



Department of Economic Development

130 Penn Street, Westfield, IN 46074
Phone (317) 896-5570 ♦ Fax (317) 867-2200
Web www.Westfield.IN.gov

Memo

To: Westfield City Council

From: Joe Plankis
Department of Economic Development

Date: 4/25/2008

Re: 2008 Tax Abatement Compliance

Each company seeking a tax abatement for a project files a Statement of Benefits with the designating body of the area where the property is located. This Statement of Benefits outlines number of jobs and assessed value to be added as a result of the investment.

Every year a recipient receives a tax abatement deduction they must file with the City and County, per Indiana statute, a Form CF-1 outlining the current status of the project. The City then reviews the Form CF-1 to determine if the company is in compliance or not in compliance and completes page 2 of Form CF-1. If needed, the City may request the company appear before Council to provide additional information.

In early April, the Department of Economic Development sent a letter to each company granted a tax abatement to remind them of the compliance forms that must be filed with the City each year. Attached please find summaries as of the March 1, 2008 assessment date of the projects for which the following Westfield companies are receiving a tax abatement deduction:

- Linc Systems, Inc.
- KAT, LLC
- Real Estate Links, Inc.
- Custom Concrete Company, Inc.
- Oak Ridge Real Estate Development, LLC

Porter Engineered Systems, Inc.
19635 US 31 North
Westfield, IN 46074

Project Location 19635 US 31 North

Project Description New equipment and tooling for automotive manufacturing

Authority Resolution 03-11 passed on 9/18/2003

Additional Details None

	<i>As shown on Statement of Benefits</i>	<i>Project status as of March 1, 2008</i>
<i>Estimated start date</i>	6/1/03	6/1/03
<i>Estimated completion date</i>	7/1/04	7/1/04
<i>Current number of employees</i>	300	228
<i>Salaries for current employees</i>	\$8,802,000	\$6,902,000
<i>Number of employees retained</i>	300	228
<i>Salaries for employees retained</i>	\$8,802,000	\$6,902,000
<i>Number of employees added</i>	74	34
<i>Salaries for employees added</i>	\$1,693,120	\$777,920
<i>Cost of project</i>	\$6,211,641	\$2,186,085
<i>Assessed value of project</i>		*

*The assessed value of the personal property will be determined by the Township Assessor from the personal property tax return filed on May 15, 2008.

Resolution 03-11

RESOLUTION CONFIRMING SEPTEMBER 8, 2003 RESOLUTION 03-10 DETERMINING THAT THE QUALIFICATION FOR AN ECONOMIC REVITALIZATION AREA HAVE BEEN MET.

WHEREAS, Porter Engineered Systems, Inc. has filed with the Town Council of Westfield, Indiana, an application for declaration of an Economic Revitalization Area in order to obtain personal property tax abatement pursuant to I.C. 6-1.1-12.1 et seq.; and

WHEREAS, Porter Engineered Systems, Inc. intends to install new manufacturing equipment in the headquarters facility on real estate generally located at 19635 U.S. 31 North, Westfield, Indiana. It is estimated that the new manufacturing equipment to be located at the headquarters facility will have a total cost of approximately six million two hundred eleven thousand six hundred and forty-one dollars. (\$6,211,641)

WHEREAS, the Westfield Town Council, at a regularly scheduled meeting held on September 8, 2003 reviewed and approved Custom Concrete Company, Inc's application and declared the real estate described in the application to be an Economic Revitalization Area; and

WHEREAS, pursuant to I.C. 6-1.1-12.1-2.5 Porter Engineered Systems, Inc. has properly published in a newspaper of general circulation a "Notice of Public Hearing" for the Westfield Town Council, Hamilton County, Indiana regarding the declaration of Porter Engineered Systems, Inc. real estate as an Economic Revitalization Area. This notice was provided at least ten (10) days prior to said hearing; and

WHEREAS, at the public hearing, the Town Council received evidence concerning the project. Based upon that evidence, the Statement of Benefits submitted by Porter Engineered Systems, Inc. and the Town Council's independent investigation, the Town Council makes the following finding of fact pursuant to I.C. 6-1.1-12.1-3

1. Porter Engineered Systems Inc.'s estimate of the cost of the new manufacturing equipment is as reasonable estimate for equipment of that type.
2. The estimate that approximately 74 new jobs will be created over five years is a reasonable estimate.
3. Porter Engineered Systems Inc.'s estimate of the annual compensation of the individuals who should be employed as a result of the new manufacturing equipment is a reasonable estimate.
4. The totality of the benefits to be derived from the project is sufficient to justify the abatement of taxation, based on the above findings of fact, in addition to the fact that the redevelopment should create new and permanent jobs, expand the property tax base, encourage new industrial growth, and generally revitalize the Town of Westfield.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS;

Section 1. Resolution 03-10 adopted by the Town Council on September 8, 2003 is hereby confirmed and the taxation for the personal property shall be abated for a period of 5 years pursuant to the schedule provided by I.C. 6-1.1-12.1-4.5

Section 2. The schedule of abatement is as follows:

<u>Year of Deduction</u>	<u>Percentage Abatement</u>
1 st	100%
2 nd	80%
3 rd	60%
4 th	40%
5 th	20%

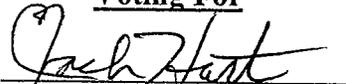
**ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF WESTFIELD,
INDIANA THIS _____ DAY OF SEPTEMBER, 2003.**

WESTFIELD TOWN COUNCIL

Voting For

Voting Against

Abstain



Jack Hart

Jack Hart

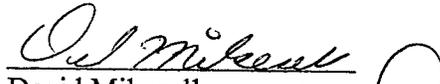
Jack Hart



Teresa Otis-Skelton

Teresa Otis-Skelton

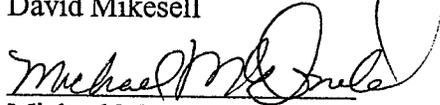
Teresa Otis-Skelton



David Mikesell

David Mikesell

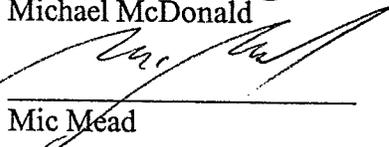
David Mikesell



Michael McDonald

Michael McDonald

Michael McDonald



Mic Mead

Mic Mead

Mic Mead

ATTEST:



Cindy Gossard, Clerk Treasurer

This document prepared by
Jerry Rosenberger, Town Manager



STATEMENT OF BENEFITS

State Form 27167 (R7 / 12-01)
Prescribed by the Department of Local Government Finance

FORM
SB - 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, or **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, or prior to installation of the new manufacturing equipment and / or research and development equipment, **BEFORE** a deduction may be approved.
3. To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PPME and / or 322 ERA / PPR & DE, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of: (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PPME and / or 322 ERA PPR & DE must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and / or research and development equipment becomes assessable, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved after June 30, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4(d) and IC 6-1.1-12.1-4.5 (e) effective July 1, 2000 apply to any statement of benefits filed on or after July 1, 2000.
The schedules effective prior to July 1, 2000 shall continue to apply to those statement of benefits filed before July 1, 2000

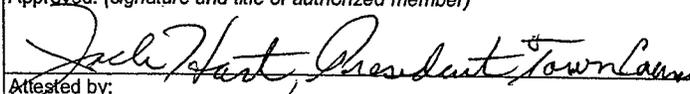
SECTION 1		TAXPAYER INFORMATION					
Name of taxpayer <i>Porter Engineered Systems, Inc.</i>							
Address of taxpayer (street and number, city, state and ZIP code) <i>19635 U.S. 31 North, Westfield, IN 46074</i>							
Name of contact person <i>Michael S. Petersen</i>				Telephone number <i>(317) 867-7251</i>			
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body <i>Town of Westfield</i>				Resolution number			
Location of property <i>19635 U.S. 31 North</i>		County <i>Hamilton</i>		Taxing district			
Description of real property improvements and / or new manufacturing equipment and / or research and development equipment (use additional sheets if necessary) <i>New Equipment & Tooling For Automotive Manufacturing</i>				ESTIMATED			
				Start Date		Completion Date	
				Real Estate			
				New Mfg Equipment		<i>6/1/03</i>	
R & DE		<i>7/1/04</i>					
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number <i>300</i>	Salaries <i>8,802,000</i>	Number retained <i>300</i>	Salaries <i>8,802,000</i>	Number additional <i>74</i>	Salaries <i>1,693,120</i>		
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.	Real Estate Improvements		Machinery		Research and Development Equipment		
	Cost	Assessed Value	Cost	Assessed Value	Cost	Assessed Value	
	Current values						
	Plus estimated values of proposed project		<i>6,211,691</i>				
	Less values of any property being replaced						
Net estimated values upon completion of project		<i>6,211,691</i>					
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 <i>[Signature]</i>			Title <i>Controller</i>		Date signed (month, day, year) <i>8-18-03</i>		

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 10 calendar years * (see below). The date this designation expires is Sept 30, 2013.
- B. The type of deduction that is allowed in the designated area is limited to:
- | | | |
|---|---|--|
| 1. Redevelopment or rehabilitation of real estate improvements; | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2. Installation of new manufacturing equipment; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Installation of new research and development equipment; | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 4. Residentially distressed areas | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
- C. The amount of deduction applicable for redevelopment or rehabilitation is limited to \$ 0 cost with an assessed value of \$ 0.
- D. The amount of deduction applicable to new manufacturing equipment is limited to \$ 6,211,641 cost with an assessed value of \$ 6,211,641.
- E. The amount of deduction applicable to new research and development equipment is limited to \$ 0 cost with an assessed value of \$ 0.
- F. Other limitations or conditions (specify) NA

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: (signature and title of authorized member) 	Telephone number	Date signed (month, day, year)
Attested by:	Designated body	

* 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 or 4.5

Resolution 03-10

PRELIMINARY RESOLUTION REGARDING DECLARATION OF ECONOMIC REVITALIZATION AREA

WHEREAS, pursuant to I.C. 6-1.1-12.1-1, et seq., the Town Council of Westfield, Indiana (the "Council") has the right and opportunity to abate the payment of real property taxes for real estate or personal property located within an area declared by the council to be an Economic Revitalization Area ("ERA") and to abate the payment of personal property tax; and

WHEREAS, pursuant to I.C. 6-1.1-12.1, et seq., the Council may declare an ERA within the town limits of the Town of Westfield by the adoption of this resolution, which declaration must be confirmed, modified or rescinded after benefit of a public hearing; and

WHEREAS, Porter Engineered Systems, Inc. has applied to the council to declare the real estate described in the Attached Exhibit A as an ERA in order to receive real and personal property tax abatement; and

WHEREAS, Porter Engineered Systems, Inc. application materials have been reviewed by the Council, and the Council desires to declare the described real estate as an ERA in order to create employment opportunities in the form of new and permanent jobs, expand the property tax base, encourage development in an area undesirable for other types of development, and to revitalize the Town of Westfield.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the real estate generally located at 19635 U.S. 31 North, Westfield Indiana consisting of approximately 20.8 acres described more particularly in Exhibit A, should be and is hereby declared an Economic Revitalization Area, as that term is used pursuant to I.C. 6-1.1-12.1-1, et seq.,
2. That a Public Hearing shall be held at the time and place of the regular meeting of the council on September 18, 2003 at 6:30 p.m. at the Town Hall, 130 Penn Street, Westfield, Indiana. Notice of such Public Hearing shall be provided pursuant to I.C. 5-3-1, at which Hearing the Council shall hear all remonstrance and objections and consider whether to confirm, modify, or rescind this resolution.
3. That a certified copy of this resolution, including the attached exhibit, shall be filed with the Hamilton County Auditor and Washington Township Assessor in order for Porter Engineered Systems, Inc. to be eligible to file for property tax abatement.

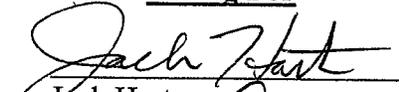
ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF WESTFIELD,
INDIANA THIS 8 DAY OF SEPTEMBER, 2003.

WESTFIELD TOWN COUNCIL

Voting For

Voting Against

Abstain



Jack Hart

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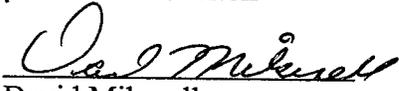
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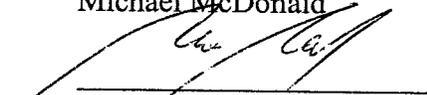
David Mikesell

David Mikesell

Michael McDonald

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Michael McDonald



Mic Mead

Mic Mead

Mic Mead

ATTEST:



Cindy Gossard, Clerk Treasurer

This document prepared by
Jerry Rosenberger, Town Manager

June 25, 2003

Town of Westfield
Jerry L. Rosenberger
Town Manager
130 Penn Street
Westfield, IN 46074

Subject: Tax Abatement for New Programs

Dear Jerry,

Porter Engineered Systems, Inc. has recently been awarded several new contracts with Tier 1 Automotive customers. We are in the process of launching the programs. The programs involve job creation and involve significant capital & tool spending. We are looking for a tax abatement associated with the following programs:

<u>Program</u>	<u>Capital Spending</u>	<u>Tooling Spending</u>	<u>New Jobs</u>	<u>Year</u>
Lear D219	\$1,776,845	\$2,293,411	45	2004
Intier GMT191	\$15,000	\$255,000	16	2004
Intier CS Latch	\$175,000	\$782,650	5	2004
Intier CS Power	\$740,960	\$172,775	8	2004
Total	\$2,707,805	\$3,503,836	74	

Please note that spending for all the programs above began in February 2003 and will continue until mid 2004. The average wage rate for the new jobs will be \$11.00 per hour. I would like to discuss the programs further with the Town of Westfield at your convenience.

Sincerely,



Michael S. Petersen, CPA
Controller
Porter Engineered Systems, Inc.

Porter Engineered Systems, Inc

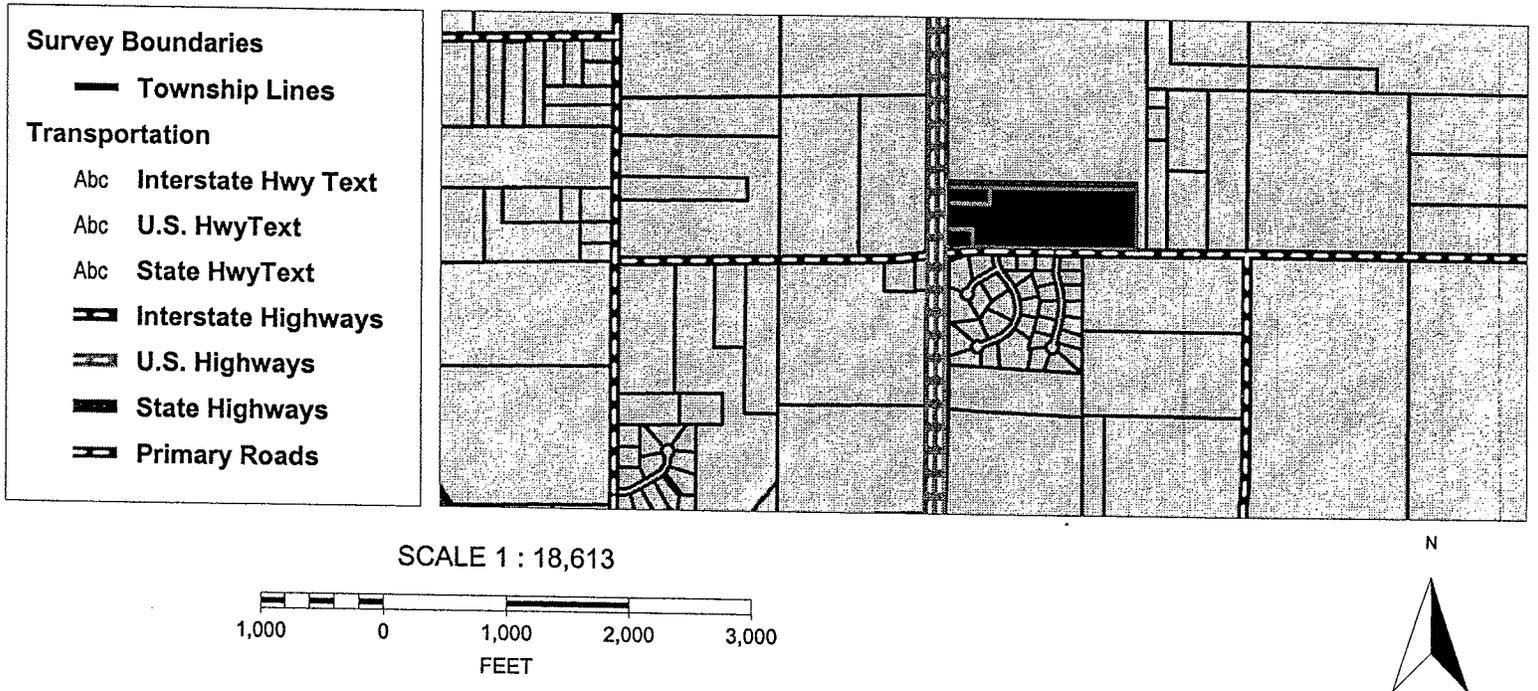
19635 U.S. 31 North
Westfield, IN 46074
www.porteres.com

voice 317.867.0234
fax 317.867.0052

Resolution 03-10
Porter Engineered Systems Inc.

Exhibit A

Map1





COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R / 1-06)
Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

- INSTRUCTIONS:**
1. Property owners whose Statement of Benefits was approved must file this form with the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
 2. This form must be filed with the Form 103-ERA Schedule of Deduction from Assessed Value between March 1, and May 15, of each year, unless a filing extension under IC 6-1.1-3.7 has been granted. A person who obtains a filing extension must file between March 1, and the extended due date of each year.
 3. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance (CF-1).

SECTION 1		TAXPAYER INFORMATION	
Name of taxpayer		Porter Engineered Systems, Inc.	
Address of taxpayer (number and street, city, state, and ZIP code)		19635 U.S. 31 North, Westfield, IN 46074	
Name of contact person	Brian K Vrshek	Telephone number	317-867-7228
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body		Town of Westfield	
Location of property	19635 U.S. North	County	Hamilton
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.		Resolution number	
New equipment and tooling for automotive manufacturing		DLGF taxing district number	
		Estimated starting date (month, day, year)	
		Estimated completion date (month, day, year)	
SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		300	228
Salaries		8,802,000	6,902,000
Number of employees retained		300	228
Salaries		8,802,000	6,902,000
Number of additional employees		74	34
Salaries		1,693,120	777,920
SECTION 4		COST AND VALUES	
	MANUFACTURING EQUIPMENT	R & D EQUIPMENT	LOGIST DIST EQUIPMENT
			IT EQUIPMENT
AS ESTIMATED ON SB-1	COST ASSESSED VALUE	COST ASSESSED VALUE	COST ASSESSED VALUE
Values before project			
Plus: Values of proposed project	6,211,691		
Less: Values of any property being replaced			
Net values upon completion of project	6,211,691		
ACTUAL	COST ASSESSED VALUE	COST ASSESSED VALUE	COST ASSESSED VALUE
Values before project			
Plus: Values of proposed project	2,186,085		
Less: Values of any property being replaced			
Net values upon completion of project	2,186,085		
NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6 (d).			
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER	
WASTE CONVERTED AND OTHER BENEFITS		AS ESTIMATED ON SB-1	ACTUAL
Amount of solid waste converted			
Amount of hazardous waste converted			
Other benefits:			
SECTION 6		TAXPAYER CERTIFICATION	
I hereby certify that the representations in this statement are true.			
Signature of authorized representative	Brian K Vrshek	Title	Controller
		Date signed (month, day, year)	5-13-08

**OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)
THAT WAS APPROVED AFTER JUNE 30, 1991.**

INSTRUCTIONS: (IC 6-1.1-12-5.9)

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits.
3. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. If a notice is mailed to a property owner, a copy of the written notice will be sent to the Township Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the Township Assessor.

We have reviewed the CF-1 and find that:			
<input type="checkbox"/> the property owner IS in substantial compliance			
<input type="checkbox"/> the property owner IS NOT in substantial compliance			
<input type="checkbox"/> other (specify) _____			
Reasons for the determination (attach additional sheets if necessary)			
Signature of authorized member			Date signed (month, day, year)
Attested by:		Designating body	
If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance.			
Time of hearing	<input type="checkbox"/> AM <input type="checkbox"/> PM	Date of hearing (month, day, year)	Location of hearing
HEARING RESULTS (to be completed after the hearing)			
<input type="checkbox"/> Approved		<input type="checkbox"/> Denied (see instruction 5 above)	
Reasons for the determination (attach additional sheets if necessary)			
Signature of authorized member			Date signed (month, day, year)
Attested by:		Designating body	
APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]			
A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.			