

CITY OF FRANKLIN

DEPARTMENT OF COMMUNITY DEVELOPMENT

Staff Report

To: Economic Development Commission Members

From: Krista Linke, Director

Date: December 4, 2013

Re: Case EDC 2013-11 – Mitsubishi Heavy Industries Climate Control, Inc. (MCCA)

Case EDC 2013-11 – Mitsubishi Heavy Industries Climate Control, Inc.: A request for a 10-year tax abatement on \$1,200,000 in real property for a 23,840 square foot addition.

Location: 1200 N. Mitsubishi Parkway

Summary:

1. Characteristics of this location:

The existing Mitsubishi Heavy Industries Climate Control, Inc. (MCCA) Franklin location includes a manufacturing facility and climatic wind tunnel addition to the administration headquarters offices.

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

MCCA manufactures and supplies automotive heating and air conditioning systems to various automobile manufacturers, including Mitsubishi Motors, General Motors and Ford. There are currently 228 full time MCCA associates employed at this location.

3. Characteristics of this project:

Mitsubishi Heavy Industries Climate Control (MCC), is making plans to create enough space to accommodate the needs of another Mitsubishi Heavy Industries Company – Mitsubishi Engine North America (MENA), to lease manufacturing space at their Franklin location.

As explained in detail in the attached letter from Bob Francis, dated November 26th, 2013, this request is an extension of a request made earlier in the year:

"MCC has recently welcomed another Mitsubishi Heavy Industries Company – Mitsubishi Engine North America (MENA) to lease manufacturing space at the MCC Franklin location. MENA will build turbochargers for automobiles at the MCC Franklin location and will lease part of our current facility (approximately 18,500 square feet) plus MCC would build another 10,500 square feet of new construction adjacent to the North/West side of the MCC facility. This is a total of 29,000 square feet for the MENA project. MCC requested and was granted an abatement on the 10,500 square foot new construction project (Resolution Number 2013-06) from the City of Franklin. This project estimated start date was April 1, 2013 with a completion date of December 1, 2013. This project was delayed while MENA considered the need for additional space beyond the 29,000 square feet. The 10,500 square foot addition now has a new start date of December 1, 2013 (some initial ground prep has already started) and a new completion date of July 1, 2014."

The current request is for a new tax abatement on the additional building expansion, along with an amendment to the previous two resolution granting tax abatement this year to accommodate the delayed project schedule mentioned in the previous paragraph.

A copy of the staff reports for the original requests earlier in the year are attached for your reference.

4. Economic Revitalization Area (ERA):

This property was designated an ERA by Resolution 2008-02 and confirmed by Resolution 2008-08.

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;
- 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. <u>City of Franklin "Tax Abatement Policy" criteria:</u>

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*: The total number of jobs at the current site is 228. The company proposes 3 additional jobs for MCCA associated specifically for this additional 23,840 square foot addition in 2014.

MCCA (228 retained and 3 additional):

- 3 operators/fabricators/laborer positions with an average hourly wage of \$14.39
- b. *Diversification of Local Manufacturing Employment*: According to the 2007 U.S. Census Bureau Economic Census, motor vehicle parts manufacturing makes up 20% of the manufacturing

sector in Johnson County. According to <u>www.stats.indiana.edu</u>, there were 133 manufacturing establishments 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 2011 was \$14.98. The average hourly wage in Johnson County for manufacturing in the first quarter of 2011 was \$24.00 per hour. The average hourly wage (without benefits) for the 3 new jobs with MCCA is \$14.39. The average hourly wage for the 228 jobs being retained is \$18.52.
- d. *Sustainable Land Use*: The petitioner proposes to make this investment at their current location.
- e. *Future Community Investment*: The petitioner stated in the letter of inducement that they, and now MENA, anticipate continuing a long and mutually beneficial association with the City of Franklin and is appreciative and grateful for all the help, past incentives and consideration that the City has given them. As stated in the letter of inducement, "With this investment MCC and MENA will continue to secure the future of our Franklin facility and we look forward to continuing as an active responsible part of the community. Thank you for your continued support." The company has indicated on their applications that they are agreeable to a 2% Economic Development Fee on Real Property.
- 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.

7. <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).

8. 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.

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

The petitioner has requested that, if approved, the tax abatement be effective for the first year taxes are due on this investment.

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. Making use of an existing facility and strengthening the viability of an existing company within the City of Franklin is critical to Franklin's economy. The number of new jobs and average hourly wage is not as significant as their previous request this year.

👗 MITSUBISHI HEAVY INDUSTRIES CLIMATE CONTROL, INC. 🥤

November 26, 2013 Krista Linke, Director Department of Planning and Economic Development City of Franklin

Re: Tax Abatement Letter of Inducement for Mitsubishi Heavy Industries Climate Control, Inc. (MCC)

Dear Economic Development Commission Members:

This letter is being written on behalf of Mitsubishi Heavy industries Climate Control, Inc. (MCC), a wholly owned subsidiary of Mitsubishi Heavy Industries, Ltd. (MHI), Tokyo, Japan. MCC with facilities in Sterling Heights, Michigan has its Headquarters located at 1200 N. Mitsubishi Parkway, Franklin, Indiana. The Franklin location includes a manufacturing facility and climatic wind tunnel facility in addition to the administration headquarters offices. MCC manufacturers and supplies automotive heating and air conditioning systems to various automobile manufacturers, including Mitsubishi Motors, General Motors and Ford. There are 228 employees currently employed at the MCC Franklin facility.

MCC has recently welcomed another Mitsubishi Heavy Industries Company – Mitsubishi Engine North America (MENA) to lease manufacturing space at the MCC Franklin location. MENA will build turbochargers for automobiles at the MCC Franklin location and will lease part of our current facility (approximately 18,500 square feet) plus MCC would build another 10,500 square feet of new construction adjacent to the North/West side of the MCC facility. This is a total of 29,000 square feet for the MENA project. MCC requested and was granted an abatement on the 10,500 square foot new construction project (Resolution number 2013-06) from the City of Franklin. This project estimated start date was April 1, 2013 with a completion date of December 1, 2013. This project was delayed while MENA considered the need for additional space beyond the 29,000 square feet. The 10,500 square foot addition now has a new start date of December 1, 2013 (some initial ground prep has already started) and a new completion date of July 1, 2014.

During the time the 10,500 square foot project was delayed MENA determined they would like to have more than the initial 29,000 square feet to manufacture turbochargers and they are now asking MCC to consider constructing an additional 23,840 square feet of manufacturing space adjacent to the North end of the current Franklin plant. The additional cost of this 23,840 square foot project for MCC would be \$1,200,000.00. The start date for the project would be 3-1-14 with an estimated completion date of 9-30-14. Three new jobs with a total increase in payroll of approximately \$89,793.00 would be created by MCC by the end of 2016.

For the above stated reasons, MCC respectfully requests that the Franklin Economic Development Commission gives a favorable recommendation to the Franklin City Council that tax abatements be granted for the period of ten (10) years on \$1,200,000.00 in real property new construction. MCC further requests that the recommendation for the first year of tax abatement be for the first year that taxes are due on this investment.

🙏 MITSUBISHI HEAVY INDUSTRIES CLIMATE CONTROL, INC.

Attached to this letter are all the required documents outlined in the "Tax Abatement Application Form." If the Commission requires any additional information, please advise our office of the same, and the necessary information will be provided.

MCC and MENA anticipate continuing a long and mutually beneficial association with the City of Franklin and appreciate all the help, past incentives and consideration that the city has given us. With this investment MCC will continue to secure the future of our Franklin facility and we look forward to continuing as an active responsible part of the community. Thank you for your continued support.

Respectfully

Bul

Bob Francis General Manager Administration Mitsubishi Heavy industries Climate Control, Inc. (MCC) 317-346-5010 – bobf@mhicc.com

Note – In addition to the above real property abatement information – MENA requested and was granted an abatement on \$7,693,125.00 in personal property (machinery and equipment) - Resolution number 2013-07. The start date of this project was 7-1-13 and completion date was 6-1-14. Because of the initial delay mentioned above, the start date for this project is now 6-1-14 and new completion date is now 10-1-15.



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corp	oration Name:	Mitsubishi Heavy Industries Climate Control, Inc.		
Primary Contact Na	ame: Bob Fran	cis		
Contact Address:	1200 North Mitsu	bishi Parkway		
City: Franklin		State: Indiana	Zip:	46131
Phone Number:	(317) 346 - 5010			
Email: bobf@mhig	c.com			
Three possible date	es before the ED	С		
meeting to conduct	t a site visit:	January 7, 8 or 9, 2014 or call to arrange a time as	we are flexible	
Name of Owner:	Mitsubishi Heavy	Industries Automotive Thermal Systems Co., Ltd.		
Parent Company (If	Applicable):	Mitsubishi Heavy Industries Automotive Thermal Syste	ems Co., Ltd.	

Primary Contact for Yearly Compliance Reports

Name:	Bob Francis				
Title:	GM of Administration				
Address:	1200 North Mitsubishi Parkway				
City:	Franklin	State:	Indiana	Zip:	46131
Phone N	umber: (317) 346 - 5010				-
Email:	bobf@mhicc.com				

Description of Project

Project Location/A	ddress:	1200 North Mitsubishi Parkway, Franklin, Indiana 46131	
Parcel Number:	Warranty	Deed Instrument No. 96-3314	
Brief Description o	f Project:		

Project is to construct additional 23,840 square feet of manufacturing space attached to north end of current building.

Current Assessed Value (AV) of the Property:

- 1. Land \$1,623,000.00
- 2. Building \$6,681,593.00
- 3. Inventory
- 4. Equipment \$7,774,870.00

Have building permits been applied for (if applicable): Has equipment been installed (if applicable):

Yes	No	\checkmark
Yes] No	1
	1 1	

Required Attachments:

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

Real Property	Personal Property
Length of Abatement Requested: 10	Years
Project Size (square feet): 23,840	Size of Site (acres): 47
Type of Building:	
Multiple Tenants (leased) Single Tena	ant (leased) Owner Occupied 🖌 Corporate Headquarters
Capital Investment	
1. Real property capital investment on	y: \$1,200,000.00
2. Personal property capital investmen	t only:
3. Total capital investment for propose	d project: \$1,200,000.00
Jobs Created and/or Retained	
1. Estimated number of full time jobs of	reated by the proposed project: 3
	etained as a direct result of the proposed project: 228
3. Total number of full time jobs upon	
Wages Created and Retained	
1. Average hourly wage rate for new jo	bs (w/o benefits) \$14.39
2. Average hourly wage rate for jobs re	tained (w/o benefits) \$18.51
***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.
Sister company, Mitsubishi Engine North America	(MENA), is pursuing a manufacturing location for turbo charger. MENA
will consider sharing space and facilities with MC	CA in Indiana based on available incentives.
Company Information	
How long has the company been in existence	
Current address of company headquarters ar	d duration at that address: 1200 N. Mitsubishi Parkway, Franklin - since 1995
1200 N. Mitsubishi Parkway, Franklin - since 1995	
Approximate percentage of employees at cur	rent location who live in the
City of Franklin and/or Johnson County:	35%
Have you ever received tax abatement at you	0 0
A STATE OF	sonal property abatements in 2012 (machining), 2010 and 2008; Real Property in 2013 (10 years)
What choositically bee the company dama	
What specifically has the company done	
to give back to the community: MC Joh	C is involved in various programs and volunteer activities to support the community, such as United Way of son County, as well as donating to organizations, including Franklin Beautification Committee, Board Member CDC.
to give back to the community: MC Joh or J While acting as a strong advocate for using eco	nson County, as well as donating to organizations, including Franklin Beautification Committee, Board Member CDC. nomic incentives to help applicants expand and/or locate in the
to give back to the community: Joh or J While acting as a strong advocate for using econ community, the City of Franklin also strives to e	nson County, as well as donating to organizations, including Franklin Beautification Committee, Board Member nomic incentives to help applicants expand and/or locate in the nrich the quality of life for its citizens. To that end, the City embraces
to give back to the community: MC Joh or J While acting as a strong advocate for using econ community, the City of Franklin also strives to e the use of voluntary economic development fee	nson County, as well as donating to organizations, including Franklin Beautification Committee, Board Member count nomic incentives to help applicants expand and/or locate in the nrich the quality of life for its citizens. To that end, the City embraces as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are
to give back to the community: While acting as a strong advocate for using economic development feed the use of voluntary economic development feed directed by the City to local nonprofit organization	non County, as well as donating to organizations, including Franklin Beautification Committee, Board Member nomic incentives to help applicants expand and/or locate in the nrich the quality of life for its citizens. To that end, the City embraces es as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are tons to bolster their economic development efforts. The fee can be
to give back to the community: While acting as a strong advocate for using ecolor community, the City of Franklin also strives to e the use of voluntary economic development fee directed by the City to local nonprofit organizat applied on both real and personal property aba	non County, as well as donating to organizations, including Franklin Beautification Committee, Board Member concerning the second secon
to give back to the community: While acting as a strong advocate for using economunity, the City of Franklin also strives to e the use of voluntary economic development feed directed by the City to local nonprofit organizat applied on both real and personal property abar special assessment on the tax bill and is distribut	non County, as well as donating to organizations, including Franklin Beautification Committee, Board Member concerning the papel of the
to give back to the community: While acting as a strong advocate for using economunity, the City of Franklin also strives to end the use of voluntary economic development feed directed by the City to local nonprofit organizate applied on both real and personal property abar special assessment on the tax bill and is distribut organization. Typically, 2% is charged on Real Pro-	nomic incentives to help applicants expand and/or locate in the nomic incentives to help applicants expand and/or locate in the nrich the quality of life for its citizens. To that end, the City embraces as a allowed under Indiana law (IC 6-1.1-12.1-14). These fees are ions to bolster their economic development efforts. The fee can be cements. The fee is collected annually by the County Treasurer as a ted by the City to the designated economic development nonprofit operty and 5% is charged on Personal Property. The fee is a
to give back to the community: While acting as a strong advocate for using economunity, the City of Franklin also strives to end the use of voluntary economic development feed directed by the City to local nonprofit organizate applied on both real and personal property abar special assessment on the tax bill and is distribut organization. Typically, 2% is charged on Real Pro- percentage of the abatement received. For example	non County, as well as donating to organizations, including Franklin Beautification Committee, Board Member concerning the papel of the

Is the company agreeable to the Economic Development Fee?

If yes, at what percent(s)? 2% on Real Property Yes No

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STATEMENT OF BENERI'S REAL ESTATE IMPROVEMENTS

21	PAY 20
	-17120

FORM SB-1 / Real Property

This statement is being completed for	real property	that qualifies	under the	following	Indiana	Code	(check c	one box):

□ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)

Prescribed by the Department of Local Government Finance

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

State Form 51767 (R2 / 1-07)

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)
- 2. 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.
- 3. 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 I	NFORMATION			
Name of taxpayer						
	Industries Climate Co		-			
	and street, city, state, and ZIP	1013-03-0319-03				
Name of contact person	oishi Parkway, Frankli	n, Indiana 46131	1		1	
			Telephone number		E-mail address	
Bob Francis SECTION 2	10/		(317) 346-5010	07	bobf@mh	licc.com
Name of designating body	LUC	ATION AND DESCRIPTI	ON OF PROPOSED PROJE	CI	Resolution nur	mbar
Franklin Common	Council				Resolution nul	liber
Location of property			County		DLGF taxing d	listrict number
1200 North Mitsub	ishi Parkway, Franklir	n, Indiana	Johnson		J	
Description of real property im	nprovements, redevelopment, c	or rehabilitation (use additiona	l sheets if necessary)		Estimated start	t date (month, day, year)
New construction -	Approximately 23,840) square feet of new	building on the north er	nd of	03/01/20)14
the current MCC pl		19. Anna Roman ann an tarr	y		Estimated com	pletion date (month, day, year)
					09/30/20	14
SECTION 3			IES AS RESULT OF PROPO			
Current number 228.00	Salaries	Number retained	Salaries	Number add	litional	Salaries
the same in the second s	\$8,784,108.00	228.00	\$8,784,108.00	3.00		\$89,793.00
SECTION 4			VALUE OF PROPOSED PRO			
is confidential.	6-1.1-12.1-5.1 (d) (2) the C	USI of the property	COST	ESTATET	MPROVEMEN	
Current values			6,681,5	502.00	A55	SESSED VALUE
Plus estimated values o	of proposed project			000.00		<u>6.681.593.00</u> 1,200.000.00
Less values of any prop		an en anna a	1,200,	000.00		1,200,000.00
	pon completion of project		7.881.	593.00		7,881,593.00
SECTION 5	WASTE CONVERTED AN	D OTHER BENEFITS PR	OMISED BY THE TAXPAYE			
Estimated calid waste a						00
	converted (<i>pounds</i>) 0.00		Estimated hazardous was	ste converte	d (pounds) _U	.00
Other benefits						
New construction is	s for space to be used	by Mitsubishi Engine	e North America, Inc. a	s manufa	cturing space	ce to build
			perty of Mitsubishi Hea	vy Industr	ies Climate	Control, Inc.
However, Mitsubish	ni Engine North Ameri	ca, Inc. will lease thi	s space.			
SECTION 6		TAXPAYER CE	RTIFICATION			
I hereby certify that th	ne representations in this	s statement are true.				
Signature of authorized represe	entative Bul Fr	,	Title 0 44	I	Date signed (mo	onth, day, year)
	1200 11	anen	General Mc	magy	61-	26-13

Effecti late: 1/1/2012

Summary Description of Benefits Mitsubishi Climate Control

- Medical Plan: Anthem BCBS Blue Access PPO Health/Prescription Program. Employee cost per month: Plan #1 PPO: Employee \$35, Employee & Child(ren) \$102.33, Employee & Spouse \$134.80, Family \$183.71. Plan #2 PPO: Employee \$5, Employee & Child(ren) \$7, Employee & Spouse \$11, Family \$12. (Eligibility is 60 days of service with MCC).
- 2. Dental Plan: Guardian/Dental Guard Preferred Network. Employee cost per month: Employee \$12, Employee & Child(ren) \$13, Employee & Spouse \$13.50, Family \$16. (Eligibility is 60 days of service with MCC).
- 3. Vision Plan: Guardian/VSP Network. Employee cost per month: Employee \$3, Employee & Child(ren) \$5, Employee & Spouse \$5.50, Family \$7. (Eligibility is 60 days of service with MCC).
- 4. Flexible Spending Account: Associates may elect to contribute up to \$3,500 to a Pre-Tax Medical Account and/or \$5,000 to a Pre-Tax Dependent Care Account. This "election" amount is automatically deducted from the employee's check (amount elected is divided by the number of payroll periods). (Eligibility is 60 days of service with MCC).
- 5. 401(k) Program: Associates may contribute from 1%-75% of their pay. Company will match 100% of the first 5% of base pay contributed by employee. (Eligibility 4 months of full-time service with MCC)
- 6. Tuition Reimbursement: The Company will reimburse up to \$5250 per year for classes pertaining to the job (eligibility is 3 months of full-time service with MCC).
- 7. Holidays: 12 paid holidays per year New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve, Christmas Day, New Year's Eve, 2 Floating Day To Be Used Where The Company Deems Appropriate.
- 8. Vacation: Vacation days will accrue during the first year of service: 2 days after introduction period (90 days/probationary period) and one day per 3 months after introduction period during the year of hire until January 1st.

10 days after first calendar year of service available January 1, if during the first year 1000 hours are worked and the introduction period of 90 days has been completed.

5 days after first calendar year of service available January 1; if during the first year 500 hours are worked and the introduction period of 90 days has been completed.

At five years 15 days granted, seven years 16 days, nine years 17 days, eleven years 18 days, thirteen years 19 days and fifteen years 20 days.

- 9. STD/LTD: Short-term disability 1 to 3 years of Service pays 40% of base pay for up to 4 weeks in any calendar year, and 3 or more years of service pays 50% of base pay for 26 weeks in any calendar year. (Eligibility 1 year full-time MCC service); Long-Term disability pays 50% of base pay after 180 days of consecutive absence. (eligibility 1 year full-time MCC service)
- 10. Life Insurance: Two times base pay (eligibility is 12 months of full-time MCC service).
- 11. AD&D: Two times base pay (eligibility is 12 months of full-time MCC service).
- 12. Optional Life: Available for self, spouse and children (associate pays all costs) eligibility 6 months of service.
- 13. Employee Assistance Program: Available for all members in household at no cost (eligibility 60 days).
- 14. Direct Payroll Deposit: Is required of all associates.

Job Creation / Retention TimeTable (MCCA)

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Total			- - - - - - - - - - - -				· - - - - - - - - -	-'c			>						р (°		
Operator																	e	,	\$13.55 \$18.98
Precision Production																	0		\$18.71 \$24.14
Technical / 				_]								0	-	\$29.80 \$35.23
						2015	 		1			2016			 	+ 	0		'ly wages enefits
	1st Quarter	2nd Quarter		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		Average hourly wag Wages + Benefits

COMPANY INVESTMENT TIMETABLE MCCA

\$1,200,000.00 \$1,200,000.00 <u>\$0.00</u> \$0.000 \$0.000 \$0.000 \$0.000 \$0.000 \$0.000 \$0.000 \$0.000 \$0.000 \$0.000 \$0.000 \$0.000 \$0.000 \$0.000 \$0.000 \$0.0000 \$0.000 \$0.000 \$0.0000 \$0.0000 \$0.0000 \$0.0000 \$0.0000 \$0.0000 \$0.0000 \$0.0000 \$0.0000 \$0.0000 \$00 Total Equipment 2014 \$0.00 2015 2016 New Building construction \$1,200,000.00 \$1,200,000.00 2015 2016 2014 Year of Abatement Year of Abatement Year of Abatement 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter 2nd Quarter 3rd Quarter 4th Quarter <u>3rd Quarter</u> 1st Quarter 4th Quarter Total

	3 YEA	AR		
	Mitsub	ishi		
Sample Property Tax on Real	Property (3 Ye	ar) with 2% Eco	nomic Develop	ment Fee
Real Prop	perty Tax Inve	stment: \$1,20	00,000	
	Tax Rate:	3.0%		
	2014	2015	2016	
	Payable	Payable	Payable	
	2015	2016	2017	
True Cash Value	\$1,200,000	\$1,200,000	\$1,200,000	
Assessed Value	\$1,200,000	\$1,200,000	\$1,200,000	
Net Tax Rate	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$36,000	\$36,000	\$36,000	\$108,000
Abatement Rate	100%	66%	33%	
Amount Abated	\$36,000	\$23,760	\$11,880	Total
Taxes Paid w/Abatement	\$0	\$12,240	\$24,120	\$36,360
			Tota	l Fees Paid
2% Fee	\$720	\$475	\$238	\$1,433
То	tal Tax Saving	g without Eco	nomic Develo	pment Fee
				\$71,640
Tota	al Tax Savings	s with 2% Eco	nomic Develo	pment Fee
				\$70,207
	1			

		5 YE	AR			
		Mitsu	bishi			
Sample Property Ta	ax on Real Pro	perty (5 Year	Period) with	2% Economic	Development	Fee
	Real Pro	perty Tax Inv	estment: \$1,2	200,000		
		Tax Rate	e: 3.0%			
	2014	2015	2016	2017	2018	
	Payable	Payable	Payable	Payable	Payable	
	2015	2016	2017	2018	2019	
True Cash Value	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	
Assessed Value	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$180,000
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	\$36,000	\$28,800	\$21,600	\$14,400	\$7,200	Total
Taxes Paid w/Abatement	\$0	\$7,200	\$14,400	\$21,600	\$28,800	\$72,000
					Tot	al Fees Paia
2% Fee	\$720	\$576	\$432	\$288	\$144	\$2,160
			Total Tax Sav	ina without l	conomic Deve	opment Fee
						\$108,000
		7	otal Tax Savi	nas with 2% I	conomic Deve	onment Fee
						\$105,840

			7 YE	AR						
			Mitsul	bishi						
Sam	ple Property	Tax on Real P	roperty (7 Ye	ear) with 2%	Economic De	velopment F	ee			
		Real Prop	perty Tax Inve	estment: \$1,2	200,000					
			Tax Rate	: 3.0%						
	2014	2015	2016	2017	2018	2019	2020			
	Payable 2015	Payable 2016	Payable 2017	Payable 2018	Payable 2019	Payable 2020	Payable 2021			
True Cash Value	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000			
Assessed Value	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000			
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Total		
Tax w/o Abatement	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$252,000		
Abatement Rate	100%	85%	71%	57%	43%	29%	14%			
Amount Abated	\$36,000	\$30,600	\$25,560	\$20,520	\$15,480	\$10,440	\$5,040	Total		
Taxes Paid w/Abatement	\$0	\$5,400	\$10,440	\$15,480	\$20,520	\$25,560	\$30,960	\$108,360		
							Total Fees Pai			
2% Fee	\$720	\$612	\$511	\$410	\$310	\$209	\$101	\$2,873		
				Total Tax Saving without Economic Development Fee						
								\$143,640		
	Total Tax Savings with 2% Economic Develo									
								\$140,767		

					10 YEAR							
					Mitsubish	ni						
		Sample	e Property Ta	ax on Real Pr	operty (10 Y	ear Period) S	chedule wit	h 2% Fee				
			R	Real Property	/ Tax Investm	nent: \$1,200,	000					
				Ta	ax Rate: 3.61	95%					1	
	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		
True Cash Value	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000		
Assessed Value	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000		
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	\$43,434	\$43,434	\$43,434	\$43,434	\$43,434	\$43,434	\$43,434	\$43,434	\$43,434	\$43,434	\$434,340	
Abatement Rate	100%	95%	80%	65%	50%	40%	30%	20%	10%	5%		
Amount Abated	\$43,434	\$41,262	\$34,747	\$28,232	\$21,717	\$17,374	\$13,030	\$8,687	\$4,343	\$2,172	Total	
Taxes Paid w/Abatement	\$0	\$2,172	\$8,687	\$15,202	\$21,717	\$26,060	\$30,404	\$34,747	\$39,091	\$41,262	\$219,342	
											Total Fees Paid	
2% Fee	\$869	\$825	\$695	\$565	\$434	\$347	\$261	\$174	\$87	\$43	\$4,300	
								Total Tax Saving without Economic Development Fee				
											\$214,998	
								Total Tax Savings with 2% Economic Development Fee				
											\$210,698	