

**A DECLARATORY RESOLUTION designating an
"Economic Revitalization Area" under I.C. 6-1.1-
12.1 for property commonly known as 10216
Airport Drive, Fort Wayne, Indiana 46809
(Chuck Bivens Services d/b/a States Engineering)**

WHEREAS, Petitioner has duly filed its petition dated September 26, 2012 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 four full-time, permanent jobs for a total new, annual payroll of \$168,000, with the average new annual job salary being \$42,000 and retain fourteen full-time, permanent jobs for a total current annual payroll of \$607,738, with the average current, annual job salary being \$43,410; and

WHEREAS, the total estimated project cost is \$325,000; and

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

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

SECTION 1. That, subject to the requirements of Section 6, below, the property hereinabove described is hereby designated and declared an "Economic Revitalization Area" under I.C. 6-1.1-12.1. Said designation shall begin upon the effective date of the Confirming Resolution referred to in Section 6 of this Resolution and shall terminate on December 31, 2016, unless otherwise automatically extended in five year increments per I.C. 6-1.1-12.1-9.

SECTION 2. That, upon adoption of the Resolution:

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

1 **SECTION 3.** That, said designation of the hereinabove described property as an
2 "Economic Revitalization Area" shall apply to a deduction of the assessed value of personal
3 property for new manufacturing equipment.

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

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

11 (a) If the proposed new manufacturing equipment is not installed, the approximate
12 current year tax rates for this site would be \$2.7023/\$100.

13 (b) If the proposed new manufacturing equipment is installed and no deduction is
14 granted, the approximate current year tax rate for the site would be
15 \$2.7023/\$100 (the change would be negligible).

16 (c) If the proposed new manufacturing equipment is installed and a deduction
17 percentage of eighty percent (80%) is assumed, the approximate current year
18 tax rate for the site would be \$2.7023/\$100 (the change would be negligible).

19 **SECTION 6.** That, this Resolution shall be subject to being confirmed, modified
20 and confirmed, or rescinded after public hearing and receipt by Common Council of the
21 above 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 equipment shall be for a period
24 of ten years.

25 **SECTION 8.** That, the benefits described in the Petitioner's Statement of Benefits
26 can be reasonably expected to result from the project and are sufficient to justify the
27 applicable deductions.

28 **SECTION 9.** That, the taxpayer is non-delinquent on any and all property tax due
29 to jurisdictions within Allen County, Indiana.

30 **SECTION 10.** That, pursuant to I.C. 6-1.1-12.1-12 et al, any property owner that
has received a deduction under section 3 or 4.5 of said chapter may be required to repay the
deduction amount as determined by the county auditor in accordance with section 12 of said
chapter if the property owner ceases operations at the facility for which the deduction was
granted and if the Common Council finds that the property owner obtained the deduction by
intentionally providing false information concerning the property owner's plans to continue
operation at the facility.

SECTION 11. That, this Resolution shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.

Member of Council

APPROVED AS TO FORM AND LEGALITY

Carol Helton, City Attorney

CITY OF FT WAYNE

12/2011



SEP 26 2012

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:

Total cost of research and development equipment improvements:

Total cost of logistical distribution equipment improvements:

Total cost of information technology equipment improvements:

325,000

TOTAL OF ABOVE IMPROVEMENTS:

325,000

GENERAL INFORMATION

Real property taxpayer's name: Chuck Bivens Reality LLCPersonal property taxpayer's name: Chuck Bivens Services d/b/a States EngineeringTelephone number: 260-747-6195Address listed on tax bill: 10216 Airport Dr. Fort Wayne IN 46809Name of company to be designated, if applicable: N/AYear company was established: 1999Address of property to be designated: 10216 Airport Dr. Fort Wayne IN 46809Real estate property identification number: 02-17-04-300-006,000-080Contact person name: Crystal HerringContact person telephone number: 260-747-6195Contact person Email: info@statesengineeringinc.comContact person address: 10216 Airport Dr. Fort Wayne IN 46809

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Charles R. Bivens	Owner	2024 Hughes Dr. Ft. Wayne IN 46806	260-341-5487-cell

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

NAME	PERCENTAGE
Charles R. Bivens	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 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 Is the property for which you are requesting ERA designation located in a HUBzone? (see attached map for current areas)
- ☐ Yes ☒ No Do you plan to request state or local assistance to finance public improvements?

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

See Attached.

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?

See Attached.

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

States Engineering is a manufacture of Foundry Equipment, Material Handling Equipment and Custom Fabricated Equipment. States Engineering designs, builds, installs and services equipment for the foundry industry. From system revisions to complete plant layout and turnkey installations, standard or custom designed.

Our facility allows us to fabricate, assemble, and develop all equipment and systems in-house. This new 120X/S OMAX JetMachine will allow us to cut our own material instead of outsourcing. This machine is a high precision, traction drive technology for abrasive waterjet. This will increase our sales and maximize our profit margins while reducing maintenance cost. It will also provide a cleaner air for our shop employees.

How does the property for which you are requesting designation meet the above definition of an ERA?

Waterjet machine will allow us to be able to cut various different materials, (not just A-36 Mild steel) but Aluminum, Stainless Steel, Plastics and Wood. This will generate more sales and allow us to expand our customer base. This machine can cut material at angles not just straight flat lines. It will eliminate machine time on certain jobs which will free up more time in the machine department for generating new jobs. This machine will not produce dust as the older oxyfuel flame cutting burn table. This machine will have a multi-0axis head that will allow us the flexibility to cut severe angles to a maximum of 60A degree off the vertical. We will be the only company in this area with this capability and the only one with a table capable of cutting from 10' x 13' area.

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 abatement purposes: _____

Projected construction start (month/year): _____

Projected construction completion (month/year): _____

☐ Yes ☐ No Will construction result in Leadership in Energy and Environmental Design (LEED) certification by the U.S. Green Building Council?

☐ Yes ☐ No Will construction use techniques to minimize impact on combined sewer overflows? (i.e. rain gardens, bio swales, etc.)

PERSONAL PROPERTY INFORMATION

Complete this section of the application if you are requesting a deduction from assessed value of new manufacturing, research and development, logistical distribution or information technology equipment.

List below the equipment for which you are seeking an economic revitalization area designation.

Manufacturing equipment must be used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property at the site to be designated. Research and development equipment consists of laboratory equipment, research and development equipment, computers and computer software, telecommunications equipment or testing equipment used in research and development activities devoted directly and exclusively to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products at the site to be designated. Logistical distribution equipment consists of racking equipment, scanning or coding equipment, separators, conveyors, fork lifts or lifting equipment, transitional moving equipment, packaging equipment, sorting and picking equipment, software for technology used in logistical distribution, is used for the storage or distribution of goods, services, or information. Information technology equipment consists of equipment, including software used in the fields of information processing, office automation, telecommunication facilities and networks, informatics, network administration, software development and fiber optics: (use additional sheets, if necessary)

120X/S OMAX Jet Machining Center, Jib Crane & Support.

☐ 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?

Equipment purchase date (month/year): 10-2012

Equipment installation date (month/year): 12-2012

Please provide the depreciation schedule term for equipment under consideration for personal property tax abatement:

7 year depreciation

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 abatement 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. 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

Current Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
<i>See Attached Excel Sheet</i>			

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
<i>See Attached Excel Sheet</i>			

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
<i>See Attached Excel Sheet</i>			

CURRENT FULL-TIME EMPLOYEES

OCCUPATION	OCCUPATION CODE	# OF JOBS	TOTAL PAYROLL
General Labor	51-9198	2	66,000
Mech. Engineer	17-2141	2	89,600
Elec. Engineer	17-2071	1	60,638
Gen. & Operation Mgr.	11-1021	2	140,000
Admin. Asst.	43-6014	1	35,000
Shop Coordinators	51-1011	2	76,500
Welders / Fitters	51-4121	3	102,000
Machinist	51-4034	1	38,000

RETAINED FULL-TIME EMPLOYEES

OCCUPATION	OCCUPATION CODE	# OF JOBS	TOTAL PAYROLL
General Labor	51-9198	2	66,000
Mech. Engineer	17-2141	2	89,600
Elec. Engineer	17-2071	1	60,638
Gen. & Operation Mgr.	11-1021	2	140,000
Admin. Asst.	43-6014	1	35,000
Shop Coordinators	51-1011	2	76,500
Welders / Fitters	51-4121	3	102,000
Machinist	51-4034	1	38,000

ADDITIONAL FULL-TIME EMPLOYMENT

OCCUPATION	OCCUPATION CODE	# OF JOBS	TOTAL PAYROLL
Mech. Engineer	17-2141	1	45,000
Welder / Fitter	51-4121	1	66,000
Office support asst.	43-9799	1	27,000
Material Prep	51-4031	1	30,000

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll

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

- | | | |
|---|--|--|
| ☐ Pension Plan CRA | ☒ Major Medical Plan | ☐ Disability Insurance |
| ☒ Tuition Reimbursement | ☒ Life Insurance | ☒ Dental Insurance |

List any benefits not mentioned above: IRA (simple), VACATION + Sick time

When will you reach the levels of employment shown above? (month/year): Dec. 2014

- Survey of Property -

12/2011

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.**

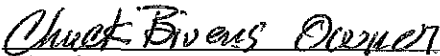
CERTIFICATION

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 neither an Improvement Location Permit nor a Structural Permit has been filed for construction of improvements, nor has any 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 abatements which I may receive.

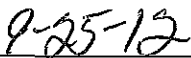
I understand that I must file a correctly completed Compliance with Statement of Benefits Form (CF-1/Real Property for real property improvements and CF-1/PP for personal property improvements) with **BOTH** the City of Fort Wayne Community Development Division, **AND** the County Auditor in each year in which I receive a deduction. Failure to file the CF-1 form with either agency may result in a rescission of any tax abatement occurring as a result of this application.



Signature of Taxpayer/Owner



Printed Name and Title of Applicant



Date



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (5-04)

Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

FORM
SB - 1 / PP

SEP 26 2012

ajr

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 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. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, BEFORE a deduction may be approved
3. To obtain a deduction, Form 322 ERA/PPME and/or Form 322 ERA/PP Other, must be filed with the county auditor. Form 322 ERA/PPME and/or Form 322 ERA/PP Other must be filed between March 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 becomes assessable, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved after June 30, 1991 must submit Form CF-1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4(d) and IC 6-1.1-12.1-4.5(e) effective July 1, 2000 apply to any statement of benefits filed on or after July 1, 2000. The schedules effective prior to July 1, 2000 shall continue to apply to those statement of benefits filed before July 1, 2000.

COMMUNITY DEVELOPMENT

SECTION 1		TAXPAYER INFORMATION							
Name of taxpayer Chuck Bivens Services									
Address of taxpayer (street and number, city, state and ZIP code) 10216 Airport Dr. Ft. Wayne, IN 46809									
Name of contact person Crystal Herrince		Telephone number 260-747-6195							
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT							
Name of designating body Fort Wayne Common Council		Resolution number							
Location of property 10216 Airport Dr. Ft. Wayne		County Allen	Taxing district FW Pleasant SW Fire Dist.						
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) 120 x/s OMAX Jet Machining Center w/16 Crane & Support		ESTIMATED							
		Start Date	Completion Date						
		Manufacturing Equipment	10-30-12 3-1-13						
		R & D Equipment							
		Logist Dist Equipment *							
IT Equipment *									
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT							
Current number 14	Salaries 607,738	Number retained 14	Salaries 607,738	Number additional 4	Salaries 168,000				
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		305,953	91,790						
Plus estimated values of proposed project		325,000	325,000						
Less values of any property being replaced									
Net estimated values upon completion of project		130,953	116,790						
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 Chuck Bivens				Title Owner		Date signed (month, day, year) 9-25-12			

* See IC 6-1.1-12.1-2.3.

Exhibit A

EXHIBIT A - LEGAL DESCRIPTION

PARCEL I:

Part of the West Half of the Southwest Quarter of Section 4, Township 29 North, Range 12 East, Allen County, Indiana, in particular described as follows, to-wit:

To arrive at the Point of Beginning, COMMENCE at a P.K. nail set at the Southeast corner of the tract aforesaid; thence South 88 degrees 20 minutes 00 seconds West along the South line of the tract aforesaid, a distance of 580.80 feet to a set P.K. nail; thence North 01 degrees 40 minutes 00 seconds West, a distance of 433.10 feet to a one-half inch diameter steel pin found at the Point of Beginning; thence North 01 degrees 49 minutes 24 seconds West, a distance of 226.54 feet to the Southerly right-of-way line of "C" Street as designated on the plat of Baer Field (now known as Piper Drive); thence North 88 degrees 20 minutes 24 seconds East along said Southerly right-of-way line of Piper Drive, a distance of 520.42 feet to a 5/8 inch diameter steel pin set with D&A Firm No. 0026 identification cap; thence South 01 degrees 24 minutes 55 seconds East, a distance of 226.48 feet to a found one-half inch diameter steel pin; thence South 88 degrees 20 minutes 00 seconds West, a distance of 518.80 feet to the Point of Beginning, containing 2.70 acres, more or less.

PARCEL II:

A non-exclusive ingress and egress easement for the benefit of Parcel I over and across the following described real estate as created by Grant of Ingress and Egress easement recorded March 5, 2003 as Document Number 203023414 described as follows:

The East 50 feet of the North 40 feet of the following described parcel:

Part of the West one-half of the Southwest Quarter of Section 4, Township 29 North, Range 12 East, in Allen County, Indiana, in particular described as follows, to-wit:

COMMENCE on the South line of said Quarter Section at a point situated 65.0 feet, South 88 degrees 20 minutes West of the Southeast corner of the West one-half of said Quarter Section; thence South 88 degrees 20 minutes West, a distance of 350.8

Continued on next page

Exhibit A

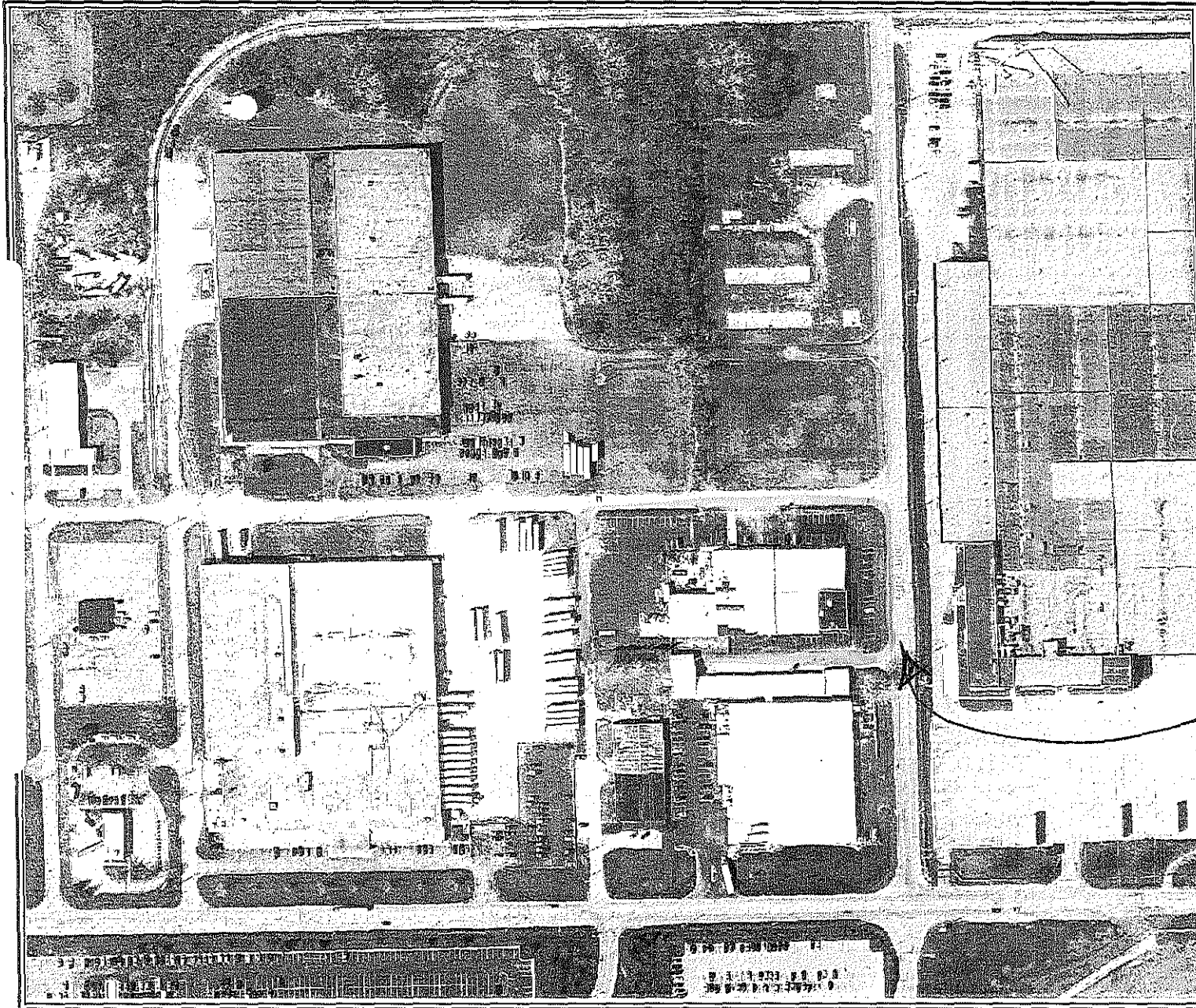
EXHIBIT A - CONT'D

feet; thence Northerly by a deflection right of 89 degrees 50 minutes along the East line of 1.20 acres conveyed to Lawrence H. Lee by Deed recorded in Document Number 86-39407, a distance of 433.1 feet; thence North 88 degrees 20 minutes East, and parallel to the South line of said Quarter Section, a distance of 353.8 feet to a point situated 65.0 feet West of the East line of the West one-half of the Southwest Quarter of said Section 4; thence South and parallel to the line aforesaid, a distance of 433.1 feet to the Point of Beginning, containing 3.502 acres, more or less.

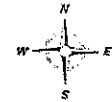
EXCEPTING THEREFROM the East 10 feet thereof conveyed to the City of Fort Wayne, for street, sidewalk and utility purposes as taken in Instrument Number 72-23418.

END OF EXHIBIT A

Exhibit A



City of Fort Wayne



0 100 200 ft

Current View

This map is intended for general reference purposes only. The information displayed herein is not guaranteed to be completely accurate or all inclusive.
© 2005 City of Fort Wayne, Indiana

LEGEND

2008 Aerial Photography

Fort Wayne City Limits

River

10216 Airport Dr.

Fort Wayne, IN
46809

Parcel #
02-17-04-300-006.
000-080

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Chuck Bivens Services d/b/a States Engineering is requesting the designation of an Economic Revitalization Area for personal property improvements in the amount of \$325,000. In order to expand, Chuck Bivens Services d/b/a States Engineering will install new manufacturing equipment which will allow them to cut their own material instead of outsourcing.**

EFFECT OF PASSAGE: **Installing the new equipment will allow Chuck Bivens Services d/b/a States Engineering to increase sales and maximize profit margins while also reducing maintenance costs. Four full-time jobs will be created.**

EFFECT OF NON-PASSAGE: **Potential loss of development and four full-time jobs**

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

ASSIGNED TO COMMITTEE (PRESIDENT): **Mitch Harper and John Shoaff**

MEMORANDUM



TO: City Council

FROM: Adam Welch, Economic Development Specialist

DATE: September 28, 2012

RE: Request for designation by Chuck Bivens Services d/b/a States Engineering as an ERA for personal property improvements

BACKGROUND

PROJECT ADDRESS: **10216 Airport Drive** PROJECT LOCATED WITHIN: **Not Applicable**

PROJECT COST: **\$ 325,000** COUNCILMANIC DISTRICT: **4**

COMPANY PRODUCT OR SERVICE: **Chuck Bivens Services d/b/a States Engineering is a manufacturer of Foundry Equipment, Material Handling Equipment, and Custom Fabricated Equipment. States Engineering designs, builds, installs, and services equipment for the foundry industry.**

PROJECT DESCRIPTION: **Chuck Bivens Services d/b/a States Engineering will install new manufacturing equipment which will allow them to cut their own material instead of outsourcing. The machine will also increase sales and maximize profit margins while reducing maintenance cost.**

CREATED

RETAINED

JOBS CREATED (FULL-TIME):	4	JOBS RETAINED (FULL-TIME):	14
JOBS CREATED (PART-TIME):	N/A	JOBS RETAINED (PART-TIME):	N/A
TOTAL NEW PAYROLL:	\$ 168,000	TOTAL RETAINED PAYROLL:	\$ 607,738
AVERAGE SALARY (FULL-TIME NEW):	\$ 42,000	AVERAGE SALARY (FULL-TIME RETAINED):	\$ 43,410

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 IN2; a general industrial zoning classification

Yes ☐ No ☐ N/A ☒

Project encourages the improvement or replacement of a deteriorated or obsolete 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: Chuck Bivens Services d/b/a States Engineering will install a new 102X/S OMAX JetMachine and Jib Crane and Support

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 an 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?

Yes ☒ No ☐ N/A ☐

Average wage of all full-time jobs to be created is at least 150% of current Federal minimum wage.

Explain: The average wage of full-time jobs created is 279% of the current Federal minimum wage rate.

Yes ☒ No ☐ N/A ☐

Average wage of all full-time jobs to be retained is at least 150% of current Federal minimum wage.

Explain: The average wage rate of full-time jobs retained is 288% of the current Federal minimum wage rate.

Yes ☒ No ☐ N/A ☐

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

POLICY

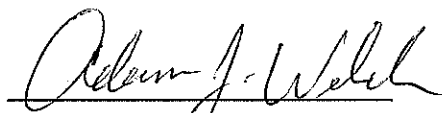
Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

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

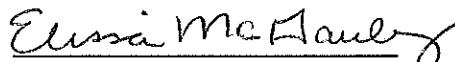
Under Fort Wayne Common Council's tax abatement policies and procedures, Chuck Bivens Services d/b/a States Engineering is eligible for a ten year deduction on personal property improvements. Attached is a spreadsheet that shows how the application scored under the review system.

COMMENTS

Signed:


Economic Development Specialist

Reviewed:


Economic Development Specialist

COMMUNITY DEVELOPMENT DIVISION

Personal Property Abatements

Tax Abatement Review System

	Points Possible	Points Awarded
Total new investment in equipment		
Over \$5,000,000	10	
\$1,000,000 to \$4,999,999	8	
\$500,000 to \$999,999	6	
\$0 to \$499,999	4	4
Total number of jobs created and/or retained		
Over 150	10	
75 to 149	8	
25 to 74	6	
10 to 24	4	4
Under 10	2	
Current # of employees increases 50-99%	6	
Current # of employees increases 100% or more	8	
Average annual salary of full-time jobs created and/or retained are % of the Federal Minimum Wage *		
Greater than 300% of the Federal Minimum Wage	10	
201% to 300% of the Federal Minimum Wage	7	7
151% to 200% of the Federal Minimum Wage	3	
150% of the Federal Minimum Wage	1	
Health insurance provided by the company	5	5
Project involves reinvestment at current location of a business	10	10
Project involves new or startup business	5	
Construction uses green building techniques (ie LEED Certification)	5	
Construction uses techniques to minimize impact on Combined Sewer Overflows (CSOs)	2	
Project is located in a HUBzone	10	
Total		30

7 to 11 Points - Three Year Abatement
12 to 16 Points - Five Year Abatement
17 to 23 Points - Seven Year Abatement
24 to 60 Points - Ten Year Abatement

* If Average annual salary of the full-time jobs created by listed occupation is 10% or greater than the average salary for Allen County using current occupational employment statistics, then the applicant is eligible for an alternate deduction schedule.

10 Year

Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	90%
Year 7	80%
Year 8	65%
Year 9	50%
Year 10	40%

7 Year

Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	71%
Year 7	43%

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

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	\$325,000	40%	\$130,000	\$130,000	100%	0%	\$130,000	\$0	0.027023	\$0	\$3,513
2	\$325,000	56%	\$182,000	\$182,000	90%	10%	\$163,800	\$18,200	0.027023	\$492	\$4,426
3	\$325,000	42%	\$136,500	\$136,500	80%	20%	\$109,200	\$27,300	0.027023	\$738	\$2,951
4	\$325,000	32%	\$104,000	\$104,000	70%	30%	\$72,800	\$31,200	0.027023	\$843	\$1,967
5	\$325,000	30%	\$97,500	\$97,500	60%	40%	\$58,500	\$39,000	0.027023	\$1,054	\$1,581
6	\$325,000	30%	\$97,500	\$97,500	50%	50%	\$48,750	\$48,750	0.027023	\$1,317	\$1,317
7	\$325,000	30%	\$97,500	\$97,500	40%	60%	\$39,000	\$58,500	0.027023	\$1,581	\$1,054
8	\$325,000	30%	\$97,500	\$97,500	30%	70%	\$29,250	\$68,250	0.027023	\$1,844	\$790
9	\$325,000	30%	\$97,500	\$97,500	20%	80%	\$19,500	\$78,000	0.027023	\$2,108	\$527
10	\$325,000	30%	\$97,500	\$97,500	10%	90%	\$9,750	\$87,750	0.027023	\$2,371	\$263
11	\$325,000	30%	\$97,500	\$97,500	0%	100%	\$0	\$97,500	0.027023	\$2,635	\$0
							TOTAL TAX SAVED	(10 yrs on 10 yr deduction	<u>\$18,391</u>		
							TOTAL TAX PAID	(10 yrs on 10 yr deduction	<u>\$12,348</u>		