

A DECLARATORY RESOLUTION designating an “Economic Revitalization Area” under I.C. 6-1.1-12.1 for property commonly known as 5105 Industrial Road, Fort Wayne, Indiana 46825 (Mill Supplies, Inc./L&A Capital, LLC)

WHEREAS, Petitioner has duly filed its petition dated March 5, 2020 to have the following described property designated and declared an “Economic Revitalization Area” under Sections 153.13-153.24 of the Municipal Code of the City of Fort Wayne, Indiana, and I.C. 6-1.1-12.1, to wit:

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

and

WHEREAS, said project will retain 42 full-time and two part-time permanent jobs with a total current payroll of \$2,080,500, with the average current, annual salary of \$47,329; and

WHEREAS, the total estimated project cost is \$800,000; and

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

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

SECTION 1. That, subject to the requirements of Section 6, below, the property hereinabove described is hereby designated and declared an “Economic Revitalization Area” under I.C. 6-1.1-12.1. Said designation shall begin upon the effective date of the Confirming Resolution referred to in Section 6 of this Resolution and shall terminate on December 31, 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 improvements to be made between May 1, 2020 and September 30, 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 redevelopment or rehabilitation, 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 redevelopment or rehabilitation.

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

- 8 (a) If the proposed development does not occur, the approximate current year tax rates
9 for this site would be \$3.2510/\$100.
- 10 (b) If the proposed development does occur and no deduction is granted, the
11 approximate current year tax rate for the site would be \$3.2510/\$100 (the change
12 would be negligible).
- 13 (c) If the proposed development occurs and a deduction percentage of fifty percent
14 (50%) is assumed, the approximate current year tax rate for the site would be
15 \$3.2510/\$100 (the change would be negligible).

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17 confirmed, or rescinded after public hearing and receipt by Common Council of the above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

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

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

Year of Deduction	Percentage
1	100%
2	80%
3	60%
4	40%
5	20%
6	0%

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

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

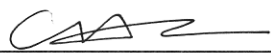
28 **SECTION 11.** That, pursuant to I.C. 6-1.1-12.1-12 et al, any property owner that has
29 received a deduction under section 3 or 4.5 of this chapter may be required to repay the
30

1 deduction amount as determined by the county auditor in accordance with section 12 of said
2 chapter if the property owner ceases operations at the facility for which the deduction was
3 granted and if the Common Council finds that the property owner obtained the deduction by
4 intentionally providing false information concerning the property owner's plans to continue
operation at the facility.

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

7
8 
Member of Council

9
10 APPROVED AS TO FORM AND LEGALITY

11 
12 Carol Helton, City Attorney



**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R6 / 10-14)

Prescribed by the Department of Local Government Finance

CITY OF FT. WAYNE

MAR 05 2020

COMMUNITY DEVELOPMENT

20__ PAY 20__
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:

- 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.
- 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.
- 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.
- A property owner who files for the deduction must provide the County Auditor and designating body with a Form CF-1/Real Property. The 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)
- 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 K&A Capital, LLC		
Address of taxpayer (number and street, city, state, and ZIP code) 5105 Industrial Road, Fort Wayne IN 46825		
Name of contact person Jeff Simerman	Telephone number (260) 484-8566	E-mail address jsimerman@millsupplies.com

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Fort Wayne Common Council	Resolution number Hasn't happened yet
Location of property 5105 Industrial Road, Fort Wayne IN 46825	County Allen
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) New 12,000 sq. ft. addition of warehouse space, plus re-skinning exterior of original warehouse and adding decorative trim around old and new warehouse space facing roadway.	DLGF taxing district number Twncshp #73
	Estimated start date (month, day, year) 04/15/2020
	Estimated completion date (month, day, year) 09/15/2020

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
44.00	\$2,080,500.00	44.00	\$2,080,500.00	0.00	\$0.00

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	625,000.00	654,200.00
Plus estimated values of proposed project	800,000.00	800,000.00
Less values of any property being replaced	0.00	0.00
Net estimated values upon completion of project	1,425,000.00	1,454,200.00

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

SECTION 6 TAXPAYER CERTIFICATION

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

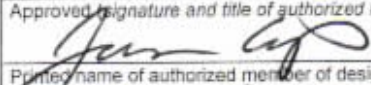

Signature of authorized representative <i>Karen Beckstein</i>	Date signed (month, day, year) 3/5/2020
Printed name of authorized representative Karen Beckstein	Title CEO/Owner

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 	Telephone number <u>(260) 427-1221</u>	Date signed (month, day, year) <u>08/25/20</u>
Printed name of authorized member of designating body <u>JASON ARR</u>	Name of designating body <u>CITY COUNCIL</u>	
Attested by (signature and title of attester)  <u>ASST. DEPUTY CLERK</u>	Printed name of attester <u>LISA M. PETRETTA</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.



MAR 05 2020 *cey*

**ECONOMIC REVITALIZATION AREA APPLICATION
CITY OF FORT WAYNE, INDIANA**

COMMUNITY DEVELOPMENT

APPLICATION IS FOR: (Check appropriate box(es))

- Real Estate Improvements
- Personal Property Improvements
- Vacant Commercial or Industrial Building

Total cost of real estate improvements: \$800,000.00
 Total cost of manufacturing equipment improvements: \$0
 Total cost of research and development equipment improvements: \$0
 Total cost of logistical distribution equipment improvements: \$0
 Total cost of information technology equipment improvements: \$0

TOTAL OF ABOVE IMPROVEMENTS: \$800,000.00

GENERAL INFORMATION

Real property taxpayer's name: K&A Capital LLC
 Personal property taxpayer's name: Mill Supplies, Inc.
 Telephone number: 260-484-8566
 Address listed on tax bill: 5105 Industrial Road, Fort Wayne Indiana 46825
 Name of company to be designated, if applicable: Mill Supplies, Inc.
 Year company was established: 1959
 Address of property to be designated: 5105 Industrial Road, Fort Wayne Indiana 46825
 Real estate property identification number: 1842508
 Contact person name: Jeff Simerman
 Contact person telephone number: 260-484-8566 Contact email: jsimerman@millsupplies.com
 Contact person address: 5105 Industrial Road, Fort Wayne Indiana 46825

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Andrew Beckstein	President/Owner	5105 Industrial Road	260-484-8566
Karen Beckstein	CEO/CFO/Owner	5105 Industrial Road	260-484-8566
Jeff Simerman	Controller	5105 Industrial Road	260-484-8566

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

NAME	PERCENTAGE
Karen Beckstein	51%
Andrew Beckstein	49%

- 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? 24% (no new space with project)
 What percentage of sales is made to the ultimate customer? 11%
 What percentage of sales will be from service calls? 0%

What is the percentage of clients/customers served that are located outside of Allen County? 85%

What is the company's primary North American Industrial Classification Code (NAICs)? 423840

Describe the nature of the company's business, product, and/or service: We are a distributor of industrial and construction tools and supplies. In recent years, we have expanded to include the distribution of medical supplies to a key customer outside of Allen County.

We have been expanding the medical business line as well as organically growing the tools and supplies business lines.

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2019	\$25,760,000
2018	\$24,401,000
2017	\$22,946,000

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

Customer Name	City/State	Annual Gross Sales
Zimmer Biomet	Warsaw, IN	\$13,650,000
Deem, LLC	Indianapolis, IN	\$600,000
Wagner-Meinert, LLC	Fort Wayne, IN	\$420,000

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

Supplier Name	City/State	Annual Gross Purchases
3M	Maplewood, MN	\$1,230,000
Black & Decker, et al	New Britain, CT	\$1,600,000
Milwaukee Electric Tool	Brookfield, WI	\$1,550,000

List the company's top three competitors:

Competitor Name	City/State
White Cap	Fort Wayne, IN
Grainger	South Bend, IN
MSC	Elkhart, IN

Describe the product or service to be produced or offered at the project site: This project is to add an additional 12,000 square feet of warehouse space to accommodate the growth we've experienced these past several years in order to sell more power tools, hand tools, accessories and medical grade equipment.

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 current building has become too small for the current and future business needs of Mill Supplies, Inc.

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: Existing structure is in the shape of a "T" with the showroom and retail counter in the building to the east with offices above that area (17,489 sq. ft.), and the current warehouse (18,000 sq. ft.) extends to the west running parallel with Ley Road.

Describe the condition of the structure(s) listed above: The current structures are fundamentally sound as we've spent money over the years to maintain them, however the south facing external walls of the warehouse are showing definite signs of age.

Describe the improvements to be made to the property to be designated for tax phase-in purposes: 12,000 sq. ft. expansion on the west side of the current warehouse that will allow for the current growth we're experiencing and for the future growth we expect to continue seeing, as well as exterior updates to the existing structure so that the current structure and new structure will match.

Projected construction start (month/year): 04/2020

Projected construction completion (month/year): 09/2020

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.)

This project will adhere to all applicable federal, state, and municipal statutes, regulations, ordinances and codes, including but not limited to all Indiana and Allen County Building Codes and the Allen County Zoning Ordinance. Adherence to all applicable federal, state, and municipal statutes, regulations, ordinances and codes will be maintained throughout all design, permitting, contractor licensure, and construction phases of the Property owner's project. Said adherence shall be attested to on the initial tax phase-in application and each annual Compliance with Statement of Benefits Form.

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)

N/A

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

N/A

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)

What year was the structure built? _____

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.

This project will adhere to all applicable federal, state, and municipal statutes, regulations, ordinances and codes, including but not limited to all Indiana and Allen County Building Codes and the Allen County Zoning Ordinance. Adherence to all applicable federal, state, and municipal statutes, regulations, ordinances and codes will be maintained throughout all design, permitting, contractor licensure, and construction phases of the Property owner's project. Said adherence shall be attested to on the initial tax phase-in application and each annual Compliance with Statement of Benefits Form.

PUBLIC BENEFIT INFORMATION

EMPLOYMENT INFORMATION FOR FACILITY TO BE DESIGNATED

**ESTIMATE OF EMPLOYEES AND PAYROLL FOR FORT WAYNE
FACILITY REQUESTING ECONOMIC REVITALIZATION AREA DESIGNATION**

Please be specific on job descriptions. When listing the occupation codes, please avoid using the “Major Occupational Groupings” (i.e. 11-000, 13-000, 15-000, etc.) which are more general in nature. Instead, use specific occupation codes (i.e. 11-1021, 13-1081, 15-2041 etc) for each created and retained job. To fill out information on occupation and occupation code, use data available through Occupation Employment Statistics for Fort Wayne http://www.bls.gov/oes/current/oes_23060.htm

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

Current Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
SEE ATTACHED			

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
SEE ATTACHED			

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll

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

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

List any benefits not mentioned above: 401(k) Contribution Plan w/ Matching Company Contributions

When will you reach the levels of employment shown above? (month/year): 03/2020

Current Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
Ownership	11-1011	2	400,000.00
Operations Mngr	11-1021	1	57,900.00
Controller	11-3031	1	74,600.00
Buyers	13-1022	4	171,400.00
IT	15-1142	1	\$45,500.00
Internet Manager	15-1199	1	76,300.00
Sales	41-1012	6	300,000.00
Accounting staff	43-3031	3	96,600.00
Front Counter	43-4051	3	113,600.00
Office Staff	43-4151	2	58,000.00
Admin Asst.	43-6014	1	29,000.00
Tool Repair	49-2092	2	73,500.00
Warehouse Mngr	53-1021	1	53,500.00
Warehouse Staff	53-7062	14	497,000.00
		42	\$ 2,046,900.00

Retained Full-Time Employment (Same)

Occupation	Occupation Code	Number of Jobs	Total Payroll
Ownership	11-1011	2	400,000.00
Operations Mngr	11-1021	1	57,900.00
Controller	11-3031	1	74,600.00
Buyers	13-1022	4	171,400.00
IT	15-1142	1	\$45,500.00
Internet Manager	15-1199	1	76,300.00
Sales	41-1012	6	300,000.00
Accounting staff	43-3031	3	96,600.00
Front Counter	43-4051	3	113,600.00
Office Staff	43-4151	2	58,000.00
Admin Asst.	43-6014	1	29,000.00
Tool Repair	49-2092	2	73,500.00
Warehouse Mngr	53-1021	1	53,500.00
Warehouse Staff	53-7062	14	497,000.00

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
Delivery Driver	53-3033	1	18,000.00
Warehouse Staff	53-7062	1	15,600.00
		2	\$ 33,600.00

Retained Part-Time or Temporary Jobs (Same)

Occupation	Occupation Code	Number of Jobs	Total Payroll
Delivery Driver	53-3033	1	18,000.00
Warehouse Staff	53-7062	1	15,600.00

TOTAL JOBS & PAYROLL:		44	2,080,500.00
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Additional Full-Time Employment & Part-Time jobs

Note: Over the past year, we've increased our staffing levels to accommodate the growth we've experienced in our business. We've increased our headcounts to reflect the growing business need already, even without the additional warehouse space, so that we aren't short-handed.

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 \$1,000	
ERA filing fee (both real and personal property improvements)	.1% of total project cost not to exceed \$1,500	
ERA filing fee (vacant commercial or industrial building)	\$500	
ERA filing fee in an EDTA	\$200	
Amendment to extend designation period	\$300	
Waiver of non-compliance with ERA filing	\$1,000 + ERA filing fee	<i>\$500.00</i>

- 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 have 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.

Karen Beckstein

Signature of Taxpayer/Owner

Karen Beckstein, CEO/Owner

Printed Name and Title of Applicant

3/5/2020

Date

Return completed application to Community Development staff at 200 E. Berry Street Suite 320 Fort Wayne, IN 46802

LEGAL DESCRIPTION (Doc.# 97-6569)

Part of the Northwest Quarter of Section 23, Township 31 North, Range 12 East, Allen County, Indiana, described as follows:

Beginning on the West line of the East half of said North west Quarter at a point situated 30.0 feet North of the Southwest corner of said East half, said point being also the point of intersection of said West line with the North right-of-way line of Ley Road as dedicated in Deed Record 579, pages 398-401, in the Office of the Recorder of Allen County, Indiana, thence North, on and along said West line, a distance of 303.0 feet, thence Easterly, by interior angle of 89 degrees, 43 minutes and parallel to the South line of said East Half, a distance of 5528.4 feet to a point on the West right-of-way line of Industrial Road, said right-of-way line having been established by a dedication recorded in Document No. 79-26742 in the Office of said Recorder, thence southerly, by an interior angle of 90 degrees, 18 minutes, on and along said West right-of-way line as situated 45.0 feet (measured at right angles) West of and parallel to the centerline of said Industrial Road, a distance of 303.0 feet to the point of intersection of said West right-of-way line with the North right-of-way line of Ley Road; thence Westerly, by interior angle of 89 degrees, 42 minutes, on and along said Northerly right-of-way line as situated 30.0 feet (measured at right angles) Northerly of and parallel to the South line of the East Half of said Northeast Quarter, a distance of 528.49 feet to the point of beginning, containing 1.676 acres.

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Mill Supplies, Inc. is requesting the designation of an Economic Revitalization Area for eligible real property improvements. Mill Supplies, Inc. will construct a 12,000 square foot addition to the existing facility.**

EFFECT OF PASSAGE: **Investment of \$800,000, the retention of 42 full-time and two part-time permanent jobs with an annual payroll of \$2,080,500.**

EFFECT OF NON-PASSAGE: **Potential loss of investment, the retention of 42 full-time and two part-time permanent jobs with an annual payroll of \$2,080,500.**

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

ASSIGNED TO COMMITTEE (PRESIDENT): **Jason Arp and Sharon Tucker**

MEMORANDUM



TO: City Council
FROM: Carman Young, Economic Development Specialist
DATE: August 19, 2020
RE: Request for designation by Mill Supplies, Inc. as an ERA for real property improvements.

BACKGROUND

PROJECT ADDRESS:	5105 Industrial Road	PROJECT LOCATED WITHIN:	N/A
PROJECT COST:	\$800,000	COUNCILMANIC DISTRICT:	3

COMPANY PRODUCT OR SERVICE:	Mill Supplies, Inc. is a distributor of industrial and construction supplies expanding into medical supplies.
PROJECT DESCRIPTION:	Mill Supplies, Inc. will expand the current facility 12,000 square feet.

CREATED		RETAINED	
JOBS CREATED (FULL-TIME):	0	JOBS RETAINED (FULL-TIME):	42
JOBS CREATED (PART-TIME):	0	JOBS RETAINED (PART-TIME):	2
TOTAL NEW PAYROLL:	0	TOTAL RETAINED PAYROLL:	\$2,080,500
AVERAGE SALARY (FULL-TIME NEW):	0	AVERAGE SALARY (FULL-TIME RETAINED):	\$47,329

COMMUNITY BENEFIT REVIEW

Yes No N/A

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

Yes No N/A

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

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

Yes No N/A

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

Explain: This project will expand the current facility 12,000 square feet.

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?

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: This project will retain 42 full-time employees and two part-time employees.

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 speculative real property improvements is five years.

Under Fort Wayne Common Council's tax abatement policies and procedures, Mill Supplies, Inc. is eligible for a recommended five year deduction on real property improvements. Attached is a calculation of property taxes saved/paid with the deduction.

COMMENTS

Signed:


 Economic Development Specialist

Reviewed:


 Economic Development Administrator

FORT WAYNE COMMUNITY DEVELOPMENT DIVISION
TAX ABATEMENT - ESTIMATE OF SAVINGS

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

Mill Supplies, Inc.

REAL PROPERTY TAX ABATEMENT - 10 yr Schedule

Year	Cash Value	True Tax Value	Assessed Value	Tax		Deduction	Taxable AV	Tax Rate	Tax Paid	Tax Saved
				Abatement %	Tax Paid %					
1	\$800,000	\$800,000	\$800,000	100%	0%	\$800,000	\$0	0.032510	\$0	\$26,008
2	\$800,000	\$800,000	\$800,000	80%	20%	\$640,000	\$160,000	0.032510	\$5,202	\$20,806
3	\$800,000	\$800,000	\$800,000	60%	40%	\$480,000	\$320,000	0.032510	\$10,403	\$15,605
4	\$800,000	\$800,000	\$800,000	40%	60%	\$320,000	\$480,000	0.032510	\$15,605	\$10,403
5	\$800,000	\$800,000	\$800,000	20%	80%	\$160,000	\$640,000	0.032510	\$20,806	\$5,202
6	\$800,000	\$800,000	\$800,000	0%	0%	\$0	\$0	0.032510	\$0	\$0
TOTAL TAX SAVED REAL PROPERTY (10 yrs on 10 yr deduction)									<u>\$78,024</u>	
TOTAL TAX PAID REAL PROPERTY (10 yrs on 10 yr deduction)									<u>\$52,016</u>	

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

REPORT OF COMMITTEE ON FINANCE

August 25, 2020

Jason Arp Chair

Sharon Tucker Co-Chair

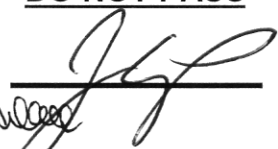
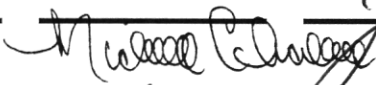
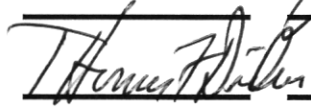

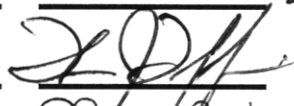
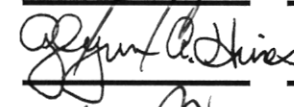
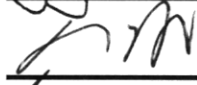
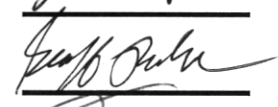

All Council Members

A Declaratory Resolution designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for property commonly known as 5105 Industrial Road, Fort Wayne, Indiana 46825

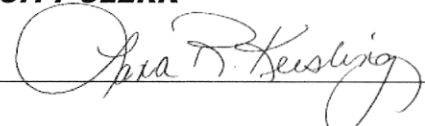
Mill Supplies, Inc./L&A Capital, LLC

This bill is to be Introduced, Discussed and voted for Passage today

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

<u>COUNCIL MEMBER</u>	<u>DO PASS</u>	<u>DO NOT PASS</u>	<u>ABSTAIN</u>
ARP			
CHAMBERS			
DIDIER			
ENSLEY			
FREISTROFFER			
HINES			
JEHL			
PADDOCK			
TUCKER			

**LANA R. KEESLING
CITY CLERK**



Public Hearing Date: N/A


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

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

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

<u>TOTAL VOTES</u>	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>
ARP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHAMBERS	<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"/>
TUCKER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED: August 25, 2020


LANA R. KEESLING, CITY CLERK

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

Resolution No. R-20-08-28 on the 25th day of August, 2020

ATTEST:

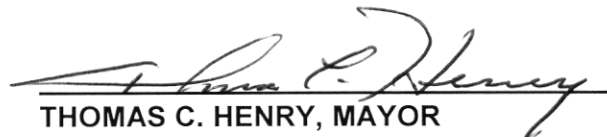

LANA R. KEESLING
CITY CLERK


PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 27 th
of August 2020, at the hour of 9:10 o'clock A.M. E.S.T.


LANA R. KEESLING, CITY CLERK

Approved and signed by me this 27TH day of AUGUST
2020, at the hour of 11:00 o'clock AM. E.S.T.


THOMAS C. HENRY, MAYOR

