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BILL NO. R-16-04-23

DECLARATORY RESOLUTION NO. R-27-16

**A DECLARATORY RESOLUTION designating an
"Economic Revitalization Area" under I.C. 6-1.1-
12.1 for property commonly known as 1430
Progress Road, Fort Wayne, Indiana 46808
(Precision Products Group, Inc.)**

WHEREAS, Petitioner has duly filed its petition dated April 12, 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 11 full-time, permanent jobs for a total new, annual payroll of \$446,000, with the average new annual job salary being \$40,545 and retain 54 full-time, permanent jobs for a total current annual payroll of \$2,061,445 with the average current, annual job salary being \$38,175; and

WHEREAS, the total estimated project cost is \$495,000; 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;

1 (b) Said Resolution shall be referred to the Committee on Finance requesting a
2 recommendation from said committee concerning the advisability of designating
3 the above area an "Economic Revitalization Area";

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

7 **SECTION 3.** That, said designation of the hereinabove described property as an
8 "Economic Revitalization Area" shall apply to a deduction of the assessed value of personal
9 property for new manufacturing and new information technology equipment.

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

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

18 (a) If the proposed new manufacturing and new information technology equipment
19 improvements is not installed, new information technology equipment
20 improvements the approximate current year tax rates for this site would be
21 \$3.3722/\$100.

22 (b) If the proposed new manufacturing and new information technology equipment
23 improvements is installed and no deduction is granted, the approximate current
24 year tax rate for the site would be \$3.3722/\$100 (the change would be
25 negligible).

26 (c) If the proposed new manufacturing and new information technology equipment is
27 installed and a deduction percentage of eighty percent (80%) is assumed, the
28 approximate current year tax rate for the site would be \$3.3722/\$100 (the
29 change would be negligible).

30 **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.

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

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

7

Year of Deduction	Percentage
Year 1	100%
Year 2	85%
Year 3	71%
Year 4	57%
Year 5	43%
Year 6	29%
Year 7	14%
Year 8	0%

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

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

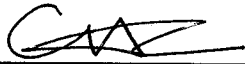
20 **SECTION 11.** That, pursuant to I.C. 6-1.1-12.1-12 et al, any property owner that
21 has received a deduction under section 3 or 4.5 of said chapter may be required to repay the
22 deduction amount as determined by the county auditor in accordance with section 12 of said
23 chapter if the property owner ceases operations at the facility for which the deduction was
24 granted and if the Common Council finds that the property owner obtained the deduction by
25 intentionally providing false information concerning the property owner's plans to continue
26 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

CITY OF FT WAYNE

03/2013



APR 12 2016 *CPJ*

~~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: \$ 195,000
 Total cost of research and development equipment improvements: _____
 Total cost of logistical distribution equipment improvements: _____
 Total cost of information technology equipment improvements: \$ 300,000
TOTAL OF ABOVE IMPROVEMENTS: \$ 495,000

GENERAL INFORMATION

Real property taxpayer's name: PRECISION PRODUCTS GROUP, INC.
 Personal property taxpayer's name: PRECISION PRODUCTS GROUP, INC.
 Telephone number: (260) 484-4111
 Address listed on tax bill: 1430 PROGRESS ROAD, FORT WAYNE, IN 46808
 Name of company to be designated, if applicable: PRECISION PRODUCTS GROUP, INC.
 Year company was established: 1990
 Address of property to be designated: 1430 PROGRESS ROAD, FORT WAYNE, IN 46808
 Real estate property identification number: 02-07-22-403-007.000-073, 02-07-22-403-006.000-073
 Contact person name: TIM D. ERLI
 Contact person telephone number: (260) 918-2562 Contact person Email: terli@ppgintl.com
 Contact person address: 1430 PROGRESS ROAD, P.O. BOX 80400, FORT WAYNE, IN 46898-0400

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
DAVID S. HOOE	PRESIDENT & CEO	10201 N. Illinois, Indianapolis, IN 46290	(260) 484-4111
GEORGE M ONDIEK	V.P. & CFO	10201 N. Illinois, Indianapolis, IN 46290	(260) 484-4111

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

NAME	PERCENTAGE
GREYROCK CAPITAL GROUP	72.3%
DAVE HOOE TRUST	20.1%
GEORGE ONDIEK TRUST	5.0%
JEFFERY STILLWELL	1.3%
SHAUN BELL	1.3%

- 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? 99%

What is the company's primary North American Industrial Classification Code (NAICs)? 322214

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

Manufacturer of precision tube products for automotive, electrical insulation, medical and pharmaceutical, specialty packaging and many other industrial and consumer products.

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2015	\$26,184,189
2014	\$19,514,986
2013	\$16,919,235

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

Customer Name	City/State	Annual Gross Sales
3M	ST PAUL, MN	\$ 1,164,950
REGAL BELOIT	TIPP CITY, OH	\$ 1,143,062
EIS	ATLANTA, GA	\$ 1,028,555

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

Supplier Name	City/State	Annual Gross Purchases
EXPERA	CHICAGO, IL	\$ 721,786
ACCU-LABEL	FORT WAYNE, IN	\$ 305,512
EIS	CHICAGO, IL	\$ 243,416

List the company's top three competitors:

Competitor Name	City/State
PRECISION PAPER TUBE	WHEELING, IL
D&B INDUSTRIAL GROUP	GEORGETOWN, DE
INTERNATIONL DIELECTRIC PRODUCTS	BROWNSVILLE, TX

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

MANUFACTURER OF SPIRAL WOUND PAPER TUBING

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 for Precision Products Group Inc's Fort Wayne facilities to continue to grow and succeed in the face of both domestic and foreign competitors, improvements are needed to key production equipment and our information technology infrastructure. Some of our current equipment and systems place us at a competitive disadvantage technologically due to their age and obsolescence. Improvements are needed to increase our production throughput, reduce production scrap, and increase efficiency thereby allowing us to be more competitive and expand in the markets we serve.

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)

Develop and install production in-line cutting equipment for paper drinking straw production cells
 Additional paper drinking straw production cell to support growth in that business segment
 Installation of additional electrical service panels, bus bars and drops to support new equipment
 New computer workstations, servers, software, other I.T. hardware and internet connectivity (bandwidth) to current industry standards and support multi facility operations.

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): 08/2016

Date last piece of equipment will be installed (month/year): 09/2019

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

5 YEARS FOR PRODUCTION RELATED EQUIPMENT
 3 YEARS FOR COMPUTER AND I.T. RELATED ITEMS

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

Any information concerning the cost of the property and specific salaries paid to individual employees is confidential per Indiana Code (I.C. 6-1.1-12.1-5.1)

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
First Line Supervisor	51-1011	1	\$ 50,000
Engineers, All Other	17-2199	1	\$ 58,000
Customer Service Rep	43-4051	1	\$ 55,000
Production Workers	51-9199	8	\$ 283,000

CURRENT AND RETAINED FULL-TIME EMPLOYMENT

OCC Title	OCC Code	Data	
		Count of File Number	Sum of Annual
Accountants and Auditors	13-2011	1	\$ 81,126.24
Bookkeeping, Accounting and Audit Clerks	43-3031	1	\$ 44,803.20
Customer Service Representatives	43-4051	2	\$ 69,638.40
Engineering Technicians, Except Drafters, All Other	17-3029	1	\$ 34,964.80
Engineers, All Other	17-2199	2	\$ 135,721.82
First line supervisors of Production and Operating Workers	51-1011	2	\$ 102,392.16
General and Operations Managers	11-1021	1	\$ 90,000.04
Human Resources Specialists	13-1071	1	\$ 42,723.20
Market Research Analysts and Marketing Specialists	13-1161	1	\$ 51,499.76
Production Workers, All Other	51-9199	35	\$ 1,073,696.00
Production, Planning and Expediting Clerks	43-5061	1	\$ 39,644.80
Sales & Related Workers All Other	41-9099	3	\$ 201,614.66
Shipping, Receiving, and Traffic Clerks	43-5071	3	\$ 93,620.80
Grand Total		54	\$ 2,061,445.88

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 type="checkbox"/> Tuition Reimbursement | <input checked="" type="checkbox"/> Life Insurance | <input checked="" type="checkbox"/> Dental Insurance |

List any benefits not mentioned above:

When will you reach the levels of employment shown above? (month/year): 07/2017

REQUIRED ATTACHMENTS

The following must be attached to the application.

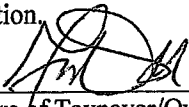
1. **Statement of Benefits Form(s) (first page/front side completed)**
2. **Full legal description of property and a plat map identifying the property boundaries. (Property tax bill legal descriptions are not sufficient.) Should be marked as Exhibit A.**
3. **Check for non-refundable application fee 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 no Improvement Location Permit or Structural Permit has been filed for construction of improvements, the occupation of the vacant building has not taken place and no 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, CF-1/PP for personal property improvements, and CF-1/VBD for vacant building deduction) 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 and CF-1/VBD 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

GEORGE M ONDIEK, C.F.O.

Printed Name and Title of Applicant

3/30/2016

Date



**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

APR 13 2016
CJ

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)

COMMUNITY DEVI

SECTION 1 TAXPAYER INFORMATION											
Name of taxpayer PRECISION PRODUCTS GROUP, INC.					Name of contact person TIM D. ERLI						
Address of taxpayer (number and street, city, state, and ZIP code) 1430 PROGRESS ROAD, FORT WAYNE, IN 46808							Telephone number (260) 918-2562				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT											
Name of designating body CITY OF FORT WAYNE COMMON COUNCIL							Resolution number (s)				
Location of property 1430 PROGRESS ROAD, FORT WAYNE, IN 46808					County ALLEN		DLGF taxing district number 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) SEE ATTACHED SHEET					ESTIMATED						
							START DATE		COMPLETION DATE		
					Manufacturing Equipment		04/01/2016		09/01/2017		
					R & D Equipment						
					Logist Dist Equipment						
IT Equipment		04/01/2016		09/01/2019							
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT											
Current number 54		Salaries \$2,061,446.00		Number retained 54		Salaries \$2,061,446.00		Number additional 11		Salaries \$446,000.00	
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			
		Current values		1,945,550		1,050,597				41,900 22,626	
		Plus estimated values of proposed project		195,000		105,300				300,000 162,000	
		Less values of any property being replaced		0		0				0 0	
Net estimated values upon completion of project		2,140,550		1,155,897				341,900 184,626			
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER											
Estimated solid waste converted (pounds) 0					Estimated hazardous waste converted (pounds) 0						
Other benefits: Our #2 vendor is another Accu-Label, another Fort Wayne business that will benefit as a result of our growth. We also anticipate business acquisitions from other states that will result in additional business moving to the Fort Wayne facilities.											
SECTION 6 TAXPAYER CERTIFICATION											
I hereby certify that the representations in this statement are true.											
Signature of authorized representative							Date signed (month, day, year) 04/13/2016				
Printed name of authorized representative Tim D. Erli					Title Controller						

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;
- 2. Installation of new research and development equipment;
- 3. Installation of new logistical distribution equipment.
- 4. Installation of new information technology equipment;

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

C. The amount of deduction applicable to new manufacturing 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.)

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 |
| <input type="checkbox"/> Year 6 | <input checked="" type="checkbox"/> Year 7 | <input type="checkbox"/> Year 8 | <input type="checkbox"/> Year 9 | <input type="checkbox"/> Year 10 | Number of years approved: _____ |
| | | | | | (Enter one to twenty (1-20) years; may not exceed twenty (20) years.) |

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? Yes No
 If yes, attach a copy of the abatement schedule to this form.
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by: (signature and title of attester)	Printed name of attester	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

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

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.




EXHIBIT A

LEGAL DESCRIPTION

**Parcel Number 02-07-22-403-006.000-073 5-22-1-150 E200 of W506.2
of S270 of N807 SE1/4 Sec 22**

**Parcel Number 02-07-22-403-007.000-073 5-22-1-151 S 270 of N 807
OF E 160.1 OF W666.7FT SE 1/4 SEC 22**

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **This is to request the designation of an Economic Revitalization Area for Precision Products Group, Inc. for personal property improvements in the amount of \$495,000. Precision Products Group, Inc. will purchase and install new manufacturing and new information and technology equipment.**

EFFECT OF PASSAGE: **11 new full-time jobs will be created and new manufacturing and new information and technology equipment will be purchased and installed.**

EFFECT OF NON-PASSAGE: **Potential loss of investment and 11 new full-time jobs.**

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

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

MEMORANDUM



TO: City Council
FROM: Elissa McGauley, Economic Development Specialist
DATE: April 13, 2016
RE: Request for designation by Precision Products Group, Inc. as an ERA for personal property improvements

BACKGROUND

PROJECT ADDRESS: 1430 Progress Road **PROJECT LOCATED WITHIN:** Not Applicable
PROJECT COST: \$ 495,000 **COUNCILMANIC DISTRICT:** Third Councilmanic District

COMPANY PRODUCT OR SERVICE: Precision Products Group, Inc. manufactures precision tube products for the automotive, electrical insulation, medical, pharmaceutical, specialty packaging and many other industrial and consumer products.
PROJECT DESCRIPTION: Precision Products Group, Inc. will purchase and install new manufacturing and new information technology equipment.

CREATED		RETAINED	
JOBS CREATED (FULL-TIME):	11	JOBS RETAINED (FULL-TIME):	54
JOBS CREATED (PART-TIME):		JOBS RETAINED (PART-TIME):	
TOTAL NEW PAYROLL:	\$ 446,000	TOTAL RETAINED PAYROLL:	\$ 2,061,445
AVERAGE SALARY (FULL-TIME NEW):	\$ 40,545	AVERAGE SALARY (FULL-TIME RETAINED):	\$ 38,175

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 I2-General Industrial

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: Precision Products Group, Inc. will purchase and install new manufacturing and new information and 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 an 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: Eleven new full-time jobs will be created for a total new payroll of \$446,000 and an average salary of \$40,545.

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 seven years.

Under Fort Wayne Common Council's tax abatement policies and procedures, Precision Products Group, Inc. is eligible for a seven 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: *Carman*
Economic Development Specialist

Reviewed: *Elissa McAuley*
Economic Development Manager

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

Precision Products Group, Inc.

PERSONAL PROPERTY TAX ABATEMENT - 7 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	\$495,000	40%	\$198,000	100%	0%	\$198,000	\$0	0.033722	\$0	\$6,677
2	\$495,000	56%	\$277,200	85%	14%	\$235,620	\$38,808	0.033722	\$1,309	\$7,946
3	\$495,000	42%	\$207,900	71%	29%	\$147,609	\$60,291	0.033722	\$2,033	\$4,978
4	\$495,000	32%	\$158,400	57%	43%	\$90,288	\$68,112	0.033722	\$2,297	\$3,045
5	\$495,000	30%	\$148,500	43%	57%	\$63,855	\$84,645	0.033722	\$2,854	\$2,153
6	\$495,000	30%	\$148,500	29%	71%	\$43,065	\$105,435	0.033722	\$3,555	\$1,452
7	\$495,000	30%	\$148,500	14%	85%	\$20,790	\$126,225	0.033722	\$4,257	\$701
8	\$495,000	30%	\$148,500	0%	100%	\$0	\$148,500	0.033722	\$5,008	\$0
9	\$0	30%	\$0	0%	100%	\$0	\$0	0.000000	\$0	\$0
10	\$0	30%	\$0	0%	100%	\$0	\$0	0.000000	\$0	\$0
11	\$0	30%	\$0	0%	100%	\$0	\$0	0.000000	\$0	\$0
TOTAL TAX SAVED (7 yr deduction)										\$26,952
TOTAL TAX PAID (7 yr deduction)										\$21,313

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

	Points Possible	Points Awarded
Precision Products Group, Inc.		
INVESTMENT (30 points possible)		
Total new investment in equipment		
Over \$5,000,000	10	
\$1,000,000 to \$4,999,999	8	
\$500,000 to \$999,999	6	
\$0 to \$499,999 \$495,000	4	4
Investment per employee (both jobs created and retained)		
\$35,000 or more	10	
\$18,500 to \$34,999	8	
\$6,250 to \$18,499 \$495,000 / 65 = \$7,615	6	6
\$1,250 to \$6,249	4	
less than \$1,250	2	
Estimated local income taxes generated from jobs retained		
\$80,000 or more	5	
\$30,000 to \$79,999	4	
\$10,000 to \$29,999 \$2,061,445.88 x .0135= \$27,829.52	3	3
\$5,000 to \$9,999	2	
less than \$5,000	1	
Estimated local income taxes generated from jobs created (Double points for start-up)		
\$30,000 or more	5	
\$10,000 to \$29,999	4	
\$5,000 to \$9,999 \$446,000 x .0135= \$6,021	3	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 Production Worker 2.52	5	5
Estimated Percent of Business done outside Allen County		
Greater than 75% 99%	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 54	6	6
25 to 49	4	
10 to 24	2	
1 to 9	1	
Total number of permanent jobs created (Double for start-up)		
Over 100	10	
50-99	8	
25-49	6	
10-24 11	4	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	16	
\$35,000 to \$39,999	12	
\$30,000 to 34,999 \$30,677.02	8	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	0
Construction uses techniques to minimize impact on Combined Sewer Overflows (CSOs)	5	0

Total	64
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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 Click here to enter a date.

Read the first time in full and on motion by Councilman Hines.

Read the second time by title and referred to the Public Works Committee.

Read the third time in full and on motion by Councilman Hines, placed on passage by the following vote:

<u>TOTAL VOTES</u>	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>
ARP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BARRANDA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CRAWFORD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DIDIER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ENSLEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FREISTROFFER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HINES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
JEHL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PADDOCK	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED: April 26, 2016

Stacy Meed

OFFICE OF THE CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as
~~Resolution~~
~~Appropriation~~ No. R-16-04-23 on the 26th day of April, 2016

ATTEST:

Stacy Meed

LANA R. KEESLING
CITY CLERK

Deputy Clerk

Thomas C. Henry

PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 27th of April 2016, at the hour of 9:30 o'clock A.M. E.S.T.

Approved and signed by me this 27th day of APRIL 2016, at the hour of 5:00 O'clock PM E.S.T.

Thomas C. Henry

THOMAS C. HENRY, MAYOR

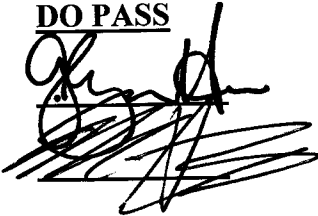

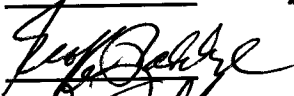
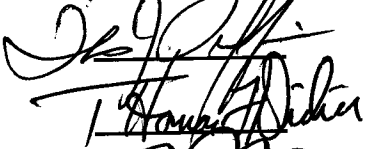

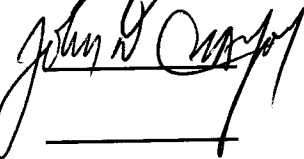

REPORT OF COMMITTEE ON FINANCE

April 26, 2016

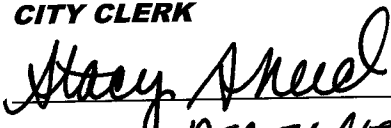
*Glynn Hines, Chair
John Crawford, Co-Chair
All Council Members*

A DECLARATORY RESOLUTION designating an
"Economic Revitalization Area" under I.C. 6-1.1-
12.1 for property commonly known as 1430
Progress Road, Fort Wayne, Indiana 46808
(Precision Products Group, 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>
	_____	_____	_____
_____		_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
_____		_____	_____

**OFFICE OF THE
CITY CLERK**


DEPUTY CITY CLERK