

RESOLUTION NO. 2018- 14 -CL
TIPPECANOE COUNTY COUNCIL RESOLUTION APPROVING
APPLICATION FOR PERSONAL PROPERTY TAX
DEDUCTIONS FOR LUDO FACT USA, LLC

WHEREAS, Tippecanoe County has been requested by Ludo Fact USA, LLC (Applicant) to approve personal property tax deductions pursuant to Indiana Code 6-1.1-12.1 with respect to proposed manufacturing equipment all as more fully set forth in the certain Statement of Benefits filed by Applicant in the Office of the Auditor of Tippecanoe County on February 2, 2018, attached hereto as Exhibit A.

WHEREAS, the manufacturing equipment will be located upon real estate designated by the Tippecanoe County Council as an "economic revitalization area" as that term is defined and intended in Indiana Code 6-1.1-12.1-1 through 6-1.1-12.1-6 pursuant to Declaratory Resolution No. 2014-04-CL, adopted January 14, 2014, and Confirmatory Resolution No. 2014-08-CL dated February 11, 2014; and

WHEREAS, the duration of said designation of the property described in Tippecanoe County Council Resolution was through and including December 31, 2024; and

WHEREAS, the Tippecanoe County Council, having reviewed the Statement of Benefits filed by Applicant on February 2, 2018, hereby finds that:

- (1) The estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.
- (2) The estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.
- (3) The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the

proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

- (4) The other benefits about which information was requested, including the number of individual opportunities for employment, both temporary and permanent, and the compensation to be paid to employees, are benefits of the type and quality anticipated by the County Council within the economic revitalization area, and are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.
- (5) The totality of benefits is sufficient to justify the deductions.

WHEREAS, the Tippecanoe Council hereby finds that the purposes of Indiana Code chapter §6-1.1-12.1 are served by allowing Applicant the deductions provided by Indiana Code §6-1.1-12.1-4.5 with respect to installation of **new manufacturing equipment for a period of five (5) years.**

NOW THEREFORE BE IT RESOLVED by the County Council of Tippecanoe County, Indiana that the Statement of Benefits filed on February 2, 2018, with respect to the addition of manufacturing equipment proposed by Applicant, be and the same are hereby approved.

BE IT FURTHER RESOLVED that, subject to approval of the Board of Commissioners for Tippecanoe County under Indiana Code §6-1.1-12.1-2(k) for statements of benefits concerning property in an allocation area, the Applicant, as owner of property within the above-designated economic revitalization area shall be entitled to the **deductions** provided by Indiana Code §6-1.1-12.1-5.4 for a period of **five (5) years with respect to manufacturing equipment** which is installed as contemplated by and reflected in the Statement of Benefits heretofore filed with Tippecanoe County according to the following schedule:

YEAR 1	100%
YEAR 2	80%

YEAR 3 60%

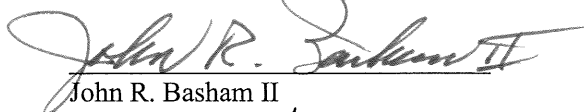
YEAR 4 40%

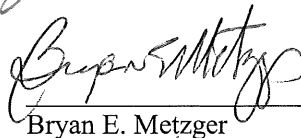
YEAR 5 20%


BE IT FINALLY RESOLVED that if any part, parts, clause or portion of this Resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity of the unconstitutionality of this Resolution as a whole or any other part, clause or portion of the Resolution.

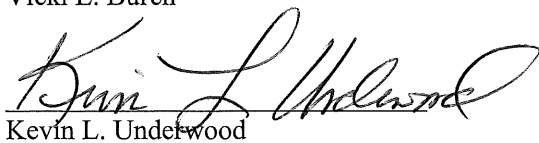
Presented to the County Council of Tippecanoe County, Indiana, and adopted this 13th day of March, 2018.

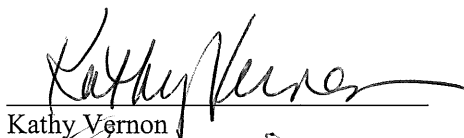
TIPPECANOE COUNTY COUNCIL

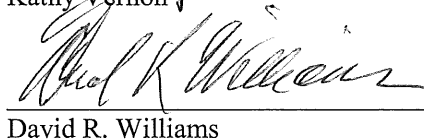

John R. Basham II

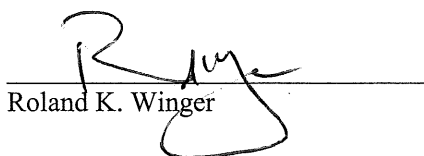

Bryan E. Metzger


Vicki L. Burch


Kevin L. Underwood


Kathy Vernon


David R. Williams


Roland K. Winger

ATTEST:


Robert Plantenga, Tippecanoe County Auditor



STATEMENT OF BENEFITS
PERSONAL PROPERTY

State Form 51764 (R4 / 11-15)
Prescribed by the Department of Local Government Finance

FILED

FEB 02 2018

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.

Mark Platzer
AUDITOR OF TIPPECANOE CO

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: Ludo Fact USA LLC
Name of contact person: Steffen Kosir
Address of taxpayer: 4775 Dale Drive, Lafayette, IN 47905
Telephone number: (765) 588-9138

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT
Name of designating body: Tippecanoe County Council
Resolution number (s):
Location of property: 4775 Dale Drive, Lafayette
County: Tippecanoe
DLGF taxing district number: Wea
Description of manufacturing equipment: Die-cutter for puzzle production, laminator for mounting puzzle print to chipboard, rigid-box manufacturing machine, a card deck manufacturing and packaging machine, and a game / puzzle fulfillment line.
ESTIMATED START DATE: 05/18/2018
ESTIMATED COMPLETION DATE: 12/31/2019

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT
Current number: 41 (36 FT, 5 PT)
Salaries: \$1,427,920
Number retained: 41
Salaries: \$1,427,920
Number additional: 32
Salaries: \$1,185,000

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: COST 1,164,140, ASSESSED VALUE 349,242
R & D EQUIPMENT: COST, ASSESSED VALUE
LOGIST DIST EQUIPMENT: COST 133,000, ASSESSED VALUE 39,900
IT EQUIPMENT: COST 42,794, ASSESSED VALUE 12,838
Plus estimated values of proposed project: 2,550,000, 765,000
Less values of any property being replaced
Net estimated values upon completion of project: 3,714,140, 1,114,242

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER
Estimated solid waste converted (pounds):
Estimated hazardous waste converted (pounds): none
Other benefits: Our primary raw material for boxes, game boards, and puzzles is recycled chipboard. We generate scrap during our converting process and the vast majority of scrap - both chipboard and paper - is captured, baled, and sold back into the recycled material process.

SECTION 6 TAXPAYER CERTIFICATION
I hereby certify that the representations in this statement are true.
Signature of authorized representative: [Signature]
Date signed (month, day, year): Feb. 2, 2018
Printed name of authorized representative: John D. Huber
Title: General Manager

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 _____ . *NOTE: This question addresses whether the resolution contains an expiration date for the designated area.*
- 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 | <input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 |
| 2 . Installation of new research and development equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <i>Check box if an enhanced abatement was approved for one or more of these types.</i> |
| 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 \$ _____. *(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) _____
- 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 | <input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 |
| <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 | Number of years approved: _____ |
| | | | | | <i>(Enter one to twenty (1-20) years; may not exceed twenty (20) years.)</i> |
- 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)	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 6-1.1-12.1-17.

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.

Ludo Fact USA

SUPPLEMENT TO STATEMENT OF BENEFITS Real Estate & Personal Property

INSTRUCTIONS:

1. This completed SUPPLEMENT and the completed STATEMENT OF BENEFITS, along with all other requested materials, must be submitted to Greater Lafayette Commerce.

2. This SUPPLEMENT TO STATEMENT OF BENEFITS is part of the total application, and the CERTIFICATION in the STATEMENT OF BENEFITS applies to all statements in the APPLICATION.

SECTION 1	APPLICANT
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Name of Taxpayer: Ludo Fact USA LLC	
Address of Taxpayer (street and number, city, state & ZIP code): 4775 Dale Drive, Lafayette, IN 47905	Telephone: 765.588.9138 E-mail:

Name of Applicant if different from Taxpayer: N/A	
Address of Applicant if different from Taxpayer (street and number, city, state & ZIP code):	Telephone: E-mail:
Description of relationship of Applicant to Taxpayer:	

Contact for this Application: Steffen Kosir	
Address of Contact if different from Taxpayer (street and number, city, state & ZIP code):	Telephone: 765.588.9138 E-mail: skosir@ludofactusa.cc

Name of Parent Company (if any):

Does the company currently conduct business at this site?	Yes	X	No	
If "No", how is the site currently used?				

Annual Report & History of Company	
Company Certified Public Accountant:	Roedel and Partner
Company Commercial Bankers:	Old National Bank
Company Counsel:	Reiling, Teder, and Schrier

To be completed by GLC Staff

Is this area currently designated as an Economic Revitalization Area?	Yes	✓	No	
Has it ever been so designated in the past?	Yes		No	
Is this property in a Tax Increment Finance (TIF) district (requires RD Commission Approval)?	Yes	✓	No	

Ludo Fact USA

SECTION 2

JURISDICTION & PURPOSE

Jurisdiction:	Lafayette _____	Purpose of Application:	Real Estate Tax Abatement - _____ years
	West Lafayette _____		Personal Property Tax Abatement - 5 _____ years
	Tippecanoe _____ X _____		

Type of Industry:	
Research & Development	_____
Manufacturing	_____ X _____
Logistics	_____
Information Technology	_____
Other	_____ Please specify:

Describe proposed project.

Ludo Fact USA intends to expand current production capabilities - laminating, die-cutting, game fulfillment, and rigid box manufacturing - as well as add the new capability of producing playing card decks. All the new equipment is in support of the company's expanded efforts in the general packaging, board game, and jigsaw puzzle markets.

SECTION 3

PROPERTY DESCRIPTION

Assessor's Personal Property Key Number(s):	79-131-55605-02
Location of Real Property (street and number, city, state & ZIP code):	4775 Dale Drive, Lafayette, IN 47905
ATTACH LEGAL DESCRIPTION & PLAT MAP WITH LOCATION	

SECTION 4

NATURE OF REAL ESTATE IMPROVEMENTS

Describe any Real Property Improvements:	N/A
Size of facility to be constructed and /or renovated	
Rehabilitation of existing structure(s), especially architecturally significant or historic structures	
Demolition of architecturally significant or historic structure(s)	
Estimated Investment	_____

Ludo Fact USA

SECTION 5

PERSONAL PROPERTY

Type of Project:

Research & Development _____

Machinery & Equipment _____ X _____

Logistics _____

Information Technology _____

Other _____ Please specify:

Estimated Investment _____ \$2,550,000 _____

****ATTACH DEPRECIATION SCHEDULE****

APPLIES ONLY FOR THE CITY OF LAFAYETTE

Please note that all Personal Property tax abatements are subject to a Memorandum of Agreement that may require repayment of all or a portion of the tax savings realized in a designated ERA if it is terminated because the property is removed from the City of Lafayette by the applicant. Please contact the City of Lafayette Economic Department for details.

SECTION 6

EMPLOYMENT

How many do you employ today? 41 (36 FT, 5 PT)

How many will you employ after the project is complete? 73

How many jobs will be created? 32 Full-time _____ Part-time _____

How many jobs are retained? 36 Full-time _____ 5 Part-time _____

How many jobs will be eliminated? 0 Full-time _____ 0 Part-time _____

Will any of the new positions be temporary or filled by contract employees Yes _____ No X

If "Yes", describe the contract: _____

Will new employees be hired from the Tippecanoe region? Yes X No _____

If any positions are to be eliminated, please explain the circumstances and if any of the employees from these positions will be eligible for the new positions.

How many additional employees are:

	Number	Hourly Average
Production	23	15.9
Administrative	6	19
Management	1	32.25
Professional/ Technical		
Other (Sales)	2	28.8
Total/ Average Wage		17.8

How many retained employees are:

	Number	Hourly Average
Production	33 (29 FT)	13.75
Administrative	4	23.8
Management	2	57
Professional/ Technical		
Other	2	25.25
Total/ Average Wage		17.83

What is the anticipated time frame for reaching full employment and the salary goals, per SB-1, from completion of improvement?

Year	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	> 5
Employment (Add'l)	15	17				
Salary	555,000	630				

****IF GREATER THAN FIVE YEARS PROVIDE DETIALED TIMETABLE****

Ludo Fact USA

Does the company provide benefits to full time employees?		Yes	<u> X </u>	No	<u> </u>
If "Yes", explain and list:					
Health Insurance	<u> 65% </u>	% paid			
Life insurance	<u> 100 </u>	% paid	(\$10,000)		
Disability	<u> </u>	% paid			
Childcare	<u> </u>	% paid			
Vacation	<u> 12 </u>	min. # of days	(Paid time off)		
Retirement	<u> </u>	% paid			
Other	<u> </u>	% paid			

To be completed by GLC Staff.

Is the average wage at or above the Tippecanoe County average?	Yes	<u> ✓ </u>	No	<u> </u>
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SECTION 7 IMPACTS & STATUS

Please estimate the % of your products or services sold outside this 8-county economic region?	<u> 98 </u> %
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Does the applicant supply any local firms?	Yes	<u> </u>	No	<u> X </u>
If yes, please list:				

Will any additional public utilities, city services or other infrastructure be required by this project?	Yes	<u> </u>	No	<u> X </u>
If "Yes", explain: Will use more electrical and water.				

Will any environmental permits be needed?	Yes	<u> </u>	No	<u> X </u>
If "Yes", explain:				

Current Zoning	<u> I3 </u>			
Will any changes, special exceptions be required?	Yes	<u> </u>	No	<u> X </u>
Have they been approved?	Yes	<u> </u>	No	<u> </u> N/A <u> X </u>

Has the applicant or any predecessor of the applicant defaulted in any material respect the performance of financial obligations by the applicant?	Yes	<u> </u>	No	<u> X </u>
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Is there any pending litigation materially affecting the applicant?	Yes	<u> </u>	No	<u> X </u>
If "Yes", please describe giving procedural posture of the case(s):				

Ludo Fact USA

Are there any restrictions contained in the applicant's Articles or Certificate of Incorporation, Charter, Bylaws, Code of Regulations or any agreements to which the applicant is a party that could affect the applicant's ability to engage in this project?	Yes	<u> </u>
	No	<u> X </u>
If "Yes", explain:		

SECTION 8 AFFIRMATION OF TAX PAYMENTS

I affirm that the applicant is current with all local, state, and federal tax obligations and understand that failure to have paid said taxes in a timely manner may render the applicant, during the course of this tax abatement, noncompliant and, therefore, ineligible for tax abatement.

<u></u>	<u>2 Feb 18</u>
Signature	Date
<u>John D. Huber</u>	<u>General Manager</u>
Name Printed	Title
<u>butcher@LudoFactusa.com</u>	<u>765.588.9138</u>
E-mail	Phone