

**A DECLARATORY RESOLUTION designating an
"Economic Revitalization Area" under I.C. 6-1.1-
12.1 for property commonly known as 7603
Honeywell Drive, Fort Wayne, Indiana 46825
(Schafer Industries, Inc. d/b/a Schafer Gear
Works)**

WHEREAS, Petitioner has duly filed its petition dated June 12, 2015 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 \$68,500, with the average new annual job salary being \$34,250 and will retain fourteen full-time, permanent jobs for a total current annual payroll of \$497,000, with the average current, annual job salary being \$35,500; and

WHEREAS, the total estimated project cost is \$1,025,000; 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";

1 (c) Common Council shall publish notice in accordance with I.C. 6-1.1-12.1-2.5 and
2 I.C. 5-3-1 of the adoption and substance of this resolution and setting this
3 designation as an "Economic Revitalization Area" for public hearing;

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

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

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

14 (a) If the proposed new manufacturing equipment is not installed, the approximate
15 current year tax rates for this site would be \$3.2287/\$100.

16 (b) If the proposed new manufacturing equipment is installed and no deduction is
17 granted, the approximate current year tax rate for the site would be
18 \$3.2287/\$100 (the change would be negligible).

19 (c) If the proposed new manufacturing equipment is installed and a deduction
20 percentage of eighty percent (80%) is assumed, the approximate current year
21 tax rate for the site would be \$3.2287/\$100 (the change would be negligible).

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23 and confirmed, or rescinded after public hearing and receipt by Common Council of the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

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

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

30

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

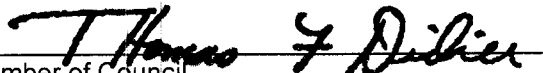
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SECTION 9. That, the benefits described in the Petitioner's Statement of Benefits can be reasonably expected to result from the project and are sufficient to justify the applicable deductions.

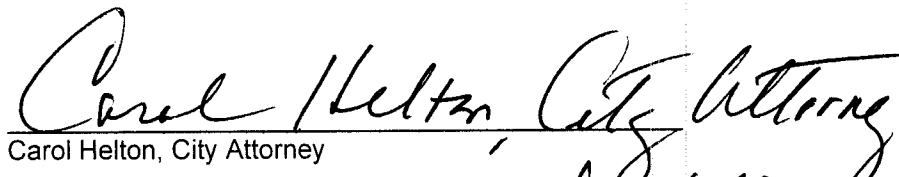
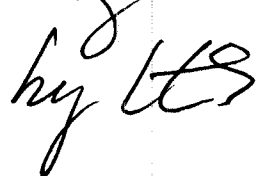
SECTION 10. That, the taxpayer is non-delinquent on any and all property tax due to jurisdictions within Allen County, Indiana.

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




JUN 12 2015 *ap*

**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: \$ 1,025,000
 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: \$ 1,025,000

GENERAL INFORMATION

Real property taxpayer's name: Rose Ann Turner
 Personal property taxpayer's name: Schafer Industries, Inc DBA Schafer Gear Works- Fort Wayne
 Telephone number: 574-234-4116 ext 214
 Address listed on tax bill: 4701 Nimtz Parkway, South Bend, IN 46628 (On PPT Tax Bill)
 Name of company to be designated, if applicable: Schafer Industries, Inc. DBA Schafer Gear Works- Fort Wayne
 Year company was established: 1934
 Address of property to be designated: 7603 Honeywell Dr, Fort Wayne, IN 46825
 Real estate property identification number: 02-07-11-351-002.000-073 (02-073-0005948 Personal Property Tax ID)
 Contact person name: Matt McClain
 Contact person telephone number: (574) 234-4116 Contact person Email: matt.mcclain@schaferindustries.com
 Contact person address: 4701 Nimtz Parkway, South Bend, IN 46628

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Bipin Doshi	CEO and President	4701 Nimtz Parkway, South Bend, IN 46628	
Stan Blenke	Executive VP and CFO	Same as above	

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

NAME	PERCENTAGE
Bipin Doshi	55.975
Linda Doshi	11.950
Stanley Blenke	22.013
Marcus B. Doshi	5.031
Robert B. Doshi	5.031

- 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? 91.7%

What is the company's primary North American Industrial Classification Code (NAICs)? 333900

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

Manufacturing gears for aerospace, medical, and other uses.

Dollar amount of annual sales for the last three years:

Year	Annual Sales*
2014	\$ 73,109,215
2013	\$ 74,433,071
2012	\$ 43,648,018

*Consolidated Schafer Industries Sales Figures

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

Customer Name	City/State	Annual Gross Sales
Rockwell Collins, Inc	Cedar Rapids, IA	\$ 677,600
Schafer Gear Works (Intercompany)	South Bend, IN	\$ 312,500
BVR Technologies Company	Rockford, IL	\$ 176,900

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

Supplier Name	City/State	Annual Gross Purchases
Earl M. Jorgensen Company	Schaumburg, IL	\$ 76,200
Copper & Brass Sales ThyssenKrupp	Dayton, OH	\$ 44,800
Alro Steel Corporation	New Haven, IN	\$ 6,900

List the company's top three competitors:

Competitor Name	City/State
Perry Technology Corporation	New Hartford, CT
Arrow Gear	Downers Grove, IL
Forest City Gear	Roscoe, IL

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

Schafer will manufacture small precision gears for the aerospace, medical, and other general industries.

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?

In order to remain competitive in this industry, Schafer must purchase new manufacturing machinery and equipment. This new machinery will enable them to expand their capacity at their Fort Wayne facility and expand their market share within their key industries. Schafer has the ability to invest in new manufacturing equipment at its other facilities in Illinois, Indiana, and Ohio.

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:

Only requesting a personal property tax abatement. N/A

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:

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)

4 new pieces of equipment necessary for the machining and manufacturing of gears. This includes a new Hamai N 80 Gear Hobber, Karats GSM-12N Gear Shaping Machine, Yama Seiki SW-32 Turning Center, and a Vertical Machining Center.

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): 07/2015

Date last piece of equipment will be installed (month/year): 07/2016

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

The equipment will be included in pool 2 for personal property tax depreciation purposes.

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

Current Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
CNC Operators	51-4011	10	\$ 287,000
Office and Administrative Workers	43-9199	4	\$ 210,000

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
CNC Operators	51-4011	10	\$ 287,000
Office and Administrative Workers	43-9199	4	\$ 210,000

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
CNC Operators	51-4011	2	\$ 68,500

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
NONE			

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
NONE			

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
NONE			

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

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

List any benefits not mentioned above:

401k Retirement Plan Offered

When will you reach the levels of employment shown above? (month/year): 07/2016

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.

Stanley J. Blenke
Signature of Taxpayer/Owner

STANLEY J. BLENKE, EXECUTIVE V.P.
Printed Name and Title of Applicant

JUNE 9, 2015
Date

Exhibit B:

June 8, 2015

To whom it may concern;

I Rose Turner, as owner and tax payer of record for the property located at 7603 Honeywell Drive, Fort Wayne IN 46825, have been informed by and I fully acknowledge Schafer Gear Works – Fort Wayne is making application to have the above mentioned property designated for tax abatement purpose.

Signed: Rose Ann Turner

Printed Name: ROSE ANN TURNER

Dated: 6/8/15



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51784 (R3 / 12-13)

Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

FORM SB-1 / PP

JUN 12 2015

COMMUNITY DEVL

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.

INSTRUCTIONS

- 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.
- 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.
- 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 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, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- 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 Schafer Industries, Inc. DBA Schafer Gear Works- Fort Wayne					Name of contact person Matt McClain					
Address of taxpayer (number and street, city, state, and ZIP code) 4701 Nimitz Parkway, South Bend, IN 46628							Telephone number (574) 234-4116 x216			
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT										
Name of designating body Fort Wayne Common Council							Resolution number (s)			
Location of property 7603 Honeywell Dr, Fort Wayne, IN 46825				County Allen		DLGF taxing district number 02-073				
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.) 4 new pieces of equipment necessary for the machining and manufacturing of gears. This includes a new Hamai N 80 Gear Hobber, Karats GSM-12N Gear Shaping Machine, Yama Seiki SW-32 Turning Center, and a Vertical Machining Center.					ESTIMATED					
							START DATE		COMPLETION DATE	
					Manufacturing Equipment		07/01/2015		07/01/2016	
					R & D Equipment					
					Logist Dist Equipment					
IT Equipment										
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT										
Current number	Salaries	Number retained	Salaries	Number additional	Salaries					
14	\$497,000	14	\$497,000	2	\$88,500					
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		1,749,335	524,801							
Plus estimated values of proposed project		1,025,000	410,000							
Less values of any property being replaced										
Net estimated values upon completion of project		2,774,335	934,801							
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>Stanley J. Blenke</i>							Date signed (month, day, year) JUNE 9, 2015			
Printed name of authorized representative STANLEY J. BLENKE					Title EXECUTIVE VICE PRESIDENT					

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 is allowed for:

- | | | | | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|--|
| <input type="checkbox"/> Year 1 | <input type="checkbox"/> Year 2 | <input type="checkbox"/> Year 3 | <input type="checkbox"/> Year 4 | <input checked="" type="checkbox"/> Year 5 (see below *) |
| <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 |

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) <i>John N. Crawford</i>	Telephone number <i>(260) 427-1221</i>	Date signed (month, day, year) <i>6-23-15</i>
Printed name of authorized member of designating body <i>John N. Crawford</i>	Name of designating body <i>Common Council</i>	
Attested by: (signature and title of attester) <i>Sandra E. Kennedy</i>	Printed name of attester <i>Sandra E. Kennedy</i>	

* 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:

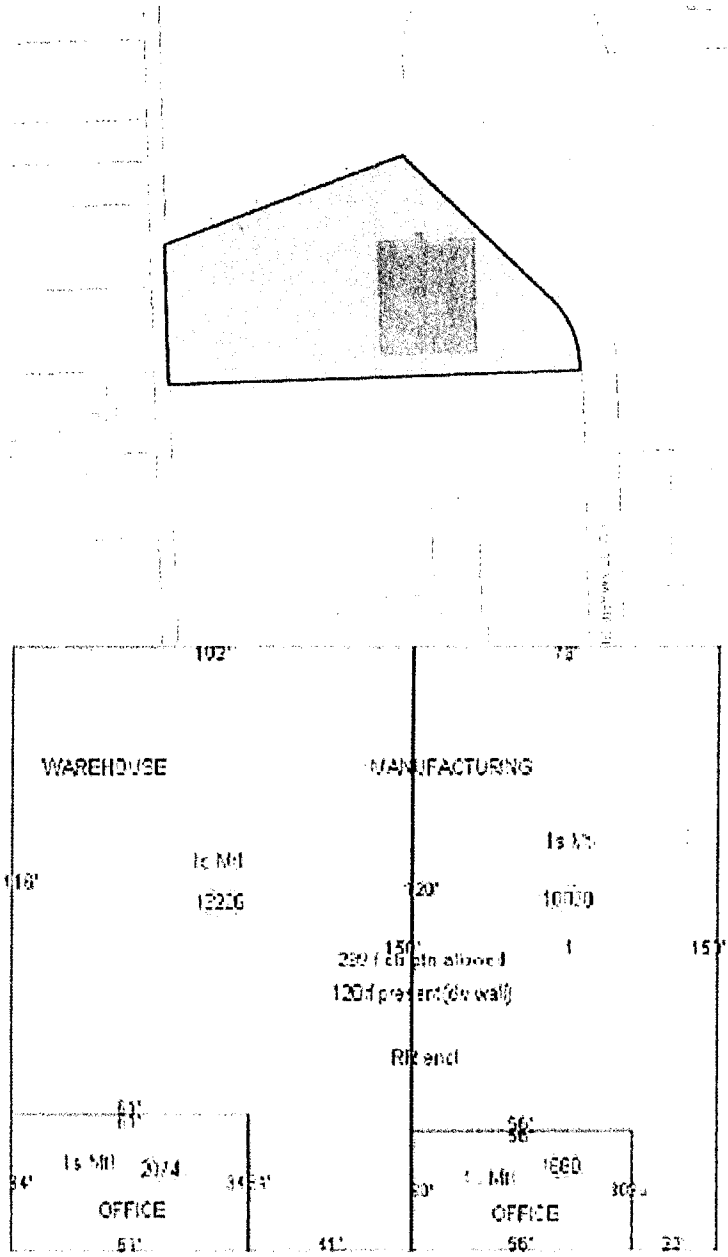
- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(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.

EXHIBIT A

Exhibit A: Map and Legal Description



Schafer only leases the right portion of the building.

Legal Description:

Parcel I:

A part of the Southwest Quarter of Section 11, Township 31 North, Range 12 East, Allen County Indiana, and more particularly described as follows (located in Northrop Industrial Park):

Commencing from the Southwest Corner of said Southwest Quarter of Section 11; thence Northerly 645.0 feet to the Point of Beginning of this survey (survey marker by Tazian & Assoc. and honored by Donovan Engr. Which is the Norwest Corner of a survey by Tazian); thence along said line North 90 degree East (basis of bearings) 687.48 feet (657.48 feet to the Northeast Corner of said Tazian survey with survey

Exhibit A Continued:

marker) to a point in the centerline of Honeywell Drive (a 60-foot Road and Utility Easement) [R. Bar] said R. Bar being 1 foot + East of the actual constructed centerline of Honeywell Drive (60+ 1 to the South); thence on said centerline with an arc of 143.66+ (curve concave to the West) to a point [R. Bar] (not tangent to succeeding course) [chord is 140 feet North 24 degrees West, Radius is 182.92 feet]; thence 310 feet North 45 Degrees west on said centerline to a point [R. Bar]; thence leaving said Road 431.55 feet south 73 degrees 05 minutes 34 seconds West to a point on the West line of said Southwest Quarter [R. Bar]; thence 221.60 feet South 00 degrees 24 minutes 14 seconds East on said West line of said Southwest Quarter of Section 11 to the point of Beginning, containing 4.00 Acres.

Parcel II:

A part of the Southwest Quarter of Section 11, Township 31 North, Range 12 East, Allen County, Indiana, and more particularly described as follows (Located in Northrop Industrial Park)

Commencing from the Southwest corner of said southwest quarter of said section 11; thence Northerly 866.6 feet on the west line of said Southwest Quarter to the point of beginning (R. Bar); thence 431.55 feet North 73 degrees 05 minutes 34 seconds east to a point on the centerline of Honeywell Drive [R. Bar] (said centerline is the centerline of a 60-foot road and utility easement); thence along said centerline on an arc (curve is concave to the east) of 255.84 feet to the point of tangency to the succeeding course [R. Bar] (chord is 240 feet north 09 degrees 45 minutes west, Radius is 207.92 feet; thence on said centerline 301.65 feet North 25 degrees 30 minutes east to a point [R. Bar]; thence leaving said road 517.68 feet North 78 degrees 30 minutes 53 seconds west to a point on the west line of said southwest quarter [R. Bar]; thence on said west line of said Southwest Quarter 737.4 feet south 00 degrees 24 minutes 14 seconds east to the point of beginning, containing 6.00 acres

Except:

A part of the southwest quarter of section 11, township 31 north, range 12 east, Allen County, Indiana, more accurately described as follows:

Commencing from the Southwest corner of the Southwest Quarter of section 11, Township 31 North, Range 12 East; thence 1424.07 feet north 00 degrees 24 minutes 14 seconds west (assumed bearing and basis for this description) along the West line of said Southwest Quarter; said point being the point of beginning; thence North 59 degrees 10 minutes 40 seconds east for a distance of 261.57 to the North boundary line of the previously described tract of land; thence along said North boundary line, north 78 degrees 30 minutes 53 seconds west for a distance of 230.51 feet to the west line of the Southwest Quarter; thence along said west line, south 00 degrees 24 minutes 14 seconds east for a distance of 179.93 to the point of beginning containing .47 acres, more or less.

Parcel III:

Together with and subject to:

A non-exclusive easement for ingress and egress over and across the following described real estate being and easement, 60 feet in width lying 30 feet on each side of the following described centerline to wit:

Commencing at the southwest corner of the southwest quarter of section 11, Township 31 North, Range 12 east, in Allen County, Indiana; thence North 645 feet along the west line of the said Southwest quarter to a point; thence North 90 degrees east 687.48 feet to the center of Honeywell drive and the point of beginning of the hereinafter described centerline; thence North an arc distance of 143.66 feet along a curve concave to the west with a chord length of 140 feet, bearing North 24 degrees west, and a radius of 182.92 feet; thence North 45 degrees west, a distance of 310 feet to the point of curvature of an arc, concave to the East; thence along said arc, a distance of 255.84 feet, chord bearing North 9 degrees 45 minutes west, chord length 240 feet, chord radius 207.92 feet; thence North 25 degrees 30 minutes East, a distance of 301.65 feet to a point.

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Schafer Industries, Inc. d/b/a Schafer Gear Works is requesting the designation of an Economic Revitalization Area for personal property improvements in the amount of \$1,025,000. In order to expand, Schafer Industries, Inc. d/b/a Schafer Gear Works will purchase and install new manufacturing equipment.**

EFFECT OF PASSAGE: **Installing the new equipment will allow Schafer Industries, Inc. d/b/a Schafer Gear Works to remain competitive and expand the capacity at their Fort Wayne facility. 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): **Thomas Didier and Russ Jehl**

MEMORANDUM



TO: City Council
FROM: Adam Welch, Economic Development Specialist
DATE: June 15, 2015
RE: Request for designation by Schafer Industries, Inc. d/b/a Schafer Gear Works as an ERA for personal property improvements

BACKGROUND

PROJECT ADDRESS: **7603 Honeywell Drive** PROJECT LOCATED WITHIN: **Not Applicable**
 PROJECT COST: **\$ 1,025,000** COUNCILMANIC DISTRICT: **3**

COMPANY PRODUCT OR SERVICE: **Schafer Industries, Inc. d/b/a Schafer Gear Works manufactures small precision gears for aerospace, medical, and general industries.**
 PROJECT DESCRIPTION: **Schafer Industries, Inc. d/b/a Schafer Gear Works will purchase and install new manufacturing equipment.**

CREATED

RETAINED

JOB'S CREATED (FULL-TIME):	2	JOB'S RETAINED (FULL-TIME):	14
JOB'S CREATED (PART-TIME):	0	JOB'S RETAINED (PART-TIME):	0
TOTAL NEW PAYROLL:	\$68,500	TOTAL RETAINED PAYROLL:	\$ 497,000
AVERAGE SALARY (FULL-TIME NEW):	\$34,250	AVERAGE SALARY (FULL-TIME RETAINED):	\$ 35,500

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 IN2, General Industrial.

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?

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?

Yes No N/A

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

POLICY

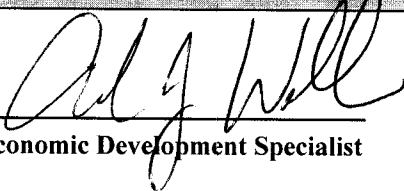
Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

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

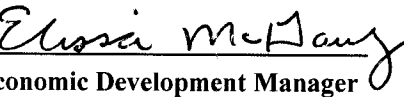
Under Fort Wayne Common Council's tax phase-in policies and procedures, Schafer Industries, Inc. d/b/a Schafer Gear Works is eligible for a five year deduction on personal property improvements. Attached is a spreadsheet that shows how the application scored under the review system. Also attached is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

COMMENTS

Signed:


 Economic Development Specialist

Reviewed:


 Economic Development Manager

Personal Property Abatements

Tax Abatement Review System

Points
Possible Points
Awarded

INVESTMENT (30 points possible)

Total new investment in equipment

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

Investment per employee (both jobs created and retained)

\$35,000 or more	10	10
\$18,500 to \$34,999	8	
\$6,250 to \$18,499	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	
\$5,000 to \$9,999	2	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

Allen County		
Greater than 75%	15	15
50% to 74%	10	
25% to 49%	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	
10 to 24	2	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 59

Length of Abatement
20 to 39 points - 3 year abatement
40 to 59 points - 5 year abatement
60 to 69 points - 7 year abatement
70 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

*New tax abatement percentages have been changed to reflect change in state law
 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	\$1,025,000	40%	\$410,000	\$410,000	100%	0%	\$410,000	\$0	0.032287	\$0	\$13,238
2	\$1,025,000	56%	\$574,000	\$574,000	80%	20%	\$459,200	\$114,800	0.032287	\$3,707	\$14,826
3	\$1,025,000	42%	\$430,500	\$430,500	60%	40%	\$258,300	\$172,200	0.032287	\$5,560	\$8,340
4	\$1,025,000	32%	\$328,000	\$328,000	40%	60%	\$131,200	\$196,800	0.032287	\$6,354	\$4,236
5	\$1,025,000	30%	\$307,500	\$307,500	20%	80%	\$61,500	\$246,000	0.032287	\$7,943	\$1,986
6	\$1,025,000	30%	\$307,500	\$307,500	0%	100%	\$0	\$307,500	0.032287	\$9,928	\$0
7	\$1,025,000	30%	\$307,500	\$307,500	0%	100%	\$0	\$307,500	0.032287	\$9,928	\$0
8	\$1,025,000	30%	\$307,500	\$307,500	0%	100%	\$0	\$307,500	0.032287	\$9,928	\$0
9	\$1,025,000	30%	\$307,500	\$307,500	0%	100%	\$0	\$307,500	0.032287	\$9,928	\$0
10	\$1,025,000	30%	\$307,500	\$307,500	0%	100%	\$0	\$307,500	0.032287	\$9,928	\$0
11	\$1,025,000	30%	\$307,500	\$307,500	0%	100%	\$0	\$307,500	0.032287	\$9,928	\$0
<p>TOTAL TAX SAVED PERSONAL PROPERTY (10 yrs on 5 yr deduction) \$42,625 TOTAL TAX PAID PERSONAL PROPERTY (10 yrs on 5 yr deduction) \$73,204</p>											

Public Hearing Date, if applicable _____

Read the first time in full and on motion by Councilman Thomas Didier
Read the second time by title and referred to the Finance

Committee. Read the third time in full and on motion by Councilman
Thomas Didier, 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: 6-23-15 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-56-15 on the 23rd day of
June, 2015

ATTEST:
Sandra E. Kennedy
SANDRA E. KENNEDY,
CITY CLERK
John N. Crawford
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 24th day
of June, 2015, at the hour of 3:00 O'clock PM . E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 25th day of June
2015, at the hour of 2:00 O'clock PM . E.S.T.

Thomas C. Henry
THOMAS C. HENRY, MAYOR

BILL NO. R-15-06-27

REPORT OF COMMITTEE ON FINANCE

JUNE 23, 2015

*THOMAS DIDIER – CHAIR
RUSS JEHL – 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 7603 Honeywell Drive, Fort Wayne, Indiana 46825(Schafer Industries, Inc. d/b/a Schafer Gear). **COMMITTEE OF FINANCE HAVE HAD SAID ORDINANCE** under Consideration and beg leave to report back to the Common Council that said ordinance

DO PASS

DO NOT PASS

ABSTAIN

NO REC

[Handwritten signatures under 'DO PASS']

**SANDRA E. KENNEDY
CITY CLERK**