

**A DECLARATORY RESOLUTION designating an
"Economic Revitalization Area" under I.C. 6-1.1-
12.1 for property commonly known as 7603
Honeywell Drive, Fort Wayne, Indiana 46825
(Schafer Industries, Inc. d/b/a Schafer Gear
Works)**

WHEREAS, Petitioner has duly filed its petition dated June 12, 2015 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 two full-time, permanent jobs for a total new, annual payroll of \$68,500, with the average new annual job salary being \$34,250 and will retain fourteen full-time, permanent jobs for a total current annual payroll of \$497,000, with the average current, annual job salary being \$35,500; and

WHEREAS, the total estimated project cost is \$1,025,000; 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;

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

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

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

(a) If the proposed new manufacturing equipment is not installed, the approximate current year tax rates for this site would be \$3.2287/\$100.

(b) If the proposed new manufacturing equipment is installed and no deduction is granted, the approximate current year tax rate for the site would be \$3.2287/\$100 (the change would be negligible).

(c) If the proposed new manufacturing equipment is installed and a deduction percentage of eighty percent (80%) is assumed, the approximate current year tax rate for the site would be \$3.2287/\$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 new manufacturing equipment shall be for a period of five years.

SECTION 8. The deduction schedule from the assessed value of new manufacturing equipment 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%

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

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

SECTION 11. 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 12. 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

JUN 12 2015 *ap*

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:

\$ 1,025,000

TOTAL OF ABOVE IMPROVEMENTS:

\$ 1,025,000

GENERAL INFORMATION

Real property taxpayer's name: Rose Ann TurnerPersonal property taxpayer's name: Schafer Industries, Inc DBA Schafer Gear Works- Fort WayneTelephone number: 574-234-4116 ext 214Address listed on tax bill: 4701 Nimtz Parkway, South Bend, IN 46628 (On PPT Tax Bill)Name of company to be designated, if applicable: Schafer Industries, Inc. DBA Schafer Gear Works- Fort WayneYear company was established: 1934Address of property to be designated: 7603 Honeywell Dr, Fort Wayne, IN 46825Real estate property identification number: 02-07-11-351-002.000-073 (02-073-0005948 Personal Property Tax ID)Contact person name: Matt McClainContact person telephone number: (574) 234-4116Contact person Email: matt.mcclain@schaferindustries.comContact person address: 4701 Nimtz Parkway, South Bend, IN 46628

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Bipin Doshi	CEO and President	4701 Nimtz Parkway, South Bend, IN 46628	
Stan Blenke	Executive VP and CFO	Same as above	

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

NAME	PERCENTAGE
Bipin Doshi	55.975
Linda Doshi	11.950
Stanley Blenke	22.013
Marcus B. Doshi	5.031
Robert B. Doshi	5.031

- ☐ 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? 91.7%

What is the company's primary North American Industrial Classification Code (NAICs)? 333900

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

Manufacturing gears for aerospace, medical, and other uses.

Dollar amount of annual sales for the last three years:

Year	Annual Sales*
2014	\$ 73,109,215
2013	\$ 74,433,071
2012	\$ 43,648,018

*Consolidated Schafer Industries Sales Figures

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

Customer Name	City/State	Annual Gross Sales
Rockwell Collins, Inc	Cedar Rapids, IA	\$ 677,600
Schafer Gear Works (Intercompany)	South Bend, IN	\$ 312,500
BVR Technologies Company	Rockford, IL	\$ 176,900

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

Supplier Name	City/State	Annual Gross Purchases
Earl M. Jorgensen Company	Schaumburg, IL	\$ 76,200
Copper & Brass Sales ThyssenKrupp	Dayton, OH	\$ 44,800
Alro Steel Corporation	New Haven, IN	\$ 6,900

List the company's top three competitors:

Competitor Name	City/State
Perry Technology Corporation	New Hartford, CT
Arrow Gear	Downers Grove, IL
Forest City Gear	Roscoe, IL

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

Schafer will manufacture small precision gears for the aerospace, medical, and other general industries.

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?

In order to remain competitive in this industry, Schafer must purchase new manufacturing machinery and equipment. This new machinery will enable them to expand their capacity at their Fort Wayne facility and expand their market share within their key industries. Schafer has the ability to invest in new manufacturing equipment at its other facilities in Illinois, Indiana, and Ohio.

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:

Only requesting a personal property tax abatement. N/A

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

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

Projected construction start (month/year): _____

Projected construction completion (month/year): _____

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

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

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)

4 new pieces of equipment necessary for the machining and manufacturing of gears. This includes a new Hamai N 80 Gear Hobber, Karats GSM-12N Gear Shaping Machine, Yama Seiki SW-32 Turning Center, and a Vertical Machining Center.

☐ 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): 07/2015

Date last piece of equipment will be installed (month/year): 07/2016

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

The equipment will be included in pool 2 for personal property tax depreciation purposes.

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
CNC Operators	51-4011	10	\$ 287,000
Office and Administrative Workers	43-9199	4	\$ 210,000

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
CNC Operators	51-4011	10	\$ 287,000
Office and Administrative Workers	43-9199	4	\$ 210,000

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
CNC Operators	51-4011	2	\$ 68,500

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
NONE			

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
NONE			

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
NONE			

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

☐

Pension Plan

☒

Major Medical Plan

☒

Disability Insurance

☒

Tuition Reimbursement

☒

Life Insurance

☒

Dental Insurance

List any benefits not mentioned above:

401k Retirement Plan Offered

When will you reach the levels of employment shown above? (month/year): 07/2016

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.

Stanley J. Blenke
Signature of Taxpayer/Owner

STANLEY J. BLENKE, EXECUTIVE V.P.
Printed Name and Title of Applicant

JUNE 9, 2015
Date

Exhibit B:

June 8, 2015

To whom it may concern;

I Rose Turner, as owner and tax payer of record for the property located at 7603 Honeywell Drive, Fort Wayne IN 46825, have been informed by and I fully acknowledge Schafer Gear Works – Fort Wayne is making application to have the above mentioned property designated for tax abatement purpose.

Signed: Rose Ann Turner

Printed Name: ROSE ANN TURNER

Dated: 6/8/15



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R3 / 12-13)

Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

FORM SB-1 / PP

JUN 12 2015

COMMUNITY DEVL

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

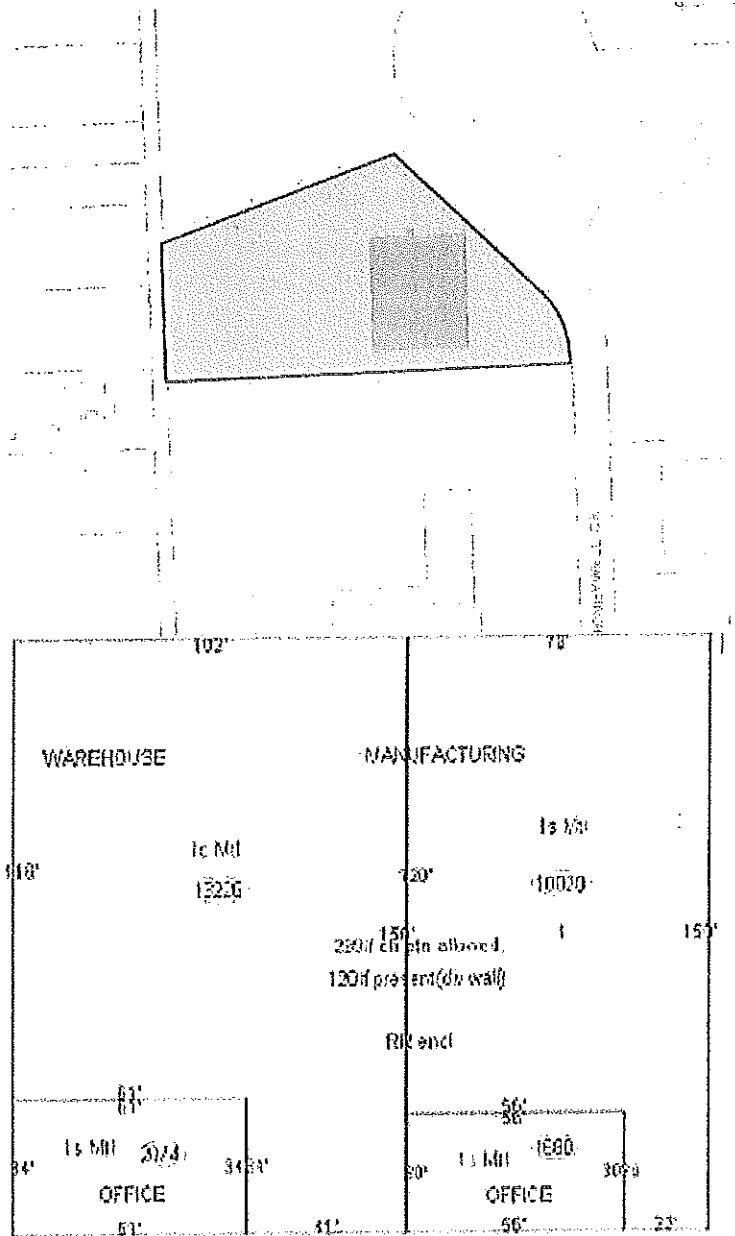
INSTRUCTIONS

- This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
- The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
- To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between 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.
- Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1		TAXPAYER INFORMATION						
Name of taxpayer Schafer Industries, Inc. DBA Schafer Gear Works- Fort Wayne		Name of contact person Matt McClain						
Address of taxpayer (number and street, city, state, and ZIP code) 4701 Nimitz Parkway, South Bend, IN 46628		Telephone number (574) 234-4116 x216						
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT						
Name of designating body Fort Wayne Common Council		Resolution number (s)						
Location of property 7603 Honeywell Dr, Fort Wayne, IN 46825		County Allen	DLGF taxing district number 02-073					
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.) 4 new pieces of equipment necessary for the machining and manufacturing of gears. This includes a new Hamal N 80 Gear Hobber, Karats GSM-12N Gear Shaping Machine, Yama Seiki SW-32 Turning Center, and a Vertical Machining Center.		ESTIMATED						
		START DATE	COMPLETION DATE					
		Manufacturing Equipment	07/01/2015 07/01/2016					
		R & D Equipment						
		Logist Dist Equipment						
IT Equipment								
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT						
Current number 14	Salaries \$497,000	Number retained 14	Salaries \$497,000	Number additional 2	Salaries \$68,500			
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT						
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values	1,749,335	524,801						
Plus estimated values of proposed project	1,025,000	410,000						
Less values of any property being replaced								
Net estimated values upon completion of project	2,774,335	934,801						
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 Stanley J. Blenke		Date signed (month, day, year) JUNE 9, 2015						
Printed name of authorized representative STANLEY J. BLENKE		Title EXECUTIVE VICE PRESIDENT						

EXHIBIT A

Exhibit A: Map and Legal Description



Schafer only leases the right portion of the building.

Legal Description:

Parcel I:

A part of the Southwest Quarter of Section 11, Township 31 North, Range 12 East, Allen County Indiana, and more particularly described as follows (located in Northrop Industrial Park):

Commencing from the Southwest Corner of said Southwest Quarter of Section 11; thence Northerly 645.0 feet to the Point of Beginning of this survey (survey marker by Tazian & Assoc. and honored by Donovan Engr. Which is the Norwest Corner of a survey by Tazian); thence along said line North 90 degree East (basis of bearings) 687.48 feet (657.48 feet to the Northeast Corner of said Tazian survey with survey

Exhibit A Continued:

marker) to a point in the centerline of Honeywell Drive (a 60-foot Road and Utility Easement) [R. Bar] said R. Bar being 1 foot + East of the actual constructed centerline of Honeywell Drive (60+ 1 to the South); thence on said centerline with an arc of 143.66+ (curve concave to the West) to a point [R. Bar] (not tangent to succeeding course) [chord is 140 feet North 24 degrees West, Radius is 182.92 feet]; thence 310 feet North 45 Degrees west on said centerline to a point [R. Bar]; thence leaving said Road 431.55 feet south 73 degrees 05 minutes 34 seconds West to a point on the West line of said Southwest Quarter [R. Bar]; thence 221.60 feet South 00 degrees 24 minutes 14 seconds East on said West line of said Southwest Quarter of Section 11 to the point of Beginning, containing 4.00 Acres.

Parcel II:

A part of the Southwest Quarter of Section 11, Township 31 North, Range 12 East, Allen County, Indiana, and more particularly described as follows (Located in Northrop Industrial Park)

Commencing from the Southwest corner of said southwest quarter of said section 11; thence Northerly 866.6 feet on the west line of said Southwest Quarter to the point of beginning (R. Bar); thence 431.55 feet North 73 degrees 05 minutes 34 seconds east to a point on the centerline of Honeywell Drive [R. Bar] (said centerline is the centerline of a 60-foot road and utility easement); thence along said centerline on an arc (curve is concave to the east) of 255.84 feet to the point of tangency to the succeeding course [R. Bar] (chord is 240 feet north 09 degrees 45 minutes west, Radius is 207.92 feet; thence on said centerline 301.65 feet North 25 degrees 30 minutes east to a point [R. Bar]; thence leaving said road 517.68 feet North 78 degrees 30 minutes 53 seconds west to a point on the west line of said southwest quarter [R. Bar]; thence on said west line of said Southwest Quarter 737.4 feet south 00 degrees 24 minutes 14 seconds east to the point of beginning, containing 6.00 acres

Except:

A part of the southwest quarter of section 11, township 31 north, range 12 east, Allen County, Indiana, more accurately described as follows:

Commencing from the Southwest corner of the Southwest Quarter of section 11, Township 31 North, Range 12 East; thence 1424.07 feet north 00 degrees 24 minutes 14 seconds west (assumed bearing and basis for this description) along the West line of said Southwest Quarter; said point being the point of beginning; thence North 59 degrees 10 minutes 40 seconds east for a distance of 261.57 to the North boundary line of the previously described tract of land; thence along said North boundary line, north 78 degrees 30 minutes 53 seconds west for a distance of 230.51 feet to the west line of the Southwest Quarter; thence along said west line, south 00 degrees 24 minutes 14 seconds east for a distance of 179.93 to the point of beginning containing .47 acres, more or less.

Parcel III:

Together with and subject to:

A non-exclusive easement for ingress and egress over and across the following described real estate being and easement, 60 feet in width lying 30 feet on each side of the following described centerline to wit:

Commencing at the southwest corner of the southwest quarter of section 11, Township 31 North, Range 12 east, in Allen County, Indiana; thence North 645 feet along the west line of the said Southwest quarter to a point; thence North 90 degrees east 687.48 feet to the center of Honeywell drive and the point of beginning of the hereinafter described centerline; thence North an arc distance of 143.66 feet along a curve concave to the west with a chord length of 140 feet, bearing North 24 degrees west, and a radius of 182.92 feet; thence North 45 degrees west, a distance of 310 feet to the point of curvature of an arc, concave to the East; thence along said arc, a distance of 255.84 feet, chord bearing North 9 degrees 45 minutes west, chord length 240 feet, chord radius 207.92 feet; thence North 25 degrees 30 minutes East, a distance of 301.65 feet to a point.

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Schafer Industries, Inc. d/b/a Schafer Gear Works is requesting the designation of an Economic Revitalization Area for personal property improvements in the amount of \$1,025,000. In order to expand, Schafer Industries, Inc. d/b/a Schafer Gear Works will purchase and install new manufacturing equipment.**

EFFECT OF PASSAGE: **Installing the new equipment will allow Schafer Industries, Inc. d/b/a Schafer Gear Works to remain competitive and expand the capacity at their Fort Wayne facility. Two full-time jobs will be created.**

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

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

ASSIGNED TO COMMITTEE (PRESIDENT): **Thomas Didier and Russ Jehl**

MEMORANDUM



TO: City Council
FROM: Adam Welch, Economic Development Specialist
DATE: June 15, 2015
RE: Request for designation by Schafer Industries, Inc. d/b/a Schafer Gear Works as an ERA for personal property improvements

BACKGROUND

PROJECT ADDRESS:	7603 Honeywell Drive	PROJECT LOCATED WITHIN:	Not Applicable
PROJECT COST:	\$ 1,025,000	COUNCILMANIC DISTRICT:	3

COMPANY PRODUCT OR SERVICE:	Schafer Industries, Inc. d/b/a Schafer Gear Works manufactures small precision gears for aerospace, medical, and general industries.
PROJECT DESCRIPTION:	Schafer Industries, Inc. d/b/a Schafer Gear Works will purchase and install new manufacturing equipment.

CREATED

RETAINED

JOBS CREATED (FULL-TIME):	2	JOBS RETAINED (FULL-TIME):	14
JOBS CREATED (PART-TIME):	0	JOBS RETAINED (PART-TIME):	0
TOTAL NEW PAYROLL:	\$68,500	TOTAL RETAINED PAYROLL:	\$ 497,000
AVERAGE SALARY (FULL-TIME NEW):	\$34,250	AVERAGE SALARY (FULL-TIME RETAINED):	\$ 35,500

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, General Industrial.

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

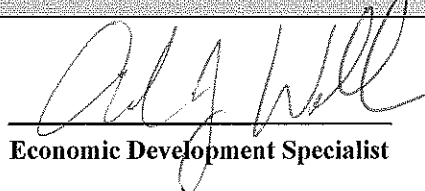
Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

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

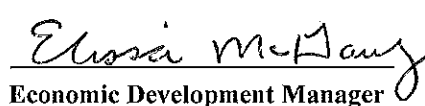
Under Fort Wayne Common Council's tax phase-in policies and procedures, Schafer Industries, Inc. d/b/a Schafer Gear Works is eligible for a five year deduction on personal property improvements. Attached is a spreadsheet that shows how the application scored under the review system. Also attached is an estimate of the taxes saved and paid over the length of the five year deduction schedule.

COMMENTS

Signed:


Economic Development Specialist

Reviewed:


Economic Development Manager

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

Estimated local income taxes generated from jobs retained

\$80,000 or more	5	
\$30,000 to \$79,999	4	
\$10,000 to \$29,999	3	
\$5,000 to \$9,999	2	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	
\$5,000 to \$9,999	3	
\$3,000 to \$4,999	2	
less than \$3,000	1	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	5
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Estimated Percent of Business done outside

Allen County

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

JOBS (20 points possible)

Total number of permanent jobs retained

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

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

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

WAGES (20 points possible)

Median salary of the jobs created and/or retained

Over \$45,000	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	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

Total	59
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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%	

POOL #2

TAX ABATEMENT - ESTIMATE OF SAVINGS

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

PERSONAL PROPERTY TAX ABATEMENT - 5 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	\$1,025,000	40%	\$410,000	\$410,000	100%	0%	\$410,000	\$0	0.032287	\$0	\$13,238
2	\$1,025,000	56%	\$574,000	\$574,000	80%	20%	\$459,200	\$114,800	0.032287	\$3,707	\$14,826
3	\$1,025,000	42%	\$430,500	\$430,500	60%	40%	\$258,300	\$172,200	0.032287	\$5,560	\$8,340
4	\$1,025,000	32%	\$328,000	\$328,000	40%	60%	\$131,200	\$196,800	0.032287	\$6,354	\$4,236
5	\$1,025,000	30%	\$307,500	\$307,500	20%	80%	\$61,500	\$246,000	0.032287	\$7,943	\$1,986
6	\$1,025,000	30%	\$307,500	\$307,500	0%	100%	\$0	\$307,500	0.032287	\$9,928	\$0
7	\$1,025,000	30%	\$307,500	\$307,500	0%	100%	\$0	\$307,500	0.032287	\$9,928	\$0
8	\$1,025,000	30%	\$307,500	\$307,500	0%	100%	\$0	\$307,500	0.032287	\$9,928	\$0
9	\$1,025,000	30%	\$307,500	\$307,500	0%	100%	\$0	\$307,500	0.032287	\$9,928	\$0
10	\$1,025,000	30%	\$307,500	\$307,500	0%	100%	\$0	\$307,500	0.032287	\$9,928	\$0
11	\$1,025,000	30%	\$307,500	\$307,500	0%	100%	\$0	\$307,500	0.032287	\$9,928	\$0
TOTAL TAX SAVED PERSONAL PROPERTY										(10 yrs on 5 yr deduction)	\$42,625
TOTAL TAX PAID PERSONAL PROPERTY										(10 yrs on 5 yr deduction)	\$73,204