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BILL NO. R-13-12-06

DECLARATORY RESOLUTION NO. R-111-13

**A DECLARATORY RESOLUTION designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for property commonly known as 4636 and 4650 Newaygo Road, Fort Wayne, Indiana 46808 (GCG Industries, Inc.)**

**WHEREAS**, Petitioner has duly filed its petition dated December 4, 2013 to have the following described property designated and declared an "Economic Revitalization Area" under Sections 153.13-153.24 of the Municipal Code of the City of Fort Wayne, Indiana, and I.C. 6-1.1-12.1, to wit:

**Attached hereto as "Exhibit A" as if a part herein;**

and

**WHEREAS**, said project will create two full-time, permanent jobs for a total new, annual payroll of \$50,000, with the average new annual job salary being \$25,000 and retain twenty-five full-time, permanent jobs for a total current annual payroll of \$1,060,507, with the average current, annual job salary being \$42,420; and

**WHEREAS**, the total estimated project cost is \$223,900; and

**WHEREAS**, it appears the said petition should be processed to final determination in accordance with the provisions of said Division 6.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:**

**SECTION 1.** That, subject to the requirements of Section 6, below, the property hereinabove described is hereby designated and declared an "Economic Revitalization Area" under I.C. 6-1.1-12.1. Said designation shall begin upon the effective date of the Confirming Resolution referred to in Section 6 of this Resolution and shall terminate on December 31, 2016, unless otherwise automatically extended in five year increments per I.C. 6-1.1-12.1-9.

**SECTION 2.** That, upon adoption of the Resolution:

- (a) Said Resolution shall be filed with the Allen County Assessor;
- (b) Said Resolution shall be referred to the Committee on Finance requesting a recommendation from said committee concerning the advisability of designating the above area an "Economic Revitalization Area";
- (c) Common Council shall publish notice in accordance with I.C. 6-1.1-12.1-2.5 and I.C. 5-3-1 of the adoption and substance of this resolution and setting this designation as an "Economic Revitalization Area" for public hearing;

1                   **SECTION 3.** That, said designation of the hereinabove described property as an  
2 "Economic Revitalization Area" shall apply to a deduction of the assessed value of personal  
3 property for new manufacturing equipment.

4                   **SECTION 4.** That, the estimate of the number of individuals that will be employed  
5 or whose employment will be retained and the estimate of the annual salaries of those  
6 individuals and the estimate of the value of new manufacturing equipment, all contained in  
7 Petitioner's Statement of Benefits, are reasonable and are benefits that can be reasonably  
8 expected to result from the proposed described installation of new manufacturing equipment.

9                   **SECTION 5.** That, the current year approximate tax rates for taxing units within  
10 the City would be:

- 11                   (a) If the proposed new manufacturing equipment is not installed, the approximate  
12 current year tax rates for this site would be \$3.1821/\$100.
- 13                   (b) If the proposed new manufacturing equipment is installed and no deduction is  
14 granted, the approximate current year tax rate for the site would be  
15 \$3.1821/\$100 (the change would be negligible).
- 16                   (c) If the proposed new manufacturing equipment is installed and a deduction  
17 percentage of eighty percent (80%) is assumed, the approximate current year  
18 tax rate for the site would be \$3.1821/\$100 (the change would be negligible).

19                   **SECTION 6.** That, this Resolution shall be subject to being confirmed, modified  
20 and confirmed, or rescinded after public hearing and receipt by Common Council of the  
21 above described recommendations and resolution, if applicable.

22                   **SECTION 7.** That, pursuant to I.C. 6-1.1-12.1, it is hereby determined that the  
23 deduction from the assessed value of the new manufacturing equipment shall be for a period  
24 of five years.

25                   **SECTION 8.** The deduction schedule from the assessed value of new  
26 manufacturing equipment pursuant to I.C. 6-1.1-12.1-17 shall look like this:

Year of Deduction	Percentage
1	100%
2	80%
3	60%
4	40%
5	20%

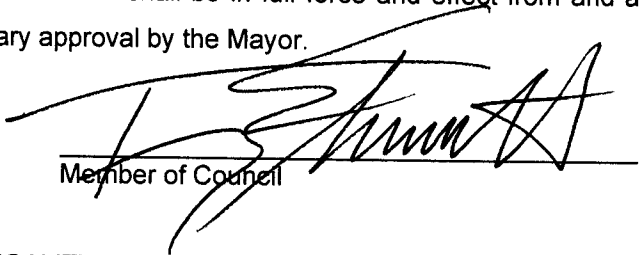
27                   **SECTION 9.** That, the benefits described in the Petitioner's Statement of Benefits  
28 can be reasonably expected to result from the project and are sufficient to justify the  
29 applicable deductions.

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**SECTION 10.** That, the taxpayer is non-delinquent on any and all property tax due to jurisdictions within Allen County, Indiana.


**SECTION 11.** That, pursuant to I.C. 6-1.1-12.1-12 et al, any property owner that has received a deduction under section 3 or 4.5 of said chapter may be required to repay the deduction amount as determined by the county auditor in accordance with section 12 of said chapter if the property owner ceases operations at the facility for which the deduction was granted and if the Common Council finds that the property owner obtained the deduction by intentionally providing false information concerning the property owner's plans to continue operation at the facility.

**SECTION 12.** That, this Resolution shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.



Member of Council

APPROVED AS TO FORM AND LEGALITY



Carol Helton, City Attorney

CITY OF FT WAYNE

03/2013



DEC 04 2013

*api*

COMMUNITY DEVI  
ECONOMIC REVITALIZATION AREA APPLICATION  
CITY OF FORT WAYNE, INDIANA

APPLICATION IS FOR: (Check appropriate box(es))

- Real Estate Improvements
- Personal Property Improvements
- Vacant Commercial or Industrial Building

Total cost of real estate improvements: \_\_\_\_\_

Total cost of manufacturing equipment improvements: \$ 223,900

Total cost of research and development equipment improvements: \_\_\_\_\_

Total cost of logistical distribution equipment improvements: \_\_\_\_\_

Total cost of information technology equipment improvements: \_\_\_\_\_

TOTAL OF ABOVE IMPROVEMENTS: \$ 223,900

**GENERAL INFORMATION**

Real property taxpayer's name: Terry A & Tamara J Gardner

Personal property taxpayer's name: GCG IndustriesInc

Telephone number: 260-482-7454

Address listed on tax bill: 4636 Newaygo Road

Name of company to be designated, if applicable: GCG Industries Inc

Year company was established: 1988

Address of property to be designated: 4636 & 4650 Newaygo Road

Real estate property identification number: 02-07-22-477-004.000-073 & 02-07-22-477-003.000-073

Contact person name: Terry Gardner

Contact person telephone number: (260) 482-7454 Contact person Email: terry@gcgindustries.com

Contact person address: 3324 McComb Road, Huntertown, IN 46748

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Terry Gardner	Owner	3324 McComb Road	(260) 338-2806
Tammy Gardner	Secretary	Same	

List all persons or firms having ownership interest in the applicant business and the percentage each holds:

NAME	PERCENTAGE
Terry A. Gardner	100%

- Yes  No Are any elected officials shareholders or holders of any debt obligation of the applicant or operating business? If yes, who? (name/title) \_\_\_\_\_
- Yes  No Is the property for which you are requesting ERA designation totally within the corporate limits of the City of Fort Wayne?
- Yes  No Do you plan to request state or local assistance to finance public improvements?
- Yes  No Is the property for which you are requesting ERA designation located in an Economic Development Target Area (EDTA)? (see attached map for current areas)
- Yes  No Does the company's business include a retail component? If yes, answer the following questions:  
 What percentage of floor space will be utilized for retail activities? \_\_\_\_\_  
 What percentage of sales is made to the ultimate customer? \_\_\_\_\_  
 What percentage of sales will be from service calls? \_\_\_\_\_

What is the percentage of clients/customers served that are located outside of Allen County? 40%

What is the company's primary North American Industrial Classification Code (NAICs)? 332710

Describe the nature of the company's business, product, and/or service:

Machining

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2010	\$ 1,060,648.00
2011	\$ 1,081,439
2012	\$ 1,718,159

List the company's three largest customers, their locations and amount of annual gross sales:

Customer Name	City/State	Annual Gross Sales
Paragon Medical	Warsaw, IN	\$ 2,059,776
Dometic	Lagrange, IN	\$ 231,582
Murray Equipment	Ft. Wayne, IN	\$ 237,197

List the company's three largest material suppliers, their locations and amount of annual purchases:

Supplier Name	City/State	Annual Gross Purchases
Alro Steel	Ft. Wayne	\$ 212,804
Powell Tool	Ft. Wayne	\$ 64,272
Hi Tech	Ft. Wayne	\$ 57,057

List the company's top three competitors:

Competitor Name	City/State
Advanced Machine Works	Ft. Wayne
Superior Machine	Ft. Wayne
Aegis Machine	Ft. Wayne

Describe the product or service to be produced or offered at the project site:

Orthopedic three dimensional parts

In order to be considered an Economic Revitalization Area (ERA), the area must be within the corporate limits of the City of Fort Wayne and must have become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. It also includes any area where a facility or group of facilities that are technologically, economically, or energy obsolete is located and where the obsolescence may lead to a decline in employment and tax revenues.

How does the property for which you are requesting designation meet the above definition of an ERA?

We are adding new technology to the Fort Wayne area keeping our business as well as the community competitive as suppliers to the orthopedic industry

**REAL PROPERTY INFORMATION**

Complete this section of the application if you are requesting a deduction from assessed value for real property improvements.

Describe any structure(s) that is/are currently on the property:

The two parcels have a 5600 sf manufacturing facility and a 5720 sf manufacturing and office building

Describe the condition of the structure(s) listed above:

Describe the improvements to be made to the property to be designated for tax phase-in purposes:

N/A

Projected construction start (month/year): \_\_\_\_\_

Projected construction completion (month/year): \_\_\_\_\_

Yes  No Will construction result in Leadership in Energy and Environmental Design (LEED) certification by the U.S. Green Building Council?

Yes  No Will construction use techniques to minimize impact on combined sewer overflows? (i.e. rain gardens, bio swales, etc.)

**PERSONAL PROPERTY INFORMATION**

Complete this section of the application if you are requesting a deduction from assessed value of new manufacturing, research and development, logistical distribution or information technology equipment.

List below the equipment for which you are seeking an economic revitalization area designation.

Manufacturing equipment must be used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property at the site to be designated. Research and development equipment consists of laboratory equipment, research and development equipment, computers and computer software, telecommunications equipment or testing equipment used in research and development activities devoted directly and exclusively to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products at the site to be designated. Logistical distribution equipment consists of racking equipment, scanning or coding equipment, separators, conveyors, fork lifts or lifting equipment, transitional moving equipment, packaging equipment, sorting and picking equipment, software for technology used in logistical distribution, is used for the storage or distribution of goods, services, or information. Information technology equipment consists of equipment, including software used in the fields of information processing, office automation, telecommunication facilities and networks, informatics, network administration, software development and fiber optics: (use additional sheets, if necessary)

Purchase of a CNC 5 axis mill; capabilities our company currently does not have

Yes  No Has the above equipment for which you are seeking a designation, ever before been used for any purpose in Indiana? If yes, was the equipment acquired at an arms length transaction from an entity not affiliated with the applicant?  Yes  No

Yes  No Will the equipment be leased?

Date first piece of equipment will be purchased (month/year): 11/2013

Date last piece of equipment will be installed (month/year): 12/2013

Please provide the depreciation schedule term for equipment under consideration for personal property tax phase-in:

Depreciation term at GCG Industries is currently 5 years

**ELIGIBLE VACANT BUILDING INFORMATION**

Complete this section of the application if you are requesting a deduction from the current assessed value of a vacant building

Yes  No Has the building for which you are seeking designation for tax phase-in been unoccupied for at least one year? Please provide evidence of occupation. (i.e. certificate of occupancy, paid utility receipts, executed lease agreements)

Describe any structure(s) that is/are currently on the property:

Describe the condition of the structure(s) listed above: \_\_\_\_\_

Projected occupancy date (month/year): \_\_\_\_\_

Describe the efforts of the owner or previous owner in regards to selling, leasing or renting the eligible vacant building during the period the eligible vacant building was unoccupied including how much the building was offered for sale, lease, or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied.

**PUBLIC BENEFIT INFORMATION**

**EMPLOYMENT INFORMATION FOR FACILITY TO BE DESIGNATED**

ESTIMATE OF EMPLOYEES AND PAYROLL FOR FORT WAYNE  
FACILITY REQUESTING ECONOMIC REVITALIZATION AREA DESIGNATION

Please be specific on job descriptions. When listing the occupation codes, please avoid using the "Major Occupational Groupings" (i.e. 11-000, 13-000, 15-000, etc.) which are more general in nature. Instead, use specific occupation codes (i.e. 11-1021, 13-1081, 15-2041 etc) for each created and retained job. To fill out information on occupation and occupation code, use data available through Occupation Employment Statistics for Fort Wayne

[http://www.bls.gov/oes/current/oes\\_23060.htm](http://www.bls.gov/oes/current/oes_23060.htm)

**Current Full-Time Employment**

Occupation	Occupation Code	Number of Jobs	Total Payroll
Machinist	51-4041	18	\$ 496,179
Supervisor	51-1011	2	\$ 90,597
Management	11-1021	2	\$ 187,469
Office	43-3051	2	\$ 127,662
CEO	11-1000	1	\$ 158,600

**Retained Full-Time Employment**

Occupation	Occupation Code	Number of Jobs	Total Payroll
same			

**Additional Full-Time Employment**

Occupation	Occupation Code	Number of Jobs	Total Payroll
Machinist	51-4041	2	\$ 50,000

**PUBLIC BENEFIT INFORMATION**

**Current Part-Time or Temporary Jobs**

Occupation	Occupation Code	Number of Jobs	Total Payroll

**Retained Part-Time or Temporary Jobs**

Occupation	Occupation Code	Number of Jobs	Total Payroll

**Additional Part-Time or Temporary Jobs**

Occupation	Occupation Code	Number of Jobs	Total Payroll

Check the boxes below if the existing jobs and the jobs to be created will provide the listed benefits:

- |   |  |   |
|---|--|---|
| <input checked="" type="checkbox"/> Pension Plan          | <input checked="" type="checkbox"/> Major Medical Plan | <input type="checkbox"/> Disability Insurance |
| <input checked="" type="checkbox"/> Tuition Reimbursement | <input checked="" type="checkbox"/> Life Insurance     | <input type="checkbox"/> Dental Insurance     |

List any benefits not mentioned above:

When will you reach the levels of employment shown above? (month/year): 12/2015

## REQUIRED ATTACHMENTS

The following must be attached to the application.

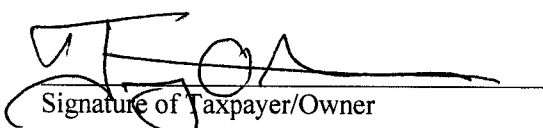
1. **Statement of Benefits Form(s) (first page/front side completed)**
2. **Full legal description of property and a plat map identifying the property boundaries. (Property tax bill legal descriptions are not sufficient.) Should be marked as Exhibit A.**
3. **Check for non-refundable application fee made payable to the City of Fort Wayne.**

ERA filing fee (either real or personal property improvements)	.1% of total project cost not to exceed \$500
ERA filing fee (both real and personal property improvements)	.1% of total project cost not to exceed \$750
ERA filing fee (vacant commercial or industrial building)	\$500
ERA filing fee in an EDTA	\$100
Amendment to extend designation period	\$300
Waiver of non compliance with ERA filing	\$500 + ERA filing fee
4. **Owner's Certificate (if applicant is not the owner of property to be designated)  
Should be marked as Exhibit B if applicable.**

## CERTIFICATION

I, as the legal taxpayer and/or owner, hereby certify that all information and representations made on this application and its attached exhibits are true and complete and that neither an Improvement Location Permit nor a Structural Permit has been filed for construction of improvements, nor has any manufacturing, research and development, logistical distribution or information technology equipment which is a part of this application been purchased and installed as of the date of filing of this application. I also certify that the taxpayer is not delinquent on any and all property tax due to taxing jurisdictions within Allen County, Indiana. I understand that any incorrect information on this application may result in a rescission of any tax phase-ins which I may receive.

I understand that I must file a correctly completed Compliance with Statement of Benefits Form (CF-1/Real Property for real property improvements and CF-1/PP for personal property improvements) and the Public Benefit Annual Update with the City of Fort Wayne Community Development Division in each year in which I receive a deduction. Further the CF-1/PP form must be filed with the county assessor and the CF-1/Real Property must be filed with the county auditor. Failure to file the CF-1 form with these agencies may result in a rescission of any tax phase-in occurring as a result of this application.

  
Signature of Taxpayer/Owner

JERRY A GARDNER  
Printed Name and Title of Applicant

11-18-13  
Date

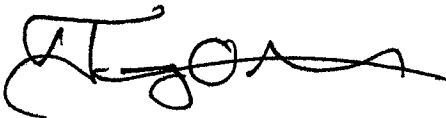
November 25, 2013

The City of Fort Wayne,

Below you will find the explanation of why GCG Industries, INC was unable to submit the tax abatement prior to the deadline. We began looking into purchasing the CNC 5 Axis Mill in the beginning of August. I, Terry Gardner, was in contact with Ashley Steenman on September 17, 2013 when I received the appropriate paperwork, via email, to go forward with the abatement. My wife, Tammy Gardner, who is also the office/accounting executive, went into the ER on Monday September 23, 2013 for an emergency appendectomy. Tammy & I were both off of work through October due to complications with the procedure and returned November 1, 2013. The CNC 5 Axis Mill was delivered Thursday October 31, 2013. Brooke Gardner Lenzion then got into contact with Ashley Steenman and submitted the abatement application via email November 13. After finalizing information, Brooke submitted the signed document and the handling fees to Ashley Steenman's office on November 20. November 21 Adam Welch contacted Terry Gardner stating that our application was submitted after the deadline and/or criteria and asked for a written explanation.

Thank you for your time and feel free to let me know if you need anything else at this time.

Terry Gardner



President of GCG Industries, INC.



GCG INDUSTRIES, INC.  
4636 Newaygo Rd.  
Fort Wayne, IN 46808  
T: 260-482-7454



# STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R / 1-06)

Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

FORM SB-1 / PP

DEC 04 2013

### 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:

- This statement must be submitted to the body designating the Economic Revitalization Area **BEFORE** 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)
- 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
- 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.
- 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)
- 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))

COMMUNITY DEV

### SECTION 1 TAXPAYER INFORMATION

Name of taxpayer <b>GCG Industries Inc</b>	
Address of taxpayer (number and street, city, state, and ZIP code) <b>4636 Newaygo Road</b>	
Name of contact person <b>Terry Gardner</b>	Telephone number <b>(260) 482-7454</b>

### SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body <b>Fort Wayne City Council</b>		Resolution number (s)	
Location of property <b>4636 &amp; 4650 Newaygo Road</b>	County <b>Allen</b>	DLGF taxing district number <b>02073</b>	
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)  <b>Okuma 5 axis CNC mill</b>		ESTIMATED	
		START DATE	COMPLETION DATE
		Manufacturing Equipment	<b>11/01/2013</b> <b>12/01/2013</b>
		R & D Equipment	
		Logist Dist Equipment	
IT Equipment			

### SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number <b>25</b>	Salaries <b>1,060,507.00</b>	Number retained <b>25</b>	Salaries <b>1,060,507.00</b>	Number additional <b>2</b>	Salaries <b>50,000.00</b>
-----------------------------	---------------------------------	------------------------------	---------------------------------	-------------------------------	------------------------------

### 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								
Plus estimated values of proposed project	<b>223,900.00</b>							
Less values of any property being replaced								
Net estimated values upon completion of project								

### 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 	Title <b>CEO</b>	Date signed (month, day, year) <b>11-18-13</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 December 31, 2016

- B. The type of deduction that is allowed in the designated area is limited to:
- |  |   |
|--|---|
| 1. Installation of new manufacturing equipment;            | <input checked="" type="checkbox"/> Yes <input 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 \$ unlimited cost with an assessed value of \$ unlimited.

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 \$ N/A cost with an assessed value of \$ N/A.

G. Other limitations or conditions (specify) N/A

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     |
| <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 checked="" type="checkbox"/> 5 years ** | <input type="checkbox"/> 10 years ** |

\*\* For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.

I. Did the designating body adopt an alternative deduction schedule per IC 6-1.1-12.1-17?  Yes  No  
If yes, attach a copy of the alternative deduction schedule to this form.

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) <u>Thomas F. Dilley</u>	Telephone number <u>(260) 427-1221</u>	Date signed (month, day, year) <u>12-10-13</u>
Attested by: <u>Samuel F. Kennedy</u>	Designated body <u>Common Council</u>	

\* 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

EXHIBIT A

Exhibit A – Legal Description 4636 Newaygo Road and 4650 Newaygo Road

**4636 Newaygo Road**

**Tax ID: 02-07-22-477-004.000-073**

*5-22-1-047*

*PRODUCTION PARK*

*S 90 FT LOT 6*

**4650 Newaygo Road**

**Tax ID: 02-07-22-477-003.000-073**

*5-22-1-048*

*PRODUCTION PARK*

*LOT 6 EX S 90 FT*

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **GCG Industries, Inc. is requesting the designation of an Economic Revitalization Area for personal property improvements in the amount of \$223,900. In order to expand, GCG Industries, Inc. will install new manufacturing equipment.**

EFFECT OF PASSAGE: **Installing the new equipment will allow GCG Industries, Inc. to stay competitive in the market and add capabilities to the company that they currently do not have. Two full-time jobs will be created.**

EFFECT OF NON-PASSAGE: **Potential loss of development and two full-time jobs**

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS): **No expenditures of public funds required.**

ASSIGNED TO COMMITTEE (PRESIDENT): **John Crawford and Tom Smith**

# MEMORANDUM



**TO:** City Council  
**FROM:** Adam Welch, Economic Development Specialist  
**DATE:** December 3, 2013  
**RE:** Request for designation by GCG Industries, Inc. as an ERA for personal property improvements

## BACKGROUND

PROJECT ADDRESS:	<b>4636 and 4650 Newwaygo Road</b>	PROJECT LOCATED WITHIN:	<b>Not Applicable</b>
PROJECT COST:	<b>\$ 223,900</b>	COUNCILMANIC DISTRICT:	<b>3</b>

COMPANY PRODUCT OR SERVICE:	<b>GCG Industries, Inc. is a manufacturer of parts for the medical device industry. The company also provides custom metal machining for other industries.</b>
PROJECT DESCRIPTION:	<b>GCG Industries, Inc. will purchase new manufacturing equipment.</b>

### CREATED

### RETAINED

JOBS CREATED (FULL-TIME):	<b>2</b>	JOBS RETAINED (FULL-TIME):	<b>25</b>
JOBS CREATED (PART-TIME):	<b>0</b>	JOBS RETAINED (PART-TIME):	<b>0</b>
TOTAL NEW PAYROLL:	<b>\$ 50,000</b>	TOTAL RETAINED PAYROLL:	<b>\$ 1,060,507</b>
AVERAGE SALARY (FULL-TIME NEW):	<b>\$ 25,000</b>	AVERAGE SALARY (FULL-TIME RETAINED):	<b>\$ 42,420</b>

## COMMUNITY BENEFIT REVIEW

Yes  No  N/A

Project will encourage vacant or under-utilized land appropriate for commercial or industrial use?

Yes  No  N/A

Real estate to be designated is consistent with land use policies of the City of Fort Wayne?

**Explain: Property to be designated is zoned IN1, a limited industrial zoning classification.**

Yes  No  N/A

Project encourages the improvement or replacement of a deteriorated or obsolete structure?

Yes  No  N/A

Project encourages the improvement or replacement of obsolete manufacturing and/or research and development and/or information technology and/or logistical distribution equipment?

**Explain: GCG Industries, Inc. will install a Okuma 5 axis CNC mill.**

Yes  No  N/A

Project will result in significant conversion of solid waste or hazardous waste into energy or other useful products?

Yes  No  N/A

Project encourages preservation of an historically or architecturally significant structure?

Yes  No  N/A 

Construction will result in Leadership in Energy and Environmental Design (LEED) certification by the U.S. Green Building Council?

Yes  No  N/A 

Construction will use techniques to minimize impact on combined sewer overflows? (i.e. rain gardens, bio swales, etc.)

Yes  No  N/A ERA designation induces employment opportunities for Fort Wayne area residents?  
**Explain: Two full-time jobs will be created.**Yes  No  N/A 

Taxpayer is NOT delinquent on any or all property tax due to any taxing jurisdiction within Allen County.

## POLICY

**Per the policy of the City of Fort Wayne, the following guidelines apply to this project:**

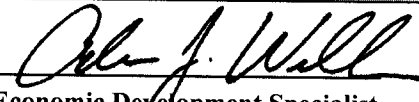
1. The period of deduction for personal property is five years.

Under Fort Wayne Common Council's tax phase-in policies and procedures, GCG Industries, Inc. is eligible for a five year deduction on personal property improvements. Attached is a spreadsheet that shows how the application scored under the review system. Also attached is an estimate of the taxes saved and paid over the length of the ten year deduction schedule.

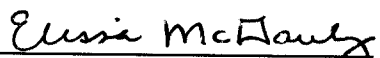
After reviewing the City's Procedures and Policies on Economic Revitalization Areas (ERA) which are provided with each ERA Application, GCG Industries, Inc. informed City staff that final installation of equipment occurred *prior* to their submission of the Economic Revitalization Area (ERA) application and the Statement of Benefits (SB-1/PP). To allow an economic revitalization area designation after the final installation of personal property, Indiana Code 6-1.1-12.1-11.3 permits for an adoption of a resolution to waive non-compliance due to failure to file a Statement of Benefits (SB-1) in the appropriate timeframe. The confirming resolution for this project contains language to waive non-compliance that will allow for the final approval of an economic revitalization area designation on this property for tax phase-in. A letter from GCG Industries, Inc.'s president is attached explaining their request for a waiver of non-compliance.

## COMMENTS

Signed:

  
Economic Development Specialist

Reviewed:

  
Economic Development Specialist

## COMMUNITY DEVELOPMENT DIVISION

## Personal Property Abatements

Tax Abatement Review System

Points Possible	Points Awarded
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### INVESTMENT (30 points possible)

#### Total new investment in equipment

Over \$5,000,000	10	
\$1,000,000 to \$4,999,999	8	
\$500,000 to \$999,999	6	
\$0 to \$499,999	4	4

#### Investment per employee (both jobs created and retained)

\$35,000 or more	10	
\$18,500 to \$34,999	8	
\$6,250 to \$18,499	6	6
\$1,250 to \$6,249	4	
less than \$1,250	2	

#### Estimated local income taxes generated from jobs retained

\$80,000 or more	5	
\$30,000 to \$79,999	4	
\$10,000 to \$29,999	3	3
\$5,000 to \$9,999	2	
less than \$5,000	1	

#### Estimated local income taxes generated from jobs created (Double points for start-up)

\$30,000 or more	5	
\$10,000 to \$29,999	4	
\$5,000 to \$9,999	3	
\$3,000 to \$4,999	2	
less than \$3,000	1	1

### ECONOMIC BASE (20 points possible)

#### Location Quotient in designated Occupation Code (use majority Occupation Code of all created and retained jobs) Greater than 1.0

	5	5
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#### Estimated Percent of Business done outside

<b>Allen County</b>		
Greater than 75%	15	
50% to 74%	10	
25% to 49%	5	5

### JOBS (20 points possible)

#### Total number of permanent jobs retained

Over 250	10	
100 to 249	8	
50 to 99	6	
25 to 49	4	4
10 to 24	2	
1 to 9	1	

#### Total number of permanent jobs created (Double for start-up)

Over 100	10	
50-99	8	
25-49	6	
10-24	4	
1 to 9	2	2

### WAGES (20 points possible)

#### Median salary of the jobs created and/or retained

Over \$45,000	20	
\$40,000 to \$44,999	16	
\$35,000 to \$39,999	12	
\$30,000 to 34,999	8	
\$25,000 to \$29,999	4	4
under \$25,000	0	

**BENEFITS (10 points possible)**

Major Medical Plan	7	7
Pension, Tuition Reimbursement, Life Insurance, Dental Insurance, Disability Insurance,	3	3

**SUSTAINABILITY**

Construction uses green building techniques (ie LEED Certification)	5
Construction uses techniques to minimize impact on Combined Sewer Overflows (CSOs)	5

**Total 44**

Length of Abatement
20 to 39 points - 3 year abatement
40 to 59 points - 5 year abatement
60 to 79 points - 7 year abatement
80 to 100 points - 10 year abatement

\* If Average annual salary of the full-time jobs created by listed occupation is 10% or greater than the average salary for Allen County using current occupational employment statistics, then the applicant is eligible for an alternate deduction schedule.

10 year	10 Year
Year 1: 100%	Year 1: 100%
Year 2: 90%	Year 2: 100%
Year 3: 80%	Year 3: 100%
Year 4: 70%	Year 4: 100%
Year 5: 60%	Year 5: 100%
Year 6: 50%	Year 6: 90%
Year 7: 40%	Year 7: 80%
Year 8: 30%	Year 8: 65%
Year 9: 20%	Year 9: 50%
Year 10: 10%	Year 10: 40%
Year 11: 0%	
7 year	7 Year
Year 1: 100%	Year 1: 100%
Year 2: 85%	Year 2: 100%
Year 3: 71%	Year 3: 100%
Year 4: 57%	Year 4: 100%
Year 5: 43%	Year 5: 100%
Year 6: 29%	Year 6: 71%
Year 7: 14%	Year 7: 43%
Year 8: 0%	
5 year	
Year 1: 100%	
Year 2: 80%	
Year 3: 60%	
Year 4: 40%	
Year 5: 20%	
Year 6: 0%	
3 year	
Year 1: 100%	
Year 2: 66%	
Year 3: 33%	
Year 4: 0%	

**POOL #2 FORT WAYNE COMMUNITY DEVELOPMENT DIVISION  
TAX ABATEMENT - ESTIMATE OF SAVINGS**

**PERSONAL PROPERTY TAX ABATEMENT - 5 yr Schedule**

Year	True Cash Value	"Pool 2" %	True Tax Value	Assessed Value	Tax Abatement %	Tax Paid %	Deduction	Taxable A V	Tax Rate	Tax Paid	Tax Saved	
1	\$223,900	40%	\$89,560	\$89,560	100%	0%	\$89,560	\$0	0.031821	\$0	\$2,850	
2	\$223,900	56%	\$125,384	\$125,384	80%	20%	\$100,307	\$25,077	0.031821	\$798	\$3,192	
3	\$223,900	42%	\$94,038	\$94,038	60%	40%	\$56,423	\$37,615	0.031821	\$1,197	\$1,795	
4	\$223,900	32%	\$71,648	\$71,648	40%	60%	\$28,659	\$42,989	0.031821	\$1,368	\$912	
5	\$223,900	30%	\$67,170	\$67,170	20%	80%	\$13,434	\$53,736	0.031821	\$1,710	\$427	
6	\$223,900	30%	\$67,170	\$67,170	0%	100%	\$0	\$67,170	0.031821	\$2,137	\$0	
7	\$223,900	30%	\$67,170	\$67,170	0%	100%	\$0	\$67,170	0.031821	\$2,137	\$0	
8	\$223,900	30%	\$67,170	\$67,170	0%	100%	\$0	\$67,170	0.031821	\$2,137	\$0	
9	\$223,900	30%	\$67,170	\$67,170	0%	100%	\$0	\$67,170	0.031821	\$2,137	\$0	
10	\$223,900	30%	\$67,170	\$67,170	0%	100%	\$0	\$67,170	0.031821	\$2,137	\$0	
11	\$223,900	30%	\$67,170	\$67,170	0%	100%	\$0	\$67,170	0.031821	\$2,137	\$0	
							TOTAL TAX SAVED		(10 yrs on 5 yr deduction)		<b>\$9,177</b>	
							TOTAL TAX PAID		(10 yrs on 5 yr deduction)			<b>\$15,760</b>

NOTE: Above calculations assume a constant tax rate over the abatement period. Time value of money is not considered.

Public Hearing Date, if applicable \_\_\_\_\_

Read the first time in full and on motion by Councilman Tom Smith  
Read the second time by title and referred to the Finance Committee  
Committee. Read the third time in full and on motion by Councilman  
Smith, placed on passage by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>
<u>TOTAL VOTES</u>	<u>9</u>	_____	_____	_____
BENDER	<u>✓</u>	_____	_____	_____
CRAWFORD	<u>✓</u>	_____	_____	_____
DIDIER	<u>✓</u>	_____	_____	_____
HARPER	<u>✓</u>	_____	_____	_____
HINES	<u>✓</u>	_____	_____	_____
JEHL	<u>✓</u>	_____	_____	_____
PADDOCK	<u>✓</u>	_____	_____	_____
SHOAFF	<u>✓</u>	_____	_____	_____
SMITH	<u>✓</u>	_____	_____	_____

DATED: 12-10-13 Sandra E. Kennedy  
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as  
(ANNEXATION) (APPROPRIATION) (GENERAL) (SPECIAL) (ZONING) ORDINANCE  
(RESOLUTION) NO. R-111-13 on the 10<sup>th</sup> day of  
December, 2013

ATTEST:  
Sandra E. Kennedy  
SANDRA E. KENNEDY,  
CITY CLERK

T. Thomas F. Didier  
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 11<sup>th</sup> day  
of December, 2013, at the hour of 10:00 o'clock Am. E.S.T.

Sandra E. Kennedy  
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 12<sup>TH</sup> day of December

2013, at the hour of 2:00 o'clock Pm. E.S.T.

Thomas C. Henry  
THOMAS C. HENRY, MAYOR

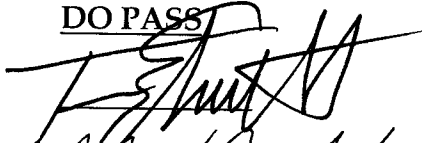
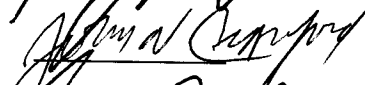



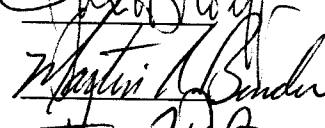
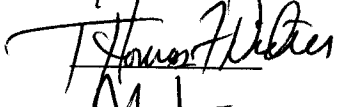
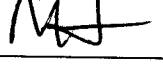
BILL NO. R-13-12-06

# REPORT OF THE COMMITTEE ON FINANCE

## DECEMBER 10, 2013

TOM SMITH - CHAIR  
JOHN CRAWFORD - CO-CHAIR  
ALL COUNCIL MEMBERS

**A DECLARATORY RESOLUTION** designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for property commonly known as 4636 and 4650 Newago Road, Fort Wayne, Indiana 46808 (GCG Industries, Inc.). **HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE**

<u>DO PASS</u>	<u>DO NOT PASS</u>	<u>ABSTAIN</u>	<u>NO REC</u>
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

SANDRA E. KENNEDY  
CITY CLERK