

**A DECLARATORY RESOLUTION designating an
“Economic Revitalization Area” under I.C. 6-1.1-
12.1 for property commonly known as 4250
Airport Expressway, Fort Wayne, Indiana 46809
(BAE Systems Controls, Inc./Scannel Properties
#156, LLC)**

WHEREAS, Petitioner has duly filed its petition dated February 28, 2018 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 retain 833 full-time, permanent jobs for a total current annual payroll of \$48,276,000, with the average current, annual job salary being \$57,954; and

WHEREAS, the total estimated project cost is \$8,029,580; 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, 2021, unless otherwise automatically extended in five year increments per I.C. 6-1.1-12.1-9.

SECTION 2. That, upon adoption of the Resolution:

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

1 **SECTION 3.** That, said designation of the hereinabove described property as an
2 “Economic Revitalization Area” shall apply to a deduction of the assessed value of personal
3 property for new manufacturing equipment improvements to be made between March 1,
4 2018 and December 31, 2019.

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

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

- 12 (a) If the proposed new manufacturing equipment is not installed, the approximate
13 current year tax rates for this site would be \$3.5721/\$100.
- 14 (b) If the proposed new manufacturing equipment is installed and no deduction is
15 granted, the approximate current year tax rate for the site would be
16 \$3.5721/\$100 (the change would be negligible).
- 17 (c) If the proposed new manufacturing equipment is installed and a deduction
18 percentage of eighty percent (80%) is assumed, the approximate current year
19 tax rate for the site would be \$3.5721/\$100 (the change would be negligible).

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

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

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

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Year of Deduction	Percentage
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%

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8	30%
9	20%
10	10%
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.

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

FEB 28 2018

03/2013



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:	\$ 0
Total cost of manufacturing equipment improvements:	\$ 8,029,580
Total cost of research and development equipment improvements:	\$ 0
Total cost of logistical distribution equipment improvements:	\$ 0
Total cost of information technology equipment improvements:	\$ 0
TOTAL OF ABOVE IMPROVEMENTS:	\$ 8,029,580

GENERAL INFORMATION

Real property taxpayer's name: Scannell Properties #156, LLC

Personal property taxpayer's name: BAE Systems Controls, Inc.

Telephone number: (260) 434-5000

Address listed on tax bill: 4250 Airport Expressway, Fort Wayne IN 46809

Name of company to be designated, if applicable: BAE Systems Controls, Inc.

Year company was established: 2000

Address of property to be designated: 4250 Airport Expressway, Fort Wayne IN 46809

Real estate property identification number: 02-12-32-400-003.002-074

Contact person name: Scott Swymeler

Contact person telephone number: (260) 434-5139 Contact person Email: scott.swymeler@baesystems.cc

Contact person address: 4250 Airport Expressway, Fort Wayne IN 46809

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
See Attachment 1			
for Company Officers			

Westover Controls Incorporated

Date
01/09/2018

Company Profile

Tax ID
74-3066335

Main Details

Name: Westover Controls Incorporated
QuickRef: WESTOCON
Country: United States
Region: Delaware
Tax ID: 74-3066335
Incorporated: 10/09/2002
Company Type: Corporation
Company Status: Active
Dissolved:

Primary Addresses

Main Office : 1098 Clark Street, Endicott NY 13760, United States

Appointments

Board Positions		
Name	Position	Appointed
Graham, Ian Thomas	Director	06/11/2010
Howat, D. Scott	Director	01/23/2017

Officers		
Name	Position	Appointed
Arseneault, Thomas A.	Vice President	01/23/2017
Brown, Katherine H.	Vice President & Assistant Secretary	04/26/2017
Crimmins, Terence E.	President	01/23/2017
D'Ancona, Philip	Assistant Secretary	01/05/2015
DeMuro, Gerard Joseph	Vice President	02/01/2014
Gray, Curt	Vice President	02/05/2014
Montminy, Guy	Vice President	02/23/2017
Mullin, Andrew S.	Vice President & Secretary	07/15/2013
Perkins, Kevin M.	Assistant Secretary	02/01/2014
Ranger, Jennifer	Assistant Secretary	02/08/2013
Sallet, Daniel W	Vice President & Treasurer	02/03/2014
Sherfey, Kevin	Assistant Treasurer	12/31/2015

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

NAME	PERCENTAGE
BAE Systems, Inc.	100

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

What is the percentage of clients/customers served that are located outside of Allen County? 100

What is the company's primary North American Industrial Classification Code (NAICs)? 334519

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

BAE Systems, Inc., the parent company of BAE Systems Controls, Inc., is a global defense, aerospace and security company employing around 88,200 people worldwide. Our wide-ranging products and services cover air, land and naval forces, as well as advanced electronics, security, information technology, and support services. +

Dollar amount of annual sales for the last three years:

Year	Annual Sales
Please see	
Annual Report	

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

Customer Name	City/State	Annual Gross Sales
Please see Annual Report		

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

Supplier Name	City/State	Annual Gross Purchases
Please see Annual Report		

List the company's top three competitors:

Competitor Name	City/State
Please see Annual Report	

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

BAE Systems Controls, Inc. services the commercial aerospace industry with the manufacture and repair of Electronic Jet Engine Controls, Flight Controls, Avionics, Airline Cabin Systems, and Cockpit Controls.

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?

The property located at 4250 Airport Expressway was previously designated as an ERA by the Fort Wayne Common Council (Resolution R-106-13, passed and adopted on 12/10/13). As of late 2015, this once vacant land parcel now houses BAE Systems Controls, Inc. Indiana operations.

Competition for projects among BAE's various facilities across the U.S., including Fort Wayne, is fierce, requiring that each site provide information including cost/operation estimates to determine the estimated costs of goods sold by each site when bidding for projects. The re-designation of this site as an ERA, allowing for an abatement of personal property taxes on new machinery and equipment that would be used to expand and modernize the Fort Wayne production line, would help with the site's competitive position by reducing operating costs and thus assist in the bid analysis and review process. A competitive cost structure will enable the facility to maintain its employment base and help set the basis for potential future expansions.

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)

Please see Attachment 2

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): 03/2018

Date last piece of equipment will be installed (month/year): 12/2019

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

8 year DDB

BAE Systems Controls, Inc.
Attachment 2

Description	Total Project Budget (K)	Category
Generic FADEC Test Stand	\$457	M&E Test Equipment
Electrovert Electra Wave Solder CCA/AT	\$291	Manufacturing
Heller 1913 Reflow Oven - Guaymas Tech Upgrade	\$106	Manufacturing
HASS chambers for LEAP 2018	\$318	Manufacturing
SMAC-X for AT	\$375	Manufacturing
HASS Chamber for AT	\$225	Manufacturing
Robin for AT	\$47	Manufacturing
Next Gen AT Test Stand	\$400	Manufacturing
(2) Europlacer II-Feed Trolleys (0201 capability) - Development	\$51	Manufacturing
Wave Solder (large platform) for CCA/AT	\$195	Manufacturing
Select Solder Machine for CCA	\$130	Manufacturing
Kolb Stencil Cleaner	\$90	Manufacturing
Heller 1913 Reflow Oven for CCA Line 5	\$122	Manufacturing
Test & Production behind the firewall - Network Storage Unit	\$60	Manufacturing
Facility Improvements need for Qualmark Chamber	\$33	Manufacturing
HASS Chambers # 4 and 5 for Leap	\$340	Manufacturing
F42 replacement Chamber	\$110	Manufacturing
PDL Replacement (PMAT?) in aftermarket	\$50	Manufacturing
Engineering and Cal Lab Instruments and Tools	\$50	Manufacturing
B246 Chamber retirement	\$55	Manufacturing
Optical Microscope (incl PC) for FA Lab	\$40	Manufacturing
New Chambers for Stands Qty = 5 @ 55Kea	\$125	Manufacturing
DITMCO Modernization	\$50	Manufacturing
Misc Productivity Improvements	\$75	Manufacturing
(2) AOI Systems	\$220	Manufacturing
(2) Torque Drivers for Aftermarket	\$8	Manufacturing
(2) Torque Drivers for AT Unit Assembly	\$8	Manufacturing
VeriVision Inspection System for Eng Ctrl	\$30	Manufacturing
(2) AOI Systems	\$220	Manufacturing
(2) Torque Drivers for Aftermarket	\$8	Manufacturing
(2) Torque Drivers for AT Unit Assembly	\$8	Manufacturing
Down Draft Tables	\$32	Leasehold Improvements
Calibration Lab Dehumidification	\$17	Leasehold Improvements
Cafeteria - Acoustic Pads	\$50	Leasehold Improvements
777 Main Conference Room Microphones	\$11	Leasehold Improvements
Shipping/Receiving Heater Installation	\$30	Leasehold Improvements
Two - FC Vertec Power Conditioner	\$60	Leasehold Improvements
Plant Air Compressor Replacement	\$13	Leasehold Improvements
FTW OPS - Funcion (OTHER)	\$460	Manufacturing
CAS FTW OPS	\$2,537	Manufacturing
FAC - FTW	\$225	Leasehold Improvements
OPS - FTW	\$300	Manufacturing

Total Capital Investment \$8,029,580

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 Attachment 3			

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Attachment 3			

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll

BAE Systems Controls, Inc.
Attachment 3

Management Occupation	Detailed Occupation	Salary Total (Estimate)	Number of Employees
Human Resources Specialists / Manager	13-1071, 11-3121	\$ 248,000	3
Purchasing Managers	11-3061	\$ 387,000	3
Architectural and Engineering Managers	11-9041	\$ 282,000	2
Electrical and Electronics Engineering Technologists	17-3023	\$ 1,680,000	28
Environmental Scientists and Specialists, including Health	19-2041	\$ 292,000	3
Maintenance and Repair Workers, General	49-2071	\$ 640,000	10
Financial Analysts, Managers, Specialists, Accountants & Auditors	13-2051, 11-3031, 13-2099, 13-2011	\$ 776,000	12
Executive Secretaries & Executive Administrative Assistants	43-6011	\$ 98,000	2
Secretaries & Executive Administrative Assistants	43-6014	\$ 659,000	16
Tool & Die Makers	51-4111	\$ 397,000	6
Electrical and Electronics Equipment Assemblers	51-2022	\$ 19,555,000	475
Inspectors, Testers, Sorters, Samplers, and Weighers	51-9061	\$ 668,000	12
Production, Planning, and Expediting Clerks	43-5061	\$ 1,091,000	15
General and Operations Managers	11-1021	\$ 708,000	4
Industrial Production Managers	11-3051	\$ 3,019,000	34
Managers, Other, Compliance Officer	11-9199, 13-1041	\$ 1,844,000	17
Customer Service Representatives, Public Relations Specialist	43-4051, 27-3031	\$ 613,000	10
Engineers, All Other	17-2199	\$ 9,455,000	111
Electronic Engineers, Except Computer	17-2072	\$ 1,659,000	18
Industrial Engineers, Facilities Managers	17-2112, 11-3013	\$ 2,720,000	33
Purchasing Agents, Except Wholesales, Retail, and Farm Products	13-1023	\$ 1,485,000	19
		\$ 48,276,000	833

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll

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

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> Pension Plan | <input checked="" type="checkbox"/> Major Medical Plan | <input 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:

EAP - Employee Assistance Program

When will you reach the levels of employment shown above? (month/year): 04/01/2019

REQUIRED ATTACHMENTS

The following must be attached to the application.

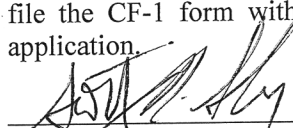
1. **Statement of Benefits Form(s) (first page/front side completed)**
2. **Full legal description of property and a plat map identifying the property boundaries. (Property tax bill legal descriptions are not sufficient.) Should be marked as Exhibit A.**
3. **Check for non-refundable application fee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

Scott Swymeler, Director of Operations

 Printed Name and Title of Applicant

2/23/18

 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

FEB 28 2018
CJY

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 BAE Systems Controls, Inc.			Name of contact person Scott Swymeler			Telephone number (260) 434-5139			
Address of taxpayer (number and street, city, state, and ZIP code) 4250 Airport Expressway, Fort Wayne IN 46809									
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT							
Name of designating body Fort Wayne City Council			Resolution number (s)						
Location of property 4250 Airport Expressway, Fort Wayne IN 46809		County Allen		DLGF taxing district number 074					
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.) Please see Attachment 2				ESTIMATED					
				START DATE		COMPLETION DATE			
		Manufacturing Equipment		03/01/2018		12/31/2019			
		R & D Equipment							
		Logist Dist Equipment							
IT Equipment									
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT							
Current number 833	Salaries \$48,276,000	Number retained 833	Salaries \$48,276,000	Number additional	Salaries				
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	8,029,580	8,029,580						
	Plus estimated values of proposed project								
	Less values of any property being replaced								
Net estimated values upon completion of project									
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER							
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____			Other benefits:			
SECTION 6		TAXPAYER CERTIFICATION							
I hereby certify that the representations in this statement are true.									
Signature of authorized representative <i>Scott Swymeler</i>					Date signed (month, day, year) 2/23/18				
Printed name of authorized representative Scott Swymeler				Title Director of Operations					

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, 2021. 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 checked="" type="checkbox"/> Yes	<input 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 \$ 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.)

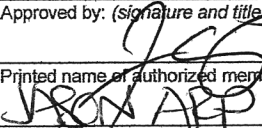
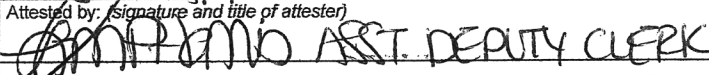
G. Other limitations or conditions (specify) _____

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 checked="" 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 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	Date signed (month, day, year)
	(260) 427-1221	03/13/18
Printed name of authorized member of designating body	Name of designating body	
JASON APP	CITY COUNCIL	
Attested by: (signature and title of attester)	Printed name of attester	
	LISA M. PETRETTA-HARRIS	

* 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.

**BAE Systems Controls, Inc.
BPP Abatement Application - Exhibit A**

**Physical Address: 4250 Airport Exp.
Fort Wayne, IN 46809**

**Parcel Number: 02-12-32-400-003.002-074
Legal Description: 39.17 A Irr Tract Cor SE ¼ Sec 32**

The screenshot displays a web browser window with the URL <https://maps.cityoffortwayne.org/maps/map.htm>. The map shows a large parcel with a building footprint and a scale bar (0 to 300 feet). The interface includes a top navigation bar with zoom and home controls, a left sidebar with a 'Control Panel' containing 'Basemaps', 'Hybrid' (with years 2017, 2016, 2015), 'Tilt', 'Imagery' (with years 2017, 2016, 2015), and 'Street' (with 'Plat Map' and 'Road Map' options). A copyright notice for the City of Fort Wayne is visible. On the right, a 'Search Results' panel shows the following information:

Search Results	Owner	PIN	OBJECTID
Address	ETCL Fort Wayne LLC	02123240003002074	138626
4250 AIRPORT EXPY			

Below the search results, there are buttons for 'Draw', 'Layers', 'Legend', 'Measure', 'Print', and 'Search'.

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **BAE Systems Controls, Inc./Scannell Properties #156, LLC is requesting the designation of an Economic Revitalization Area for eligible personal property improvements in the amount of \$8,029,580. BAE Systems Controls, Inc./Scannell Properties #156, LLC will purchase and install new manufacturing equipment.**

EFFECT OF PASSAGE: **Investment of \$8,029,580 and the retention of 833 full-time positions.**

EFFECT OF NON-PASSAGE: **Potential loss of investment and retention of 833 full-time jobs.**

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

ASSIGNED TO COMMITTEE (PRESIDENT): **John Crawford and Jason Arp**

MEMORANDUM



To: City Council
FROM: Carman Young, Economic Development Specialist
DATE: March 1, 2018
RE: Request for designation by BAE Systems Controls, Inc./Scannell Properties #156, LLC as an ERA for real property improvements.

BACKGROUND

PROJECT ADDRESS: 4250 Airport Expressway	PROJECT LOCATED WITHIN:	N/A
PROJECT COST: \$8,029,580	COUNCILMANIC DISTRICT:	4

COMPANY PRODUCT OR SERVICE:	BAE Systems Controls, Inc./Scannell Properties #156, LLC is a global defense, aerospace and security company. Locally, BAE Systems Controls, Inc. /Scannell Properties #156, LLC services the commercial aerospace industry with the manufacture and repair of electronic jet engine control, flight controls, avionics, airline cabin systems, and cockpit controls.
PROJECT DESCRIPTION:	BAE Systems Controls, Inc./Scannell Properties #156, LLC will purchase and install new personal property manufacturing equipment.

CREATED

RETAINED

JOB'S CREATED (FULL-TIME):	0	JOB'S RETAINED (FULL-TIME):	833
JOB'S CREATED (PART-TIME):	0	JOB'S RETAINED (PART-TIME):	0
TOTAL NEW PAYROLL:	0	TOTAL RETAINED PAYROLL:	\$48,276,000
AVERAGE SALARY (FULL-TIME NEW):	0	AVERAGE SALARY (FULL-TIME RETAINED):	\$57,954

COMMUNITY BENEFIT REVIEW

Yes No N/A

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

Yes No N/A

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

Explain: Property to be designated is zoned I-2, General Industrial. Use of this property is consistent with the land use policies of the City of Fort Wayne.

Yes No N/A

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

RECEIVED

MAR 05 2018

CITY OF FORT WAYNE
LAW DEPARTMENT

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: BAE Systems Controls, Inc./Scannell Properties #156, LLC will purchase and install new personal property manufacturing equipment.

Yes No N/A

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

Yes No N/A

Project encourages preservation of a historically or architecturally significant structure?

Yes No N/A

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

Yes No N/A

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

Yes No N/A

ERA designation induces employment opportunities for Fort Wayne area residents?

Explain: BAE Systems Controls, Inc./Scannell Properties #156, LLC will retain 833 full-time jobs with an annual payroll of \$48,276,000

Yes No N/A

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

POLICY

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

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

Under Fort Wayne Common Council's tax abatement policies and procedures, BAE Systems Controls, Inc. /Scannell Properties #156, LLC is eligible for a recommended ten year deduction on personal property improvements. Attached is a calculation of property taxes saved/paid with the deduction.

COMMENTS

Signed and Reviewed:

Economic Development Specialist

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

BAE Systems Controls, Inc./Scannell Properties #156, LLC

PERSONAL PROPERTY TAX ABATEMENT - 10 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	\$8,029,580	40%	\$3,211,832	\$3,211,832	100%	0%	\$3,211,832	\$0	0.035721	\$0	\$114,730
2	\$8,029,580	56%	\$4,496,565	\$4,496,565	90%	10%	\$4,046,908	\$449,656	0.035721	\$16,062	\$144,560
3	\$8,029,580	42%	\$3,372,424	\$3,372,424	80%	20%	\$2,697,939	\$674,485	0.035721	\$24,093	\$96,373
4	\$8,029,580	32%	\$2,569,466	\$2,569,466	70%	30%	\$1,798,626	\$770,840	0.035721	\$27,535	\$64,249
5	\$8,029,580	30%	\$2,408,874	\$2,408,874	60%	40%	\$1,445,324	\$963,550	0.035721	\$34,419	\$51,628
6	\$8,029,580	30%	\$2,408,874	\$2,408,874	50%	50%	\$1,204,437	\$1,204,437	0.035721	\$43,024	\$43,024
7	\$8,029,580	30%	\$2,408,874	\$2,408,874	40%	60%	\$963,550	\$1,445,324	0.035721	\$51,628	\$34,419
8	\$8,029,580	30%	\$2,408,874	\$2,408,874	30%	70%	\$722,662	\$1,686,212	0.035721	\$60,233	\$25,814
9	\$8,029,580	30%	\$2,408,874	\$2,408,874	20%	80%	\$481,775	\$1,927,099	0.035721	\$68,638	\$17,209
10	\$8,029,580	30%	\$2,408,874	\$2,408,874	10%	90%	\$240,887	\$2,167,987	0.035721	\$77,443	\$8,605
11	\$8,029,580	30%	\$2,408,874	\$2,408,874	0%	100%	\$0	\$2,408,874	0.035721	\$86,047	\$0
							TOTAL TAX SAVED		(10 yr deduction)		\$600,611
							TOTAL TAX PAID		(10 yr deduction)		\$489,323

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

BAE Systems Controls, Inc.

	Points Possible	Points Awarded
INVESTMENT (30 points possible)		
Total new investment in equipment		
Over \$5,000,000	10	10
\$1,000,000 to \$4,999,999	8	
\$500,000 to \$999,999	6	
\$0 to \$499,999	4	
<hr/>		
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 \$1,249	2	
<hr/>		
Estimated local income taxes generated from jobs retained		
\$80,000 or more	5	5
\$30,000 to \$79,999	4	
\$10,000 to \$29,999	3	
\$5,000 to \$9,999	2	
less than \$5,000	1	
<hr/>		
Estimated local income taxes generated from jobs created (Double points for start-up)		
\$30,000 or more	5	
\$10,000 to \$29,999	4	
\$5,000 to \$9,999	3	
\$3,000 to \$4,999	2	
less than \$3,000	1	
<hr/>		
ECONOMIC BASE (20 points possible)		
Location Quotient in designated Occupation Code (use majority Occupation Code of all created and retained jobs)		
Greater than 1.0	5	5
<hr/>		
Estimated Percent of Business done outside Allen County		
Greater than 75%	15	15
50% to 74%	10	
25% to 49%	5	
<hr/>		
JOBS (20 points possible)		
Total number of permanent jobs retained		
Over 250	10	10
100 to 249	8	
50 to 99	6	
25 to 49	4	
10 to 24	2	
1 to 9	1	
<hr/>		
Total number of permanent jobs created (Double for start-up)		
Over 100	10	
50-99	8	
25-49	6	
10-24	4	
1 to 9	2	
<hr/>		
WAGES (20 points possible)		
Median salary of the jobs created and/or retained		
Over \$47,999	20	20
\$57,954	16	
\$43,000 to \$47,999	12	
\$38,000 to \$42,999	8	
\$33,000 to 37,999	4	
\$28,000 to \$32,999	4	
under \$28,000	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	81
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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

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%	

BILL NO. R-18-03-01

REPORT OF COMMITTEE ON FINANCE

March 13, 2018

Jason Arp 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 4250 Airport Expressway, Fort Wayne, Indiana 46809

(BAE Systems Controls, Inc./Scannel Properties #156, LLC)

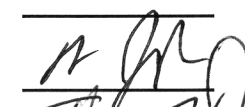

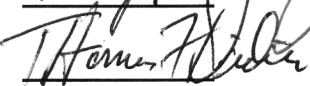

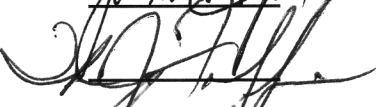

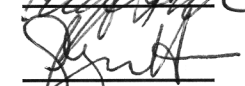
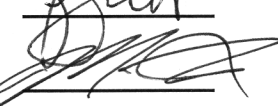
COMMITTEE ON FINANCE HAVE HAD SAID Ordinance under consideration and beg leave to report back to the Common Council that said Ordinance

DO PASS

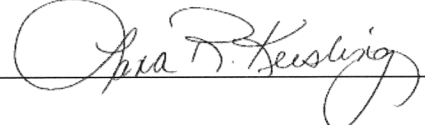
DO NOT PASS

ABSTAIN

NO REC

		_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
_____	_____	_____	_____

**LANA R. KEESLING
CITY CLERK**



Public Hearing Date: N/A

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

Read the second time by title and referred to the Finance Committee.

Read the third time in full and on motion by Councilman Arp, 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: March 13, 2018




 LANA R. KEESLING, CITY CLERK


Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as

Resolution No. R-18-03-01 on the 13th day of March, 2018

ATTEST:



 LANA R. KEESLING
 CITY CLERK



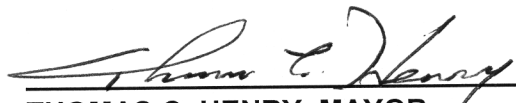
 PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 14th of March 2018, at the hour of 9:50 o'clock A.M. E.S.T.



 LANA R. KEESLING, CITY CLERK

Approved and signed by me this 14TH day of MARCH 2018, at the hour of 1:30 O'clock PM . E.S.T.



 THOMAS C. HENRY, MAYOR