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BILL NO. R-16-03-24

DECLARATORY RESOLUTION NO. R-16-16

**A DECLARATORY RESOLUTION designating an
"Economic Revitalization Area" under I.C. 6-1.1-
12.1 for property commonly known as 888
Harrison Street, Fort Wayne, Indiana 46802
(DuCharme, McMillen & Associates, Inc.)**

WHEREAS, Petitioner has duly filed its petition dated March 9, 2016 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 37 full-time, permanent jobs for a total new, annual payroll of \$1,980,000, with the average new annual job salary being \$53,514 and retain 47 full-time, permanent jobs for a total current annual payroll of \$2,558,379, with the average current, annual job salary being \$54,434; and

WHEREAS, the total estimated project cost is \$1,500,000; 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;

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(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.

SECTION 3. That, said designation of the hereinabove described property as an "Economic Revitalization Area" shall apply to a deduction of the assessed value of new information technology equipment improvements.

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

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

(a) If the proposed new information technology equipment improvements are not installed, new information technology equipment improvements the approximate current year tax rates for this site would be \$3.5045/\$100.

(b) If the proposed new information technology equipment improvements are installed and no deduction is granted, the approximate current year tax rate for the site would be \$3.5045/\$100 (the change would be negligible).

(c) If the proposed new information technology equipment improvements are installed and a deduction percentage of eighty percent (80%) is assumed, the approximate current year tax rate for the site would be \$3.5045/\$100 (the change would be negligible).

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

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SECTION 7. That, pursuant to I.C. 6-1.1-12.1, it is hereby determined that the deduction from the assessed value of the new information technology equipment improvements shall be for a period of ten years.

SECTION 8. The deduction schedule from the assessed value of new information technology equipment improvements pursuant to I.C. 6-1.1-12.1-17 shall look like this:

Year of Deduction	Percentage
Year 1	100%
Year 2	90%
Year 3	80%
Year 4	70%
Year 5	60%
Year 6	50%
Year 7	40%
Year 8	30%
Year 9	20
Year 10	10
Year 11	0%


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.

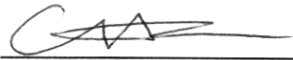
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SECTION 12. That, this Resolution shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.



Member of Council

APPROVED AS TO FORM AND LEGALITY



Carol Helton, City Attorney

MAR 09 2016

cel



**COMMUNITY DEVL.
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: _____
 Total cost of research and development equipment improvements: _____
 Total cost of logistical distribution equipment improvements: \$ 1,500,000
 Total cost of information technology equipment improvements: \$ 1,500,000
TOTAL OF ABOVE IMPROVEMENTS: \$ 1,500,000

GENERAL INFORMATION

Real property taxpayer's name: DuCharme, McMillen & Associates, Inc.
 Personal property taxpayer's name: DuCharme, McMillen & Associates, Inc.
 Telephone number: (800) 309-2110
 Address listed on tax bill: 6610 Mutual Drive, Ft. Wayne, IN 46825
 Name of company to be designated, if applicable: DuCharme, McMillen & Associates, Inc.
 Year company was established: 1972
 Address of property to be designated: Ash Skyline Plaza, 888 Harrison Street, Ft. Wayne, IN 46802
 Real estate property identification number: 02-12-02-452-103.000-074
 Contact person name: Ms. Megan Fountain
 Contact person telephone number: (800) 309-2110 Contact person Email: mfountain@dmmainc.com
 Contact person address: 6610 Mutual Drive, Ft. Wayne, IN 46825

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
David Meinika	President & CEO	4375 N. Airport Rd., Columbia City, IN 46725	(800) 309-2110
Ron Rumschlag	CFO	8409 Webb Dr., Ft. Wayne, IN 46816	(800) 309-2110
Megan Fountain	VP Operations, CLO & Corp	13022 Toscana Passage, Ft. Wayne, IN 46845	(800) 309-2110
Thomas Blackwell	VP Operations	13972 Waterway Blvd., Fishers, IN 46040	(800) 309-2110
Scott Clayton	VP Operations	3527 Silvercreek Drive, Manvel, TX 77578	(800) 309-2110

Company Officer and/or principal operating personnel: DuCharme, McMillen & Associates, Inc.

Additional Names

NAME	TITLE	ADDRESS	PHONE NUMBER
Robert Fountain	VP of Operations	13022 Toscana Passage, Ft. Wayne, IN 46845	(800) 309-2110
Dan Hutmacher	VP of Operations	11225 Hawthorn Ridge, Fishers, IN 46037	(800) 309-2110

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

NAME	PERCENTAGE
DMA is a 100% employee-owned ESOP	

- 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? 100%

What is the company's primary North American Industrial Classification Code (NAICs)? 541990

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

Founded in 1972, DuCharme McMillen & Associates (DMA) is a consulting company assisting clients with managing compliance obligations, enhancing the efficiency of tax administration with technology, and minimizing taxes. DMA has been employee owned since 1994. In the US, DMA has 18 offices located in 12 states. DMA also has 5 offices in Canada.

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2014	\$ 53,434,006.00
2013	\$ 48,820,450
2012	\$ 44,095,402

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

Customer Name	City/State	Annual Gross Sales
Siemens AG	Orlando, FL	\$ 3,300,000
Johnson & Johnson	New Brunswick, NJ	\$ 1,000,000
Whirlpool Corp.	Benton Harbor, MI	\$ 900,000

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

Supplier Name	City/State	Annual Gross Purchases
American Express	Dallas, TX	\$ 3,000,000
Netech Corp	Troy, MI	\$ 735,000
Lupke Rice	Fort Wayne, IN	\$ 400,000

List the company's top three competitors:

Competitor Name	City/State
Ryan and Company	Dallas, TX
Deloitte	Chicago, IL
Ernst and Young	Chicago, IL

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

DuCharme McMillen & Associates (DMA) is a multistate consulting company that assists its clients with managing their compliance obligations, enhancing the efficiency of tax administration with technology, and minimizing their taxes. During the last 10 years, DMA has built a robust Tax Technology practice focused on corporate tax technology and, specifically, transaction taxation.

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?

This project will relocate DMA from the suburbs to the Ash Building in downtown Ft. Wayne. DMA will bring highly skilled and highly paid jobs to the newly developed Ash Building and is a model for the types of businesses the Ash Building project was designed to attract.

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:

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)

The Company intends to purchase new computer and IT infrastructure equipment to most effectively serve its customers. The equipment will be utilized in all functions of the Company's operations. A listing of the equipment to be purchased is attached.

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): 06/2016

Date last piece of equipment will be installed (month/year): 12/2020

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

See attached.

Equipment Listing: DuCharme, McMillen & Associates, Inc.

<u>Equipment Description</u>	<u>Depreciation Life</u>
Standard Computer (33)	5 years
Developer Computer (33)	5 years
Phone (80)	7 years
Printer	5 years
Racks / UPS / Cooling	5 years
Routers	5 years
Server Switches	5 years
Client Switches	5 years
Servers	5 years
Storage	5 years
Wireless	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

Current Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See attached			

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See attached			

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See attached			

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
N/A			

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
N/A			

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
N/A			

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 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:

ESOP

When will you reach the levels of employment shown above? (month/year): 12/2020

Employee Listing: DuCharme, McMillen & Associates, Inc.

Current/Retained Full-Time Employees

<u>Occupation Description</u>	<u>Occupation Codes</u>	<u>Average Salary</u>	<u>Number of Jobs</u>	<u>Total Salary</u>
Management	11-1010			
	11-3021			
	11-3031			
	11-3120	\$120,246.13	9	\$1,082,215.20
Business and Financial Operations	13-1071			
	13-1161			
	13-3021	\$38,759.23	6	\$232,555.40
IT	15-1132			
	15-1133			
	15-1141			
	15-1142			
	15-1150			
Administrative Support	15-1151	\$43,349.68	20	\$866,993.62
	43-3021			
	43-3031			
	43-3051			
	43-4160			
	43-6011			
	43-6014	\$31,384.58	12	\$376,614.98
			<u>47</u>	<u>\$2,558,379.20</u>

Average salaries adjusted to match AFI

Employee Listing: DuCharme, McMillen & Associates, Inc.

Additional Full-Time Employees

<u>Occupation Description</u>	<u>Occupation Code</u>	<u>Average Salary</u>	<u>Number of Jobs</u>	<u>Total Salary</u>
Business and Financial Operations	13-1071			
	13-1121			
	13-1141			
	13-1161	\$43,636.36	11	\$480,000.00
IT	15-1132			
	15-1151	\$70,000.00	17	\$1,190,000.00
Sales	41-9040	\$40,000.00	4	\$160,000.00
Administrative Support	43-3031	\$30,000.00	5	\$150,000.00
			37	\$1,980,000.00

REQUIRED ATTACHMENTS

The following must be attached to the application.

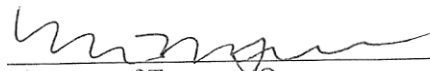
1. **Statement of Benefits Form(s) (first page/front side completed)**
2. **Full legal description of property and a plat map identifying the property boundaries. (Property tax bill legal descriptions are not sufficient.) Should be marked as Exhibit A.**
3. **Check for non-refundable application fee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

Megan Fountain, VP of Operations, CLO and Co

Printed Name and Title of Applicant

3/8/2016

Date

EXHIBIT A

LEGAL DESCRIPTION OF ASH SITE

Lots 492 through 494 and Lots 509 through 511 in The West Part of Hanna's Addition to Fort Wayne, together with the vacated alley lying adjacent to said Lots, according to the plat thereof as originally recorded in Deed Record C, page 525 and reprinted in Plat Record 0, page 116 in the Office of the Recorder of Allen County, Indiana, more particularly described as follows:

BEGINNING at the Southeasterly corner of Lot 492 in said West Part of Hanna's Addition to Fort Wayne; thence Southwesterly on the Southerly line thereof and continuing on the Southerly line of said Lot 493 and Lot 494, a distance of 180.00 feet to the Southwesterly corner of said Lot 494; thence Northwesterly on the Westerly line of said Lot 494 and continuing on the Westerly line of said Lot 509, by deflection angle to the right of 89 degrees 59 minutes 01 second from the previously described course, a distance of 314.00 feet to the Northwesterly corner of said Lot 509; thence Northeasterly on the Northerly line of said Lot 509 and continuing on the Northerly line of said Lot 510 and Lot 511, by a deflection angle to the right of 90 degrees 00 minutes 59 seconds from the previously described course, a distance of 180.00 feet to the Northeasterly corner of said Lot 511; thence Southeasterly on the Easterly line of said Lot 511 and continuing on the Easterly line of said Lot 492, by a deflection angle to the right of 89 degrees 59 minutes 01 second from the previously described course, a distance of 314.00 feet to the point of beginning, containing 56,520.00 square feet, or 1.298 acres, more or less.



STATEMENT OF BENEFITS PERSONAL PROPERTY

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

CITY OF FT WAYNE

FORM SB-1 / PP

MAR 09 2016
CFL

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 January 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between January 1 and the extended due date of that year.
- 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 DuCharme, McMillen & Associates, Inc.			Name of contact person Megan Fountain					
Address of taxpayer (number and street, city, state, and ZIP code) 6610 Mutual Drive, Ft. Wayne, Indiana 46825				Telephone number (800) 309-2110				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT								
Name of designating body Fort Wayne Common Council			Resolution number (s)					
Location of property 800 Block Harrison Street, Ft. Wayne, IN 46802		County Allen		DLGF taxing district number 02074				
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.) IT equipment included: Standard and Developer Computers, Phones, Printer, Racks/UPS/Cooling equipment, routers, server and client switches, servers, storage and wireless equipment.			ESTIMATED					
			START DATE		COMPLETION DATE			
			Manufacturing Equipment					
			R & D Equipment					
			Logist Dist Equipment					
IT Equipment		06/01/2016		12/31/2020				
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT								
Current number 47	Salaries \$2,558,379.20	Number retained 47	Salaries \$2,558,379.20	Number additional 37	Salaries \$1,980,000.00			
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		1,500,000					
	Net estimated values upon completion of project		1,500,000					
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 				Date signed (month, day, year) March 8, 2016				
Printed name of authorized representative Megan Fountain			Title VP Operations, CLO & Corporate Secretary					

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. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.

B. The type of deduction that is allowed in the designated area is limited to:

1. Installation of new manufacturing equipment;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 Check box if an enhanced abatement was approved for one or more of these types.
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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

D. The amount of deduction applicable to new research and development equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

F. The amount of deduction applicable to new information technology equipment is limited to \$ Unlimited cost with an assessed value of \$ Unlimited. (One or both lines may be filled out to establish a limit, if desired.)

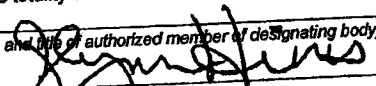
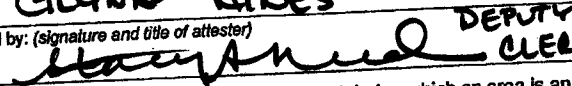
G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

<input type="checkbox"/> Year 1	<input type="checkbox"/> Year 2	<input type="checkbox"/> Year 3	<input type="checkbox"/> Year 4	<input type="checkbox"/> Year 5	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 Number of years approved: _____ (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)
<input type="checkbox"/> Year 6	<input type="checkbox"/> Year 7	<input type="checkbox"/> Year 8	<input type="checkbox"/> Year 9	<input checked="" 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) 	Telephone number <u>(260) 427-1445</u>	Date signed (month, day, year) <u>3-22-16</u>
Printed name of authorized member of designating body <u>GWYNN HINES</u>	Name of designating body <u>COMMON COUNCIL</u>	
Attested by: (signature and title of attester)  DEPUTY CLERK	Printed name of attester <u>STACY REED</u>	

* 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.

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **DuCharme, McMillen & Associates, Inc. is requesting the designation of an Economic Revitalization Area for personal property improvements in the amount of \$1,500,000. DuCharme, McMillen & Associates, Inc. will make new information technology equipment improvements.**

EFFECT OF PASSAGE: **DuCharme, McMillen & Associates, Inc. will make new information technology equipment improvements. 47 full-time jobs will be retained and 37 new full-time jobs will be created.**

EFFECT OF NON-PASSAGE: **Potential loss of investment of DuCharme, McMillen & Associates, Inc. to make new information technology equipment improvements, retain 47 full-time jobs and create 37 new full-time jobs.**

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS):

ASSIGNED TO COMMITTEE (CO-CHAIRS): **Glynn Hines and John Crawford**

MEMORANDUM



To: City Council
FROM: Elissa McGauley, Economic Development Specialist
DATE: March 15, 2016
RE: Request for designation by DuCharme, McMillen & Associates, Inc. as an ERA for personal property improvements

BACKGROUND

PROJECT ADDRESS:	888 Harrison Street	PROJECT LOCATED WITHIN:	Economic Development Target Area
PROJECT COST:	\$ 1,500,000	COUNCILMANIC DISTRICT:	Fifth Councilmanic District

COMPANY PRODUCT OR SERVICE:	DuCharme, McMillen & Associates, Inc. is a consulting company assisting clients with compliance obligations, enhancing efficiency of tax administration with technology, and minimizing taxes.
PROJECT DESCRIPTION:	Information technology equipment improvements.

	CREATED	RETAINED
JOBS CREATED (FULL-TIME):	37	JOBS RETAINED (FULL-TIME): 47
JOBS CREATED (PART-TIME):		JOBS RETAINED (PART-TIME):
TOTAL NEW PAYROLL:	\$ 1,980,000	TOTAL RETAINED PAYROLL: \$2,558,379
AVERAGE SALARY (FULL-TIME NEW):	\$ 53,514	AVERAGE SALARY (FULL-TIME RETAINED): \$53,434

COMMUNITY BENEFIT REVIEW

Yes No N/A

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

Explain:

Yes No N/A

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

Explain: Property is zoned DC-Downtown Core.

Yes No N/A

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

Explain:

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: DuCharme, McMillen & Associates, Inc. will purchase and install new information technology equipment.

Yes No N/A

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

Explain:

Yes No N/A

Project encourages preservation of a historically or architecturally significant structure?

Explain:

Yes No N/A

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

Explain:

Yes No N/A

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

Explain:

Yes No N/A

ERA designation induces employment opportunities for Fort Wayne area residents?

Explain: DuCharme, McMillen & Associates, Inc. will retain 47 full-time jobs and create 37 new full-time jobs.

Yes No N/A

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

Explain:

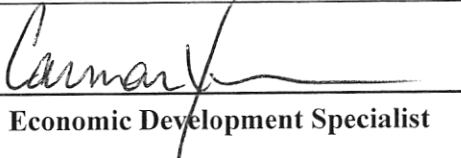
POLICY

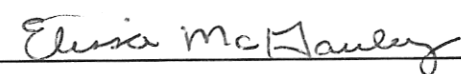
Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

- 1. The period of deduction for personal property is ten years.

Under Fort Wayne Common Council's tax abatement policies and procedures, DuCharme, McMillen & Associates, Inc. is eligible for a ten year deduction on personal property improvements. Attached is a spreadsheet that shows how the application scored under the review system. Also attached is a calculation of property taxes saved/paid with the deduction.

COMMENTS

Signed: 
Economic Development Specialist

Reviewed: 
Economic Development Manager

TAX ABATEMENT - ESTIMATE OF SAVINGS

*New tax abatement percentages have been changed to reflect change in state law

DuCharme, McMillen & Associates, Inc.

PERSONAL PROPERTY TAX ABATEMENT - 10 yr Schedule Located in an EDTA

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	\$1,500,000	40%	\$600,000	\$600,000	100%	0%	\$600,000	\$0	0.035045	\$0	\$21,027
2	\$1,500,000	56%	\$840,000	\$840,000	90%	10%	\$756,000	\$84,000	0.035045	\$2,944	\$26,494
3	\$1,500,000	42%	\$630,000	\$630,000	80%	20%	\$504,000	\$126,000	0.035045	\$4,416	\$17,663
4	\$1,500,000	32%	\$480,000	\$480,000	70%	30%	\$336,000	\$144,000	0.035045	\$5,046	\$11,775
5	\$1,500,000	30%	\$450,000	\$450,000	60%	40%	\$270,000	\$180,000	0.035045	\$6,308	\$9,462
6	\$1,500,000	30%	\$450,000	\$450,000	50%	50%	\$225,000	\$225,000	0.035045	\$7,885	\$7,885
7	\$1,500,000	30%	\$450,000	\$450,000	40%	60%	\$180,000	\$270,000	0.035045	\$9,462	\$6,308
8	\$1,500,000	30%	\$450,000	\$450,000	30%	70%	\$135,000	\$315,000	0.035045	\$11,039	\$4,731
9	\$1,500,000	30%	\$450,000	\$450,000	20%	80%	\$90,000	\$360,000	0.035045	\$12,616	\$3,154
10	\$1,500,000	30%	\$450,000	\$450,000	10%	90%	\$45,000	\$405,000	0.035045	\$14,193	\$1,577
11	\$1,500,000	30%	\$450,000	\$450,000	0%	100%	\$0	\$450,000	0.035045	\$15,770	\$0
							TOTAL TAX SAVED	(10 yr deduction)			<u>\$110,076</u>
							TOTAL TAX PAID	(10 yr deduction)			<u>\$73,910</u>

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

Personal Property Abatements

Tax Abatement Review System

DuCharme, McMillen & Associates, Inc.

Located in an EDTA Automatic 10 Year Abatement

	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	
\$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	4
\$10,000 to \$29,999	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	4
\$5,000 to \$9,999	3	
\$3,000 to \$4,999	2	
less than \$3,000	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	.61	5 0
Estimated Percent of Business done outside Allen County		
Greater than 75%	100%	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	47	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	37	6 6
10-24		4
1 to 9		2
WAGES (20 points possible)		
Median salary of the jobs created and/or retained		
Over \$45,000		20
\$40,000 to \$44,999	\$43,349.68	16 16
\$35,000 to \$39,999		12
\$30,000 to \$34,999		8
\$25,000 to \$29,999		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	73
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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

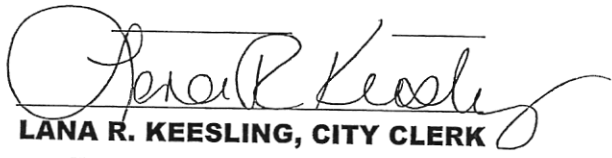
* If Average annual salary of the full-time jobs created by listed occupation is 10% or greater than the average salary for Allen County using current occupational employment statistics, then the applicant is eligible for an alternate deduction schedule.

Personal Property Deduction Schedules	Alternative Deduction Personal Property Schedules
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%	

Public Hearing Date, if applicable N/A
 Read the first time in full and on motion by Councilman GLYNN HINES,
 Read the second time by title and referred to the FINANCE, committee
 Read the third time in full and on motion by Councilman GLYNN HINES
 placed on its passage by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>
TOTAL VOTES	<u>6</u>	<u>2</u>	<u>0</u>	<u>1</u>
ARP	<u> </u>	<u>X</u>	<u> </u>	<u> </u>
BARRANDA	<u> </u>	<u> </u>	<u> </u>	<u>X</u>
CRAWFORD	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
DIDIER	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
ENSLEY	<u> </u>	<u>X</u>	<u> </u>	<u> </u>
FREISTROFFER	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
HINES	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
JEHL	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
PADDOCK	<u>X</u>	<u> </u>	<u> </u>	<u> </u>

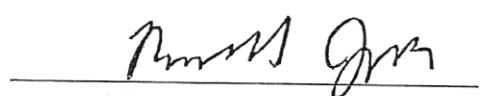
DATED: 03/22/16


 LANA R. KEESLING, CITY CLERK

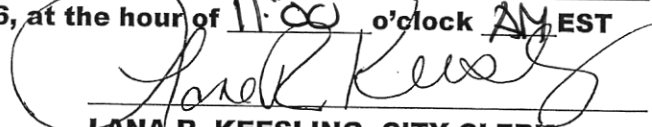
Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as ~~(ANNEXATION)~~ (APPROPRIATION) (GENERAL) (SPECIAL) (ZONING) ~~(ORDINANCE)~~ (RESOLUTION) NO. 2-16-03-24 on the 22ND day of MARCH, 2016

ATTEST:

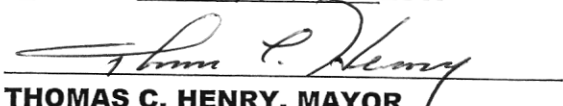
 LANA R. KEESLING,
 CITY CLERK


 PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 23RD day of MARCH, 2016, at the hour of 11:00 o'clock AM EST


 LANA R. KEESLING, CITY CLERK

Approved and signed by me this 23RD day of MARCH 2016, at the hour of 3:30 o'clock PM EST.


 THOMAS C. HENRY, MAYOR

BILL NO. R-16-03-24

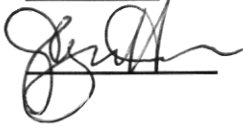
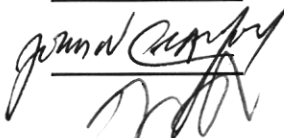
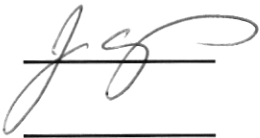
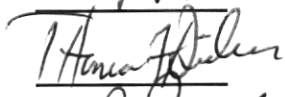
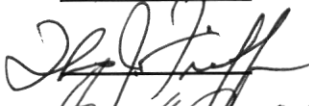

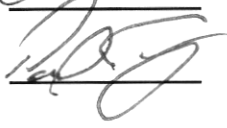
REPORT OF COMMITTEE ON FINANCE

March 22, 2016

*Glynn Hines, 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 888 Harrison Street, Fort Wayne, Indiana 46802 (DuCharme, McMillen & Associates, Inc.)

COMMITTEE ON FINANCE 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>
			
			
			
			
			

**LANA R. KEESLING
CITY CLERK**

