

**DEKALB COUNTY COUNCIL
RESOLUTION 2020-OCC-14
A CONFIRMATORY RESOLUTION AWARDING
PERSONAL PROPERTY TAX ABATEMENT**

WHEREAS. There exists in DeKalb County, Indiana areas that are undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character or occupancy, age, obsolescence, substandard buildings, and other factors that have impaired the values and have prevented normal development of property or use of property in those areas; and

WHEREAS, the County Council of DeKalb County, Indiana is permitted, pursuant to I.C. § 6-1.1-12.1, *et seq.*, to declare those portions of DeKalb County, Indiana experiencing said retarded growth as “Economic Revitalization Areas”; and

WHEREAS, once declared an Economic Revitalization Area, parties with real estate and/or manufacturing equipment in said areas may apply for Tax Abatement under I.C. § 6-1.1-12.1, *et seq.*; and

WHEREAS, Paragon Steel Enterprises, LLC, has applied for Tax Abatement on new machinery and equipment (see attached Exhibit “B”); and

WHEREAS, the County Council of DeKalb County, Indiana previously determined that the real estate described in attached Exhibit “A” meets the definition of an Economic Revitalization Area by way of its Declaratory Resolution 2018 RCC-20 dated effective November 5, 2018.

WHEREAS, Paragon Steel Enterprises, LLC, has signed an application for tax abatement where they have acknowledged that if Paragon Steel Enterprises, LLC,

closed or ceases its operations in DeKalb County, Indiana, it shall be required to pay an amount equal to all abated taxes to DeKalb County, Indiana.

NOW, THEREFORE, BE IT RESOLVED, by the County Council of DeKalb County, Indiana, that:

1. The County Council of DeKalb County, Indiana has been advised by Paragon Steel Enterprises, LLC, of a proposed revitalization program set out, in part, on attached Exhibit "B", which includes: i) the purchase of new equipment to be located on property owned by Paragon Steel Enterprises, LLC and described on attached "Exhibit A".
2. The County Council of DeKalb County, Indiana has reviewed the statement of benefits forms included here as attached Exhibit "B" and other information brought to its attention, and hereby determines that the deductions under I.C. § 6-1.1-12.1, *et seq.*, should be allowed based on the following findings:
 - (a) The estimate of costs of the new machinery and equipment is reasonable.
 - (b) The estimate of the number of individuals who will be employed or whose employment will be retained can reasonably be expected to result from the purchase and installation of the new equipment.
 - (c) The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to result from the proposed purchase and installation of new equipment.

A tract of land located in the Northwest Quarter and in the Northeast Quarter of Section 27, T34N, R14E, in DeKalb County, the State of Indiana, more fully described as follows:

COMMENCING at a Harrison Marker situated in the Southeast corner of said Northwest Quarter; Thence South 87 degrees 46 minutes 14 seconds West (Record Basis of Bearings), a distance of 1028.25 feet along the South line of said Northwest Quarter; thence Northeasterly, a distance of 721.53 feet along the East right of way line of Road Number 206 (being a circular arc that is concave to the Northwest having a central angle of 33 degrees 43 minutes 20 seconds having a radius of 1225.92 feet, and having a chord bearing of North 36 degrees 01 minutes 25 seconds East with a distance of 711.16 feet); thence North 19 degrees 09 minutes 45 seconds East, a distance of 833.14 feet along said East right of way line; thence North 87 degrees 50 minutes 31 seconds East, a distance of 298.60 feet along the North line of the Southeast Quarter of said Northwest Quarter to a Rebar stake with cap (D.A. Brown RLS Number S0337) in the Northeast corner thereof; thence North 87 degrees 39 minutes 00 seconds East, a distance of 561.18 feet along the North line of the Southwest Quarter of said Northeast Quarter; thence South 16 degrees 35 minutes 27 seconds West, a distance of 1410.43 feet along the West right-of-way line of the N&S Railroad to a Rebar Stake with cap (M. Kline RLS Number S0366); thence South 87 degrees 46 minutes 07 seconds West, a distance of 120.71 feet along the South line of Northeast Quarter of the PLACE OF COMMENCING, said tract containing 28.21 Acres, more or less.

Exhibit A

TO CORPORATE DEED

(Description of Premises - 4211 County Road 61, in DeKalb County, Indiana)

TRACT #1 A tract of land located in the Northwest Quarter and in the Northeast Quarter of Section 27, T34N, R14E, in DeKalb County, the State of Indiana, more fully described as follows:

COMMENCING at a Harrison Marker situated in the Southeast corner of said Northwest Quarter; Thence South 87 degrees 46 minutes 14 seconds West (Record Basis of Bearings), a distance of 1028.25 feet along the South line of said Northwest Quarter; thence Northeasterly, a distance of 721.53 feet along the East right of way line of Road Number 206 (being a circular arc that is concave to the Northwest having a central angle of 33 degrees 43 minutes 20 seconds, having a radius of 1225.92 feet, and having a chord bearing of North 36 degrees 01 minutes 25 seconds East with a distance of 711.16 feet); thence North 19 degrees 09 minutes 45 seconds East, a distance of 833.14 feet along said East right of way line; thence North 87 degrees 50 minutes 31 seconds East, a distance of 298.60 feet along the North line of the Southeast Quarter of said Northwest Quarter to a Rebar stake with cap (D.A. Brown RLS Number S0337) in the Northeast corner thereof; thence North 87 degrees 39 minutes 00 seconds East, a distance of 561.18 feet along the North line of the Southwest Quarter of said Northeast Quarter; thence South 16 degrees 35 minutes 27 seconds West, a distance of 1410.43 feet along the West right-of-way line of the N&S Railroad to a Rebar Stake with cap (M. Kline RLS Number S0366); thence South 87 degrees 46 minutes 07 seconds West, a distance of 120.71 feet along the South line of Northeast Quarter to the PLACE OF COMMENCING, said tract containing 28.21 Acres, more or less.

TRACT #3 A tract of land located in the Southeast Quarter and in the Southwest Quarter of Section 27, Township 34 North, Range 14 East, in DeKalb County, the State of Indiana, more fully described as follows:

COMMENCING at a Harrison Marker situated in the Northwest corner of said Southeast Quarter; thence North 87 degrees 46 minutes 07 seconds East (Record Basis of Bearings), a distance of 120.71 feet along the North line of said Southeast Quarter to a Rebar stake with cap (D.A. Brown RLS Number S0337); thence South 16 degrees 35 minutes 27 seconds West, a distance of 67.61 feet along the East right-of-way line of the N & S Railroad; thence southwesterly a distance of 586.82 feet along a circular arc that is concave to the Northwest having a central angle to 62 degrees 59 minutes 59 seconds, having a radius of 533.69 feet, and having a chord bearing of South 56 degrees 14 minutes 22 seconds West, a distance of 557.70 feet; thence South 87 degrees 44 minutes 22 seconds West, a distance of 1234.68 feet to a rebar stake with cap (D.A. Brown PLS Number S0337); thence North 68 degrees 30 minutes 21 seconds East, a distance of 16.22 feet along the East right-of-way line of proposed Road Number

206 to a rebar stake with cap (D.A. Brown RLS Number S0337); thence North 57 degrees 11 minutes 45 second East, a distance of 500.00 feet along said East right-of-way line to a Rebar stake with cap (D.A. Brown RLS Number S0337); thence North 49 degrees 36 minutes 16 seconds East, a distance of 75.69 feet along said East right-of-way line to a Rebar stake with cap (D.A. Brown RLS Number S0337); thence Northeasterly, a distance of 92.24 feet along said East right-of-way line (being a circular arc that is concave to the Northwest having a central angle of 04 degrees 18 minutes 40 seconds, having a radius 1225.92 feet, and having a chord bearing of North 55 degrees 02 minutes 25 seconds East with a distance of 92.22 feet) to a Rebar stake with cap (D.A. Brown RLS Number S0337); thence North 87 degrees 46 minutes 14 seconds East, a distance of 1028.25 feet along the North line of said Southwest Quarter to the PLACE OF COMMENCING, said tract containing 10.60 Acres, more or less.



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R4 / 11-15)

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 January 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 January 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 Paragon Steel Enterprises, LLC			Name of contact person Bruce Whitman, General Manager						
Address of taxpayer (number and street, city, state, and ZIP code) 4211 County Road 61, Butler, IN 46721			Telephone number (260) 868-6406						
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT									
Name of designating body DeKalb County Council			Resolution number (s)						
Location of property 4211 County Road 61, Butler, IN 46721		County DeKalb		DLGF taxing district number 17-026					
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.) See attached Exhibit 1			ESTIMATED						
			START DATE		COMPLETION DATE				
			Manufacturing Equipment		08/01/2020 12/01/2020				
			R & D Equipment						
			Logist Dist Equipment						
			IT Equipment						
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT									
Current number 60	Salaries \$18.99/hr	Number retained 60	Salaries 10-\$105,361.00	Number additional 15	Salaries \$15.80/hr				
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		2,492,290	2,492,290						
Plus estimated values of proposed project		4,300,000	4,300,000						
Less values of any property being replaced									
Net estimated values upon completion of project		6,792,290	6,792,290						
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER									
Estimated solid waste converted (pounds) N/A			Estimated hazardous waste converted (pounds) N/A						
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) 8/24/20					
Printed name of authorized representative Bruce Whitman				Title General Manager					

"EXHIBIT B"

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 NOVEMBER 5, 2021. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.
PER COUNCIL RESOLUTION 2018-REC-20

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

1. Installation of new manufacturing equipment;
2. Installation of new research and development equipment;
3. Installation of new logistical distribution equipment;
4. Installation of new information technology equipment;

☒ Yes ☐ No
☐ Yes ☒ No
☐ Yes ☒ No
☐ Yes ☒ No

☐ Enhanced Abatement per IC 6-1.1-12.1-18
Check box if an enhanced abatement was approved for one or more of these types.

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

G. Other limitations or conditions (specify) IF ARAGON STEEL ENTERPRISES LLC CLOSES OR CEASES OPERATIONS IN DEKALB COUNTY, IT SHALL BE REQUIRED TO PAY AN AMOUNT EQUAL TO ALL ABATED SALES TO DEKALB COUNTY, INDIANA.

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
☒ Year 6 ☒ Year 7 ☒ Year 8 ☐ Year 9 ☐ Year 10

☐ Enhanced Abatement per IC 6-1.1-12.1-18
Number of years approved: _____
(Enter one to twenty (1-20) years; may not exceed twenty (20) years.)

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.

Approved by: (signature and title of authorized member of designating body) <u>Richard Ring</u>	Telephone number <u>(260) 925-2362</u>	Date signed (month, day, year) <u>09/28/20</u>
Printed name of authorized member of designating body <u>RICHARD RING</u>	Name of designating body <u>DEKALB COUNTY COUNCIL</u>	
Attested by: (signature and title of attester) <u>Jan Bauman, Auditor</u>	Printed name of attester <u>JAN BAUMAN</u>	

* 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.

EXHIBIT 1

List of production machinery

Braner Slitter with Choppers to process/slit high strength steel and chop scrap steel	\$3.4M
Packline to package steel	\$500K
Tooling for Slitter	\$400K
• Knives	
• Steel Tooling	
• Rubbers	
• Separator disks	
Scrapbox	\$10K
Transfer car	\$40K

List of equipment associated with leasehold improvements/building expansion

Foundation (depends on depth of pit)	\$400K – 600K
Hot Rail for cranes	\$60K
Furnace	\$20K

Building expansion	\$3.5M
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- (d) The number of individual opportunities for employment, both temporary and permanent, and the compensation to be paid by employees, along with the value of the personal property to be purchased, create benefits of the type and quality anticipated by the County Council of DeKalb County, Indiana within the Economic Revitalization Area and can reasonably be expected to result from the purchase and installation of the new equipment.
- (e) The totality of benefits is sufficient to justify the deductions.
- (f) That Paragon Steel Enterprises, LLC, has agreed to pay back an amount equal to all abated taxes to DeKalb County, Indiana, if Paragon Steel Enterprises, LLC, closes or ceases its operations in DeKalb County, Indiana.

3. The County Council of DeKalb County, Indiana hereby finds that the purposes of Tax Abatement are served by allowing the deductions provided by I.C. § 6-1.1-12.1-4.5 for a period of 10 years for new manufacturing equipment which is to be installed as contemplated by and reflected in attached Exhibit "B".

Year 1	100%	Year 6	50%
Year 2	90%	Year 7	40%
Year 3	80%	Year 8	30%
Year 4	70%	Year 9	20%
Year 5	60%	Year 10	10%

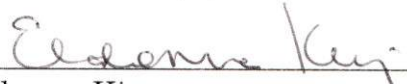
4. The statement of benefits submitted by Paragon Steel Enterprises, LLC, is hereby approved.


Voted effective the 28th day of September, 2020, by the County Council of DeKalb County, Indiana.

DEKALB COUNTY COUNCIL


BY: 
Richard Ring, President

BY: 
William VanWye, Vice President

BY: 
Eldonna King


BY: 
Robert E. Krafft

BY: 
Martha Grimm

BY: 
David Yarde

BY: 
Amy Demske

ATTEST:


Jan Bauman
DeKalb County Auditor