AGENDA RESERVATION REQUEST

CITY OF FRANKLIN
COMMON COUNCIL
Please type or print

Date Submitted:	July 10, 2013	**Meeting Date:**	July 15, 2013
Contact Information:			
Requested by:	Krista Linke		
On Behalf of Organization or Individual:	Nitrex, Inc.		
Telephone:	317-736-3631		
Email address:	klinke@franklin.in.gov		
Mailing Address:	70 E. Monroe St., Franklin, IN 46131		
Describe Request:			
EDC 2013-06: Nitrex, Inc.			
Resolution 2013-16 Amending Resolutions 2011-02 and 2011-03 granting tax abatement for Nitrex, Inc.			
List Supporting Documentation Provided:			
Memo from Krista Linke			
Sample Property Tax Tables for new investment			
Resolution 2013-16			
Minutes from the July 9, 2013 Economic Development Commission Meeting			
Staff Report for Case EDC 2011-01 (Original Tax Abatement Request)			
Who will present the request?			
Name:	Krista Linke, Community Development Director Michael Rodman, Nitrex Business Manager	**Telephone:**	317-736-3631

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.

Memorandum

To: Economic Development Commission

From: Krista Linke, Director

Date: June 4, 2013

Re: Personal Property Tax Abatement Modification Request – Nitrex Inc.

The City of Franklin Economic Development Commission and City Council reviewed and approved a personal property tax abatement request from Nitrex, Inc., through Resolutions 2011-02 and 2011-03. In addition, GROK Enterprises, owner of the property where Nitrex, Inc. is located, received a 10 year abatement on $1,000,000 worth of real property with a 2% Economic Development Fee. The personal property abatement was granted for 10 years with a 5% Economic Development Fee on $2,913,050 worth of personal property. The completion date for the project was December 31st, 2013. Twelve new jobs were to be created with total salaries of $341,974.

In the attached letter, Chris Morawski, President of Nitrex, Inc., explains that only $1,362,000 worth of machinery has been purchased to date and the number of additional employees is also behind schedule. They are requesting an increase in the amount of machinery purchased to $6,300,000 and an extended completion date of December 31st, 2014. They still indicate they will retain 25 employees and add 12 employees, at the previously indicated salaries.

In order to accommodate this request, a new resolution would need to be approved by the City Council, amending resolution 2011-02 and 2011-03 (the confirming resolution).

The letter from Nitrex, Inc., dated May 16, 2013 is attached, along with the original staff report from 2011 and updated sample property tax tables.

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

3 YEAR

Nitrex, Inc.

Sample Property Tax on Personal Property (3 Year)

Personal Property Tax Investment: $6,300,000

Tax Rate: 3%

	2014 Payable 2015	*2014 Payable 2015*	*2015 Payable 2016*	
Cost of Equipment	$6,300,000	$6,300,000	$6,300,000	
True Cash Percentage Rate	65%	50%	35%	
True Cash Value	$4,095,000	$3,150,000	$2,205,000	
Net Tax Rate	3.0%	3.0%	3.0%	***Total***
Tax w/o Abatement	$122,850	$94,500	$66,150	***$283,500***
Abatement Rate	100%	66%	33%	
Amount Abated	$122,850	$62,370	$21,830	***Total***
Taxes Paid w/Abatement	$0	$32,130	$44,321	***$76,451***
				Total Fees Paid
5% Fee	$6,143	$3,119	$1,091	***$10,352***

Total Tax Savings without Economic Development Fee

$207,050

Total Tax Savings with 5% Economic Development Fee

$196,697

5 YEAR

Nitrex, Inc.

Sample Property Tax on Personal Property (5 Year Period)

Personal Property Tax Investment: $6,300,000

Tax Rate: 3.0%

	2014 Payable 2015	***2015 Payable 2016***	***2016 Payable 2017***	***2017 Payable 2018***	***2018 Payable 2019***	
Cost of Equipment	$6,300,000	$6,300,000	$6,300,000	$6,300,000	$6,300,000	
True Cash Percentage Rate	40%	56%	42%	32%	24%	
True Cash Value	$2,520,000	$3,528,000	$2,646,000	$2,016,000	$1,512,000	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	***Total***
Tax w/o Abatement	$75,600	$105,840	$79,380	$60,480	$45,360	***$366,660***
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	$75,600	$84,672	$47,628	$24,192	$9,072	***Total***
Taxes Paid w/Abatement	$0	$21,168	$31,752	$36,288	$36,288	***$125,496***
						Total Fees Paid
5% Fee	$3,780	$4,234	$2,381	$1,210	$454	***$12,058***

Total Tax Savings without Economic Development Fee

$241,164

Total Tax Savings with 5% Economic Development Fee

$229,106

7 YEAR

Nitrex, Inc.

Sample Property Tax on Personal Property (7 Year Period)

Personal Property Tax Investment: $6,300,000

Tax Rate: 3.0%

	2014 Payable 2015	***2015 Payable 2016***	***2016 Payable 2017***	***2017 Payable 2018***	***2018 Payable 2019***	***2019 Payable 2020***	***2020 Payable 2021***	
Cost of Equipment	$6,300,000	$6,300,000	$6,300,000	$6,300,000	$6,300,000	$6,300,000	$6,300,000	
True Cash Percentage Rat	40%	56%	42%	32%	24%	18%	15%	
True Cash Value	$2,520,000	$3,528,000	$2,646,000	$2,016,000	$1,512,000	$1,134,000	$945,000	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	***Total***
Tax w/o Abatement	$75,600	$105,840	$79,380	$60,480	$45,360	$34,020	$28,350	***$429,030***
Abatement Rate	100%	85%	71%	57%	43%	29%	14%	
Amount Abated	$75,600	$89,964	$56,360	$34,474	$19,505	$9,866	$3,969	***Total***
Taxes Paid w/Abatement	$0	$15,876	$23,020	$26,006	$25,855	$24,154	$24,381	***$139,293***
								Total Fees Paid
5% Fee	$3,780	$4,498	$2,818	$1,724	$975	$493	$198	***$14,487***

Total Tax Savings without Economic Development Fee

$289,737

Total Tax Savings with 5% Economic Development Fee

$275,250

10 YEAR

Nitrex, Inc.

Sample Property Tax on Personal Property (10 Year Period)

Personal Property Tax Investment: $6,300,000

Tax Rate: 3.0%

	2014 Payable 2015	2015 Payable 2016	2016 Payable 2017	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	2020 Payable 2021	2021 Payable 2022	2022 Payable 2023	2023 Payable 2024	
Cost of Equipment	$6,300,000	$6,300,000	$6,300,000	$6,300,000	$6,300,000	$6,300,000	$6,300,000	$6,300,000	$6,300,000	$6,300,000	
True Cash Percentage Rate	40%	60%	55%	45%	37%	30%	25%	20%	16%	12%	
True Cash Value	$2,520,000	$3,780,000	$3,465,000	$2,835,000	$2,331,000	$1,890,000	$1,575,000	$1,260,000	$1,008,000	$756,000	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	***Total***
Tax w/o Abatement	$75,600	$113,400	$103,950	$85,050	$69,930	$56,700	$47,250	$37,800	$30,240	$22,680	***$642,600***
Abatement Rate	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	
Amount Abated	$75,600	$102,060	$83,160	$59,535	$41,958	$28,350	$18,900	$11,340	$6,048	$2,268	***Total***
Tax Paid w/Abatement	$0	$11,340	$20,790	$25,515	$27,972	$28,350	$28,350	$26,460	$24,192	$20,412	***$213,381***
											Total Fees Paid
5% Fee	$3,780	$5,103	$4,158	$2,977	$2,098	$1,418	$945	$567	$302	$113	***$21,461***

Total Tax Savings without Economic Development Fee

$429,219

Total Tax Savings with 5% Economic Development Fee

$407,758

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2013-16

A RESOLUTION GRANTING TAX ABATEMENT FOR NITREX, INC. (AMENDING RESOLUTION NUMBER 2011-02)

WHEREAS, the economic growth and development of the City of Franklin, Johnson County, Indiana is the primary goal of the community;

WHEREAS, the Franklin Economic Development Commission has on July 9th, 2013, held a public meeting and considered amending the tax abatement request of *Nitrex, Inc. (300 Blue Chip Court)* approved by Resolution 2011-02 and confirmed by Resolution 2011-03, in a manner consistent with the *City of Franklin Community Investment Incentives Summary* and the applicable section of the Indiana Code;

WHEREAS, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5 and recommended that Nitrex, Inc. receive a ten (10) year tax abatement with a 5% Economic Development Fee, on personal property located at the real estate described as "Exhibit A" for the manufacturing equipment described in the tax abatement request as 300 Blue Chip Court;

WHEREAS, a copy of the Amended Statement of Benefits recommended for approval by the Franklin Economic Development Commission is attached hereto as "Exhibit B;"

WHEREAS, the said real estate as described in "Exhibit A" is located in an existing Economic Revitalization Area as approved by the City of Franklin Common Council with City Council Resolution Number 2011-03;

WHEREAS, the Common Council has received and reviewed "Exhibit B" with all attachments, and that such attachments are made a part hereof and incorporated herein, all which together contain the necessary statements of benefits and description of the project, along with the recommendation of the Economic Development Commission for tax abatement for personal property; and

WHEREAS, the Common Council has give careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5.

NOW THEREFORE BE IT RESOLVED THAT:

1) The abatement of personal property tax shall extend for a period of ten (10) years pursuant to the deduction schedule set forth in IC 6-1.1-12.1-4.5(e)(10).

2) Nitrex, Inc. shall be required to provide the City of Franklin with information showing the extent to which there has been compliance with the statement of benefits submitted in their request

for tax abatement within sixty (60) days after the end of each year in which the deduction is applicable, as required by IC 6-1.1-12.1-5.1.

3) A copy of this resolution and a description of the affected area will be available and can be inspected in the office of the Johnson County Assessor and the City Clerk/Treasurer.

APPROVED by the Common Council of the City of Franklin, Johnson County, Indiana, this ______ day of _________________, 2013.

City of Franklin, Indiana, by its Common Council:

Voting Affirmative:	**Voting Opposed:**
______________________________	______________________________
Stephen D. Barnett, Council President	Stephen D. Barnett, Council President
______________________________	______________________________
Joseph P. Abban	Joseph P. Abban
______________________________	______________________________
Joseph R. Ault	Joseph R. Ault
______________________________	______________________________
Kenneth W. Austin	Kenneth W. Austin
______________________________	______________________________
Robert D. Henderson	Robert D. Henderson
______________________________	______________________________
Stephen D. Hougland	Stephen D. Hougland
______________________________	______________________________
Richard L. Wertz	Richard L. Wertz

Attest:

____
Janet P. Alexander
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 this ______ day of __________________, 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 this ______ day of __________________, 2013.

____
Joseph E. McGuinness
Mayor

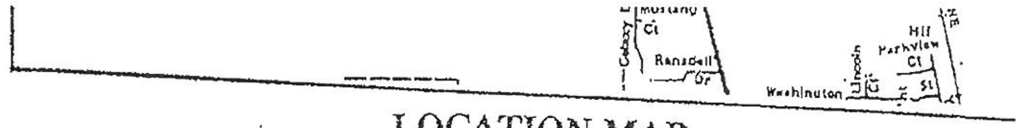
Attest:

____
Janet P. Alexander
City Clerk-Treasurer

APPROVED AS TO FORM:

____
Lynnette Gray
City Attorney

ACTOR TO REQUEST
)N SET" PRIOR TO
NSTRUCTION



LOCATION MAP

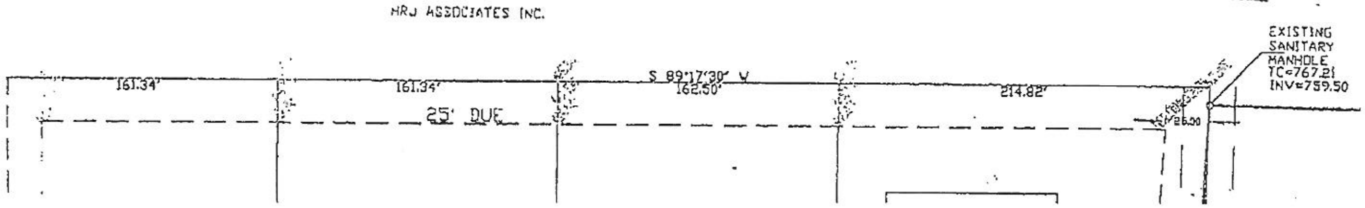
Exhibit A

LEGAL DESCRIPTION

Lot Numbers 3 and 4 in Blue Chip Industrial Park, an addition to the City of Franklin as recorded in the Office of the Recorder of Johnson County, Indiana more particularly described as follows:

Beginning at the northeast corner of the aforedescribed Lot No. 4 thence South 00 degrees 00 minutes 00 seconds West a distance of 261.91 feet; thence South 90 degrees 00 minutes 00 seconds West a distance of 82.84 feet; thence on and along a concave south curve to the left with a radius of 70.00 feet an arc distance of 86.04 feet and a chord bearing and distance of North 86 degrees 26 minutes 08 seconds West – 139.73 feet; thence on and along a curve to the right concave northwest with a radius of 40.00 feet an arc distance of 21.53 feet and a chord bearing and distance of South 22 degrees 33 minutes 05 seconds W21.27 feet; thence South 89 degrees 17 minutes 30 seconds West a distance of 146.84 feet; thence North 00 degree 00 minutes 00 seconds East a distance of 270.02 feet; thence North 89 degrees 17 minutes 30 seconds East a distance of 377.32 feet to the point of beginning containing 2.11 acres more or less subject however to all legal rights-of way and easements of record.

HRJ ASSOCIATES INC.



STATEMENT OF BENEFITS
PERSONAL PROPERTY

State Form 51764 (R2 / 12-11)
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).

EXHIBIT B

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 or with the county assessor if there is no township assessor for the township. 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, unless an alternative deduction schedule is adopted by the designating body (IC 6-1.1-12.1-17).*

SECTION 1 — TAXPAYER INFORMATION

Name of taxpayer
Nitrex Inc.

Address of taxpayer *(number and street, city, state, and ZIP code)*
350 Blue Chip Court, Franklin, IN 46131

Name of contact person
Michael Rodman

Telephone number
(317) 346-7700

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body

Resolution number (s)

Location of property
300 Blue Chip Court, Franklin, IN 46131

County

DLGF taxing district number

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)

Manufacturing equipment will consist of various heat treating furnaces, and some auxiliary equipment, such as racking, blasters, washers, pumping systems, cranes, and electrical panels.

	ESTIMATED START DATE	ESTIMATED COMPLETION DATE
Manufacturing Equipment	07/01/2011	12/31/2014
R & D Equipment		
Logist Dist Equipment		
IT Equipment		

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
25	881,567.00	25	881,567.00	12	341,974.00

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.

	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values	1,786,059.00							
Plus estimated values of proposed project	6,300,000.00							
Less values of any property being replaced	3,659.00							
Net estimated values upon completion of project	8,082,400.00							

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	Title	Date signed *(month, day, year)*
[signature]	President	May 16, 2013

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

July 9, 2013

Members Present:

John Ditmars	President
H. Lee Hodgen	Vice-President
Tony Wellings	Secretary
Ken Austin	Member
Jake Sappenfield	Member

Others Present:

Rob H. Schafstall	Legal Counsel
Krista Linke	Director of Community Development
Jaime Shilts	Recording Secretary

Call to Order:
John Ditmars called the meeting to order at 8:00 a.m.

Approval of Minutes:
Ken Austin made a motion to approve the June 11, 2013 minutes as presented. Tony Wellings seconded the motion. The motion carried.

Old Business:
EDC 2013-06: Nitrex Inc.:
Mr. Ditmars stated that the ERA designation has been taken care of at the last meeting. Michael Rodman, Business Manager for Nitrex, stated that he appeared last time for a continuation of the abatement. They are expanding and will be spending $2.9 million in 2014. They plan for 14 additional employees and have added 4 since the last EDC meeting. They will be purchasing new ovens and furnaces. Mr. Rodman stated they would like to amend the abatement granted in 2011. Ms. Linke agreed this would be a less complicated way to track the abatement during yearly compliance reports, versus granting a new abatement for the additional investment amount. Mr. Ditmars stated that they need to decide if they want to do 10 or 7 years. There were two votes in favor of amending the abatement for 10 years and one against, at last month's meeting. Mr. Schafstall stated if they stay at 10 years, they can add on to the current abatement. If the term is different, the EDC should consider a new abatement for the additional amount.

Ken Austin made a motion to modify the 10 year abatement from 2011, Case EDC 2011-01, for $6.3 million with 12 new jobs and retaining 25. The resolution number will be EDC 2013-06 for $6.3 million for a ten year abatement.

Tony Wellings seconded the motion. Jake Sappenfield-yes, Lee Hodgen-yes, Tony Wellings-yes, Ken Austin-yes, John Ditmars-no. The motion carried 4-1.

The City Council meeting for the new resolution will be July 15th.

EDC 2013-07: NSK Precision America, Inc.:
Jeremy Peters, NSK Precision Plant Manager, stated their plan is to spend $10.2 million for expansion to prevent outsourcing and to replace aging equipment. They will add 28 additional jobs. The request is for a 10 year abatement on personal property. They are agreeable to the 5% Economic Development Fee. Mr. Wellings stated they have already paid out $4,500 in economic development fees this year.

Tony Wellings made a motion to approve a 10 year tax abatement on $10.2 million on personal property. Jake Sappenfield seconded the motion. Jake Sappenfield-yes, Lee Hodgen-yes, Tony Wellings-yes, Ken Austin-yes, John Ditmars-no. The motion carried 4-1.

EDC 2013-08: NSK Corporation:
Kyle Steins, NSK Corporation, stated they are requesting a 10 year abatement on $20 million. They are expanding the business capacity and moving manual operations to automatic operations. They will be converting 18 temporary jobs to full time positions. It does include a 5% economic development fee.

Tony Wellings made a motion to approve a 10 tax abatement on $20 million of personal property. Lee Hodgen seconded the motion. Jake Sappenfield seconded the motion.

Jake Sappenfield-yes, Lee Hodgen-yes, Tony Wellings-yes, Ken Austin-yes, John Ditmars-no. The motion carried 4-1.

New Business:
EDC 2013-09: Rexam Waiver of Non-Compliance:
Ms. Linke stated that she was contacted by Thomas Sislow, representing Rexam. He explained that when their abatement was granted in 2010, amended 2012, they didn't request their tax abatement on their most recent tax returns. The county will not amend the returns without a waiver of noncompliance from the city. The original amount was $14.5 million for manufacturing equipment. In 2012 they increased the equipment amount to $17,797,000 through Resolution 12-08. They are requesting that they be allowed to file amended returns.

Ken Austin made a motion in favor of a waiver of non-compliance. Jake Sappenfield seconded the motion. The motion carried 5-0.

Other Business:
Ms. Linke stated there were a number of businesses that have not paid their economic development fees. She provided a list of the business for the commission. They requested that she follow up with the businesses listed that have not paid and report back.

Adjournment:
There being no further business, the meeting was adjourned. Respectfully submitted this 13th day of August, 2013.

John Ditmars, President	Tony Wellings, Secretary

Memorandum

To: Economic Development Commission Members

From: Krista Linke, Director

Date: May 24th, 2011

Re: Case EDC 2011-01: GROK Enterprises & Nitrex

Case EDC 2011-01 – GROK Enterprises, LLC and Nitrex Inc.: A request for a 10-year tax abatement on $1,000,000 in real property and $2,913,050 of personal property investment .

Location: 300 Blue Chip Court

Summary:

1. Characteristics of this location:

   Tom Rose of GROK Enterprises plans to work with the Bemis Group to construct a new 14,400 square foot building on the adjacent lot to the current Nitrex location at 350 Blue Chip Court. GROK Enterprises is the owner of 350 Blue Chip Court as well.

2. <u>Characteristics of this petitioner:</u>

   GROK Enterprises and Nitrex have current abatements at 350 Blue Chip Court.

   Nitrex partners with various companies to offer world-wide service within the heat treat industry. They first moved to Franklin in 2001 due to the need for commercial heat treat. As stated in their inducement letter, despite the economic downturn, the Franklin facility has undergone constant growth. They are at the point that the existing building limits production so they are proposing an additional building on the adjacent lot.

3. <u>Characteristics of this project:</u>

   Nitrex partnered with GROK Enterprises in 2000 and built a 8,400 square foot facility in Franklin that was expanded to 14,400 square feet in 2005. Now due to a steady growth of a well managed heat treating business, Nitrex has asked GROK Enterprises to construct another manufacturing building adjacent to their existing facility on Blue Chip Court. GROK Enterprises, along with the Bemis Group would like to begin construction on this new facility by July 1, 2011 and anticipate construction to be completed by December 1, 2011. GROK Enterprises will invest approximately $1,000,000 in this new 15,400 square foot facility.

   A partial list of equipment being purchased can be found at the bottom of the attachment "Personal Property Investment @ Nitrex, Inc." A complete list should be provided to the EDC for their review. Only manufacturing equipment can be abated.

4. <u>Economic Revitalization Area (ERA):</u>

   This property was designated an ERA by Resolution 2000-17. It runs with the 10 year abatement that was approved effective 2002 payable 2003. Therefore, the ERA designation is in effect for 2011 payable 2012. Since this abatement would be effective 2012 payable 2013 a new ERA designation and resolution needs to be approved.

5. <u>ERA & Tax Abatements Findings (Real Property):</u>

   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 a 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 instillation 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 the GROK Enterprises/Nitrex request follows:

a. *Diversification of Local Occupations*: The total number of jobs at the current site is 25. In addition to the 25 full-time employees currently at the site, three temporary and/or contract employees are employed there as well. The company proposes 12 additional jobs by the end of 2014. One position is anticipated to be created by the end of 2011, three additional positions by the end of 2012, four additional positions by the end of 2013, and three additional positions by the end of 2014 for a total of 12. For a detail of what type of positions will be created in which year please see the attached "Job Type @ Nitrex, Inc – Indiana Operations." Nitrex states that new employees are typically hired through an employment agency, with the exception of salaried (quality and engineering) employees. They are typically direct hires. Contracts for new employees hired through an employment agency average 90 days, at which point the employee is hired as a full-time Nitrex employee.

- 2 current engineering/managerial/technical with an average hourly wage of $38.46
- 2 new engineering/managerial/technical with an average hourly wage of $24.52
- 6 current quality/lab technician/managerial with an average hourly wage of $15.24
- 1 new quality/lab technician/managerial with an average hourly wage of $13.46

- 4 current maintenance/service/craft/repair with an average hourly wage of $15.43
- 6 current supervisors with an average hourly wage of $17.62
- 2 new supervisors with an average hourly wage of $12.98
- 7 current operator/laborer/production with an average hourly wage of $12.58
- 7 new operator/laborer/production with an average hourly wage of $10.85

Wage figures do not include benefits. Nitrex has established paid time off as well as health and dental benefits. A 401k plan is also offered for employee's investment.

b. *Diversification of Local Manufacturing Employment*: According to the 2007 U.S. Census Bureau Economic Census, Fabricated Metal Product Manufacturing makes up 12% of the manufacturing sector employees in Johnson County.

c. *Increase in Local Salaries*: The Company reports the average wage for all new employees at the proposed facility to be $13.70 per hour. These salary figures do not include bonuses and benefits. According to the 2002 Economic Census, the average wage for all industries in Johnson County was $13.69 per hour. The average wage in Johnson County for the manufacturing sector in 2007 was $18.99 per hour. The average hourly wage for the manufacturing sector in Franklin was $20.56 in 2007.

d. *Sustainable Land Use*: The petitioner proposes to make this investment on the lot adjacent to their current location. This industrial park was developed for these types of projects.

e. *Future Community Investment*: In addition to the equipment being proposed, Nitrex is considering installation of a $2,500,000 state-of-the-art vacuum carburizing multi-chamber system with possible 20bar positive quench capabilities. This equipment will not only keep local work within the greater-Franklin area, but attract specialized work throughout the country, possibly the world.

f. *Conformance with the Comprehensive Plan*: The Comprehensive Plan - Future Land Use Plan identifies this property as Manufacturing. Manufacturing areas are intended to accommodate large scale businesses that produce finished products from raw materials. Uses in these areas may include product manufacturers as well as any related warehousing and offices. Manufacturing areas may include facilities that involve emissions or the outdoor storage of materials and finished products. These two factors are the primary distinction between manufacturing areas and light industrial areas.

   The property is zoned IG, Industrial: General. The "IG," Industrial: General zoning district is intended to provide locations for general industrial manufacturing, production, assembly, warehousing, research and development facilities, and similar land uses. This district is intended to accommodate a variety of industrial uses in locations and under conditions that minimize land use conflicts. This district should be used to support industrial retention and expansion in Franklin.

8. <u>Tax Abatement Duration:</u>

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. <u>Tax Abatement Worksheet:</u>

   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.

10. <u>Requested Effective Year:</u>

    The petitioner has requested that, if approved, the tax abatement be effective for the tax year 2012, payable 2013.

Staff Comments:

This tax abatement petition proposes an economic development project that meets all of the above outlined criteria to be considered in granting a tax abatement. The only area in which the application is not as strong as others is in the average hourly wage.

The Economic Development Fee has been discussed and explained to Nitrex. Based on the merits of this proposal, the length of abatement as well as percent for the economic development fee (if you should desire to request it) should be negotiated with the companies during the EDC meeting.

GROK/Nitrex

Sample Property Tax on Real Property (3 Year Period) Schedule

Real Property Tax Investment: $1,000,000

Tax Rate: 3.6195%

	2012 Payable 2013	***2013 Payable 2014***	***2014 Payable 2015***	
True Cash Value	$1,000,000	$1,000,000	$1,000,000	
Assessed Value	$1,000,000	$1,000,000	$1,000,000	
Net Tax Rate	3.6195%	3.6195%	3.6195%	***Total***
Tax w/o Abatement	$36,195	$36,195	$36,195	***$108,585***
Abatement Rate	100%	66%	33%	
Amount Abated	$36,195	$23,889	$11,944	***Total***
Taxes Paid w/Abatement	$0	$12,306	$24,251	***$36,557***

Total Tax Savings

$72,028

GROK/Nitrex

Sample Property Tax on Real Property (3 Year) with 2% Economic Development Fee

Real Property Tax Investment: $1,000,000

Tax Rate: 3.6195%

	2012 Payable 2013	***2013 Payable 2014***	***2014 Payable 2015***	
True Cash Value	$1,000,000	$1,000,000	$1,000,000	
Assessed Value	$1,000,000	$1,000,000	$1,000,000	
Net Tax Rate	3.6195%	3.6195%	3.6195%	***Total***
Tax w/o Abatement	$36,195	$36,195	$36,195	***$108,585***
Abatement Rate	100%	66%	33%	
Amount Abated	$36,195	$23,889	$11,944	***Total***
Taxes Paid w/Abatement	$0	$12,306	$24,251	***$36,557***
				Total Fees Paid
2% Fee	$724	$478	$239	***$1,441***

Total Tax Savings with 2% Economic Development Fee

$70,587

GROK/Nitrex

Sample Property Tax on Real Property (5 Year Period) Schedule

Real Property Tax Investment: $1,000,000

Tax Rate: 3.6195%

	2012 Payable 2013	***2013 Payable 2014***	***2014 Payable 2015***	***2015 Payable 2016***	***2016 Payable 2017***	
True Cash Value	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Assessed Value	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	***Total***
Tax w/o Abatement	$36,195	$36,195	$36,195	$36,195	$36,195	***$180,975***
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	$36,195	$28,956	$21,717	$14,478	$7,239	***Total***
Taxes Paid w/Abatement	$0	$7,239	$14,478	$21,717	$28,956	***$72,390***

Total Tax Savings

$108,585

GROK/Nitrex

Sample Property Tax on Real Property (5 Year Period) with 2% Economic Development Fee

Real Property Tax Investment: $1,000,000

Tax Rate: 3.6195%

	2012 Payable 2013	***2013 Payable 2014***	***2014 Payable 2015***	***2015 Payable 2016***	***2016 Payable 2017***	
True Cash Value	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Assessed Value	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	***Total***
Tax w/o Abatement	$36,195	$36,195	$36,195	$36,195	$36,195	***$180,975***
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	$36,195	$28,956	$21,717	$14,478	$7,239	***Total***
Taxes Paid w/Abatement	$0	$7,239	$14,478	$21,717	$28,956	***$72,390***
						Total Fees Paid
2% Fee	$724	$579	$434	$290	$145	***$2,172***

Total Tax Savings with 2% Economic Development Fee

$106,413

GROK/Nitrex

Sample Property Tax on Real Property (7 Year Period) Schedule

Real Property Tax Investment: $1,000,000

Tax Rate: 3.6195%

	2012 Payable 2013	*2013 Payable 2014*	*2014 Payable 2015*	*2015 Payable 2016*	*2016 Payable 2017*	*2017 Payable 2018*	*2018 Payable 2019*	
True Cash Value	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Assessed Value	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	*Total*
Tax w/o Abatement	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	*$253,365*
Abatement Rate	100%	85%	71%	57%	43%	29%	14%	
Amount Abated	$36,195	$30,766	$25,698	$20,631	$15,564	$10,497	$5,067	*Total*
Taxes Paid w/Abatement	$0	$5,429	$10,497	$15,564	$20,631	$25,698	$31,128	*$108,947*

Total Tax Savings

$144,418

GROK/Nitrex

Sample Property Tax on Real Property (7 Year) with 2% Economic Development Fee

Real Property Tax Investment: $1,000,000

Tax Rate: 3.6195%

	2012 Payable 2013	*2013 Payable 2014*	*2014 Payable 2015*	*2015 Payable 2016*	*2016 Payable 2017*	*2017 Payable 2018*	*2018 Payable 2019*	
True Cash Value	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Assessed Value	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	*Total*
Tax w/o Abatement	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	*$253,365*
Abatement Rate	100%	85%	71%	57%	43%	29%	14%	
Amount Abated	$36,195	$30,766	$25,698	$20,631	$15,564	$10,497	$5,067	*Total*
Taxes Paid w/Abatement	$0	$5,429	$10,497	$15,564	$20,631	$25,698	$31,128	*$108,947*
								Total Fees Paid
2% Fee	$724	$615	$514	$413	$311	$210	$101	*$2,888*

Total Tax Savings with 2% Economic Development Fee

$141,530

GROK/Nitrex

Sample Property Tax on Real Property (10 Year Period) Schedule

Real Property Tax Investment: $1,000,000

Tax Rate: 3.6195%

	2012 Payable 2013	***2013 Payable 2014***	***2014 Payable 2015***	***2015 Payable 2016***	***2016 Payable 2017***	***2017 Payable 2018***	***2018 Payable 2019***	***2019 Payable 2020***	***2020 Payable 2021***	***2021 Payable 2022***	
True Cash Value	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Assessed Value	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	***Total***
Tax w/o Abatement	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	***$361,950***
Abatement Rate	100%	95%	80%	65%	50%	40%	30%	20%	10%	5%	
Amount Abated	$36,195	$34,385	$28,956	$23,527	$18,098	$14,478	$10,859	$7,239	$3,620	$1,810	***Total***
Taxes Paid w/Abatement	$0	$1,810	$7,239	$12,668	$18,098	$21,717	$25,337	$28,956	$32,576	$34,385	***$182,785***
											Total Tax Savings
											$179,165

GROK/Nitrex

Sample Property Tax on Real Property (10 Year Period) Schedule with 2% Fee

Real Property Tax Investment: $1,000,000

Tax Rate: 3.6195%

	2012 Payable 2013	***2013 Payable 2014***	***2014 Payable 2015***	***2015 Payable 2016***	***2016 Payable 2017***	***2017 Payable 2018***	***2018 Payable 2019***	***2019 Payable 2020***	***2020 Payable 2021***	***2021 Payable 2022***	
True Cash Value	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Assessed Value	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	***Total***
Tax w/o Abatement	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	$36,195	***$361,950***
Abatement Rate	100%	95%	80%	65%	50%	40%	30%	20%	10%	5%	
Amount Abated	$36,195	$34,385	$28,956	$23,527	$18,098	$14,478	$10,859	$7,239	$3,620	$1,810	***Total***
Taxes Paid w/Abatement	$0	$1,810	$7,239	$12,668	$18,098	$21,717	$25,337	$28,956	$32,576	$34,385	***$182,785***
											Total Fees Paid
2% Fee	$724	$688	$579	$471	$362	$290	$217	$145	$72	$36	***$3,583***

Total Tax Savings with 2% Economic Development Fee

$175,582

GROK/Nitrex

Sample Property Tax on Personal Property (3 Year Period) Schedule

Personal Property Tax Investment: $2,913,050

Tax Rate: 3.6195%

	2012 Payable 2013	***2013 Payable 2014***	***2014 Payable 2015***	
Cost of Equipment	$2,913,050	$2,913,050	$2,913,050	
True Cash Percentage Rate	65%	50%	35%	
True Cash Value	$1,893,483	$1,456,525	$1,019,568	
Net Tax Rate	3.6195%	3.6195%	3.6195%	***Total***
Tax w/o Abatement	$68,535	$52,719	$36,903	***$158,157***
Abatement Rate	100%	66%	33%	
Amount Abated	$68,535	$34,794	$12,178	***Total***
Taxes Paid w/Abatement	$0	$17,924	$24,725	***$42,650***

Total Tax Savings

$115,507

GROK/Nitrex

Sample Property Tax on Personal Property (3 Year) with 5% Economic Development Fee

Personal Property Tax Investment: $2,913,050

Tax Rate: 3.6195%

	2012 Payable 2013	***2013 Payable 2014***	***2014 Payable 2015***	
Cost of Equipment	$2,913,050	$2,913,050	$2,913,050	
True Cash Percentage Rate	65%	50%	35%	
True Cash Value	$1,893,483	$1,456,525	$1,019,568	
Net Tax Rate	3.6195%	3.6195%	3.6195%	***Total***
Tax w/o Abatement	$68,535	$52,719	$36,903	***$158,157***
Abatement Rate	100%	66%	33%	
Amount Abated	$68,535	$34,794	$12,178	***Total***
Taxes Paid w/Abatement	$0	$17,924	$24,725	***$42,650***
				Total Fees Paid
5% Fee	$3,427	$1,740	$609	***$5,775***

Total Tax Savings with 5% Economic Development Fee

$109,732

GROK/Nitrex

Sample Property Tax on Personal Property (5 Year Period) Schedule

Personal Property Tax Investment: $2,913,050

Tax Rate: 3.6195%

	2012 Payable 2013	***2013 Payable 2014***	***2014 Payable 2015***	***2015 Payable 2016***	***2016 Payable 2017***	
Cost of Equipment	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	
True Cash Percentage Rate	40%	56%	42%	32%	24%	
True Cash Value	$1,165,220	$1,631,308	$1,223,481	$932,176	$699,132	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	***Total***
Tax w/o Abatement	$42,175	$59,045	$44,284	$33,740	$25,305	***$204,549***
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	$42,175	$47,236	$26,570	$13,496	$5,061	***Total***
Taxes Paid w/Abatement	$0	$11,809	$17,714	$20,244	$20,244	***$70,011***

Total Tax Savings

$134,539

GROK/Nitrex

Sample Property Tax on Personal Property (5 Year Period) Schedule with 5% Economic Development Fee

Personal Property Tax Investment: $2,913,050

Tax Rate: 3.6195%

	2012 Payable 2013	***2013 Payable 2014***	***2014 Payable 2015***	***2015 Payable 2016***	***2016 Payable 2017***	
Cost of Equipment	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	
True Cash Percentage Rate	40%	56%	42%	32%	24%	
True Cash Value	$1,165,220	$1,631,308	$1,223,481	$932,176	$699,132	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	***Total***
Tax w/o Abatement	$42,175	$59,045	$44,284	$33,740	$25,305	***$204,549***
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	$42,175	$47,236	$26,570	$13,496	$5,061	***Total***
Taxes Paid w/Abatement	$0	$11,809	$17,714	$20,244	$20,244	***$70,011***
						Total Fees Paid
5% Fee	$0	$590	$886	$1,012	$1,012	***$3,501***

Total Tax Savings with 5% Economic Development Fee

$131,038

GROK/Nitrex

Sample Property Tax on Personal Property (7 Year Period) Schedule

Personal Property Tax Investment: $2,913,050

Tax Rate: 3.6195%

	2012 Payable 2013	***2013 Payable 2014***	***2014 Payable 2015***	***2015 Payable 2016***	***2016 Payable 2017***	***2017 Payable 2018***	***2018 Payable 2019***	
Cost of Equipment	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	
True Cash Percentage Rate	40%	56%	42%	32%	24%	18%	15%	
True Cash Value	$1,165,220	$1,631,308	$1,223,481	$932,176	$699,132	$524,349	$436,958	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	***Total***
Tax w/o Abatement	$42,175	$59,045	$44,284	$33,740	$25,305	$18,979	$15,816	***$239,344***
Abatement Rate	100%	85%	71%	57%	43%	29%	14%	
Amount Abated	$42,175	$50,188	$31,442	$19,232	$10,881	$5,504	$2,214	***Total***
Taxes Paid w/Abatement	$0	$8,857	$12,842	$14,508	$14,424	$13,475	$13,601	***$77,708***

Total Tax Savings

$161,636

GROK/Nitrex

Sample Property Tax on Personal Property (7 Year Period) Schedule with 5% Economic Development Fee

Personal Property Tax Investment: $2,913,050

Tax Rate: 3.6195%

	2012 Payable 2013	***2013 Payable 2014***	***2014 Payable 2015***	***2015 Payable 2016***	***2016 Payable 2017***	***2017 Payable 2018***	***2018 Payable 2019***	
Cost of Equipment	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	
True Cash Percentage Rate	40%	56%	42%	32%	24%	18%	15%	
True Cash Value	$1,165,220	$1,631,308	$1,223,481	$932,176	$699,132	$524,349	$436,958	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	***Total***
Tax w/o Abatement	$42,175	$59,045	$44,284	$33,740	$25,305	$18,979	$15,816	***$239,344***
Abatement Rate	100%	85%	71%	57%	43%	29%	14%	
Amount Abated	$42,175	$50,188	$31,442	$19,232	$10,881	$5,504	$2,214	***Total***
Taxes Paid w/Abatement	$0	$8,857	$12,842	$14,508	$14,424	$13,475	$13,601	***$77,708***
								Total Fees Paid
5% Fee	$2,109	$2,509	$1,572	$962	$544	$275	$111	***$8,082***

Total Tax Savings with 5% Economic Development Fee

$153,554

GROK/Nitrex

Sample Property Tax on Personal Property (10 Year Period) Schedule

Personal Property Tax Investment: $2,913,050

Tax Rate: 3.6195%

	2012 Payable 2013	*2013 Payable 2014*	*2014 Payable 2015*	*2015 Payable 2016*	*2016 Payable 2017*	*2017 Payable 2018*	*2018 Payable 2019*	*2019 Payable 2020*	*2020 Payable 2021*	*2021 Payable 2022*	
Cost of Equipment	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	
True Cash Percentage Rate	40%	60%	55%	45%	37%	30%	25%	20%	16%	12%	
True Cash Value	$1,165,220	$1,747,830	$1,602,178	$1,310,873	$1,077,829	$873,915	$728,263	$582,610	$466,088	$349,566	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	*Total*
Tax w/o Abatement	$42,175	$63,263	$57,991	$47,447	$39,012	$31,631	$26,359	$21,088	$16,870	$12,653	*$358,489*
Abatement Rate	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	
Amount Abated	$42,175	$56,936	$46,393	$33,213	$23,407	$15,816	$10,544	$6,326	$3,374	$1,265	*Total*
Taxes Paid w/Abatement	$0	$6,326	$11,598	$14,234	$15,605	$15,816	$15,816	$14,761	$13,496	$11,387	*$119,039*

Total Tax Savings

$239,449

GROK/Nitrex

Sample Property Tax on Personal Property (10 Year Period) Schedule with 5% Fee

Personal Property Tax Investment: $2,913,050

Tax Rate: 3.6195%

	2012 Payable 2013	*2013 Payable 2014*	*2014 Payable 2015*	*2015 Payable 2016*	*2016 Payable 2017*	*2017 Payable 2018*	*2018 Payable 2019*	*2019 Payable 2020*	*2020 Payable 2021*	*2021 Payable 2022*	
Cost of Equipment	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	$2,913,050	
True Cash Percentage Rate	40%	60%	55%	45%	37%	30%	25%	20%	16%	12%	
True Cash Value	$1,165,220	$1,747,830	$1,602,178	$1,310,873	$1,077,829	$873,915	$728,263	$582,610	$466,088	$349,566	
Net Tax Rate	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	*Total*
Tax w/o Abatement	$42,175	$63,263	$57,991	$47,447	$39,012	$31,631	$26,359	$21,088	$16,870	$12,653	*$358,489*
Abatement Rate	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	
Amount Abated	$42,175	$56,936	$46,393	$33,213	$23,407	$15,816	$10,544	$6,326	$3,374	$1,265	*Total*
Tax Paid w/Abatement	$0	$6,326	$11,598	$14,234	$15,605	$15,816	$15,816	$14,761	$13,496	$11,387	*$119,039*
											Total Fees Paid
5% Fee	$2,109	$2,847	$2,320	$1,661	$1,170	$791	$527	$316	$169	$63	*$11,972*

Total Tax Savings with 5% Economic Development Fee

$227,477