

4 **A DECLARATORY RESOLUTION designating an**  
5 **“Economic Revitalization Area” under I.C. 6-1.1-12.1**  
6 **for property commonly known as 7310 Innovation**  
7 **Boulevard, Fort Wayne, Indiana 468018 (Hoffmaster**  
8 **Group, Inc.)**

9 **WHEREAS**, Petitioner has duly filed its petition dated November 1, 2018 to have the  
10 following described property designated and declared an “Economic Revitalization Area” under  
11 Sections 153.13-153.24 of the Municipal Code of the City of Fort Wayne, Indiana, and I.C. 6-1.1-  
12 12.1, to wit:

13 **Attached hereto as “Exhibit A” as if a part herein;**

14 and

15 **WHEREAS**, said project will create 156 full-time, permanent jobs for a total new, annual  
16 payroll of \$4,873,560, with the average new annual job salary being \$31,240 and retain 98 full-  
17 time, permanent jobs for a total current annual payroll of \$3,023,216, with the average current,  
18 annual job salary being \$30,849; and

19 **WHEREAS**, the total estimated project cost is \$5,565,000; and

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

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

24 **SECTION 1.** That, subject to the requirements of Section 6, below, the  
25 property hereinabove described is hereby designated and declared an “Economic Revitalization  
26 Area” under I.C. 6-1.1-12.1. Said designation shall begin upon the effective date of the  
27 Confirming Resolution referred to in Section 6 of this Resolution and shall terminate on  
28 December 31, 2021, unless otherwise automatically extended in five year increments per I.C. 6-  
29 1.1-12.1-9.

30 **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.

**SECTION 3.** That, said designation of the hereinabove described property as an  
“Economic Revitalization Area” shall apply to a deduction of the assessed value of personal  
property for new manufacturing, logistical distribution and information technology equipment  
improvements to be made between November 1, 2018 and December 31, 2020.

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

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

- 9                   (a) If the proposed new manufacturing, logistical distribution and information technology  
10 equipment is not installed, the approximate current year tax rates for this site would  
11 be \$3.4092/\$100.
- 12                   (b) If the proposed new manufacturing, logistical distribution and information technology  
13 equipment is installed and no deduction is granted, the approximate current year tax  
14 rate for the site would be \$3.4092/\$100 (the change would be negligible).
- 15                   (c) If the proposed new manufacturing, logistical distribution and information technology  
16 equipment is installed and a deduction percentage of eighty percent (80%) is  
17 assumed, the approximate current year tax rate for the site would be \$3.4092/\$100  
18 (the change would be negligible).

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

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

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

28

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

29

30

**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.



NOV 01 2018  
*CRV*

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:	_____
Total cost of manufacturing equipment improvements:	\$ 5,190,000
Total cost of research and development equipment improvements:	_____
Total cost of logistical distribution equipment improvements:	\$ 300,000
Total cost of information technology equipment improvements:	\$ 75,000
<b>TOTAL OF ABOVE IMPROVEMENTS:</b>	<b>\$ 5,565,000</b>

**GENERAL INFORMATION**

Real property taxpayer's name: All America City Investors, LLC

Personal property taxpayer's name: Hoffmaster Group, Inc.

Telephone number: (920) 235-9330

Address listed on tax bill: 7310 Innovation Boulevard, Fort Wayne, IN 46818

Name of company to be designated, if applicable: Hoffmaster Group, Inc.

Year company was established: 2005

Address of property to be designated: 7310 Innovation Boulevard, Fort Wayne, IN 46818

Real estate property identification number: 02-07-16-200-011.000-073

Contact person name: David Walkowski

Contact person telephone number: (920) 235-9330 Contact person Email: david.walkowski@hoffmaster.com

Contact person address: 2920 North Main Street, Oshkosh, WI 54903

*73  
 FW-Wash  
 3-council  
 3.4.092*

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Roderick Leyden	President & CEO	2920 North Main Street, Oshkosh, WI 54903	(920) 235-9330
David Walkowski	CFO, Vice President, Secretary	2920 North Main Street, Oshkosh, WI 54903	(920) 235-9330
Jane Shulze	Assistant Treasurer	2920 North Main Street, Oshkosh, WI 54903	(715) 823-3104

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

NAME	PERCENTAGE
Hoffmaster Holdings, 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? 99+

What is the company's primary North American Industrial Classification Code (NAICs)? 322299

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

Hoffmaster Group, Inc. is a manufacturer and distributor of disposable tableware. The business activity at this location will be the manufacture of disposable paper straws.

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2017	\$ 443,000,000.00
2016	\$ 439,000,000
2015	\$ 432,000,000

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

Customer Name	City/State	Annual Gross Sales
Walmart	Bentonville, AR	\$ 49,000,000
Baugh Supply Chain/Sysco Food Service	Houston, TX	\$ 41,000,000
US Foods	Phoenix, AZ	\$ 41,000,000

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

Supplier Name	City/State	Annual Gross Purchases
G-P Financial Management LLC	Atlanta, GA	\$ 21,000,000
Graphic Packaging International LLC	Pittsburgh, PA	\$ 16,000,000
Dunn Paper Inc.	Chicago, IL	\$ 14,000,000

List the company's top three competitors:

Competitor Name	City/State
Amscan, Inc.	Elmsford, NY
Unique Industries, Inc.	Philadelphia, PA
Paterson Pacific Parchment Company	Sparks, NV

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

Manufacture and distribution of disposable paper straws.

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 at 7310 Innovation Boulevard had been unoccupied for the last year. The building was established for office and light manufacturing. Hoffmaster Group, Inc. will be leasing approximately 112,000 square feet. The building will need to be renovated/improved to meet the needs of Hoffmaster's operation. The remainder of the building remains empty.

**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.)

<b>PERSONAL PROPERTY INFORMATION</b>
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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)

Various straw manufacturing equipment will be installed. These include winders, flex machines and wrappers.

Logistical distribution equipment consisting of fork lift.

Furniture and fixtures for office personnel.

Information technology equipment consisting of communications equipment, network equipment to connect to the corporate office of Hoffmaster Group, Inc. in Oshkosh, WI and general office IT equipment (laptops, printers, etc.)

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

Yes  No Will the equipment be leased?

Date first piece of equipment will be purchased (month/year): 11/2018

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

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

The machinery, equipment, distribution equipment and furniture and fixtures will be depreciated over seven years for tax purposes. The information technology equipment will be depreciated over five years.

**ELIGIBLE VACANT BUILDING INFORMATION**

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

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

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

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

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

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

<b>PUBLIC BENEFIT INFORMATION</b>
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***EMPLOYMENT INFORMATION FOR FACILITY TO BE DESIGNATED***

ESTIMATE OF EMPLOYEES AND PAYROLL FOR FORT WAYNE FACILITY REQUESTING ECONOMIC REVITALIZATION AREA DESIGNATION
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Please be specific on job descriptions. When listing the occupation codes, please avoid using the "Major Occupational Groupings" (i.e. 11-000, 13-000, 15-000, etc.) which are more general in nature. Instead, use specific occupation codes (i.e. 11-1021, 13-1081, 15-2041 etc) for each created and retained job. To fill out information on occupation and occupation code, use data available through Occupation Employment Statistics for Fort Wayne [http://www.bls.gov/oes/current/oes\\_23060.htm](http://www.bls.gov/oes/current/oes_23060.htm)

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 Listing			

**Retained Full-Time Employment**

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Attached Listing			

**Additional Full-Time Employment**

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Attached Listing			

**PUBLIC BENEFIT INFORMATION**

**Current Part-Time or Temporary Jobs**

Occupation	Occupation Code	Number of Jobs	Total Payroll
None			

**Retained Part-Time or Temporary Jobs**

Occupation	Occupation Code	Number of Jobs	Total Payroll
None			

**Additional Part-Time or Temporary Jobs**

Occupation	Occupation Code	Number of Jobs	Total Payroll
None			

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

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

List any benefits not mentioned above:

Vision insurance, 401k plan with employer match, spousal and dependent life insurance

When will you reach the levels of employment shown above? (month/year): 02/2021

## 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

DAVID L. WALKOWSKI  
 VICE PRESIDENT AND CFO, HOFFMASTER GROUP, INC.

Printed Name and Title of Applicant

10.31.18

\_\_\_\_\_  
 Date

Hoffmaster Group, Inc.  
Economic Revitalization Area Application  
City of Fort Wayne, Indiana

**Current and Retained Full-Time Employment**

Occupation	Occupation Code	Number of Jobs	Total Payroll
Machine Operators	51-9032	88	\$ 2,546,170
Inventory Control Coordin	43-3061	1	\$ [REDACTED]
Shipping Supervisor	51-1011	1	\$ [REDACTED]
Maintenance Manager	11-3051	1	\$ [REDACTED]
Operations Manager	11-1021	1	\$ [REDACTED]
BOM Specialist	43-3061	1	\$ [REDACTED]
Manufacturing Support	43-3061	1	\$ [REDACTED]
Scheduler	43-5061	1	\$ [REDACTED]
Shipping Clerk	43-5071	2	\$ 53,872
Supervisors	51-1011	1	\$ [REDACTED]
<b>Totals</b>		<b>98</b>	<b>\$ 3,023,216</b>

**Additional Full-Time Employment**

Occupation	Occupation Code	Number of Jobs	Total Payroll
Supervisors	51-1011	1	\$ [REDACTED]
Continuous Improvement	17-2112	1	\$ [REDACTED]
Plant Manager	11-1021	1	\$ [REDACTED]
HR Manager	11-3121	1	\$ [REDACTED]
Cost Manager	11-3031	1	\$ [REDACTED]
Planning Manager	11-3061	1	\$ [REDACTED]
Mechanic	51-4041	6	\$ 287,040
Electricians	17-3023	6	\$ 312,000
Machine Operators	51-9032	129	\$ 3,488,160
Material Handling	53-7062	9	\$ 243,360
<b>Totals</b>		<b>156</b>	<b>\$ 4,873,560</b>



**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

NOV 01 2018

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)

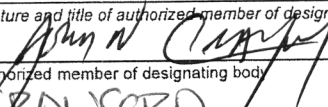

SECTION 1		TAXPAYER INFORMATION							
Name of taxpayer Hoffmaster Group, Inc.			Name of contact person David Walkowski						
Address of taxpayer (number and street, city, state, and ZIP code) 2920 North Main Street, Oshkosh, WI 54903					Telephone number ( 920 ) 235-9330				
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT							
Name of designating body City of Fort Wayne Community Development Division			Resolution number (s)						
Location of property 7310 Innovation Boulevard, Fort Wayne, IN 46818			County Allen		DLGF taxing district number 73				
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) Various straw manufacturing equipment including winders, flex machines and wrappers. Logistical distribution equipment consisting of fork lifts. Furniture and fixtures for office personnel. Information technology equipment consisting of communications equipment, network equipment to connect to corporate office in WI and general office IT equipment (laptops, printers, etc.)			ESTIMATED						
					START DATE	COMPLETION DATE			
			Manufacturing Equipment		11/01/2018	12/31/2020			
			R & D Equipment						
			Logist Dist Equipment		11/01/2018	12/31/2020			
IT Equipment		11/01/2018	12/31/2020						
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT							
Current number 98	Salaries 3,023,216	Number retained 98	Salaries 3,023,216	Number additional 156	Salaries 4,873,560				
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT							
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.		MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values		1,634,000				60,497		2,787	
Plus estimated values of proposed project		5,190,000				300,000		75,000	
Less values of any property being replaced									
Net estimated values upon completion of project		6,824,000				360,497		77,787	
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>David L. Walkowski</i>						Date signed (month, day, year) 10-31-18			
Printed name of authorized representative DAVID L. WALKOWSKI						Title VICE PRESIDENT + CFO, HOFFMASTER GROUP, INC.			

**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;  Yes  No  Enhanced Abatement per IC 6-1.1-12.1-18
  - 2. Installation of new research and development equipment;  Yes  No  Check box if an enhanced abatement was approved for one or more of these types.
  - 3. Installation of new logistical distribution equipment.  Yes  No
  - 4. Installation of new information technology equipment;  Yes  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 \$ unlimited cost with an assessed value of \$ unlimited. (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) N/A
- H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:
- Year 1     Year 2     Year 3     Year 4     Year 5     Enhanced Abatement per IC 6-1.1-12.1-18
  - Year 6     Year 7     Year 8     Year 9     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 <u>260-427-1221</u>	Date signed (month, day, year) <u>11/13/18</u>
Printed name of authorized member of designating body <u>JOHN CRAWFORD</u>	Name of designating body <u>CITY COUNCIL</u>	
Attested by: (signature and title of attester) 	Printed name of attester <u>LISA PETRETTA HARRIS</u>	

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

**IC 6-1.1-12.1-17**

**Abatement schedules**

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

- (1) The total amount of the taxpayer's investment in real and personal property.
  - (2) The number of new full-time equivalent jobs created.
  - (3) The average wage of the new employees compared to the state minimum wage.
  - (4) The infrastructure requirements for the taxpayer's investment.
- (b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.
- (c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

## EXHIBIT "A"

## LEGAL DESCRIPTION

A parcel of land located in the Northwest one-quarter of Section 15, Township 31 North, Range 12 East and in the Northeast one-quarter of Section 16, Township 31 North, Range 12 East, Allen County, Indiana and more particularly described as follows, to wit; Commencing at the Southeast corner of the Northeast one-quarter of Section 16, Township 31 North, Range 12 East, also being the Southwest corner of the Northwest one-quarter of Section 15, Township 31 North, Range 12 East as now established by the Allen County Surveyor's reference monuments; thence North 89 degrees 21 minutes East along the South line of the Northwest one-quarter of said Section 15 a distance of 7.70 feet to a point on the West right-of-way line of the Grand Rapids & Indiana Railroad; thence North 0 degrees 04 minutes 40 seconds West along said West right-of-way line a distance of 1,641.10 feet to the point of beginning. BEGINNING at the above described point, thence North 0 degrees 04 minutes 40 seconds West along the West right-of-way line of the Grand Rapids & Indiana Railroad a distance of 960.0 feet to an iron pin set on the South right-of-way line of Cook Road as dedicated in Document #83-026073 recorded in the Allen County Recorder's Office; thence North 90 degrees 00 minutes West along said South right-of-way line and 40 feet South of the North line of said Northeast one-quarter a distance of 739.95 feet; thence on a curve to the left having a radius of 40.0 feet, an arc length of 62.89 feet and subtended by a chord of 56.61 feet bearing South 44 degrees 57 minutes 40 seconds West; thence South 0 degrees 04 minutes 40 seconds East a distance of 919.95 feet to an iron pin set; thence North 90 degrees 00 minutes East a distance of 780.0 feet to the point of beginning, containing 17.182 acres of land, more or less.

# MEMORANDUM



**TO:** City Council  
**FROM:** Carman Young, Economic Development Specialist  
**DATE:** November 7, 2018  
**RE:** Request for designation by Hoffmaster Group Inc./All America City Investors, LLC as an ERA for real property improvements.

## BACKGROUND

PROJECT ADDRESS: <b>7310 Innovation Blvd.</b>	PROJECT LOCATED WITHIN:	N/A
PROJECT COST: <b>\$5,565,000</b>	COUNCILMANIC DISTRICT:	<b>3</b>

COMPANY PRODUCT OR SERVICE:	<b>Hoffmaster Group, Inc. produces premium paperware for special events. They recently acquired Aardvark a local producer of paper straws.</b>
PROJECT DESCRIPTION:	<b>Hoffmaster Group, Inc. will retain straw production locally by moving into 112,000 square feet of an existing facility. New manufacturing, logistical distribution and information technology will be purchased and installed.</b>

### CREATED

### RETAINED

JOB'S CREATED (FULL-TIME):	<b>156</b>	JOB'S RETAINED (FULL-TIME):	<b>98</b>
JOB'S CREATED (PART-TIME):	<b>0</b>	JOB'S RETAINED (PART-TIME):	<b>0</b>
TOTAL NEW PAYROLL:	<b>\$4,873,560</b>	TOTAL RETAINED PAYROLL:	<b>\$3,023,216</b>
AVERAGE SALARY (FULL-TIME NEW):	<b>\$31,240</b>	AVERAGE SALARY (FULL-TIME RETAINED):	<b>\$30,849</b>

## COMMUNITY BENEFIT REVIEW

Yes  No  N/A

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

**Explain: Hoffmaster Group, Inc. will retain straw production locally by moving into 112,000 square feet of an existing facility.**

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 I2/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?

**Explain: Real property improvements will be made by the property owner to the area of the facility to be occupied by Hoffmaster Group, Inc.**

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: Hoffmaster Group, Inc. will purchase and install new manufacturing, logistical distribution and information technology equipment.**

Yes  No  N/A

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

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: Hoffmaster Group, Inc. will create 156 new full-time positions with an annual payroll of \$4,873,560 and retain 98 full-time positions with an annual payroll of \$4,873,560**

Yes  No  N/A

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

**POLICY**

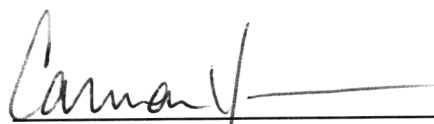
**Per the policy of the City of Fort Wayne, the following guidelines apply to this project:**

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

Under Fort Wayne Common Council's tax abatement policies and procedures, Hoffmaster Group, Inc. is eligible for a recommended seven 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

Hoffmaster Group, Inc. 7310 Innovation

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	\$5,565,000	40%	\$2,226,000	\$2,226,000	100%	0%	\$2,226,000	\$0	0.034092	\$0	\$75,889
2	\$5,565,000	56%	\$3,116,400	\$3,116,400	85%	15%	\$2,648,940	\$467,460	0.034092	\$15,937	\$90,308
3	\$5,565,000	42%	\$2,337,300	\$2,337,300	71%	29%	\$1,659,483	\$677,817	0.034092	\$23,108	\$56,575
4	\$5,565,000	32%	\$1,780,800	\$1,780,800	57%	43%	\$1,015,056	\$765,744	0.034092	\$26,106	\$34,605
5	\$5,565,000	30%	\$1,669,500	\$1,669,500	43%	57%	\$717,885	\$951,615	0.034092	\$32,442	\$24,474
6	\$5,565,000	30%	\$1,669,500	\$1,669,500	29%	71%	\$484,155	\$1,185,345	0.034092	\$40,411	\$16,506
7	\$5,565,000	30%	\$1,669,500	\$1,669,500	14%	86%	\$233,730	\$1,435,770	0.034092	\$48,948	\$7,968
8	\$5,565,000	30%	\$1,669,500	\$1,669,500	0%	100%	\$0	\$1,669,500	0.034092	\$56,917	\$0
									TOTAL TAX SAVED	( 7 yr deduction)	<b>\$306,325</b>
									TOTAL TAX PAID	( 7 yr deduction)	<b>\$243,869</b>

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

Hoffmaster Group, Inc.

		Points Possible	Points Awarded
<b>INVESTMENT (30 points possible)</b>			
<b>Total new investment in equipment</b>			
Over \$5,000,000	\$5,565,000	10	10
\$1,000,000 to \$4,999,999		8	
\$500,000 to \$999,999		6	
\$0 to \$499,999		4	
<b>Investment per employee (both jobs created and retained)</b>			
\$35,000 or more		10	
\$18,500 to \$34,999	\$21,909	8	8
\$6,250 to \$18,499		6	
\$1,250 to \$6,249		4	
less than \$1,249		2	
<b>Estimated local income taxes generated from jobs retained</b>			
\$80,000 or more		5	
\$30,000 to \$79,999	\$44,743	4	4
\$10,000 to \$29,999		3	
\$5,000 to \$9,999		2	
less than \$5,000		1	
<b>Estimated local income taxes generated from jobs created (Double points for start-up)</b>			
\$30,000 or more	\$72,128	5	5
\$10,000 to \$29,999		4	
\$5,000 to \$9,999		3	
\$3,000 to \$4,999		2	
less than \$3,000		1	
<b>ECONOMIC BASE (20 points possible)</b>			
<b>Location Quotient in designated Occupation Code (use majority Occupation Code of all created and retained jobs)</b>			
Greater than 1.0		5	
<b>Estimated Percent of Business done outside Allen County</b>			
Greater than 75%		15	15
50% to 74%		10	
25% to 49%		5	
<b>JOBS (20 points possible)</b>			
<b>Total number of permanent jobs retained</b>			
Over 250		10	
100 to 249		8	
50 to 99	98	6	6
25 to 49		4	
10 to 24		2	
1 to 9		1	
<b>Total number of permanent jobs created (Double for start-up)</b>			
Over 100	156	10	10
50-99		8	
25-49		6	
10-24		4	
1 to 9		2	
<b>WAGES (20 points possible)</b>			
<b>Median salary of the jobs created and/or retained</b>			
Over \$47,999		20	
\$43,000 to \$47,999		16	
\$38,000 to \$42,999		12	
\$33,000 to 37,999		8	
\$28,000 to \$32,999		4	
under \$28,000		0	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

<b>Total</b>	<b>68</b>
--------------	-----------

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 current average salary for Allen County and is eligible for a 7 or 10 year abatement, then the applicant is eligible for an alternate deduction schedule.

Personal Property Deduction Schedules	Alternative Deduction Personal Property Schedules
<b>10 year</b>	<b>10 Year</b>
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%	
<b>7 year</b>	<b>7 Year</b>
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%	
<b>5 year</b>	
Year 1: 100%	
Year 2: 80%	
Year 3: 60%	
Year 4: 40%	
Year 5: 20%	
Year 6: 0%	
<b>3 year</b>	
Year 1: 100%	
Year 2: 66%	
Year 3: 33%	
Year 4: 0%	

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Hoffmaster Group, Inc. is requesting the designation of an Economic Revitalization Area for eligible personal improvements in the amount of \$5,565,000. Hoffmaster Group, Inc. produces premium paperware for special events. They recently acquired Aardvark, a local producer of paper straws. Hoffmaster Group, Inc. will retain straw production locally by moving into 112,000 square feet of an existing facility. New manufacturing, logistical distribution and information technology will be purchased and installed.**

EFFECT OF PASSAGE: **Investment of \$5,565,000 and creation of 156 new full-time positions with an annual payroll of \$4,873,560 and retention of 98 full-time positions with an annual payroll of \$4,873,560.**

EFFECT OF NON-PASSAGE: **Potential loss of investment, 156 new full-time positions with an annual payroll of \$4,873,560 and retention of 98 full-time positions with an annual payroll of \$4,873,560.**

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

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

**BILL NO. R-18-11-16**

**REPORT OF COMMITTEE ON FINANCE**

**November 13, 2018**

**John Crawford Chair**


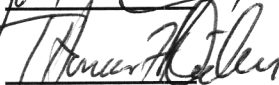
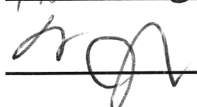
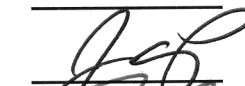
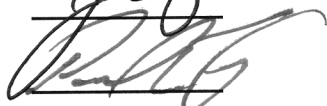
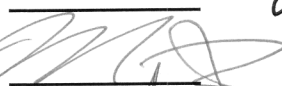

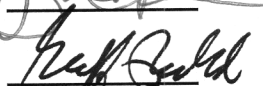
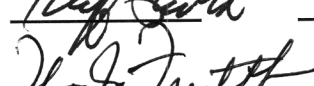
**Jason Arp Co-Chair**

**All Council Members**

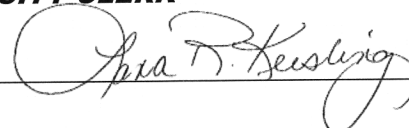
A Declaratory Resolution designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for property commonly known as 7310 Innovation Boulevard, Fort Wayne, Indiana 468018

*Hoffmaster 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>
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
_____		_____	_____
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	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

**LANA R. KEESLING  
CITY CLERK**



Public Hearing Date: N/A

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

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

Read the third time in full and on motion by Councilman Crawford, 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"/>

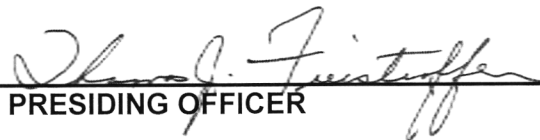
DATED: November 13, 2018

  
 \_\_\_\_\_  
 LANA R. KEESLING, CITY CLERK

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

Resolution No. R-18-11-16 on the 13th day of November, 2018

  
 \_\_\_\_\_  
 LANA R. KEESLING  
 CITY CLERK


  
 \_\_\_\_\_  
 PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 14th of November 2018, at the hour of 11:40 o'clock A.M. E.S.T.

  
 \_\_\_\_\_  
 LANA R. KEESLING, CITY CLERK

Approved and signed by me this 14<sup>th</sup> day of November 2018, at the hour of 2:00 O'clock Pm E.S.T.

FORT WAYNE, INDIANA  
**RECEIVED**  
 NOV 14 2018  
 LANA R. KEESLING  
 CITY CLERK

  
 \_\_\_\_\_  
 THOMAS C. HENRY, MAYOR