

RESOLUTION NO. 2019-07

A RESOLUTION OF THE TOWN OF SPEEDWAY, INDIANA
APPROVING THE STATEMENT OF BENEFITS FOR REAL AND PERSONAL
PROPERTY TAX ABATEMENT FOR PROPERTY LOCATED
WITHIN A TOWN OF SPEEDWAY ALLOCATION AREA

WHEREAS, Allison Transmission, Inc. ("Allison") proposes to undertake an economic development project consisting of the construction of a new 95,000 square foot innovation, research and development center in the amount of \$34,000,000 and the installation of additional equipment in the estimated amount of \$5,000,000 in connection with Allison's expansion as described in its Statement of Benefits Real and Personal Property Forms (the "SB-1/RE" and "SB-1/PP") attached hereto as Exhibit A and incorporated herein by reference (the "Project"); and

WHEREAS, the Project will be located within the Town of Speedway Consolidated Redevelopment Area 1 (the "Area") on the land located at 5100 W. 10th Street (the "Project Site") in the Town of Speedway, Indiana (the "Town") attached hereto as Exhibit B; and

WHEREAS, the Area is an Allocation Area as defined in Indiana Code 36-7-14-39 and the Project Site is located within the Area; and

WHEREAS, Allison anticipates increases in the assessed value of its real and personal property at the Project Site by reason of its Project and has requested a ten (10) year real and personal property tax abatement (the "Proposed Abatement") pursuant to Indiana Code 6-1.1-12.1, as amended (the "Act"); and

WHEREAS, pursuant to the Act, tax abatements are provided for development in Economic Revitalization Areas (as defined in the Act); and

WHEREAS, in Marion County, Indiana the body with power to designate an Economic Revitalization Area and grant tax abatements is the City of Indianapolis Metropolitan Development Commission (the "MDC"); and

WHEREAS, pursuant to IC 6-1.1-12.1-2(k), prior to the approval of an abatement for a project located in an Allocation Area, as defined by IC 36-7-15.1-26, the legislative body of the unit which created the Allocation Area must adopt a resolution approving the abatement; and

WHEREAS, Allison has submitted the SB-1/RE and SB-1/PP to the MDC as part of its application for Economic Revitalization Area designation for property where Applicant's Project will occur, located within an allocation area, as defined by IC 36-7-15.1-26; and

WHEREAS, the Speedway Town Council ("Council") has reviewed a copy of Allison's SB-1/RE and SB-1/PP, which are attached hereto; and

WHEREAS, the Council now finds that the Proposed Abatements, including Allison's SB-1/RE and SB-1/PP, for the purpose of satisfying the requirements of the Act, should be approved;

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SPEEDWAY, INDIANA THAT:

Section 1. The foregoing recitals are hereby incorporated by reference.

Section 2. The Council hereby approves the Proposed Abatements, including Allison's SB-1/RE and SB-1/PP attached hereto as Exhibit A, with such approval being expressly conditioned upon approval by the MDC in accordance with the Act. The schedule for the Proposed Abatement approved hereby is as follows:

YEAR OF DEDUCTION	PERCENTAGE RE	PERCENTAGE PP
Year 1	100%	100%
Year 2	95%	90%
Year 3	80%	80%
Year 4	65%	70%
Year 5	50%	60%
Year 6	40%	50%
Year 7	30%	40%
Year 8	20%	30%
Year 9	10%	20%
Year 10	5%	10%

Section 3. This Resolution shall be in full force and effect from and after its adoption by the Town Council.

PASSED AND ADOPTED by the Town Council of the Town of Speedway, Indiana, this 13th day of May 2019.

TOWN COUNCIL OF THE TOWN OF
SPEEDWAY INDIANA


Eileen Fisher

Jeff Matthews


David Lindsey


Gary Ratkes


Jason Delisle

ATTEST:

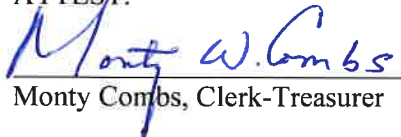

Monty Combs, Clerk-Treasurer

Exhibit A- Statement of Benefits (RE & PP)



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R6 / 10-14)

Prescribed by the Department of Local Government Finance

20__ PAY 20__

FORM SB-1 / Real Property

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

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)
☐ Residentially distressed area (IC 6-1 1-12.1-4.1)

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** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
3. To obtain a deduction, a Form 322/RE must be filed with the County Auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between March 1 and May 10 of a subsequent year.
4. A property owner who files for the deduction must provide the County Auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5 1(b)
5. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/Real Property that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. IC 6-1.1-12.1-17

SECTION 1 TAXPAYER INFORMATION					
Name of taxpayer Allison Transmission, Inc.					
Address of taxpayer (number and street, city, state, and ZIP code) One Allison Way, Indianapolis, IN 46222					
Name of contact person Allison Karns			Telephone number (317) 242-0041	E-mail address Allison.Karns@allisontransmission.com	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body City of Indianapolis			Resolution number TBD		
Location of property 5100 W. 10th Street, Indianapolis, IN 46224			County Marion	DLGF taxing district number 914	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) New building construction of an innovation, research and development center.			Estimated start date (month, day, year) 7/1/2019		
			Estimated completion date (month, day, year) 12/31/2021		
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 2,555.00	Salaries \$35.45	Number retained 2,555.00	Salaries \$35.45	Number additional 100.00	Salaries \$20.39
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
Current values		0.00		0.00	
Plus estimated values of proposed project		34,000,000.00		34,000,000.00	
Less values of any property being replaced		0.00		0.00	
Net estimated values upon completion of project		34,000,000.00		34,000,000.00	
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 NONE					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative 				Date signed (month, day, year) May 10, 2019	
Printed name of authorized representative Eric Scroggins				Title Vice President, General Counsel & Secretary	

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be 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

C. The amount of the deduction applicable is limited to \$ _____.

D. Other limitations or conditions (*specify*) _____.

E. Number of years allowed: ☐ Year 1 ☐ Year 2 ☐ Year 3 ☐ Year 4 ☐ Year 5 (* *see below*)
☐ Year 6 ☐ Year 7 ☐ Year 8 ☐ Year 9 ☐ Year 10

F. For a statement of benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?

☐ Yes ☐ No

If yes, attach a copy of the abatement schedule to this form.

If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

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 (<i>signature and title of authorized member of designating body</i>)	Telephone number ()	Date signed (<i>month, day, year</i>)
Printed name of authorized member of designating body	Name of designating body	
Attested by (<i>signature and title of attester</i>)	Printed name of attester	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4.1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. The deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R3 / 12-13)

Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1-1-12-1-5-1

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.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
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, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1-1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1-1-12.1-17)

SECTION 1 TAXPAYER INFORMATION									
Name of taxpayer Allison Transmission, Inc.					Name of contact person Allison Karns				
Address of taxpayer (number and street, city, state, and ZIP code) One Allison Way, Indianapolis, IN 46222							Telephone number (317) 242-0041		
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT									
Name of designating body City of Indianapolis					Resolution number (s) TBD				
Location of property 5100 W. 10th Street, Indianapolis, IN 46224				County Marion		DLGF taxing district number 914			
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.) The equipment will function to support modeling, simulation, analysis, development, and demonstration of Allison products, services, and innovation.					ESTIMATED				
					START DATE		COMPLETION DATE		
					Manufacturing Equipment				
					R & D Equipment		07/01/2019 12/31/2021		
					Logist Dist Equipment				
IT Equipment									
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT									
Current number 2555		Salaries 35.45		Number retained 2555		Salaries 35.45		Number additional 100	
								Salaries 20.39	
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				0	0				
Plus estimated values of proposed project				5,000,000	5,000,000				
Less values of any property being replaced				0	0				
Net estimated values upon completion of project				5,000,000	5,000,000				
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER									
Estimated solid waste converted (pounds) 0					Estimated hazardous waste converted (pounds) 0				
Other benefits NONE									
SECTION 6 TAXPAYER CERTIFICATION									
I hereby certify that the representations in this statement are true									
Signature of authorized representative 							Date signed (month day year) May 10, 2019		
Printed name of authorized representative Eric Scroggins					Title Vice President, General Counsel & Secretary				

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 6-1-12.1-2.5, provides for the following limitations as authorized under IC 6-1-12.1-2.

A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.

B. The type of deduction that is allowed in the designated area is limited to

- | | | |
|--|------------------------------|-----------------------------|
| 1. Installation of new manufacturing equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Installation of new information technology equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

- | | | | | | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|---------------|
| <input type="checkbox"/> Year 1 | <input type="checkbox"/> Year 2 | <input type="checkbox"/> Year 3 | <input type="checkbox"/> Year 4 | <input type="checkbox"/> Year 5 | (see below *) |
| <input type="checkbox"/> Year 6 | <input type="checkbox"/> Year 7 | <input type="checkbox"/> Year 8 | <input type="checkbox"/> Year 9 | <input type="checkbox"/> Year 10 | |

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1-12.1-17? ☐ Yes ☐ No
If yes, attach a copy of the abatement schedule to this form.

If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by: (signature and title of attester)	Printed name of attester	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1-12.1-17.

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

Exhibit B

“Project Location”

