

May 1, 2019

Members of the Yorktown Town Council
2400 South Russ Street
Yorktown, Indiana 47396

Baker Tilly Municipal Advisors, LLC
8365 Keystone Crossing, Ste 300
Indianapolis, IN 46240
United States of America

Re: All Steel CarPorts Inc. Abatement Analysis

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Dear Members of the Council:

Per your request, we have prepared the attached schedules in connection with the All Steel CarPorts Inc. project. The attached schedules (listed below) present unaudited and limited information. The use of these schedules should be restricted to this purpose, for internal use only, as the information is subject to change.

Page

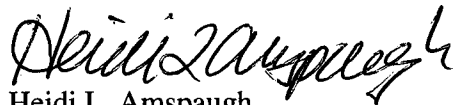
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|---|---|
| 2 | Estimated Property Tax Liability for the Proposed Investment in Real Property |
| 3 | Estimated Property Tax Liability for the Proposed Investment in Personal Property |

In the preparation of these schedules, certain assumptions were made as noted regarding certain future events. As in the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion thereon nor do we have a responsibility to prepare subsequent reports.

We would appreciate your questions or comments on this information and would provide additional information upon request.

Very truly yours,

BAKER TILLY MUNICIPAL ADVISORS, LLC



Heidi L. Amspaugh
Director

TOWN OF YORKTOWN, INDIANA

All Steel CarPorts Inc. Abatement Analysis

ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN REAL PROPERTY

Assumes a 5-year real property tax abatement

Taxes Payable Year	Estimated Net Assessed Value (1)		Tax Rate	Estimated Property Tax Liability						Estimated Abatement Savings
	With Proposed Abatement	Without Proposed Abatement		With Proposed Abatement			Without Proposed Abatement			
				Gross Taxes	Circuit Breaker Tax Credit	Net Taxes	Gross Taxes	Circuit Breaker Tax Credit	Net Taxes	
	(2)		(3)		(4)			(4)		
2021	\$0	\$684,000	\$2.2094	\$0	\$0	\$0	\$15,110	\$0	\$15,110	\$15,110
2022	136,800	684,000	2.2094	3,020	0	3,020	15,110	0	15,110	12,090
2023	273,600	684,000	2.2094	6,040	0	6,040	15,110	0	15,110	9,070
2024	410,400	684,000	2.2094	9,070	0	9,070	15,110	0	15,110	6,040
2025	547,200	684,000	2.2094	12,090	0	12,090	15,110	0	15,110	3,020
2026	684,000	684,000	2.2094	15,110	0	15,110	15,110	0	15,110	0
Totals				\$45,330	\$0	\$45,330	\$90,660	\$0	\$90,660	\$45,330

- (1) Per Company Officials, the Company will make a \$855,000 investment in real property towards the new development. Construction of the new development is anticipated to be completed in October 2019 and first assessed January 1, 2020 taxes payable 2021. Assumes the new development will be assessed at 80% of the estimated investment. The actual assessed value will be determined by the Delaware County Assessor upon completion, and the actual value may vary materially from the value assumed in this illustration.
- (2) Assumes a 5-year real property tax abatement with the following deduction percentages: 100%, 80%, 60%, 40%, 20%.
- (3) Represents the certified pay 2019 tax rate for the Mt. Pleasant Township taxing district.
- (4) Commercial property taxes are limited to 3.0% of gross assessed value.

(Subject to the attached letter dated May 1, 2019)
(Preliminary - Subject to Change)
(For Internal Use Only)

TOWN OF YORKTOWN, INDIANA

All Steel CarPorts Inc. Abatement Analysis

ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN PERSONAL PROPERTY

Assumes a 5-year personal property tax abatement

Taxes Payable Year	Estimated Net Assessed Value (1)		Tax Rate	Estimated Property Tax Liability						Estimated Abatement Savings
	With Proposed Abatement	Without Proposed Abatement		With Proposed Abatement			Without Proposed Abatement			
				Gross Taxes	Circuit Breaker Tax Credit	Net Taxes	Gross Taxes	Circuit Breaker Tax Credit	Net Taxes	
				(2)	(3)	(4)	(4)			
2021	\$0	\$140,000	2.2094	\$0	\$0	\$0	\$3,090	\$0	\$3,090	\$3,090
2022	39,200	196,000	2.2094	870	0	870	4,330	0	4,330	3,460
2023	58,800	147,000	2.2094	1,300	0	1,300	3,250	0	3,250	1,950
2024	67,200	112,000	2.2094	1,480	0	1,480	2,470	0	2,470	990
2025	84,000	105,000	2.2094	1,860	0	1,860	2,320	0	2,320	460
2026	105,000	105,000	2.2094	2,320	0	2,320	2,320	0	2,320	0
Totals				\$7,830	\$0	\$7,830	\$17,780	\$0	\$17,780	\$9,950

- (1) Per Company Officials, the Company will make a \$300,000 investment in manufacturing equipment and a \$50,000 investment in IT, for a total personal property investment of \$350,000 towards the new development. The personal property is assumed to be placed in service in October 2019 and first assessed January 1, 2020 taxes payable 2021. For the purposes of this analysis, it has been assumed that the equipment will be purchased as new and be depreciated in Pool #2 (5-8 year useful life) for property tax purposes. Once installed, the Company may report the depreciation in a different pool, which may have a material effect on the resulting property tax liability calculations. No assumption has been made for future equipment retirement/replacement.
- (2) Assumes a 5-year personal property tax abatement with the following deduction percentages: 100%, 80%, 60%, 40%, 20%.
- (3) Represents the certified pay 2019 tax rate for the Mt. Pleasant Township taxing district.
- (4) Commercial property taxes are limited to 3.0% of gross assessed value.

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