diversification of Local Employment*: The project will add 25 new jobs as well as retain the current number of employees. This plant will also enable the company to increase production which could positively impact the number of new jobs at a later date.
- c. *Increase in Local Salaries*: The average wage for all industries in Johnson County for 2019 was \$19.09. The average hourly wage in Johnson County for Low/moderate wage is \$12.95 per hour. IBC Advanced Alloys will pay an average of \$27.19 per hour, well above the average wage for the county.
- d. *Sustainable Land Use*: The petitioner proposes to make this investment on 5.9 acres that has been undeveloped land the company currently owns.
- e. *Future Community Investment*: The applicant should share with the EDC their plans for future community investment and they have indicated they are agreeable to the Economic Development Fee of 2% for real property and 5% for personal.
- f. *Conformance with the Comprehensive Plan*: The Comprehensive Plan - Future Land Use Plan identifies this property as Industrial General. Industrial General zoning permits the following uses: Industrial Uses • agricultural products terminal • dry cleaners (commercial) • food & beverage production • general industrial production • light industrial assembly & distribution • light industrial processing and distribution • power generation facility (commercial) • research and development facility • truck freight terminal • warehouse & distribution facility

8. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:

- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and

- d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

9. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be for the first year taxes are assessed at an increased assessment rate.

**Staff Comments:**

The Mayor's Office has indicated they are supportive of a tax abatement of 10 years for real property and 7 years for personal property for this project based on the investment amount and the retention of a current Franklin employer. This type of development is what this area was designed to attract and support.

Dec 1, 2020

Krista Linke  
70 E. Monroe Street  
Franklin, In 46131

Re: 2020 Tax Abatement Request – IBC Advanced Alloys

Enclosed is the Tax Abatement Application and supplemental forms requesting tax abatements for IBC Advanced Alloys, located at 401 Arvin Road, Franklin.

IBC Advanced Alloys is looking to expand its manufacturing capacity in 2021. Plans are to build a 32,000 square foot facility on the current property creating a copper alloy casting facility that would supply the current forging and machine shop process for IBC Advanced Alloys.

The IBC Advanced Alloys Franklin facility currently employs 35 full time employees. The planned expansion would create the opportunity to increase the work force by 25, totaling 60 employees, over the next 5 years. The average hourly base wage would be approximately \$28 / hour. Position type would impact the average wage mix annually. IBC Advanced Alloys also offers each full-time employee access to affordable Medical Benefits / 401K and 401K matching after 30 days of employment.

The building and equipment cost is estimated to be \$5.16 million, with construction beginning in 2021 Q1.

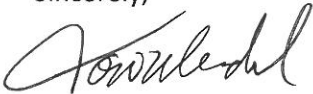
If you have any questions or comments, feel free to contact either:

Melanie Todd – Assistant Controller - IBC Advanced Alloys - 317-739-0413

Toni Wendel – CFO - IBC Advanced Alloys - 317-739-0410

We would like to thank the City of Franklin for considering an abatement in support of this expansion. We look forward to working with you in the future to bring more good paying jobs and opportunities to our community.

Sincerely,

A handwritten signature in black ink, appearing to read 'Toni Wendel', written in a cursive style.

Toni Wendel  
CFO



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Tax Abatement Application

### Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: Non Ferrous Products Inc

Primary Contact Name: Melanie Todd

Contact Address: 401 Arvin Road

City: Franklin

State: IN

Zip: 46131

Phone Number: 317-739-0413

Email: mtodd@ibcadvancedalloys.com

Three possible dates before the EDC

meeting to conduct a site visit: TBD

Name of Owner: IBC US Holdings

Parent Company (If Applicable): IBC Advanced Alloys Corporation

### Primary Contact for Yearly Compliance Reports

Name: Melanie Todd

Title: Assistant Controller

Address: 401 Arvin Road

City: Franklin

State: IN

Zip: 46131

Phone Number: 317-739-0413

Email: mtodd@ibcadvancedalloys.com

### Description of Project

Project Location/Address: 401 Arvin Road, Franklin In 43131

Parcel Number: ID- 41-08-14-012-001-000-009 Legal Description - PT NE S14 T12 R4 (from Beacon)

Brief Description of Project:

See attachment for summary

### Current Assessed Value (AV) of the Property:

1. Land \$253,300

2. Building \$625,000

3. Inventory

4. Equipment \$1,321,570

Have building permits been applied for (if applicable): Yes ☐ No ☒

Has equipment been installed (if applicable): Yes ☐ No ☒

### Required Attachments:

- Completed SB-1 Form(s)
- Legal Description of the Property
- Company Financial Statement
- Job and Wage Description Information Sheet
- Summary of Benefits (if applicable)
- Employment Phase-In Schedule
- Company Investment Timetable
- Compliance Affidavit



### Type of Abatement Requested

Real Property ☒

Personal Property ☒

Length of Abatement Requested: 10 Years

Project Size (square feet): 32,000 square feet

Size of Site (acres): 9.94(Beacon)

Type of Building:

Multiple Tenants (leased) ☐

Single Tenant (leased) ☐

Owner Occupied ☒

Corporate Headquarters ☐

#### Capital Investment

1. Real property capital investment only: \$3,350,000

2. Personal property capital investment only: \$1,810,000

3. Total capital investment for proposed project: \$5,160,000

#### Jobs Created and/or Retained

1. Estimated number of full time jobs created by the proposed project: 25 over 5 years

2. Estimated number of full time jobs retained as a direct result of the proposed project: 35

3. Total number of full time jobs upon project completion: 60

#### Wages Created and Retained

1. Average hourly wage rate for new jobs (w/o benefits) \$27.19 yr 1

2. Average hourly wage rate for jobs retained (w/o benefits) \$28.83 yr 1

\*\*\*In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.

Adding Foundry to current Forging and Machining site in Franklin. Current foundry in Pennsylvania to be relocated to Franklin site. Real and Personal Property investment of \$5.16 million, plus additional \$.8 million investment to get new employees trained, equipment and facility set up and launched. The new facility should create 25 new jobs by end of 2025. Funding / Cash is critical part of success. Currently paying approx. \$27,000 per year in real estate taxes and about \$39,000 per year in personal property taxes.

### Company Information

How long has the company been in existence? Nonferrous Industries Inc. & Subsidiaries was incorporated 8/15/1945

Current address of company headquarters and duration at that address:

Non-Ferrous Industries, Inc. has operated its manufacturing and administrative activities at 401 Arvin Rd., Franklin, IN since 1972. While Non-Ferrous Industries Inc. was acquired by IBC Advanced Alloys Corporation on 10/31/2008, its manufacturing & administrative activities continue at 401 Arvin Rd., Franklin, IN. Additionally, beginning in 2016 all of IBC Advanced Alloys Corp's shared services (Accounting & Human Resources) activities are also conducted at 401 Arvin Rd., Franklin, IN 46131.

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County:

Johnson County 66%

Have you ever received tax abatement at your current location? Yes No

If yes, when and for what term?

What specifically has the company done

to give back to the community:

Participated in Mayors round table as well as Manufacturing Education with Franklin High School

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website ([www.franklin.in.gov](http://www.franklin.in.gov)) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes No

If yes, at what percent(s)?

2% on Real Estate & 5% on Personal Property

# Spending by Quarter for Franklin Project

Estimates Based on Current Monthly Production of \$1.25 mil (\$15 mil Annual)

(Spending shown as Negative)

Franklin Building Expansion Costs	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Total 2021
Build New Structure					
Existing Building Improvements		\$ (1,000,000)	\$ (1,000,000)	\$ (1,100,000)	\$ (3,100,000)
New Machinery / Equipment			\$ (200,000)		\$ (200,000)
Special Tooling / Retooling / Molds				\$ (50,000)	\$ (50,000)
New Furniture and Fixtures					\$ (50,000)
New Computer Hardware	\$ (50,000)				\$ (50,000)
Purchases and Implement New MRP System	\$ (50,000)				\$ (50,000)
	\$ (250,000)				\$ (250,000)
<b>Total Building Construction Costs</b>	<b>\$ (350,000)</b>	<b>\$ (1,050,000)</b>	<b>\$ (1,200,000)</b>	<b>\$ (1,150,000)</b>	<b>\$ (3,750,000)</b>

Total Capital (Real Property)  
Total Personal Property

\$ (3,300,000)  
\$ (450,000)

Q1 2022	Q2 2022	Q3 2022	Q4 2022	Total 2022
\$ (50,000)				\$ (50,000)
				\$ -
\$ (25,000)				\$ (25,000)
\$ (25,000)				\$ (25,000)
\$ (25,000)				\$ (25,000)
\$ (25,000)				\$ (25,000)
\$ (50,000)				\$ (50,000)
<b>\$ (200,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (200,000)</b>

\$ (50,000)  
\$ (150,000)

Q1 2023	Q2 2023	Q3 2023	Q4 2023	Total 2023
				\$ -
				\$ -
\$ (1,100,000)				\$ (1,100,000)
				\$ -
				\$ -
\$ (10,000)				\$ (10,000)
\$ (50,000)				\$ (50,000)
<b>\$ (1,160,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,160,000)</b>

\$ -  
\$ (1,160,000)

Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total 2024
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
\$ (50,000)				\$ (50,000)
<b>\$ (50,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (50,000)</b>

\$ (3,350,000)  
\$ (1,810,000)

Total Project
\$ (3,150,000)
\$ (200,000)
\$ (1,175,000)
\$ (75,000)
\$ (75,000)
\$ (85,000)
\$ (400,000)
<b>\$ (5,160,000)</b>



**JOB AND WAGE DESCRIPTION  
FOR TAX ABATEMENT APPLICATION**

Please provide the following job and wage earning information that is associated with this Tax Abatement Petition (***Please specify all wages in an hourly format without benefits***):

- (1) Company NAICS code: 332110.
- (2) The total number of jobs current at the site: 35, the number of those jobs that will be retained as a direct result of the proposed investment 35, and the number of new jobs which will be created as a direct result of the proposed investment 25.
- (3) The total number of full-time employees at the site: 60.
- (4) The total number of temporary and/or contract employees currently at the site: 2.
- (5) The average hourly wages for the new jobs: \$27.19.
- (6) Will the new jobs being created begin as temporary and/or contract employees? No  
If yes, please provide an explanation of the typical transition process to full time:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(7) Number of new and/or retained jobs in:

- (a) Managerial/Professional Specialty Occ.: 15 Average Hourly Wage: \$39.21
- (b) Technical/Sales/Admin. Support Occ.: 4 Average Hourly Wage: \$37.03
- (c) Service Occ.: 6 Average Hourly Wage: \$21.32
- (d) Precision Production/Craft/Repair Occ.: 4 Average Hourly Wage: \$24.69
- (e) Operators/Fabricators/Laborers: 31 Average Hourly Wage: \$23.41

Note: The total number of jobs specified above should correspond with the Statement of Benefits Form SB-1.

- (8) **Attach detailed information on the types of benefits offered for new employees. A description of all possible bonuses and incentives should also be given if provided.**

# Incremental Head Count 2021-2025 Expansion

Baseline 2020	Additional Employees																				Total Added Employees	All Employees - Baseline + Additional Hires		
	2021					2022					2023					2024							2025	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total			Subtotal Added	Grand Total
10			1	1	2	1				1	1				2					0		5	15	
2					0		1								0				1		2	4		
4					0							1			1					0	2	6		
2					0										0					0	2	4		
17				3	3									1	2					3	14	31		
35	0	0	1	4	5	1	2	2	0	5	1	1	1	3	2	5	0	1	1	3	25	60		

Managerial / Professional  
Technical / Sales  
Service / Admin  
Repair  
Operators / Fabricators  
Total Employees

# Employee Additions / Wage Estimates for Expansion 2021 - 2025

Managerial / Professional  
 Technical / Sales  
 Service / Admin  
 Repair  
 Operators / Fabricators  
 Total Employees

2020 Avg Wage			
# Oper	Avg \$ / Hr	Total Wage	
10	\$ 39.54	\$ 395.44	
2	\$ 37.50	\$ 75.00	
4	\$ 21.50	\$ 86.00	
2	\$ 25.00	\$ 50.00	
17	\$ 23.68	\$ 402.61	
35		\$ 1,009.05	
Avg Wage / Hour		\$	28.83

Added Employees / Wages over 5 Years			
# Oper	Avg \$ / Hr	Total Wage	
5	\$ 38.55	\$ 192.75	
2	\$ 36.56	\$ 73.11	
2	\$ 20.96	\$ 41.92	
2	\$ 24.37	\$ 48.74	
14	\$ 23.09	\$ 323.22	
25		\$ 679.75	
Avg Wage / Hour		\$	27.19

Employees / Average Wage after Expansion			
# Oper	Avg \$ / Hr	Total Wage	
15	\$ 39.21	\$ 588	
4	\$ 37.03	\$ 148	
6	\$ 21.32	\$ 128	
4	\$ 24.69	\$ 99	
31	\$ 23.41	\$ 726	
60		\$ 1,689	
Avg Wage / Hour		\$	28.15

## Added Benefits offered

Comprehensive Individual and Family Health Care Benefits subsidized by company, with the company currently paying over 90% of costs.  
 Health Care Benefits include no out of pocket for Wellness visits as well as Tele- medicine.  
 401K Plan with both traditional and Roth plans available. Company matching up to 3.75% of employee contribution.  
 Group Dental and eye care packages available.

**ENVIRONMENTAL, LAND USE, AND  
PERMITTING COMPLIANCE AFFIDAVIT**

IBC Advance Alloys Corp, parent IBC US Holdings which is  
the parent of Nonferrous Products, Inc.

I, Toni Wendel, (representative) on behalf of \_\_\_\_\_  
(company) represent that, except to the extent that the City of Franklin has been given written notice of  
any environmental, chemical, or waste hazards or violations prior to the date of this affidavit, the  
petition and project plan of \_\_\_\_\_ Nonferrous Products, Inc. as subsidiary (company) does not contemplate,  
contain, nor anticipate: \_\_\_\_\_ of IBC US Holdings whose Parent is IBC  
Advanced Alloys Corp

- (1) any violation(s) of City of Franklin Municipal codes and/or ordinances;
- (2) any violation(s) of applicable zoning ordinances;
- (3) any violation(s) of site plan review and/or building permit requirements;
- (4) any violation(s) of federal or state laws, including but not limited to OSHA and ADA, and all  
other regulations regarding safety, land use, and access;
- (5) any violation(s) of federal or state laws, including but not limited to the creation,  
maintenance, utilization, control, handling, existence, and/or disposal of hazardous waste,  
chemicals, conditions, equipment, materials, entities, or components as defined under federal  
and/or state law.

Nonferrous Products, Inc. as  
subsiadiary of IBC US Holdings whose  
Parent is IBC Advanced Alloys Corp  
Further, \_\_\_\_\_ (company) states that the construction and operation of the  
proposed facility will in no way result in any discharges which will result in interruptions, inconsistencies,  
or failures in the operation of the Franklin Wastewater Treatment facility. The petitioner understands  
that the violation of any element of this affidavit may result in the revocation of any tax abatements or  
other economic incentives which may have been granted by the City of Franklin.

Toni Wendel  
\_\_\_\_\_  
Petitioner

12-22-20  
\_\_\_\_\_  
Date

STATE OF Indiana

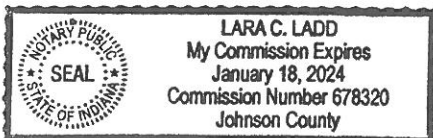
SS:

COUNTY OF Johnson

Subscribed and sworn to before me on this 22<sup>nd</sup> Day of December 2020

My Commission Expires: 01/18/2024

Lara Ladd  
\_\_\_\_\_  
Notary Public





IBC Advanced Alloys

## **IBC ADVANCED ALLOYS CORP.**

### **CONSOLIDATED FINANCIAL STATEMENTS**

Expressed in United States Dollars

**June 30, 2020**



**IBC ADVANCED ALLOYS CORP.**  
**Consolidated Statements of Financial Position**  
(US dollars in thousands)

	Note	June 30 2020 \$	June 30 2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		509	720
Receivables, net	6	3,031	3,219
Inventories, net	7	6,639	6,208
Prepaid expenses and deposits		187	197
<b>Total current assets</b>		<b>10,366</b>	<b>10,344</b>
<b>Non-current assets</b>			
Deposits		318	319
Property, plant, and equipment	3, 8	8,597	7,150
Other assets		1	1
<b>Total non-current assets</b>		<b>8,916</b>	<b>7,470</b>
<b>Total assets</b>		<b>19,282</b>	<b>17,814</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Line of credit	9	3,351	2,846
Accounts payable and accrued liabilities	10, 20	2,972	4,526
Notes payable, related parties	11, 20	110	200
Leases payable	3	472	-
Note payable	11	11	-
Unearned revenue		57	1,123
Loans payable	11	869	936
Arbitration award liability	10, 20	1,395	1,395
Debentures, current portion	11	277	577
<b>Total current liabilities</b>		<b>9,514</b>	<b>11,603</b>
<b>Non-current liabilities</b>			
Loan payable	11	150	-
Lease inducement	10	-	71
Leases payable	3	1,867	-
Debentures	11	1,973	1,776
<b>Total non-current liabilities</b>		<b>3,990</b>	<b>1,847</b>
<b>Total liabilities</b>		<b>13,504</b>	<b>13,450</b>
<b>EQUITY</b>			
Share capital	13	57,515	54,737
Reserves	14	9,355	9,597
Accumulated deficit		(61,092)	(59,970)
<b>Total equity</b>		<b>5,778</b>	<b>4,364</b>
<b>Total liabilities and equity</b>		<b>19,282</b>	<b>17,814</b>
Going concern operation	2		
Commitment and contingencies	18		
Subsequent events	22		

**On behalf of the board of directors:**

*"Simon Anderson"*

Director

Simon Anderson

*"Mark Smith"*

Director

Mark Smith

**See accompanying notes**

**IBC ADVANCED ALLOYS CORP.****Consolidated Statements of Loss and Comprehensive Loss**

(US dollars in thousands, except for share and per share amounts)

Year ended June 30	Note	2020	2019
		\$	\$
<b>Revenue</b>	19	21,148	18,668
<b>Cost of revenue</b>	7, 8	18,187	17,736
<b>Gross profit</b>		2,961	932
<b>Selling, general, and administrative expenses</b>			
Consulting fees	17	238	199
Depreciation	8	143	21
Director fees, cash portion	17	55	54
Doubtful debts recovery		(47)	-
Investor relations		5	100
Office and miscellaneous		619	601
Professional fees		387	394
Public company costs		211	203
Rent		106	85
Salaries, wages, and management fees	17	1,826	1,833
Share-based compensation and services	14, 15	51	330
Travel, meals and entertainment		136	194
		3,730	4,014
<b>Income (loss) before other items</b>		(769)	(3,082)
<b>Other income (expense)</b>			
Foreign exchange		(11)	(49)
Interest & accretion expense	3, 9, 11, 17	(1,111)	(925)
Loss on disposal of assets		(11)	(20)
Interest income		-	7
Other income	11	800	22
<b>Loss before income taxes</b>		(1,102)	(4,047)
<b>Income tax recovery (expense)</b>			
Current	12	(20)	4
		(20)	4
<b>Loss for the year, net of tax</b>		(1,122)	(4,043)
<b>Other comprehensive loss, net of tax</b>			
Foreign currency translation		147	5
<b>Total comprehensive income (loss), net of tax</b>		(975)	(4,038)
<b>Basic and diluted income (loss) per common share</b>	21	(0.02)	(0.11)
<b>Weighted average number of common shares outstanding</b>	21	51,244,519	36,227,834

See accompanying notes

**IBC ADVANCED ALLOYS CORP.**  
**Consolidated Statements of Cash Flows**  
(US dollars in thousands)

Year ended June 30	2020	2019
	\$	\$
<b>Cash flows used in operating activities</b>		
Loss for the year, net of tax	(1,122)	(4,043)
Adjustments for:		
Share-based compensation and services	51	330
Loss on disposal of assets	11	20
Doubtful debts	(47)	-
Depreciation	1,301	820
Sales returns & allowances expenses	98	-
Forgiveness of debt	(777)	-
Foreign exchange expense	11	-
Interest income	-	(7)
Interest expense	1,111	925
Lease inducement	-	(71)
Changes in non-cash working capital items:		
Receivables	235	(404)
Inventories	(281)	(322)
Prepaid expenses and deposits	11	7
Accounts payable and accrued liabilities	(1,594)	358
Unearned revenue	(1,066)	(908)
Net cash used in operating activities	(2,058)	(3,295)
<b>Cash flows from financing activities</b>		
Net line of credit advances	505	486
Interest paid	(454)	(340)
Notes payable, related parties repayments	(90)	(100)
Loan repayments	(67)	(73)
Loan proceeds	938	574
Leases principal repayments	(446)	-
Debentures principal repayments	(244)	-
Debentures financing costs	-	(28)
Options exercised	234	-
Warrants exercised	137	-
Private placement proceeds	1,720	405
Share issue costs	(105)	-
Net cash provided by financing activities	2,128	924
<b>Cash flows used in investing activities</b>		
Interest received	-	6
Purchase of property, plant, and equipment	(270)	(1,447)
Net cash used in investing activities	(270)	(1,441)
<b>Foreign exchange effect on cash</b>	(11)	5
<b>Change in cash during the period</b>	(211)	(3,807)
<b>Cash, beginning of period</b>	720	4,527
<b>Cash, end of period</b>	509	720
Supplemental Cash Flow Information:		
Interest payments, net of amounts capitalized	(454)	(340)
Income tax payments	(20)	4
Non-cash items:		
Issuances of common shares in lieu of services paid in cash	84	168
Issuances of common shares upon debentures converted to shares	47	168
Issuances of common shares in lieu of interest paid in cash	341	133

See accompanying notes

**EXHIBIT A**  
**LEGAL DESCRIPTION**

**LAND DESCRIPTION**

TRACT "B"

PART OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 12 NORTH, RANGE 4 EAST OF THE SECOND PRINCIPAL MERIDIAN, FRANKLIN, INDIANA, DESCRIBED AS FOLLOWS:

COMMENCING AT A P-K NAIL FOUND AND MARKING THE NORTHEAST CORNER OF SAID QUARTER SECTION; THENCE SOUTH 89 DEGREES 06 MINUTES WEST (ASSUMED BEARING) ALONG THE NORTH LINE THEREOF 1348.50 FEET TO AN IRON PIN SET AND MARKING THE POINT OF BEGINNING OF THIS DESCRIBED TRACT; THENCE CONTINUING SOUTH 89 DEGREES 06 MINUTES 06 SECONDS WEST ALONG LAST SAID NORTH LINE 664.35 FEET TO AN IRON PIN SET; THENCE SOUTH 00 DEGREES 17 MINUTES 06 SECONDS WEST 803.56 FEET TO AN IRON PIN SET 5.29 FEET NORTH OF THE CENTERLINE OF AN EXISTING SWITCH TRACK TO ARVIN INDUSTRIES; THENCE SOUTH 85 DEGREES 18 MINUTES 54 SECONDS EAST 100.00 FEET TO AN IRON PIN SET 4.13 FEET NORTHERLY FROM AND PERPENDICULAR TO LAST SAID SWITCH TRACK; THENCE SOUTH 88 DEGREES 09 MINUTES 54 SECONDS EAST 100.00 FEET TO AN IRON PIN SET 5.70 FEET NORTHERLY FROM AND PERPENDICULAR TO THE CENTERLINE OF SAID SWITCH TRACK; THENCE NORTH 88 DEGREES 54 MINUTES 06 SECONDS EAST 75.00 FEET TO AN IRON PIN SET 6.54 FEET NORTHERLY FROM AND PERPENDICULAR TO THE CENTERLINE OF SAID SWITCH TRACK; THENCE NORTH 82 DEGREES 10 MINUTES 06 SECONDS EAST 75.00 FEET TO AN IRON PIN SET 7.66 FEET NORTHERLY FROM AND PERPENDICULAR TO THE CENTERLINE OF SAID SWITCH TRACK; THENCE NORTH 77 DEGREES 20 MINUTES 06 SECONDS EAST 75.00 FEET TO AN IRON PIN SET 5.54 FEET NORTHERLY FROM AND PERPENDICULAR TO THE CENTERLINE OF SAID SWITCH TRACK; THENCE NORTH 71 DEGREES 16 MINUTES 06 SECONDS EAST 75.00 FEET TO AN IRON PIN SET 4.58 FEET NORTHERLY FROM AND PERPENDICULAR TO THE CENTERLINE OF SAID SWITCH TRACK; THENCE NORTH 68 DEGREES 53 MINUTES 06 SECONDS EAST 75.00 FEET TO AN IRON PIN SET 5.38 FEET NORTHERLY FROM AND PERPENDICULAR TO THE CENTERLINE OF SAID SWITCH TRACK; THENCE NORTH 72 DEGREES 58 MINUTES 35 SECONDS EAST 96.45 FEET TO AN IRON PIN SET 4.83 FEET NORTHERLY FROM AND PERPENDICULAR TO THE CENTERLINE OF SAID SWITCH TRACK; THENCE NORTH 01 DEGREE 02 MINUTES 06 SECONDS EAST 718.01 FEET TO THE POINT OF BEGINNING, CONTAINING 11.971 ACRES, MORE OR LESS, AND BEING THE SAME AS OR CONTAINED ENTIRELY WITHIN THE TRACT OF LAND DESCRIBED BY DEED RECORD 199, PAGE 253 IN THE RECORDS OF THE RECORDER OF JOHNSON COUNTY, INDIANA, AND BEING SUBJECT TO AN ELECTRIC POLE LINE EASEMENT RECORDED IN DEED RECORD 90, PAGE 308 AND DEED RECORD 210, PAGE 418, AND DEED RECORD 224, PAGE 851; ALSO SUBJECT TO A GAS LINE EASEMENT RECORDED IN DEED RECORD 224, PAGE 530, AND SUBJECT TO ALL OTHER LEGAL RIGHTS-OF-WAY, EASEMENTS AND RESTRICTIONS.



# STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20\_21\_ PAS 20\_22

FORM SB-1 / Real Property

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)  
☐ Eligible vacant building (IC 6-1.1-12.1-4.8)

## 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** 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) **BEFORE** a deduction may be approved.
- To obtain a deduction, application Form 322 ERA/RE or Form 322 ERA/VBD, Whichever is applicable, must be filed with the County Auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)]
- The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000. The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.

## SECTION 1 TAXPAYER INFORMATION

Name of taxpayer Nonferrous Products Inc		
Address of taxpayer (number and street, city, state, and ZIP code) 401 Arvin Rd., Franklin, IN 46131-1549		
Name of contact person Melanie Todd	Telephone number ( 317 ) 739 - 0413	E-mail address mtodd@ibcadvancedalloys.com

## SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body City of Franklin	Resolution number
Location of property 401 Arvin Rd., Franklin, IN 46131-1549	County Johnson
DLGF taxing district number 41-009	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) See Attached sheet for complete description and estimated timing	Estimated start date (month, day, year) 02/01/2021
	Estimated completion date (month, day, year) 3/31/2024

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
35	\$28.83/hr.	35	\$28.83/hr.	25	\$27.19

## 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

	COST	ASSESSED VALUE
Current values	\$2,198,771	\$873,300
Plus estimated values of proposed project	\$3,350,000	\$3,350,000
Less values of any property being replaced	\$0	\$0
Net estimated values upon completion of project	\$5,548,771	\$4,223,300

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

Estimated solid waste converted (pounds) 0	Estimated hazardous waste converted (pounds) 0
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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) December 21, 2020
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**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, 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 | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Residentially distressed areas                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Occupancy of a vacant building                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
- C. The amount of the deduction applicable is limited to \$ \_\_\_\_\_.
- D. Other limitations or conditions (specify) \_\_\_\_\_
- E. The deduction is allowed for \_\_\_\_\_ years\* (see below).

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)
Attested by (signature and title of attester)	Designated body	

\* 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 6-1.12-12.1-4.

- A. For residentially distressed areas, the deduction period may not exceed five (5) years.
- B. For redevelopment and rehabilitation or real estate improvements:
1. If the Economic Revitalization Area was designated prior to July 1, 2000, the deduction period is limited to three (3), six (6), or ten (10) years.
  2. If the Economic Revitalization Area was designated after June 20, 2000, the deduction period may not exceed ten (10) years.
- C. For vacant buildings, the deduction period may not exceed two (2) years.



# 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:

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. "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 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
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. 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 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

Nonferrous Products Inc

Address of taxpayer (number and street, city, state, and ZIP code)

401 Arvin Rd., Franklin, IN 46131-1549

Name of contact person

Melanie Todd

Telephone number

## SECTION 2

### LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body

Resolution number (s)

Location of property

401 Arvin Rd., Franklin, IN 46131-1549

County

Johnson

DLGF taxing district number

41-009

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)

As new new foundry building is completed with upgrades to air filtration, bag house, and water cooling for furnaces in existing building. Repositioning out of state furnaces into Johnson county Facility to create local jobs. Adding new ERP software to track quoting of products manufactured, inventory movement and valuation as well as costing and process flow. Adding new machines to enhance productivity and efficiency of operations to create a fully integrated vertical facility producing raw materials and which are then manufactured into finished goods per customer orders and specifications.

### ESTIMATED

START DATE

COMPLETION DATE

Manufacturing Equipment

02/01/2021

03/31/2024

R & D Equipment

02/01/2021

03/31/2024

Logist Dist Equipment

02/01/2021

03/31/2024

IT Equipment

10/01/2020

03/31/2024

## SECTION 3

### ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number

35

Salaries

\$28.83/hr

Number retained

35

Salaries

\$28.83/hr

Number additional

25

Salaries

\$27.19/hr

## 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

\$4,497,081

\$1,321,570

\$0

\$0

\$9,000

\$0

\$0

\$0

Plus estimated values of proposed project

\$1,325,000

\$1,325,000

\$0

\$0

\$0

\$0

\$485,000

\$485,000

Less values of any property being replaced

\$0

\$0

\$0

\$0

\$0

\$0

\$0

\$0

Net estimated values upon completion of project

\$5,822,081

\$2,646,570

\$0

\$0

\$9,000

\$0

\$485,000

\$485,000

## SECTION 5

### WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds)

0

Estimated hazardous waste converted (pounds)

0

Other benefits:

## SECTION 6

### TAXPAYER CERTIFICATION

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

Signature of authorized representative

Toni Ulendel

Title

CFO

Date signed (month, day, year)

December 21, 2020

# 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;            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment.  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4. Installation of new information technology equipment;   | <input type="checkbox"/> Yes <input type="checkbox"/> 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:

- |                                     |                                      |
|-------------------------------------|--------------------------------------|
| <input type="checkbox"/> 1 year     | <input type="checkbox"/> 6 years     |
| <input type="checkbox"/> 2 years    | <input type="checkbox"/> 7 years     |
| <input type="checkbox"/> 3 years    | <input type="checkbox"/> 8 years     |
| <input type="checkbox"/> 4 years    | <input type="checkbox"/> 9 years     |
| <input type="checkbox"/> 5 years ** | <input type="checkbox"/> 10 years ** |

\*\* For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.

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 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

## **EXHIBIT C**

### **Real Property Schedule**

**5.9 acres**

**401 Arvin Drive**

**Parcel Number:**

**41-08-14-012-001.000-009**

**Resolution 2021-02**

**Non Ferrous Products DBA IBC Advanced Alloys**

<b>Year</b>	<b>Abatement</b>
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%

### **Personal Property Schedule**

**Resolution 2021-05**

<b>Year</b>	<b>Abatement</b>
1	100%
2	85%
3	71%
4	57%
5	43%
6	29%
7	14%