WARRICK COUNTY COUNCIL

RESOLUTION NO. 2014- 02

A RESOLUTION OF THE WARRICK COUNTY COUNCIL APPROVING AN APPLICATION FOR DEDUCTION OF REAL AND PERSONAL PROPERTY TAXES

Whereas, the Warrick County Council (the "Council"), fiscal body of Warrick County, Indiana, pursuant to I.C. 6-1.1-12.1-2, as amended (the "Act"), declared an area of real property owned by Alcoa Inc. an Economic Revitalization Area ("ERA") in its Resolution No. 2003-03 as confirmed by its Resolution No. 2003-04; and

Whereas, Alcoa Inc. has filed an Application for Deduction of Real and Personal Property Taxes, together with its Statement of Benefits ("Application"), for a total of Thirty-two Million Four Hundred Thousand Dollars ($32,400,000.00) for improvements to real estate and the purchase and installation of New Manufacturing Equipment ("Improvements"); and

Whereas, the Warrick County Department of Economic Development (the "Department") and the Warrick County Economic Development Advisory Council has reviewed and considered Alcoa Inc.'s Application and have recommended to Council approval of the Application with a ten (10) year phase in of real and personal property taxes for the Improvements; and

Whereas, the Application filed by Alcoa Inc. and supporting data has been reviewed and considered by the Council at this meeting; and

Whereas, the Council deem it advisable to approve the Application and the granting of a ten (10) year phase in of real and personal property taxes for Alcoa Inc.'s Improvements.

NOW, THEREFORE, BE IT RESOLVED by the Warrick County Council, fiscal body for Warrick County, Indiana, as follows:

1. The estimate value of Improvements by Alcoa Inc. within the ERA in the amount of Thirty-two Million Four Hundred Thousand Dollars ($32,400,000.00) is reasonable for projects of that nature.

2. The number of individuals whose employment will be retained and new jobs that will be created at Alcoa Inc. as a result of the Improvements can be reasonably expected to result from the proposed Improvements.

3. The estimated annual salaries for those individuals whose employment will be retained and new jobs that will be created as a result of Alcoa Inc.'s Improvements within the ERA can be reasonably expected

to result from the Improvements. In addition to the creation of jobs and retention of employment as a result of Alcoa Inc.'s Improvements within the ERA, the Improvements will reasonably expect to result in additional benefits to Warrick County, Indiana.

4. The totality of benefits to Warrick County as a result of Alcoa Inc.'s Improvement within the ERA is sufficient to justify the deduction of real and personal property taxes pursuant to its Application.

5. The Application of Alcoa Inc. for deduction of real and personal property taxes is hereby granted and the deductions are granted for a period of ten (10) years from the date of increased assessments for the Improvements.

6. The officers of the Council are hereby directed to make any and all required filings with the Warrick County Auditor in connection with the granting of Alcoa Inc.'s Application.

7. The provisions of this Resolution shall be subject in all respects to the Act and all amendments thereto.

8. This Resolution constitutes the written order and approval by the Council of Alcoa Inc.'s Application in accordance with the Act.

9. The Secretary is hereby directed to file a copy of said Resolution with the minutes of this meeting.

PASSED, ISSUED, AND APPROVED by the Warrick County Council this 4th day of December, 2014.

Warrick County Council

David Hachmeister

Allan Holweger

Gary Meyer

Brad Overton

Paul Rudolph

Greg Richmond

Charlie Christmas

Attest:

County Auditor

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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	Name of contact person
Alcoa Inc.	Jim Beck

Address of taxpayer *(number and street, city, state, and ZIP code)*	Telephone number
Highway 66 - Newburgh, IN 47630	(812) 853-4557

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body	Resolution number (s)
Warrick County Council	

Location of property	County	DLGF taxing district number
Highway 66 - Newburgh, IN 47630	Warrick	

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.)*

Alcoa Warrick Operations is proposing to purchase and install two pusher pre-heat complexes for preparing ingots for hot rolling. The investment will better prepare ingots for the multi-stage, Rolling Mill process that converts aluminum ingots into coils of flat-rolled aluminum. This project will make the plant more efficient and competitive in the global market.

	ESTIMATED START DATE	ESTIMATED COMPLETION DATE
Manufacturing Equipment	03/31/2014	06/30/2017
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
1,046	$75,391,489	1,046	$75,391,489	35	$2,000,428

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	334,223,263	45,583,846.						
Plus estimated values of proposed project	28,400,000.(	11,360,000.						
Less values of any property being replaced								
Net estimated values upon completion of project	362,623,263	56,943,846.						

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	Date signed (*month, day, year*)
	01/06/2014

Printed name of authorized representative	Title
Edmund M. Hammersbach	VP Operations – Alcoa Global Packaging

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

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

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

1. Installation of new manufacturing equipment; ☐ Yes ☐ No
2. Installation of new research and development equipment; ☐ Yes ☐ No
3. Installation of new logistical distribution equipment. ☐ Yes ☐ No
4. Installation of new information technology equipment; ☐ Yes ☐ 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:

☐ Year 1 ☐ Year 2 ☐ Year 3 ☐ Year 4 ☐ Year 5 (see below *)
☐ Year 6 ☐ Year 7 ☐ Year 8 ☐ Year 9 ☐ Year 10

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? ☐ 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.

Greg Richmond, Warrick Co. Council Vice President

Approved by: *(signature and title of authorized member of designating body)*	Telephone number	Date signed *(month, day, year)*
Greg Richmond, Vice President	(812) 897-6202	12-4-14
Printed name of authorized member of designating body	Name of designating body	
Greg Richmond	Warrick County Council	
Attested by: *(signature and title of attester)*	Printed name of attester	
[signature]		

* 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.

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
REAL ESTATE IMPROVEMENTS

State Form 51767 (R4 / 2-13)
Prescribed by the Department of Local Government Finance

20____ PAY 20____
FORM SB-1 / Real Property

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).

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. "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, 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. If the property owner misses the May 10 deadline in the initial year of occupation, he can apply between March 1 and May 10 of a subsequent year.*
4. *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)].*
5. *The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property apply to any economic revitalization areas designated after June 30, 2000, unless an alternative deduction schedule is adopted by the designating body (IC 6-1.1-12.1-17). The schedules effective prior to July 1, 2000, shall continue to apply to economic revitalization areas designated before July 1, 2000.*

SECTION 1 — TAXPAYER INFORMATION

Name of taxpayer		
Alcoa Inc.		
Address of taxpayer *(number and street, city, state, and ZIP code)*		
Highway 66 - Newburgh, IN 47630		
Name of contact person	Telephone number	E-mail address
Jim Beck	(812) 853-4557	jim.beck@alcoa.com

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body		Resolution number
Warrick County Council		
Location of property	County	DLGF taxing district number
Highway 66 - Newburgh, IN	Warrick	
Description of real property improvements, redevelopment, or rehabilitation *(use additional sheets if necessary)*		Estimated start date (*month, day, year*)
Alcoa Warrick Operations will construct a new building and make other real estate modifications to accomodate new manufacturing equipment, which will be used to pre-heat aluminum ingots before they are sent to the Rolling Mill. This project will make the plant more efficient and competitive.		03/31/2014
		Estimated completion date (*month, day, year*)
		06/30/2017

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
1,046.00	$75,391,489.00	1,046.00	$75,391,489.00	35.00	$2,000,428.00

SECTION 4 — ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	18,813,060.00	4,833,100.00
Plus estimated values of proposed project	4,000,000.00	1,600,000.00
Less values of any property being replaced	525,300.00	210,120.00
Net estimated values upon completion of project	22,287,760.00	6,222,980.00

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]	VP operations AGP	01/06/2014

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. The deduction is allowed for _____ years* *(see below)*.

F. Did the designating body adopt an alternative deduction schedule per IC 6-1.1-12.1-17? ☐ Yes ☐ No
If yes, attach a copy of the alternative deduction schedule to this form.

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

Approved (*signature and title of authorized member of designating body*)	Telephone number	Date signed (*month, day, year*)
Greg Richmond, Vice President	(812) 897-6202	12-4-2014
Attested by (*signature and title of attester*)	Designated body	
L B Dugan,		

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.

A. For residentially distressed areas, the deduction period may not exceed five (5) years.
B. For redevelopment and rehabilitation or real estate improvements:
1. If the Economic Revitalization Area was designated prior to July 1, 2000, the deduction period is limited to three (3), six (6), or ten (10) years.
2. If the Economic Revitalization Area was designated after June 30, 2000, and is not in a residentially distressed area, the deduction period may not exceed ten (10) years.