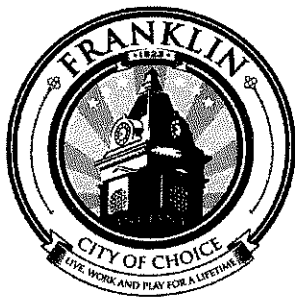


AGENDA RESERVATION REQUEST**CITY OF FRANKLIN
COMMON COUNCIL**

Please type or print

Date Submitted:	03/14/13	Meeting Date:	03/18/13
Contact Information:			
Requested by:	Krista Linke		
On Behalf of Organization or Individual: Heartland Machine/One Amigo Realty			
Telephone:	317-736-3631		
Email address:	klinke@franklin.in.gov		
Mailing Address:	70 E. Monroe St., Franklin, IN 46131		
Describe Request:			
Resolution 13-11: Granting Tax Abatement for Heartland Machine/One Amigo Realty LLC			
Resolution 13-13: Confirming Resolution for 13-11			
List Supporting Documentation Provided:			
Memorandum			
EDC 2013-05 Staff Report Including Attachments			
Resolution 13-11, Exhibits A & B			
Resolution 13-13			
Who will present the request?			
Name:	Krista Linke	Telephone:	317-736-3631
	Tom Goin – Heartland machine		

The Franklin City Council meets on the 1st and 3rd Monday of each month at 6:30 p.m. in the Council Chambers of City Hall located at 70 E. Monroe Street. In order for an individual and/or agency to be considered for new business on the agenda, this reservation form and supporting documents must be received in the Mayor's office no later than 12:00 p.m. on the Wednesday before the meeting.



CITY OF FRANKLIN

Community DEVELOPMENT DEPARTMENT

Memorandum

To: City Council
From: Krista Linke, Director
Date: March 13, 2013
Re: Real Property Tax Abatement Request – One Amigo Realty LLC (Heartland Machine)

The City of Franklin Economic Development Commission (EDC) reviewed and acted on a real property tax abatement request from Heartland Machine (property owned by One Amigo Realty LLC), at a meeting held on March 12th, 2013. The board voted unanimously to forward a favorable recommendation to the City Council for a 10 year tax abatement with a 2% Economic Development Fee.

The property has not been designated an Economic Revitalization Area. Therefore, two resolutions and two meetings are needed.

Attached to this memo are:

1. Resolution 2013-11
2. Exhibit "A" – Legal Description
3. Exhibit "B" - Form SB-1 Real Property
4. Resolution 2013-11 (Confirming Resolution 2013-11)
5. Case EDC 2013-05 Staff Report
6. Application and requested forms
7. Sample Tax Phase-In Savings Schedules

If you have any questions regarding this request please contact me directly at 346-1250.

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2013-13

**RESOLUTION SETTING FORTH FINAL ACTION IN DETERMINING AN ECONOMIC REVITALIZATION AREA
AND CONFIRMING RESOLUTION 2013-11 OF MARCH 18TH, 2013
(EDC 2013-05: HEARTLAND MACHINE/ONE AMIGO REALTY)**

WHEREAS, the Common Council of the City of Franklin, Indiana has adopted a Community Investment Incentives Summary and Application Procedure on March 27, 2000; and

WHEREAS, pursuant to said Community Investment Incentives Summary and Application Procedure, One Amigo Realty LLC (2848 N. Graham Road) has filed a "Tax Abatement Request," pursuant to IC 6-1.1-2.1-1 et seq.; and

WHEREAS, at a regular meeting of the Common Council of the City of Franklin, Indiana held on March 18th, 2013, said Common Council reviewed and approved said request and declared certain real estate within the City of Franklin, Indiana to be an "Economic Revitalization Area" pursuant to the specification of Resolution Number 2013-11, adopted and approved that date; and

WHEREAS, pursuant to IC 6-1.1-12.1-1 et seq. the Common Council of the City of Franklin, Indiana has properly published "Notice of Public Hearing by the Common Council of the City of Franklin, Indiana regarding the designation of the area as an Economic Revitalization Area;" and

WHEREAS, no remonstrance, written or oral, have been filed with regard to Resolution Number 2013-11 stating opposition of any type or character, to said Resolution, or the designation of the real estate described therein as an "Economic Revitalization Area;" and

Now, therefore be it resolved by the Common Council of the City of Franklin, Indiana as follows:

1. Final Action: After legally required public notice, and after a public hearing pursuant to such notice, the Common Council of the City of Franklin, Indiana hereby takes "final action," as that phrase is defined in IC 6-1.1-12.1-1 et seq. With regard to the tax abatement request by One Amigo Realty LLC, and the adoption of Resolution Number 2013-11 of March 18th, 2013.
2. Confirmation of Resolution Number 2013-11: It is hereby declared by the Common Council of the City of Franklin, Indiana that Resolution Number 2013-11, adopted on March 18th, 2013 is in all respects hereby affirmed, and it is hereby stated that the Economic Development Commission's determination that the real estate controlled by One Amigo Realty LLC, as described in Resolution Number 2012-11 is designated as an Economic Revitalization Area.
3. Effective Date: This Resolution shall be effective immediately upon its passage subject to any right of appeal as provided by State Law.
4. Filing with Johnson County Authorities: Upon adoption of the Resolution, the Clerk-Treasurer of the City of Franklin, Indiana shall cause a certified copy of this Resolution to be filed with the Johnson County Assessor and/or such other Johnson County government officials as shall be necessary to make One Amigo Realty LLC, eligible to file for real estate tax abatement as to the

real property contemplated by the tax abatement request reviewed and approved by Resolution Number 2013-11 and ratified and affirmed by this Resolution.

DULY PASSED on this 1st day of April, 2013, by the Common Council of the City of Franklin, Johnson County, Indiana, having been passed by a vote of _____ in Favor and _____ Opposed.

City of Franklin, Indiana, By its Common Council:

Voting Affirmative:

Stephen D. Barnett, Council President

Joseph P. Abban

Joseph R. Ault

Kenneth W. Austin

Robert D. Henderson

Stephen D. Hougland

Richard L. Wertz

Voting Opposed:

Stephen D. Barnett, Council President

Joseph P. Abban

Joseph R. Ault

Kenneth W. Austin

Robert D. Henderson

Stephen D. Hougland

Richard L. Wertz

Attest:

Janet P. Alexander
City Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this 1st day of April, 2013.

Janet P. Alexander
City Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me this [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this 1st day of April, 2013.

Joseph E. McGuinness

Mayor

Attest:

Janet P. Alexander
City Clerk-Treasurer

APPROVED AS TO FORM:

Lynnette Gray
City Attorney

**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

Exhibit B20 13 PAY 20 14

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)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, **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 Heartland Machine & Engineering, LLC					
Address of taxpayer (number and street, city, state, and ZIP code) 2850 Graham Road, Franklin, IN 46131					
Name of contact person Tom Goin		Telephone number (317) 346-0463		E-mail address Tom.Goin@heartlandme.com	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body City of Franklin				Resolution number 13-11	
Location of property 2860 Graham Road, Franklin, IN		County Johnson		DLGF taxing district number	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) Build a 20,000 Sq. ft. Bldg. to support machine tools distribution. Building will provide office space, showroom facilities & warehouse space for crated machines to be distributed.				Estimated start date (month, day, year) 5/8/2013	
				Estimated completion date (month, day, year) 10/01/2013	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 18	Salaries \$1,080,144	Number retained 18	Salaries \$1,080,144	Number additional 7	Salaries \$364,000.00
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			
		COST		ASSESSED VALUE	
Current values		63,000.00		\$92,600.00	
Plus estimated values of proposed project		\$800,000.00		\$800,000.00	
Less values of any property being replaced					
Net estimated values upon completion of project		\$863,000.00		\$892,600.00	
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER					
Estimated solid waste converted (pounds) 0.00			Estimated hazardous waste converted (pounds) 0.00		
Other benefits The addition of this facility will bring new residents to the Franklin area from Korea, providing opportunities to the city for housing growth and added property tax revenues. The growing company will continue to promote the use of local businesses and provide jobs with above average pay. The company will represent the City of Franklin to several nations throughout the world. We will continue to contribute to the good of the community through local charities and organizations.					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative 		Title Owner		Date signed (month, day, year) 02/28/2013	

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 | ☐ Yes | ☐ No |
| 2. Residentially distressed areas | ☐ Yes | ☐ No |
| 3. Occupancy of a vacant building | ☐ Yes | ☐ 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) Steve Barnett President	Telephone number 317-736-3631	Date signed (month, day, year) 3-18-13
Attested by (signature and title of attester) Krista Linke Director	Designated body 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 6-1.12-12.1-4.

- 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.



CITY OF FRANKLIN

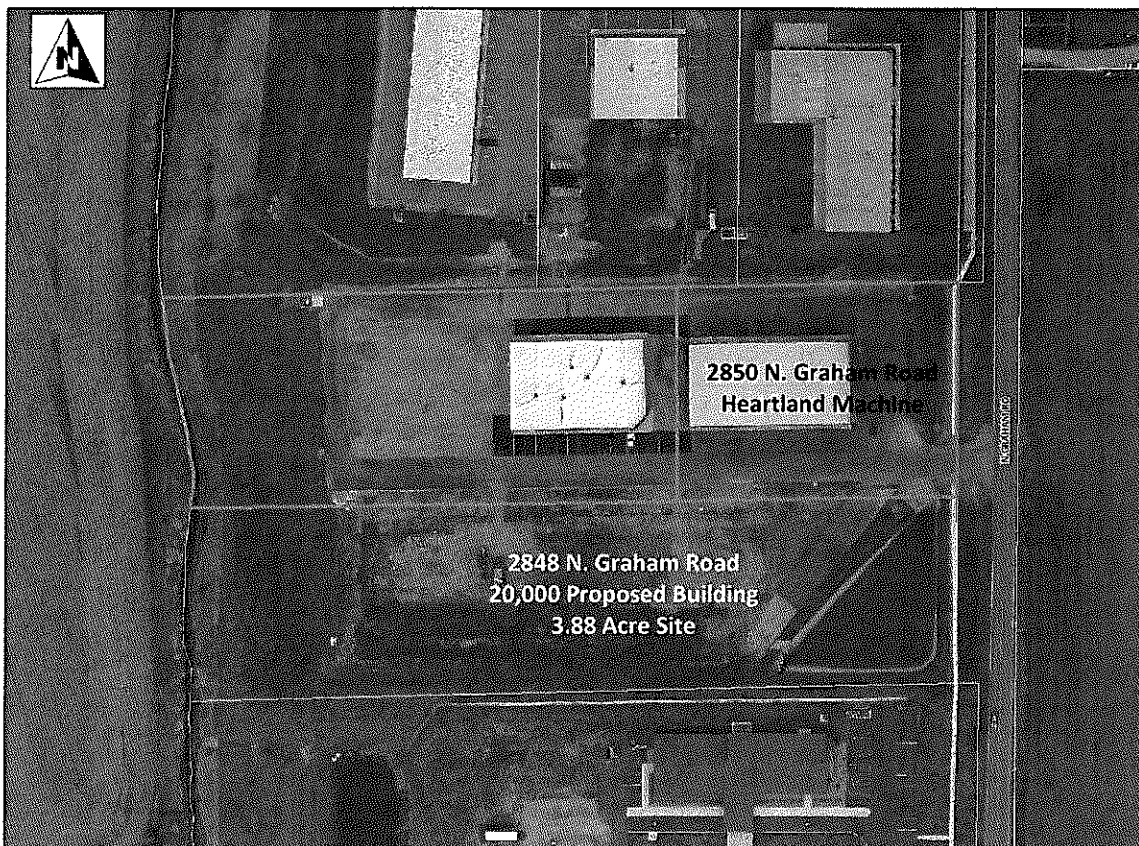
DEPARTMENT OF COMMUNITY DEVELOPMENT

Staff Report

To: Economic Development Commission Members
From: Krista Linke, Director
Date: March 4, 2013
Re: Case EDC 2013-05 – Heartland Machine and Engineering LLC

Case EDC 2013-05 – Heartland Machine and Engineering LLC: A request for a tax abatement on a 20,000 square foot building valued at \$800,000.

Location: 2848 Graham Road



1 inch = 200 feet

Created: Franklin Planning Dept. - 3/13
K. ToBoty

Summary:

1. Characteristics of this location:

The Legal Description is: Lot 3 Replat of Block B Miller Flex Space Section Two. The property is a vacant lot located immediately south of Heartland Machine (2850 N. Graham Road). Originally platted to allow multiple buildings on one property, an address range of 2842-2848 N. Graham Road was assigned.

Characteristics of this petitioner:

Heartland Machine & Engineering (HME) provides machine tool sales, service, engineering, and applied automation. The HME team has the capability of supporting its customers with simple machinery installation to complex and fully automated manufacturing.

Heartland Machine does not currently have any active tax abatements with the City of Franklin.

2. Characteristics of this project:

Heartland Machine and Engineering is planning to build a 20,000 square foot building to support machine tool distribution. The building will provide office space for 6-8 employees, showroom facilities and warehousing for crated machines to be distributed.

3. Economic Revitalization Area (ERA):

This property has not been designated an ERA.

4. 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.

5. City of Franklin "Tax Abatement Policy" criteria:

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:* The total number of jobs at the current site is 18. With the proposed expansion, all 18 jobs will be retained and 7 new jobs will be added. The average

hourly wage rate for jobs retained is \$28.85 (without benefits). The average hourly wage for new jobs is \$25.00 (without benefits). According to the U.S. Census Bureau, 2010 County Business Patterns, there were 12 industrial machinery and equipment merchant wholesalers in Johnson County in 2010.

- b. *Diversification of Local Manufacturing Employment:* According to www.stats.indiana.edu, there were 92 Merchant Wholesalers, Durable Goods Establishments and 725 jobs in Johnson County in the first quarter of 2012.
- c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for the first quarter of 2012 was \$16.45. The average hourly wage in Johnson County for wholesale trade in the first quarter of 2012 was \$25.05 per hour. The average hourly wage in Johnson County for Merchant Wholesalers, Durable Goods, in the first quarter of 2012 was \$25.05.
- d. *Sustainable Land Use:* The petitioner proposes to build the new building on the empty lot next to their current location.
- e. *Future Community Investment:* The proposed new building will utilize a vacant industrial lot next to Heartland Machine's existing location.
- f. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Future Land Use Plan, identifies this property as a Business Development Area. Business development areas are intended to serve as both the permanent home of small scale businesses and incubators of new local companies. Land uses in business development areas include manufacturing, light industrial operations, contractor's offices, and products suppliers. In many instances the types of businesses in these areas are those that have both commercial and industrial qualities. The business development areas provide these uses the ability to serve customers in a setting that allows outdoor storage and the operation of heavy equipment and machinery that often are involved.

The property is zoned IBD, Industrial: Business Development. The "IBD," Industrial: Business Development zoning district is intended to provide locations for small scale manufacturing, construction, production, and assembly uses, as well as other light industrial uses. This district is specifically intended to provide appropriate setbacks and standards for small-scale businesses, entrepreneurial operations, start-up businesses, and similar operations.

6. 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).

7. Tax Abatement Worksheet:

A copy of the Tax Abatement Worksheet from the *City of Franklin Community Investment Incentives Summary* is enclosed with the staff report. This document is recommended as an outline for considering and documenting these tax abatement requests for this meeting.

8. Requested Effective Year:

The abatement, if approved, would be effective for the tax year 2013, payable 2014.

Staff Comments:

This is an existing Franklin company that is considering making further investment in the community. Their company growth will create an additional 7 jobs with average hourly wages similar to the Johnson County average in that industry sector.

7. Tax Abatement Worksheet:

A copy of the Tax Abatement Worksheet from the *City of Franklin Community Investment Incentives Summary* is enclosed with the staff report. This document is recommended as an outline for considering and documenting these tax abatement requests for this meeting.

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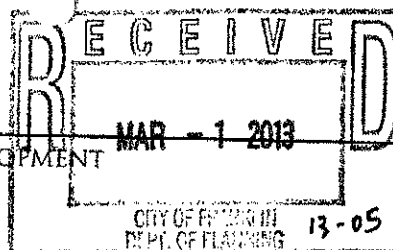
Staff Comments:

This is an existing Franklin company that is considering making further investment in the community. Their company growth will create an additional 7 jobs with average hourly wages similar to the Johnson County average in that industry sector.



CITY OF FRANKLIN

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT



Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: Heartland Machine & Engineering LLC
Primary Contact Name: Tom Goin
Contact Address: 2850 N Graham Road
City: Franklin State: IN Zip: 46131
Phone Number: (317) 346-0463
Email: Tom.Goin@heartlandme.com
Three possible dates before the EDC meeting to conduct a site visit:
Name of Owner: Tom Goin
Parent Company (if Applicable): _____

Primary Contact for Yearly Compliance Reports

Name: Tom Goin
Title: Owner
Address: 2850 Graham Road
City: Franklin State: IN Zip: 46131
Phone Number: (317) 346-0463
Email: Tom.Goin@heartlandme.com

Description of Project

Project Location/Address: ~~2850~~ Graham Road, Franklin, IN 46131 2842 - (2848) N. Graham Rd.
Parcel Number: 41-08-02-024-003.000-009

Brief Description of Project:

Build a 20,000 square ft. building to support machine tool distribution. This building will provide office space for 6-8 employees, showroom facilities and warehousing for crated machines to be distributed.

Current Assessed Value (AV) of the Property:

1. Land \$92,600.00
2. Building _____
3. Inventory _____
4. Equipment _____

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

Type of Abatement RequestedReal Property ☒Personal Property ☐**Project Details**

Project Size (square feet): 20,000

Size of Site (acres): 3.88

Type of Building:Multiple Tenants (leased) ☐Single Tenant (leased) ☐Owner Occupied ☒Corporate Headquarters ☐**Capital Investment**

1. Real property capital investment only: \$800,000.00

2. Personal property capital investment only:

3. Total capital investment for proposed project: \$800,000.00

Jobs Created and/or Retained

1. Estimated number of full time jobs created by the proposed project: 7

2. Estimated number of full time jobs retained as a direct result of the proposed project: 18

3. Total number of full time jobs upon project completion: 25

Wages Created and Retained

1. Average hourly wage rate for new jobs (w/o benefits) \$25.00

2. Average hourly wage rate for jobs retained (w/o benefits) \$28.85

***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:

The tax abatement from the city allows for our small company to continue to grow, add new jobs, and continue to provide a benefit to the community.

Company Information

How long has the company been in existence? since 9/2010

Current address of company headquarters and duration at that address: 2850 Graham Road, Franklin, Indiana

Since March, 2012

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

28%

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:

job creation with above average pay, promotion of local businesses, donations to charitable organizations and the local food pantry

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, paid by the applicant, 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. More information can be found on the City's website (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%

**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: 423830.
- (2) The total number of jobs current at the site: 18, the number of those jobs that will be retained as a direct result of the proposed investment 18, and the number of new jobs which will be created as a direct result of the proposed investment 7.
- (3) The total number of full-time employees at the site: 25.
- (4) The total number of temporary and/or contract employees currently at the site: 0.
- (5) The average hourly wages for the new jobs: \$25.00.
- (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.: 2 Average Hourly Wage: \$25.00
- (b) Technical/Sales/Admin. Support Occ.: 3 Average Hourly Wage: \$25.00
- (c) Service Occ.: 2 Average Hourly Wage: \$25.00
- (d) Precision Production/Craft/Repair Occ.: 0 Average Hourly Wage: _____
- (e) Operators/Fabricators/Laborers: 0 Average Hourly Wage: _____

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.

**EMPLOYMENT PHASE-IN SCHEDULE
SAMPLE JOB CREATION/RETENTION TIMETABLE**

Year of Abatement	Job Type 1	Job Type 2	Job Type 3	Job Type 4	Total
1st Quarter	2012	2012			
2nd Quarter					
3rd Quarter	2	3	2		7
4th Quarter					
Year of Abatement	2013	2013	2013		
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement	2014	2014	2014		
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL	2	3	2		7

SAMPLE COMPANY INVESTMENT TIMETABLE

Year of Abatement	Buildings	Equip. Type 1	Equip. Type 2	Equip. Type 3	Total
1st Quarter	2012				
2nd Quarter	600,000				600,000
3rd Quarter	900,000				900,000
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL	800,000				800,000



TAX ABATEMENT APPLICATION

SUMMARY OF BENEFITS

- ◆ Anthem HDHP Health Plan Employee Coverage paid 100% by Heartland Machine
- ◆ Anthem HDHP Health Plan Dependent Premiums payable through Section 125 Plan
- ◆ Select Account Health Savings Account contributions payable through Section 125 Plan
- ◆ Best Life Dental Plan, Employee Coverage paid 100% by Heartland Machine
- ◆ Best Life Dental Plan Dependent Premiums payable through Section 125 Plan
- ◆ 401(k) Plan with Safe Harbor Contributions up to 4% of eligible pay
- ◆ Mutual of Omaha Short-Term Disability Insurance paid 100% by Heartland Machine
- ◆ Mutual of Omaha Long-Term Disability Insurance paid 100% by Heartland Machine
- ◆ Paid Vacation Time

3 YEAR				
Heartland Machine & Engineering LLC				
Sample Property Tax on Real Property (3 Year) with 2% Economic Development Fee				
Real Property Tax Investment: \$800,000				
Tax Rate: 3.6195%				
	2013 Payable 2014	2014 Payable 2015	2015 Payable 2016	
True Cash Value	\$800,000	\$800,000	\$800,000	
Assessed Value	\$800,000	\$800,000	\$800,000	
Net Tax Rate	3.6195%	3.6195%	3.6195%	Total
Tax w/o Abatement	\$28,956	\$28,956	\$28,956	\$86,868
Abatement Rate	100%	66%	33%	
Amount Abated	\$28,956	\$19,111	\$9,555	Total
Taxes Paid w/Abatement	\$0	\$9,845	\$19,401	\$29,246
Total Fees Paid				
2% Fee	\$579	\$382	\$191	\$1,152
Total Tax Saving without Economic Development Fee				
				\$57,622
Total Tax Savings with 2% Economic Development Fee				
				\$56,470

7 YEAR							
Heartland Machine & Engineering LLC							
Sample Property Tax on Real Property (7 Year) with 2% Economic Development Fee							
Real Property Tax Investment: \$800,000							
Tax Rate: 3.6195%							
	2013 Payable 2014	2014 Payable 2015	2015 Payable 2016	2016 Payable 2017	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020
True Cash Value	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Assessed Value	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%
Tax w/o Abatement	\$28,956	\$28,956	\$28,956	\$28,956	\$28,956	\$28,956	\$28,956
Total							\$202,692
Abatement Rate	100%	85%	71%	57%	43%	29%	14%
Amount Abated	\$28,956	\$24,613	\$20,559	\$16,505	\$12,451	\$8,397	\$4,054
Taxes Paid w/Abatement	\$0	\$4,343	\$8,397	\$12,451	\$16,505	\$20,559	\$24,902
Total							\$87,158
Total Fees Paid							
2% Fee	\$579	\$492	\$411	\$330	\$249	\$168	\$81
Total							\$2,311
Total Tax Saving without Economic Development Fee							
							\$115,534
Total Tax Savings with 2% Economic Development Fee							
							\$113,224

