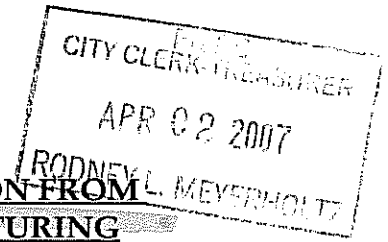


RESOLUTION NO. 2007-13



A RESOLUTION APPROVING A DEDUCTION FROM
ASSESSED VALUATION FOR MANUFACTURING
EQUIPMENT IN AN ECONOMIC REVITALIZATION AREA
AND THE CONTINUING DESIGNATION OF AN
ECONOMIC REVITALIZATION AREA

WHEREAS, the City Council of Shelbyville, Indiana (the "Council") recognizes the need to stimulate growth and to maintain a sound economy within the corporate limits; and

WHEREAS, PK U.S.A., Inc. ("PK") is the owner of certain land and improvements (the "Real Estate") within Shelby County, Indiana and located in the City of Shelbyville; and

WHEREAS, said Real Estate was designated an Economic Revitalization Area in 1988 under Resolution No. 1988-27 and Ordinance No. 1937; Resolution No. 2006-28; Resolution No. 2006-30; and

WHEREAS, the Council has previously granted to PK tax abatements for the project described in said Resolution and Ordinance as well as several subsequent applications including Resolutions 1992-19, 1993-24, 1995-19, 1998-13, 2000-6, 2005-27 and 2005-31, 2005-32; and 2006-1; 2006-9; 2006-24; 2006-28; 2006-30; 2007-4; and 2007-5 and

WHEREAS, PK has complied with the Statement of Benefits filed for said abatements; and

WHEREAS, PK has filed a new Statement of Benefits, State Form 51764, along with certain other information requested by the Council (collectively, the "Statement of Benefits") and requested tax abatement for manufacturing equipment to be installed at PK

manufacturing equipment pursuant to IC 6-1.1-12.1-4.5.

BE IT FURTHER RESOLVED that the Council, pursuant to IC 6-1.1-12.1-11.3 waives non-compliance with those provisions set forth in IC 6-1.1-12-1-11.3(a).

ADOPTED this 16th day of April, 2007.

Dick Fero

John Heaton

David Phares II

Jeff Spensel

Rob Nolley

Tamara Sullivan

Kim Owens

Scott Furgeson, Mayor
City of Shelbyville

ATTEST:

Rod Meyerholz,
City-Clerk Treasurer

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APPLICATION FOR TAX ABATEMENT

FILED
CITY CLERK-TREASURER
APR 02 2007
RODNEY L. MEYERHOLTZ

The undersigned hereby requests the Common Council of the City of Shelbyville,

Indiana for Tax Abatement and, in support of such request, shows said Council as follows:

1. Owner's Name: PK U.S.A., Inc.
2. Owner's Address: c/o Peter G. DePrez
24 E. Polk, P.O. Box 718
Shelbyville, IN 46176
3. Name of person, firm, association, partnership or corporation intending to lease or buy owner's real estate if designated as an economic revitalization area: N/A
4. Legal description and commonly known address of property previously designated as economic revitalization area:

Common Address: 600 Northridge Drive, Shelbyville, IN 46176

Description attached hereto as "Exhibit A".

5. A map and plat are attached hereto as "Exhibit B".
6. Current zoning of area: M-2
7. Will rezoning or variance be required? No.
8. 2005 assessed valuation of land: \$588,400
Improvements: \$16,781,500
2005 assessed value of personal property and of manufacturing equipment: \$13,608,300
9. Amount of property taxes payable during 2006:
Real Estate: \$199,778.57 per half
Personal Property: \$134,214.76 per half
10. Describe in detail the anticipated redevelopment or rehabilitation: N/A
11. Date project will begin: May, 2007
Completion date: October, 2007
12. Estimated cost of redevelopment or rehabilitation: NA

13. Additional municipal services necessitated by the project: None
14. Description of new manufacturing equipment:
See attached "Exhibit C".
15. Estimated cost of new manufacturing equipment: ~~\$500,000.00.~~
16. Estimated installation of new manufacturing equipment date: October, 2007.
17. Statement describing in what manner the property is an economic revitalization area as defined in I.C. 6-1.1-12.1-1(1): The reason the real estate continues to be qualified for designation as an Economic Revitalization Area is that the real estate is within the jurisdictional limits of the City of Shelbyville and had become undesirable for or impossible of, normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence or was technologically, economically or energy obsolete or other factors which had impaired values and prevented a normal development of property or use of property.
18. No new jobs will be created by this project, but existing jobs are expected to be retained.
19. How many full-time jobs: There are 450 full time jobs presently.

The undersigned owners hereby certify that the foregoing information and representations are true and accurate this 2 day of April, 2007.

PK U.S.A., INC.

By 

Peter G. DePrez, Attorney for
PK U.S.A., Inc.

BROWN, DePREZ & JOHNSON, P.A.
24 E. Polk, P.O. Box 718
Shelbyville, IN 46176
317/398-2414 or 877/398-2414

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LEGAL DESCRIPTION

Part of section 25, township 13 north, range 6 east and part of section 30, township 13 north, range 7 east in Shelby County, Indiana, more particularly described as follows:

Beginning at a point on the centerline of the Michigan Road (Old US 421) 17 feet south of the north line of the south half of section 30, township 13 north, range 7 east; thence south 22 degrees 12 minutes east along the centerline of said road 701.87 feet; thence north 89 degrees 56 minutes 34 seconds west 2282.06 feet; thence north 00 degrees 00 minutes 00 seconds 50.00 feet to the point of beginning of the following described tract: Running thence from said point of beginning north 89 degrees 56 minutes 34 seconds west 1477.35 feet to the northeast right of way line of the Conrail Railroad; thence north 49 degrees 04 minutes 50 seconds west along said right of way line 1979.62 feet; thence south 89 degrees 50 minutes 46 seconds east 2973.22 feet; thence south 00 degrees 00 minutes 00 seconds 1290.14 feet to the point of beginning.

EXCEPT,

Part of the southwest quarter of section 30, township 13 north, range 7 east in Shelby County, Indiana; more particularly described as follows:

Beginning at a point at a road nail on the centerline of the Michigan Road (formerly U.S. Highway 421) 17 feet south of the line dividing the north half and the south half of said section 30, and running thence north 89 degrees 56 minutes 00 seconds west 1748.90 feet to an iron pipe; thence north 00 degrees 29 minutes 00 seconds west 687.10 feet to an iron pipe; thence south 89 degrees 58 minutes 00 seconds west 358.50 feet to an iron pipe; thence south 00 degrees 29 minutes 00 seconds east 713.48 feet to the point of beginning of this tract; thence continuing south 00 degrees 29 minutes 00 seconds east 120.37 feet to an iron pipe; thence north 89 degrees 31 minutes 00 seconds east 200.00 feet to an iron pipe; thence north 00 degrees 29 minutes 00 seconds west 118.45 feet to an iron pipe, said pipe also being on the south line of a 27.0 foot easement; thence north 89 degrees 56 minutes 00 seconds west 200.00 feet along the south line of said easement to the point of beginning, subject to all existing legal highway rights of way and easements of record.

Together with a 27.00 feet easement for the purpose of ingress and egress more particularly described as follows:

Part of the south half quarter of section 30, township 13 north, range 7 east of the second principal meridian in Shelby County, Indiana more particularly described as follows:

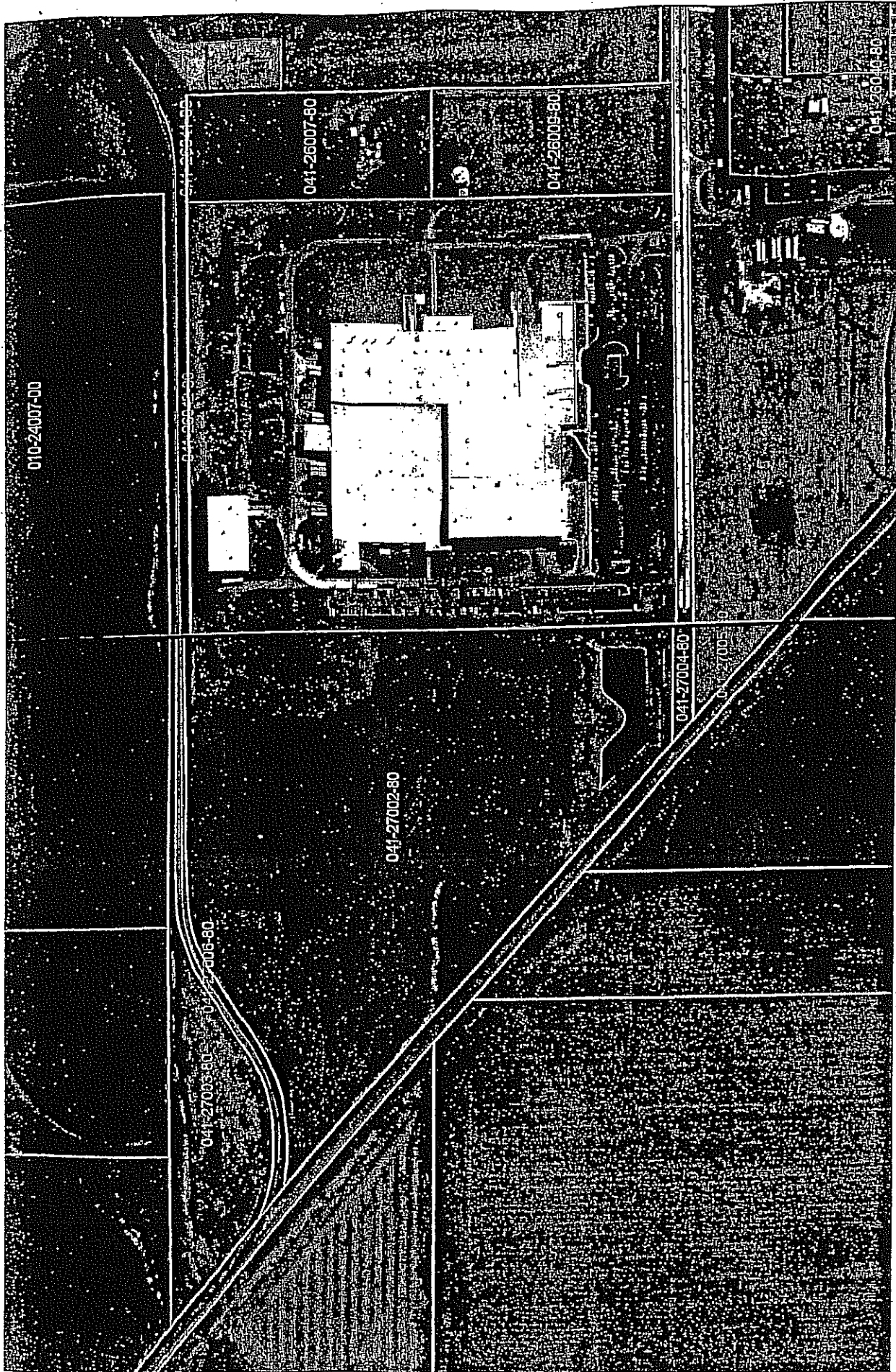
Beginning at a point at a road nail on the centerline of the

Michigan Road (formerly U.S. Highway 421) 17 feet south of the line dividing the north half and the south half of said section 30, and running thence north 89 degrees 56 minutes 00 seconds west 2107.40 feet along a fence line and its extension; thence south 00 degrees 29 minutes 00 seconds east 27.00 feet; thence south 89 degrees 56 minutes 00 seconds east 2118.48 feet to the centerline of said Michigan Road; thence north 22 degrees 19 minutes 00 seconds west 29.18 feet along the centerline of said Michigan Road to the point of beginning of this easement.

ALSO: Part of the southwest quarter of section 30, township 13 north, range 7 east in Shelby County, Indiana; more particularly described as follows:

Commencing at a point in the centerline of the Old Michigan Road where the north line of the south half of said section crosses said centerline said point also being 3169.80 feet east of the northwest corner of said southwest quarter section, said point being a road nail; thence south 22 degrees 19 minutes 00 seconds east (assumed bearing) 310.22 feet along the centerline of said road to a point; thence south 89 degrees 58 minutes 00 seconds west 382.10 feet; thence north 00 degrees 00 minutes 00 seconds 29.77 feet; thence south 89 degrees 58 minutes 00 seconds west 1232.28 feet to the point of beginning; thence continuing south 89 degrees 58 minutes 00 seconds west 419.93 feet; thence north 00 degrees 29 minutes 00 seconds west 99.20 feet; thence north 89 degrees 31 minutes 00 seconds east 20.45 feet to an iron pin, said iron pin being the southeast corner of a .55 acre tract; thence north 00 degrees 29 minutes 00 seconds west 118.45 feet to an iron pin, said iron pin being the northeast corner of a 0.55 acre tract; thence south 89 degrees 56 minutes 00 seconds east 399.48 feet; thence south 00 degrees 29 minutes 00 seconds east 216.92 feet to the point of beginning.

Subject to all existing legal rights-of-way and easements of record.



Shelbyville-Shelby County GIS

25 W. Polk St. Room 104 Shelbyville, Indiana 46176 Phone (317) 392-6364 Fax (317) 392-6382
E-mail jim.brown@co.shelby.in.us
Aerial Photography March 14, 2003

PK U.S.A., INC.
APPLICATION FOR TAX ABATEMENT

EXHIBIT C

Komatsu 1500-1 Press

\$500,000.00

EXHIBIT C



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51764 (R / 1-06)
Prescribed by the Department of Local Government Finance

OFFICE OF THE ASSESSOR
APR 02 2007
RODNEY L. MEYERHOLTZ

FORM SB-1/PP

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).

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. "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 installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved
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. 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 after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1		TAXPAYER INFORMATION							
Name of taxpayer PK U.S.A., Inc.									
Address of taxpayer (number and street, city, state, and ZIP code) 600 Northridge Drive, Shelbyville, IN 46176									
Name of contact person William Kent		Telephone number 317-395-5403							
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT							
Name of designating body City Council of Shelbyville, Indiana		Resolution number (s) 2007-13							
Location of property 600 Northridge Drive, Shelbyville, IN		County Shelby		DLGF taxing district number City of Shelbyville/Addison					
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 Exhibit A		ESTIMATED							
		START DATE		COMPLETION DATE					
		Manufacturing Equipment		May, 2007	Oct., 2007				
		R & D Equipment		N/A		N/A			
		Logist Dist Equipment		N/A		N/A			
		IT Equipment		N/A					
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT							
Current number 450	Salaries 17,335,000	Number retained 450	Salaries 17,335,000	Number additional 0	Salaries 0				
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	43,040,732.	14,346,910.66	(Est.)					
	Plus estimated values of proposed project	500,000.	166,666.67	(Est.)					
	Less values of any property being replaced	-0-	-0-						
Net estimated values upon completion of project		43,540,732.	14,513,577.33	(Est.)					
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		Title Attorney		Date signed (month, day, year) April 2, 2007					

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 N/A calendar years * (see below). The date this designation expires is N/A.

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

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

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

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

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

G. Other limitations or conditions (specify) None

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 on or after July 1, 2000, is allowed for:

- | | | |
|-------------------------------------|---|--|
| <input type="checkbox"/> 1 year | <input type="checkbox"/> 6 years | ** For ERA's established prior to July 1, 2000, <u>only</u> a 5 or 10 year schedule may be deducted. |
| <input type="checkbox"/> 2 years | <input type="checkbox"/> 7 years | |
| <input type="checkbox"/> 3 years | <input type="checkbox"/> 8 years | |
| <input type="checkbox"/> 4 years | <input type="checkbox"/> 9 years | |
| <input type="checkbox"/> 5 years ** | <input checked="" type="checkbox"/> 10 years ** | |

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: <i>(Signature)</i> Signature and title of authorized member	Telephone number 317-392-5103	Date signed (month, day, year) April 16, 2007
Attested by: <i>(Signature)</i>	Designated body City Council of Shelbyville, Indiana	

* 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 6-1.1-12.1-4.5

PK U.S.A., INC.
APPLICATION FOR TAX ABATEMENT

EXHIBIT A

Komatsu 1500-1 Press

\$500,000.00

EXHIBIT A