

DECLARATORY RESOLUTION NO. R-_____

A DECLARATORY RESOLUTION designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for properties commonly known as 7614 and 7720 Opportunity Drive, Fort Wayne, Indiana 46825 (Shambaugh & Son, LP)

WHEREAS, Petitioner has duly filed its petition dated June 26, 2013 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 30 full-time, permanent jobs for a total new, annual payroll of \$1,800,000, with the average new annual job salary being \$60,000 and retain 324 full-time and seven part-time, permanent jobs for a total current annual payroll of \$20,622,000, with the average current, annual job salary being \$62,302; and

WHEREAS, the total estimated project cost is \$2,513,247; 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:

- ... Said Resolution shall be filed with the Allen County Assessor;
- ... 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";
- ... 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 both a deduction of the assessed value of real

1 estate and personal property for new manufacturing, information technology, and logistical
2 distribution equipment.

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

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

13 ... If the proposed development does not occur, the approximate current year tax
14 rates for this site would be \$3.1821/\$100.

15 ... If the proposed development does occur and no deduction is granted, the
16 approximate current year tax rate for the site would be \$3.1821/\$100 (the
17 change would be negligible).

18 ... If the proposed development occurs and a deduction percentage of fifty percent
19 (50%) is assumed, the approximate current year tax rate for the site would be
20 \$3.1821/\$100 (the change would be negligible).

21 ... If the proposed new manufacturing, information technology, and logistical
22 distribution equipment is not installed, the approximate current year tax rates for
23 this site would be \$3.1821/\$100.

24 ... If the proposed new manufacturing, information technology, and logistical
25 distribution equipment is installed and no deduction is granted, the approximate
26 current year tax rate for the site would be \$3.1821/\$100 (the change would be
27 negligible).

28 ... If the proposed new manufacturing, information technology, and logistical
29 distribution equipment is installed and a deduction percentage of eighty percent
30 (80%) is assumed, the approximate current year tax rate for the site would be
\$3.1821/\$100 (the change would be negligible).

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

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

1 the deduction from the assessed value of the new manufacturing, information technology,
2 and logistical distribution equipment shall be for a period of ten years.

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

Year of Deduction	Percentage
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%

13 **SECTION 9.** The deduction schedule from the assessed value of new
14 manufacturing, logistical distribution, and information technology equipment pursuant to I.C.
15 6-1.1-12.1-17 shall look like this:

Year of Deduction	Percentage
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%

25 **SECTION 10.** 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
29
30

SECTION 11. That, the taxpayer is non-delinquent on any and all property tax due to jurisdictions within Allen County, Indiana.

SECTION 12. 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 this 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 13. 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

03/2013



JUN 26 2013

ajp

 COMMUNITY DEV
 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:

\$ 1,200,000

Total cost of manufacturing equipment improvements:

\$ 475,500

Total cost of research and development equipment improvements:

\$ 667,947

Total cost of logistical distribution equipment improvements:

\$ 169,800

Total cost of information technology equipment improvements:

TOTAL OF ABOVE IMPROVEMENTS:

\$ 2,513,247

GENERAL INFORMATION

Real property taxpayer's name: MOMAS Investments, LLC

Personal property taxpayer's name: Shambaugh & Son, LP

Telephone number: (260) 487 - 7864

Address listed on tax bill: PO Box 1287 Fort Wayne, IN 46801

Name of company to be designated, if applicable: _____

Year company was established: 1926

Address of property to be designated: 7614 and 7720 Opportunity Drive

Real estate property identification number: 02-07-11-377-002.000-073/02-0711-377-001.000.073

Contact person name: Thomas Scare

Contact person telephone number: (260) 487-7864

Contact person Email: tscare@shambaugh.com

Contact person address: PO Box 1287 Fort Wayne, IN 46801

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Mark P Shambaugh	CEO	7614 Opportunity Dr Fort Wayne, IN 46825	(260) 487-7807
Mark A Veerkamp	CFO	7614 Opportunity Dr Fort Wayne, IN 46825	(260) 487-7800
William J Meyer	VP/Secr	7614 Opportunity Dr Fort Wayne, IN 46825	(260) 487-7811
Thomas L Scare	Controller	7614 Opportunity Dr Fort Wayne, IN 46825	(260) 487-7864
Paul Meyers Jr	COO	7614 Opportunity Dr Fort Wayne, IN 46825	(260) 487-7805

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

NAME	PERCENTAGE
CS 48 Acquisition Corp	99
CS USA Holding LLC	1
EMCOR Group, Inc is the parent Company and ultimate owner.	

- ☐ 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? 80% _____

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

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

Mechanical Construction Contractor

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2012	\$ 526,417,869.00
2011	\$ 354,732,611
2010	\$ 290,735,637

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

Customer Name	City/State	Annual Gross Sales
This changes with each year.		

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

Supplier Name	City/State	Annual Gross Purchases
Ferguson Enterprises, Inc	Fort Wayne, IN	\$ 6,000,000
Victaulic Company of America	Philadelphia, PA	\$ 3,000,000
Graybar	Fort Wayne, IN	

List the company's top three competitors:

Competitor Name	City/State
This varies depending on National foot print and type of project	

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

Shambaugh & Son, LP is a commercial construction / engineering services business specializing in industrial, commercial, institutional, food process, medical and bio-fuel. The Company also performs both mechanical and fire fabrication on the premises,

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 additional bldg space and equipment will allow us to self perform engineering, cad design, and fabrication locally versus subcontracting work to non local firms

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:

7614 Opportunity Dr 55K sqft Office, 46k sqft fire fab. whse/ 4.6k sqft service garage
7720 Opportunity Dr 26 k sqft mechanical fabrication shop.

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

Good

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

8,000 sqft office addition to house additional staff for cad design, engineering, estimating.

Projected construction start (month/year): 06/2013

Projected construction completion (month/year): 12/2013

☐ 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)

See attached schedule

☐ 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): 07/2013

Date last piece of equipment will be installed (month/year): 12/2013

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

See attached schedule

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

Current Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Attachment		324	\$ 20,510,500

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Attachment		324	\$ 20,510,500

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Attachment		30	\$ 1,806,000

Public Benefit Information - Employment Information for Facility to be Designated - Page 7

Current Full-Time Employment and Retained Full-Time Employment:

Occupation Title	Occupation Code	Number of Jobs	Total Payroll
Chief Executives/Executive VP	11-1011	6	\$ 1,950,000
General and Operation Managers	11-1021	6	659,700
Financial Managers	11-3031	4	389,440
Network /Computer System Admin	15-1142	6	369,300
Executive Admin Assistants	43-6011	3	123,090
Admin Assistants	43-6014	10	318,700
Reception/Information Clerks	43-4171	11	267,740
Billing and Posting Clerks	43-3021	7	210,840
Payroll/Timekeeping Clerks	43-3051	2	79,780
Admin Service Managers	11-3011	2	151,980
Accounting	43-3031	3	98,610
Bill and Account Collectors	43-3011	9	270,900
Managers, All Other (Branch)	11-9199	20	1,527,400
Ship/Receive/Traffic	43-5071	9	242,730
Laborers/Material Mover/Hand	53-7062	10	254,800
First Line Supervisor/Trans/Material	53-1031	3	167,310
Heavy Tractor-Trailer/Truck Drivers	53-3032	10	392,000
Purchasing Managers	11-3061	2	151,080
Procurement Clerks	43-3061	15	519,300
Electrical Engineers	17-2071	33	2,765,400
Mechanical Engineers	17-2141	20	1,392,200
Mechanical Engineers Technicians	17-3027	2	110,640
Engineers /CAD, All Others	17-2199	63	4,590,180
First Line Installers/Repairers	49-1011	46	2,655,580
Construction Laborers	47-2061	22	851,840
Totals		324	\$ 20,510,540.00

Additional Full-Time Employment and Retained Full-Time Employment:

Occupation Title	Occupation Code	Number of Jobs	Total Payroll
Admin Assistants	43-6014	2	\$ 63,740
Electrical Engineers	17-2071	7	586,600
Mechanical Engineers	17-2141	3	208,830
Mechanical Engineers Technicians	17-3027	7	387,240
Plumber/Pipefitter/Steamfitter	47-2152	7	404,180
Metal Fabricator/Fitter	51-2041	4	156,320
Totals		30	\$ 1,806,910.00

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
Info/Record Clerk, All Ot	43-4199	7	\$ 111,685

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
Info/Record Clerk, All Ot	43-4199	7	\$ 111,685

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 | ☒ Major Medical Plan | ☒ Disability Insurance |
| ☒ Tuition Reimbursement | ☒ Life Insurance | ☒ Dental Insurance |

List any benefits not mentioned above:

When will you reach the levels of employment shown above? (month/year): 10/2013

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.**

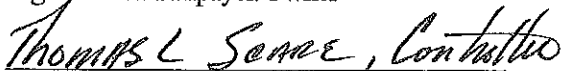
CERTIFICATION

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 phase-ins which I may receive.

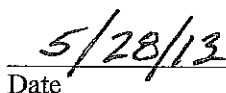
I understand that I must file a correctly completed Compliance with Statement of Benefits Form (CF-1/Real Property for real property improvements and CF-1/PP for personal property improvements) and the Public Benefit Annual Update with the City of Fort Wayne Community Development Division in each year 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 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



Printed Name and Title of Applicant



Date



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R4 / 2-13)

Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

JUN 26 2013

2013 PAY 2014

FORM SB-1 / Real Property

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1(c) and (d).

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)

COMMUNITY DEVL.

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. "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)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, **BEFORE** a deduction may be approved.
- 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. If the property owner misses the May 10 deadline in the initial year of occupation, he can apply between March 1 and May 10 of a subsequent year.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)].
- The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property apply to any economic revitalization areas designated after June 30, 2000, unless an alternative deduction schedule is adopted by the designating body (IC 6-1.1-12.1-17). The schedules effective prior to July 1, 2000, shall continue to apply to economic revitalization areas designated before July 1, 2000.

SECTION 1		TAXPAYER INFORMATION			
Name of taxpayer MOMAS Investments, LLC (triple net lease to Shambaugh)					
Address of taxpayer (number and street, city, state, and ZIP code) P.O. Box 1287, Fort Wayne, Indiana 46801					
Name of contact person Thomas L. Scare		Telephone number (260) 487-7864		E-mail address tscare@shambaugh.com	
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT			
Name of designating body FW Common Council		Resolution number R-8-12			
Location of property 7614 Opportunity Drive, Fort Wayne, Indiana 46825		County Allen		DLGF taxing district number Washington	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) 8,000 square foot office expansion to allow for additional engineers and administrative support		Estimated start date (month, day, year) 06/15/2013		Estimated completion date (month, day, year) 12/31/2013	
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT			
Current number 331.00	Salaries \$20,622,000.00	Number retained 331.00	Salaries \$20,622,000.00	Number additional 30.00	Salaries \$1,800,000.00
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT			
		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
Current values				3,504,000.00	
Plus estimated values of proposed project		1,200,000.00			
Less values of any property being replaced					
Net estimated values upon completion of project		1,200,000.00		3,504,000.00	
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER			
Estimated solid waste converted (pounds)		Estimated hazardous waste converted (pounds)			
Other benefits Shambaugh & Son, L.P. is a national mechanical contractor. The additional space will allow for engineering, 3D modeling, CAD design and estimating to be expanded locally to support the national effort vs. expanding this support in another region.					
SECTION 6		TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.					
Signature of authorized representative 		Title Controller		Date signed (month, day, year) 06/21/2013	

**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51764 (R2 / 12-11)

Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE**FORM SB-1 / PP****PRIVACY NOTICE**

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

JUN 26 2013

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, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between 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 is installed and fully functional, 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 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001, unless an alternative deduction schedule is adopted by the designating body (IC 6-1.1-12.1-17).

SECTION 1**TAXPAYER INFORMATION**

Name of taxpayer Shambaugh & Son, L.P.	
Address of taxpayer (number and street, city, state, and ZIP code) 7614 Opportunity Drive, Fort Wayne, Indiana 46825	
Name of contact person Thomas L. Scare	Telephone number (260) 487-7864

SECTION 2**LOCATION AND DESCRIPTION OF PROPOSED PROJECT**

Name of designating body FW Common Council		Resolution number (s) R-8-12	
Location of property 7614 Opportunity Drive, Fort Wayne, Indiana 46825	County Allen	DLGF taxing district number FW Washington	
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) See Attached Schedule		ESTIMATED	
		START DATE	COMPLETION DATE
		Manufacturing Equipment	06/15/2013 12/31/2013
		R & D Equipment	
		Logist Dist Equipment	06/15/2013 12/31/2013
IT Equipment	06/15/2013 12/31/2013		

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

Current number 331	Salaries 20,622,000.00	Number retained 331	Salaries 20,622,000.00	Number additional 30	Salaries 1,800,000.00
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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								
Plus estimated values of proposed project	475,500.00				667,947.00		169,800.00	
Less values of any property being replaced								
Net estimated values upon completion of project								

SECTION 5**WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER**

Estimated solid waste converted (pounds) _____	Estimated hazardous waste converted (pounds) _____
Other benefits: Additional equipment will allow for expanded fabrication, engineering, CAD design to be performed locally vs. subcontracting out to other non-local facilities.	

SECTION 6**TAXPAYER CERTIFICATION**

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

Signature of authorized representative 	Title Controller	Date signed (month, day, year) 06/21/2013
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Shambaugh & Son, L.P.

Fixed Asset, Operating Leases and Real Property Improvements

Year 2013

Cat	Life	Description	Qty	Q1	Q2	Q3	Q4	Total	Sub Totals
IT	3	Desk Top Computer Pkg (incl monitor, printer), service site monitoring	35			\$ 105,000		\$ 105,000	
IT	3	Software and licensing	35			21,000		21,000	
IT	3	Telephone system - Fab Shop	1				800	800	
IT	3	Additional telephone system upgrade - Office	35				7,000	7,000	
IT	3	Audio Visual Equipment Conference Room	2			24,000		24,000	
IT	3	Copier	2		12,000			12,000	\$ 169,800
Log	5	3232 Electric Scissor - Genie	2			41,290		41,290	
Log	5	20' DVL - JLG	5			64,755		64,755	
Log	5	3246 Electric Scissor - JLG	4			75,104		75,104	
Log	5	40' Elec Art Boom Narrow - JLG	2			87,898		87,898	
Log	5	45' Elec Art Boom - JLG	4			176,100		176,100	
Log	5	Mini Excavator	1			45,000		45,000	
Log	5	Fork lift (Used)	1			15,000		15,000	
Log	5	Flatbed (Used)	1		16,800			16,800	
Log	5	Flatbed (New)	3		30,000	60,000		90,000	
Log	5	Storage Trailers (Used)	10			40,000		40,000	
Log	5	Utility Trailers (Flatbed)	2			10,000		10,000	
Log	5	Golf Carts	2			6,000		6,000	\$ 667,947
Mftg	5	Furniture Pkg (partitions, desk, chair)	35		77,000			77,000	
Mftg	5	Conference Room Furnishings (Conference table, chairs)	2		16,000			16,000	
Mftg	5	Signs	2			10,000		10,000	
Mftg	5	Welders	4			45,000		45,000	
Mftg	5	Plotter	1			10,000		10,000	
Mftg	5	Overhead Crane	1			120,000		120,000	
Mftg	5	Lull	1			90,000		90,000	
Mftg	5	Fork lift	2			50,000		50,000	
Mftg	5	Positioners	3			40,000		40,000	
Mftg	5	Chain Hoists	7			17,500		17,500	\$ 475,500
Real		Office Expansion (8,000 sq ft) - 7614 Opportunity Drive				1,200,000		1,200,000	1,200,000
		Totals		\$ -	\$ 151,800	\$ 2,353,647	\$ 7,800	\$ 2,513,247	\$ 2,513,247

EXHIBIT A

Legal Description

7614 Opportunity Drive — COOK ROAD OFFICE & INDUSTRIAL PARK SEC I
LOT 3 & LOT 2

7720 Opportunity Drive — COOK ROAD OFFICE & INDUSTRIAL PARK SEC I
LOT 4

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Shambaugh & Son, LP is requesting the designation of an Economic Revitalization Area for both real and personal property improvements in the amount of \$2,513,247. In order to expand, Shambaugh & Son, LP will construct an 8,000 square foot office expansion to house additional staff for CAD design, engineering, and estimating. They will also install a variety of manufacturing, logistical distribution, and information technology equipment.**

EFFECT OF PASSAGE: **Installing new equipment and constructing the addition will allow Shambaugh & Son, LP to self-perform engineering, CAD design, and fabrication locally versus subcontracting work to non-local firms. Thirty full-time jobs will be created, and 324 full-time and 7 part-time jobs will be retained.**

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

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

ASSIGNED TO COMMITTEE (PRESIDENT): **John Crawford and Tom Smith**

MEMORANDUM



TO: City Council

FROM: Adam Welch, Economic Development Specialist

DATE: July 1, 2013

RE: Request for designation by Shambaugh & Son, LP as an ERA for real and personal property improvements

BACKGROUND

PROJECT ADDRESS:	7614 and 7720 Opportunity Drive	PROJECT LOCATED WITHIN:	Not Applicable
PROJECT COST:	\$ 2,513,247	COUNCILMANIC DISTRICT:	3

COMPANY PRODUCT OR SERVICE:	Shambaugh & Son, LP is a commercial construction/engineering services business specializing in industrial, commercial, institutional, food process, medical and biofuel industries.
PROJECT DESCRIPTION:	Shambaugh & Son, LP will construct an 8,000 square foot office expansion to house additional staff for CAD design, engineering, and estimating. They will also install and purchase new manufacturing, logistical distribution, and information technology equipment valued at approximately \$1,313,247.

CREATED

RETAINED

JOBS CREATED (FULL-TIME):	30	JOBS RETAINED (FULL-TIME):	324
JOBS CREATED (PART-TIME):	0	JOBS RETAINED (PART-TIME):	7
TOTAL NEW PAYROLL:	\$1,800,000	TOTAL RETAINED PAYROLL:	\$20,622,000
AVERAGE SALARY (FULL-TIME NEW):	\$60,000	AVERAGE SALARY (FULL-TIME RETAINED):	\$63,304

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. Use of property is consistent with 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?

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 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 ☐

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

POLICY

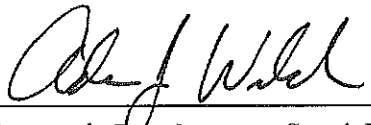
Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

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

Under Fort Wayne Common Council's tax abatement policies and procedures, Shambaugh & Son, LP is eligible for ten year deductions on real and personal property improvements. Attached is a spreadsheet that shows how the application scored under the review system. Also attached is an estimate of the taxes saved and paid over the length of the ten year deduction schedule.

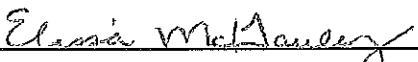
COMMENTS

Signed:



 Economic Development Specialist

Reviewed:



 Economic Development Specialist

COMMUNITY DEVELOPMENT DIVISION

Personal Property Abatements

Tax Abatement Review System

<u>Points Possible</u>	<u>Points Awarded</u>
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INVESTMENT (30 points possible)

Total new investment in equipment

Over \$5,000,000	10	
\$1,000,000 to \$4,999,999	8	8
\$500,000 to \$999,999	6	
\$0 to \$499,999	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 \$1,250	2	

Estimated local income taxes generated from jobs retained

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

Estimated local income taxes generated from jobs created (Double points for start-up)

\$30,000 or more	5	
\$10,000 to \$29,999	4	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	10
100 to 249	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	
50-99	8	
25-49	6	6
10-24	4	
1 to 9	2	

WAGES (20 points possible)

Median salary of the jobs created and/or retained

Over \$45,000	20	20
\$40,000 to \$44,999	16	
\$35,000 to \$39,999	12	
\$30,000 to \$34,999	8	
\$25,000 to \$29,999	4	
under \$25,000	0	

BENEFITS (10 points possible)

Major Medical Plan	7	7
Pension, Tuition Reimbursement, Life Insurance, Dental Insurance, Disability Insurance,	3	3

SUSTAINABILITY

Construction uses green building techniques (ie LEED Certification)	5	
Construction uses techniques to minimize impact on Combined Sewer Overflows (CSOs)	5	5

Total	87
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Length of Abatement

20 to 39 points - 3 year abatement
40 to 59 points - 5 year abatement
60 to 69 points - 7 year abatement
70 to 100 points - 10 year abatement

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

Personal Property Deduction Schedules	Alternative Deduction Personal Property Schedules
10 year	10 Year
Year 1: 100%	Year 1: 100%
Year 2: 90%	Year 2: 100%
Year 3: 80%	Year 3: 100%
Year 4: 70%	Year 4: 100%
Year 5: 60%	Year 5: 100%
Year 6: 50%	Year 6: 90%
Year 7: 40%	Year 7: 80%
Year 8: 30%	Year 8: 65%
Year 9: 20%	Year 9: 50%
Year 10: 10%	Year 10: 40%
Year 11: 0%	
7 year	7 Year
Year 1: 100%	Year 1: 100%
Year 2: 85%	Year 2: 100%
Year 3: 71%	Year 3: 100%
Year 4: 57%	Year 4: 100%
Year 5: 43%	Year 5: 100%
Year 6: 29%	Year 6: 71%
Year 7: 14%	Year 7: 43%
Year 8: 0%	
5 year	
Year 1: 100%	
Year 2: 80%	
Year 3: 60%	
Year 4: 40%	
Year 5: 20%	
Year 6: 0%	
3 year	
Year 1: 100%	
Year 2: 66%	
Year 3: 33%	
Year 4: 0%	

Real Property Abatements

Tax Abatement Review System

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 \$1,250	2	

Estimated local income taxes generated from jobs retained

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

Estimated local income taxes generated from jobs created
(Double points for start-up)

\$30,000 or more	5	
\$10,000 to \$29,999	4	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

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

WAGES (20 points possible)

Median salary of the jobs created and/or retained

Over \$45,000	20	20
\$40,000 to \$44,999	16	
\$35,000 to \$39,999	12	
\$30,000 to \$34,999	8	
\$25,000 to \$29,999	4	
under \$25,000	0	

BENEFITS (10 points possible)

Major Medical Plan	7	7
Pension, Tuition Reimbursement, Life Insurance, Dental Insurance,		
Disability Insurance,	3	3

SUSTAINABILITY

Construction uses green building techniques (ie LEED Certification)	5	
Construction uses techniques to minimize impact on Combined Sewer Overflows (CSOs)	5	5

Total	89
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Length of Abatement

20 to 39 points - 3 year abatement
 40 to 59 points - 5 year abatement
 60 to 69 points - 7 year abatement
 70 to 100 points - 10 year abatement

* 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.

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%	

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	\$1,313,247	40%	\$525,299	\$525,299	100%	0%	\$525,299	\$0	0.031821	\$0	\$16,716
2	\$1,313,247	56%	\$735,418	\$735,418	90%	10%	\$661,876	\$73,542	0.031821	\$2,340	\$21,062
3	\$1,313,247	42%	\$551,564	\$551,564	80%	20%	\$441,251	\$110,313	0.031821	\$3,510	\$14,041
4	\$1,313,247	32%	\$420,239	\$420,239	70%	30%	\$294,167	\$126,072	0.031821	\$4,012	\$9,361
5	\$1,313,247	30%	\$393,974	\$393,974	60%	40%	\$236,384	\$157,590	0.031821	\$5,015	\$7,522
6	\$1,313,247	30%	\$393,974	\$393,974	50%	50%	\$196,987	\$196,987	0.031821	\$6,268	\$6,268
7	\$1,313,247	30%	\$393,974	\$393,974	40%	60%	\$157,590	\$236,384	0.031821	\$7,522	\$5,015
8	\$1,313,247	30%	\$393,974	\$393,974	30%	70%	\$118,192	\$275,782	0.031821	\$8,776	\$3,761
9	\$1,313,247	30%	\$393,974	\$393,974	20%	80%	\$78,795	\$315,179	0.031821	\$10,029	\$2,507
10	\$1,313,247	30%	\$393,974	\$393,974	10%	90%	\$39,397	\$354,577	0.031821	\$11,283	\$1,254
11	\$1,313,247	30%	\$393,974	\$393,974	0%	100%	\$0	\$393,974	0.031821	\$12,537	\$0
TOTAL TAX SAVED (10 yrs on 10 yr deduction)											<u>\$87,506</u>
TOTAL TAX PAID (10 yrs on 10 yr deduction)											<u>\$58,755</u>

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

REAL PROPERTY TAX ABATEMENT - 10 yr Schedule

Year	Cash Value	True Tax Value	Assessed Value	Tax Abatement %	Tax Paid %	Deduction	Taxable AV	Tax Rate	Tax Paid	Tax Saved
1	\$1,200,000	\$1,200,000	\$1,200,000	100%	0%	\$1,200,000	\$0	0.031821	\$0	\$38,185
2	\$1,200,000	\$1,200,000	\$1,200,000	95%	5%	\$1,140,000	\$60,000	0.031821	\$1,909	\$36,276
3	\$1,200,000	\$1,200,000	\$1,200,000	80%	20%	\$960,000	\$240,000	0.031821	\$7,637	\$30,548
4	\$1,200,000	\$1,200,000	\$1,200,000	65%	35%	\$780,000	\$420,000	0.031821	\$13,365	\$24,820
5	\$1,200,000	\$1,200,000	\$1,200,000	50%	50%	\$600,000	\$600,000	0.031821	\$19,093	\$19,093
6	\$1,200,000	\$1,200,000	\$1,200,000	40%	60%	\$480,000	\$720,000	0.031821	\$22,911	\$15,274
7	\$1,200,000	\$1,200,000	\$1,200,000	30%	70%	\$360,000	\$840,000	0.031821	\$26,730	\$11,456
8	\$1,200,000	\$1,200,000	\$1,200,000	20%	80%	\$240,000	\$960,000	0.031821	\$30,548	\$7,637
9	\$1,200,000	\$1,200,000	\$1,200,000	10%	90%	\$120,000	\$1,080,000	0.031821	\$34,367	\$3,819
10	\$1,200,000	\$1,200,000	\$1,200,000	5%	95%	\$60,000	\$1,140,000	0.031821	\$36,276	\$1,909
11	\$1,200,000	\$1,200,000	\$1,200,000	0%	100%	\$0	\$1,200,000	0.031821	\$38,185	\$0
TOTAL TAX SAVED REAL PROPERTY (10 yrs on 10 yr deduction)										\$189,017
TOTAL TAX PAID REAL PROPERTY (10 yrs) (10 yrs on 10 yr deduction)										\$192,835
TOTAL TAX SAVED MACHINERY & BUILDING (10 yrs on 10 yr deduction)										\$276,523
TOTAL TAX PAID MACHINERY & BUILDING (10 yrs on 10 yr deduction)										\$251,590

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