

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 46818 (All America City Investors, LLC)

WHEREAS, Petitioner has duly filed its petition dated September 28, 2017 to have the following described property designated and declared an "Economic Revitalization Area" under Sections 153.13-153.24 of the Municipal Code of the City of Fort Wayne, Indiana, and I.C. 6-1.1-12.1, to wit:

Attached hereto as "Exhibit A" as if a part herein;

and

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

WHEREAS, the total estimated project cost is \$1,410,441; 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.

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 real estate

1 improvements to be made between November 8, 2018 and February 28, 2019.

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

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

- 9 (a) If the proposed development does not occur, the approximate current year tax rates
10 for this site would be \$3.4092/\$100.
- 11 (b) If the proposed development does occur and no deduction is granted, the
12 approximate current year tax rate for the site would be \$3.4092/\$100 (the change
13 would be negligible).
- 14 (c) If the proposed development occurs and a deduction percentage of fifty percent
15 (50%) is assumed, the approximate current year tax rate for the site would be
16 \$3.4092/\$100 (the change would be negligible).

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18 confirmed, or rescinded after public hearing and receipt by Common Council of the above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

20 **SECTION 7.** That, pursuant to I.C. 6-1.1-12.1, it is hereby determined that the
21 deduction from the assessed value of the real property shall be for a period of seven years.

22 **SECTION 8.** The deduction schedule from the assessed value of the real property
23 pursuant to I.C. 6-1.1-12.1-17 shall look like this:

24

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

25

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

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

NAME	PERCENTAGE
COUNTY LINE, LLC	33.333333%
DORTHY M HAGERMAN 1999 IRV TRUST	33.333334%
FLETCHER FAMILY LTD PARTNERSHIP	33.333333%

- 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? _____

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

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

Real estate holding company

Dollar amount of annual sales for the last three years:

Year	Annual Sales

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

Customer Name	City/State	Annual Gross Sales

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

Supplier Name	City/State	Annual Gross Purchases

List the company's top three competitors: N/A

Competitor Name	City/State

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

All America City Investors, LLC ("AACI") owns 25 acres of land improved by a 294,000 rentable sq. ft. commercial building located at 7310 Innovation Blvd., Fort Wayne, Indiana. AACI will lease 111,750 sq. ft. to Hoffmaster Group, Inc. Hoffmaster is a manufacturer and distributor of disposable tableware, and will manufacture disposable paper straws at this location.

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 overall property consists of approximately 25 acres of land with a 294,000 rentable sq. ft. commercial building, located at 7310 Innovation Blvd, Fort Wayne, Indiana 46818. The entire property is located within the City of Fort Wayne. This property is within an industrial zoning area. The building was established for offices and light manufacturing, but has been unoccupied for the last year. Hoffmaster Group, Inc. will be leasing 111,750 sq. ft. of the property. The building will need to be renovated and improved to meet the needs of Hoffmaster's operation. The remainder of the building remains empty. Investment in improving the outdated facilities on this property will contribute to the redevelopment and revitalization of the the area. For these reasons, the property fits the definition of an ERA.

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:

The existing structure is a 294,000 rentable sq. ft. commercial building with zoning for industrial/ light manufacturing and assembly.

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

The building space was constructed and leased for manufacturing purposes to ITT Industries in 1997. ITT assigned the lease to Harris Corporation, which vacated the property in 2017. The existing structure is in good working condition.

Describe the improvements to be made to the property to be designated for tax phase-in purposes:

Construction of significant real estate improvements to the interior of the building leased to Hoffmaster Group, Inc., together with some exterior improvements, to wit: structural improvements to the building, dock area renovation and extension, new concrete pads for semi-trailer parking, replacement of windows and doors, new cabinetry, locker room renovations, new flooring, (continued on next page)

Projected construction start (month/year): 11/2018

Projected construction completion (month/year): 02/2019

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.)

Continued from Page 4, Real Property Information

installation of acoustical ceiling, wall painting, new lighting, installation of fire protection features, HVAC and plumbing work, electrical work, security and IT fiber installation, asphalt paving for parking areas and docks, and landscaping. Hoffmaster Group, Inc. (taxpayer's tenant) will be occupying 111,750 square feet of the approximate 294,000 square foot building. All such improvements will be made because of and in connection with taxpayer's underlying lease with Hoffmaster Group, Inc.

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)

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): _____

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

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

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 Exhibit B			

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Exhibit B			

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Exhibit B			

*Employment figures provided relate to the employees of taxpayer's tenant, Hoffmaster Group, Inc.

Exhibit B

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]
ROM Specialist	43-3061	1	\$ [REDACTED]
Manufacturing Support	43-3061	1	\$ [REDACTED]
Scheduler	43-5061	1	\$ [REDACTED]
Shipping Clerk	43-5071	2	\$ [REDACTED]
Supervisors	51-1011	1	\$ [REDACTED]
Totals		98	\$ 3,023,216

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
Totals		156	\$ 4,873,560

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: See attached Exhibit B.

- | | | |
|---|--|--|
| <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.**

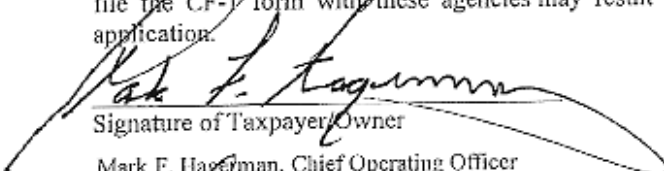
ERA filing fee (either real or personal property improvements)	.1% of total project cost not to exceed \$500
ERA filing fee (both real and personal property improvements)	.1% of total project cost not to exceed \$750
ERA filing fee (vacant commercial or industrial building)	\$500
ERA filing fee in an 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

Mark F. Hagerman, Chief Operating Officer

Printed Name and Title of Applicant

MARK F. HA GERMAN

Date 11/7/2018

NOV 08 2018



**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R6 / 10-14)
Prescribed by the Department of Local Government Finance

COMMUNITY DEVL.

20 <u>18</u> PAY 20 <u>19</u>
FORM SB-1 / Real Property
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.

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
- Residentially distressed area (IC 6-1.1-12.1-4.1)

INSTRUCTIONS:

1. 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** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
3. To obtain a deduction, a Form 322/RE must be filed with the County Auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between March 1 and May 10 of a subsequent year.
4. A property owner who files for the deduction must provide the County Auditor and designating body with a Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5.1(b)
5. For a Form SB-1/Real Property 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/Real Property 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 All America City Investors, LLC		
Address of taxpayer (number and street, city, state, and ZIP code) 444 E. Main Street, Ste. 203, Fort Wayne, Indiana 46802		
Name of contact person Mark F. Hagerman	Telephone number (260) 424-1470	E-mail address mhagerman@hagermanc.com

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Fort Wayne Common Council		Resolution number
Location of property 7310 Innovation Blvd., Fort Wayne, Indiana 46818	County Allen	DLGF taxing district number 073
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) Renovation of commercial building including manufacturing facility and expansion of dock area.		Estimated start date (month, day, year) 11/15/2018
		Estimated completion date (month, day, year) 02/04/2019

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
98.00	\$3,023,216.00	98.00	\$3,023,216.00	156.00	\$4,873,560.00

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	0.00	
Plus estimated values of proposed project	1,410,441.00	TBD
Less values of any property being replaced	0.00	
Net estimated values upon completion of project	1,410,441.00	TBD

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) <u>0.00</u>	Estimated hazardous waste converted (pounds) <u>0.00</u>
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Other benefits
None.

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative 	Date signed (month, day, year) 11/7/2018
Printed name of authorized representative Mark F. Hagerman	Title Chief Operating Officer

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

- 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.
- B. The type of deduction that is allowed in the designated area is limited to:
 1. Redevelopment or rehabilitation of real estate improvements Yes No
 2. Residentially distressed areas Yes No
- C. The amount of the deduction applicable is limited to \$ unlimited.
- D. Other limitations or conditions (specify) N/A
- E. Number of years allowed: Year 1 Year 2 Year 3 Year 4 Year 5 (* see below)
 Year 6 Year 7 Year 8 Year 9 Year 10
- F. 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.

We have also 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 (signature and title of authorized member of designating body) <i>John N Crawford</i>	Telephone number <u>(760) 427-1221</u>	Date signed (month, day, year) <u>11/27/18</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) <i>AMPHONIA ASST. DEPT. CLERK</i>	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.

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4.1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. The deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

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 1

Construction of significant real estate improvements to the interior of the building leased to Hoffmaster Group, Inc. together with some exterior improvements, to wit: structural improvements to the building, dock area renovation and extension, new concrete pads for semi-trailer parking, replacement of windows and doors, new cabinetry, locker room renovations, new flooring, installation of acoustical ceiling, wall painting, new lighting, installation of fire protection features, HVAC and plumbing work, electrical work, security and IT fiber installation, asphalt paving for parking areas and docks, and landscaping. Hoffmaster Group, Inc. (taxpayer's tenant) will be occupying 111,750 square feet of the approximate 294,000 square foot building. All such improvements will be made because of and in connection with taxpayer's underlying lease with Hoffmaster Group, Inc.

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 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 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, said in previous deed to contain 17.182 acres of land, more or less.

ALSO:

Lot 17 Summit Park Addition to the City of Fort Wayne, Indiana as recorded in Plat Record 48, pages 1-5 in the Office of the Recorder of Allen County, Indiana.

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **All America City Investors, LLC is requesting the designation of an Economic Revitalization Area for eligible real property improvements in the amount of \$1,410,441. All America City Investors, LLC will renovate 111,750 square feet of commercial space to lease to Hoffmaster Group, Inc.**

EFFECT OF PASSAGE: **Investment of \$1,410,441 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 \$3,023,216.**

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 \$3,023,216.**

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: November 15, 2018
RE: Request for designation by All America City Investors, LLC as an ERA for real property improvements.

BACKGROUND

PROJECT ADDRESS:	7310 Innovation Blvd.	PROJECT LOCATED WITHIN:	N/A
PROJECT COST:	\$1,410,441	COUNCILMANIC DISTRICT:	3

COMPANY PRODUCT OR SERVICE:	All America City Investors, LLC is a real estate holding company.
PROJECT DESCRIPTION:	All America City Investors, LLC will renovate 111,750 square feet of commercial space to lease to Hoffmaster Group, Inc.

	CREATED	RETAINED
JOBS CREATED (FULL-TIME):	156	JOBS RETAINED (FULL-TIME): 98
JOBS CREATED (PART-TIME):	0	JOBS RETAINED (PART-TIME): 0
TOTAL NEW PAYROLL:	\$4,873,560	TOTAL RETAINED PAYROLL: \$3,023,216
AVERAGE SALARY (FULL-TIME NEW):	\$31,240	AVERAGE SALARY (FULL-TIME RETAINED): \$30,849

COMMUNITY BENEFIT REVIEW

Yes No N/A

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

Explain: All America City Investors, LLC will renovate 111,750 square feet of commercial space to lease to Hoffmaster Group, Inc.

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 All America City Investors, LLC to an existing structure.

Yes No N/A

Project encourages the improvement or replacement of obsolete manufacturing and/or research and development and/or information technology and/or logistical distribution equipment?

Explain: The tenant, 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: The tenant, 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 \$3,023,216.

Yes No N/A

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

POLICY

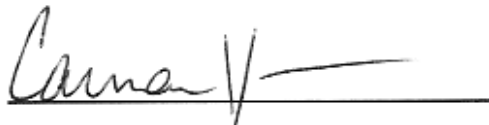
Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

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

Under Fort Wayne Common Council's tax abatement policies and procedures, All America City Investors, LLC is eligible for a recommended seven year deduction on real property improvements. Attached is a calculation of property taxes saved/paid with the deduction.

COMMENTS

Signed and Reviewed:



 Economic Development Specialist

**FORT WAYNE COMMUNITY DEVELOPMENT DIVISION
TAX ABATEMENT - ESTIMATE OF SAVINGS**

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

All America City Investors, LLC

REAL PROPERTY TAX ABATEMENT - 7 yr Schedule

Year	Cash Value	True Tax Value	Assessed Value	Abatement %	Tax		Deduction	Taxable AV	Tax Rate	Tax Paid	Tax Saved
					Abatement %	Tax Paid %					
1	\$1,410,441	\$1,410,441	\$1,410,441	100%	0%	\$0	\$1,410,441	\$0	0.034092	\$0	\$48,085
2	\$1,410,441	\$1,410,441	\$1,410,441	85%	15%	\$1,198,875	\$211,566	\$7,213	0.034092	\$7,213	\$40,872
3	\$1,410,441	\$1,410,441	\$1,410,441	71%	29%	\$1,001,413	\$409,028	\$13,945	0.034092	\$13,945	\$34,140
4	\$1,410,441	\$1,410,441	\$1,410,441	57%	43%	\$803,951	\$606,490	\$20,676	0.034092	\$20,676	\$27,408
5	\$1,410,441	\$1,410,441	\$1,410,441	43%	57%	\$606,490	\$803,951	\$27,408	0.034092	\$27,408	\$20,676
6	\$1,410,441	\$1,410,441	\$1,410,441	29%	71%	\$409,028	\$1,001,413	\$34,140	0.034092	\$34,140	\$13,945
7	\$1,410,441	\$1,410,441	\$1,410,441	14%	86%	\$197,462	\$1,212,979	\$41,353	0.034092	\$41,353	\$6,732
8	\$1,410,441	\$1,410,441	\$1,410,441	0%	100%	\$0	\$1,410,441	\$48,085	0.034092	\$48,085	\$0
										TOTAL TAX SAVED REAL PROPERTY (7 yrs on 7 yr deduction)	\$191,858
										TOTAL TAX PAID REAL PROPERTY (7 yrs on 7 yr deduction)	\$192,820

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

Real Property Abatements

Tax Abatement Review System

All America City Investors, LLC

	Points Possible	Points Awarded
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INVESTMENT (30 points possible)

Total new investment in real property (new structures and/or rehabilitation)

Over \$1,000,000	10	10
\$500,000 to \$999,999	8	
\$100,000 to \$499,999	6	
Under \$100,000	4	

Investment per employee (both jobs created and retained)

\$35,000 or more	10	
\$18,500 to \$34,999	8	
\$6,250 to \$18,499	6	
\$1,250 to \$6,249	4	4
less than \$1,249	2	

Estimated local income taxes generated from jobs retained

\$80,000 or more	5	
\$30,000 to \$79,999	4	4
\$10,000 to \$29,999	3	
\$5,000 to \$9,999	2	
less than \$5,000	1	

Estimated local income taxes generated from jobs created

(Double points for start-up)

\$30,000 or more	5	5
\$10,000 to \$29,999	4	
\$5,000 to \$9,999	3	
\$3,000 to \$4,999	2	
less than \$3,000	1	

ECONOMIC BASE (20 points possible)

Location Quotient in designated Occupation Code

(use majority Occupation Code of all created and retained jobs)

Greater than 1.0	5	
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Estimated Percent of Business done outside

Allen County

Greater than 75%	15	15
50% to 74%	10	
25% to 49%	5	

JOBS (20 points possible)

Total number of permanent jobs retained

Over 250	10	
100 to 249	8	8
50 to 99	6	
25 to 49	4	
10 to 24	2	
1 to 9	1	

Total number of permanent jobs created (Double for start-up)

Over 100	10	10
50-99	8	
25-49	6	
10-24	4	
1 to 9	2	

WAGES (20 points possible)

Median salary of the jobs created and/or retained

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	

BENEFITS (10 points possible)

Major Medical Plan Pension, Tuition Reimbursement, Life Insurance, Dental Insurance, Disability Insurance,	7	7
	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 66

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

Five year phase-in

* 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.

Real Property Deduction Schedules	Alternative Deduction Real Property Schedules
10 year	10 Year
Year 1: 100%	Year 1: 100%
Year 2: 95%	Year 2: 100%
Year 3: 80%	Year 3: 100%
Year 4: 65%	Year 4: 100%
Year 5: 50%	Year 5: 100%
Year 6: 40%	Year 6: 90%
Year 7: 30%	Year 7: 80%
Year 8: 20%	Year 8: 65%
Year 9: 10%	Year 9: 50%
Year 10: 5%	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-18-11-37

REPORT OF COMMITTEE ON FINANCE

November 27, 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 46818

All America City Investors, 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

John Crawford
Jason Arp

[Signature]
[Signature]

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

**LANA R. KEESLING
CITY CLERK**

Lana R. Keesling

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 27, 2018




 LANA R. KEESLING, CITY CLERK

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

Resolution No. R-18-11-37 on the 27th 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 28th of November 2018, at the hour of 9:25 o'clock A.M. E.S.T.




 LANA R. KEESLING, CITY CLERK

Approved and signed by me this 28TH day of November

2018, at the hour of 2:00 O'clock PM E.S.T.

FORWARDED TO THE MAYOR
RECEIVED
 NOV 29 2018
 LANA R. KEESLING
 CITY CLERK



 THOMAS C. HENRY, MAYOR