

BILL NO. R-15-08-04

DECLARATORY RESOLUTION NO. R-_____

**A DECLARATORY RESOLUTION designating an
"Economic Revitalization Area" under I.C. 6-1.1-
12.1 for property commonly known as 4108 W.
Ferguson Road, Fort Wayne, Indiana 46899
(Ellison Bakery, Inc.)**

WHEREAS, Petitioner has duly filed its petition dated August 14, 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 16 full-time, permanent jobs for a total new, annual payroll of \$482,435, with the average new annual job salary being \$30,152 and will retain 87 full-time and 3 part-time, permanent jobs for a total current annual payroll of \$3,471,060, with the average current, annual job salary being \$38,567; and

WHEREAS, the total estimated project cost is \$1,850,000; 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 \$2.8706/\$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 \$2.8706/\$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 \$2.8706/\$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 seven 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	85%
3	71%
4	57%
5	43%

6	29%
7	14%

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



AUG 14 2015

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:

\$ 1,850,000

TOTAL OF ABOVE IMPROVEMENTS:

\$ 1,850,000

GENERAL INFORMATION

Real property taxpayer's name: Ellison Bakery, Inc.

Personal property taxpayer's name: Ellison Bakery, Inc.

Telephone number: (800) 771-8091

Address listed on tax bill: P.O. Box 9087

Name of company to be designated, if applicable: Ellison Bakery, Inc.

Year company was established: 1945

Address of property to be designated: 4108 W. Ferguson Road, Fort Wayne, IN 46899

Real estate property identification number: 02-17-05-477-004.000-080

Contact person name: Ms. Brenda Robison

Contact person telephone number: (800) 771-8091

Contact person Email: brenda.robison@ebakery.com

Contact person address: 4108 W. Ferguson Road, Fort Wayne, IN 46899

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Robert Ellis	CFO	3930 Vermilion Cliff, Fort Wayne, IN 46814	(800) 771-8091
Jon Ellis	Vice President	1519 Galapagos Drive, Fort Wayne, IN 46814	(800) 771-8091
Jeremy Ellis	Vice President	14922 Sea Holly Court, Fort Wayne, IN 46814	(800) 771-8091
Todd Wallin	President	12027 Ray Road, Churubusco, IN 46723	(800) 771-8091

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

NAME	PERCENTAGE
Robert Ellis	4.50%
Jon Ellis	25.50%
Jeremy Ellis	25.50%
Jodie Boyer	22.25%
Jennifer Howard	20.25%

- ☐ 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? 99%

What is the company's primary North American Industrial Classification Code (NAICs)? 311821

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

Founded in 1945, Ellison Bakery has established a distinguished reputation of producing high-quality baked goods made from only the finest ingredients. Over time, Ellison Bakery has experienced multiple expansions and its products are now sold throughout the entire nation, all while remaining a family-owned business committed to excellence in all phases of its operations.

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2014	\$ 21,269,595.00
2013	\$ 18,227,816
2012	\$ 19,978,970

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

Customer Name	City/State	Annual Gross Sales
Darlington Cookie Company	Noblesville, IN	\$ 7,320,226
Unilever	Englewood Cliffs, NJ	\$ 4,418,654
Mars Chocolate North America	Hackettstown, NJ	\$ 2,894,141

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

Supplier Name	City/State	Annual Gross Purchases
Michigan Sugar	Bay City, MI	\$ 1,552,797
Star of the West	Frankenmuth, MI	\$ 1,203,899
Darlington Cookie Company	Noblesville, IN	\$ 1,079,472

List the company's top three competitors:

Competitor Name	City/State
Norse Dairy	Columbus, OH
Kerry Ingredients	Greenville, MO
Creative Food Ingredients	Perry, NY

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

Ellison Bakery produces a variety of high quality baked goods, including cookie products and crunch and inclusion products. Ellison has the ability to internally design and manufacture custom new products to meet customer needs.

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?

Ellison Bakery is located adjacent to the airport, making the site undesirable for many development uses. As a food processing facility, production equipment can quickly become obsolete as new processes, regulations, and consumer demands arise. Updating the facility with an investment in new production equipment will strengthen Ellison's presence and will represent the highest and best use of the facility. The investment of capital will enable Ellison to better serve out of state customers' production needs, thus bringing production into Indiana that currently occurs outside the state.

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 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)

The Company intends to purchase new manufacturing equipment in an effort to modernize its manufacturing operations. The equipment will be utilized in all phases of the Company's manufacturing operations. A listing is attached.

☐ 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): 10/2015

Date last piece of equipment will be installed (month/year): 12/2019

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

See attached.

Equipment Listing: Ellison Bakery Abatement

<u>Equipment Description</u>	<u>Depreciation Life</u>
Oven	7 years
Mixer	7 years
Mixer integration	7 years
Metal detector (x2)	7 years
Fuji rebuild or new	7 years
Conveyoring	7 years
Scale for bagger	7 years
Labeling equipment	7 years
Packaging conveyors	7 years
Check weigher	7 years
Bulk delivery system	7 years
Dough troughs (x 3)	7 years
Rotary dies (x 2-4)	7 years
Hoist system	7 years
Oil spray system	7 years
Various production equipment	7 years

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 attached			

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See attached			

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See attached			

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
See attached			

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
See attached			

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
See attached			

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:

401(k) Retirement Plan and Section 125

When will you reach the levels of employment shown above? (month/year): 12/2017

Employee Listing: Ellison Bakery Abatement

Occupation Description	Occupation Code	Average Salary	Number of Jobs	Total Salary
<i>Current/Retained Full-Time Employees</i>				
Computer Network Support Specialist	15-1152	38,110	1	38,110
Line Inspectors	51-9061	25,459	3	76,378
Line Packers	51-9111	26,021	21	546,437
Machine Operators	51-9023	33,946	14	475,238
Maintenance & Repair Workers	49-9071	49,691	6	298,147
Quality Assurance Technician	51-9198	29,536	3	88,608
R&D/Lab assistant	19-4031	37,378	1	37,378
Office	43-3031	31,470	2	62,941
Sanitation	37-2011	30,701	4	122,803
Seal-out / Wrapper Operator	51-9198	28,246	5	141,232
Shift Supervisors	51-1011	40,872	4	163,488
Utility Operator/Machine Breaker	51-9032	30,181	8	241,446
Warehouse	53-7064	34,590	2	69,181
Assistant Warehouse Mgr	53-1021	40,165	1	40,165
HR Specialist	13-1071	43,000	1	43,000
Industrial Production Managers	11-3051	54,043	3	162,129
Purchasing Agent	13-1023	74,584	1	74,584
Sales Representative	41-4012	87,584	1	87,584
Customer Service	41-4012	51,950	1	51,950
Financial Manager	11-3031	71,221	1	71,221
Chief Executives	11-1011	131,060	4	524,239
			87	3,416,258
<i>Additional Full-Time Employees</i>				
Maintenance & Repair Workers	49-9071	43,680	1	43,680
Machine Operators	51-9023	31,491	3	94,474
Utility Operators	51-9032	29,245	7	204,714
Line Packers	51-9111	26,021	2	52,042
Warehouse	53-7064	31,491	1	31,491
Sanitation	37-2011	28,018	2	56,035
			16	482,435
<i>Current/Retained Part-Time Employees</i>				
R&D (20 hours/week)	19-4031	32,136	1	32,136
Production Clerk (12.5 hours/week)	43-5061	10,043	1	10,043
Osha/Safety Director (13.50 hours/week)	29-9011	12,623	1	12,623
			3	54,802

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.

Brenda Robinson
Signature of Taxpayer/Owner

Office Manager BRENDA ROBINSON
Printed Name and Title of Applicant

08/12/2015
Date

**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**

AUG 14 2015

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

1. This statement must be submitted to the body designating the Economic Revitalization Area **BEFORE** the person begins work on the property 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.
2. 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.
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, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. 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 Ellison Bakery, Inc.					Name of contact person Brenda Robison						
Address of taxpayer (number and street, city, state, and ZIP code) 4108 W. Ferguson Road, Fort Wayne, IN 46899							Telephone number (800) 711-8091				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT											
Name of designating body Fort Wayne Common Council					Resolution number (s)						
Location of property 4108 W. Ferguson Road, Fort Wayne, IN 46899				County Allen		DLGF taxing district number 02080					
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.) The manufacturing equipment that will be purchased will be used to update and modernize the Company's manufacturing processes and operations.					ESTIMATED						
							START DATE	COMPLETION DATE			
					Manufacturing Equipment		10/01/2015	12/31/2019			
					R & D Equipment						
					Logist Dist Equipment						
IT Equipment											
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT											
Current number 90 (FT & PT)		Salaries \$3,471,060		Number retained 90 (FT & PT)		Salaries \$3,471,060		Number additional 16		Salaries \$482,435	
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			1,850,000								
Less values of any property being replaced											
Net estimated values upon completion of project			1,850,000								
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 Brenda Robison								Date signed (month, day, year) 8/12/2015			
Printed name of authorized representative Brenda Robison						Title Office Manager					

Exhibit A

IDENTIFICATION OF PROPERTY:

Subject property is located at 4108 Ferguson Road, Fort Wayne, Indiana 46809.

LEGAL DESCRIPTION:

The following legal descriptions have been obtained from the property owner. These legal descriptions are assumed to be equal to those used in the mortgage underwriting process.

Beginning on the South line of the Southeast Quarter of said Section 5 at a point situated 650.0 feet, N 89°-08' E (deed bearing and is used as the basis for the bearings in this description) from the Southwest corner of the Southeast Quarter of said Southeast Quarter; thence N 89°-08' E, on and along said South line, being within the right-of-way of Ferguson Road, a distance of 415.0 feet; thence N 01°-41' W and parallel to the West line of the Southeast Quarter of said Southeast Quarter, a distance of 654.55 feet to a point on the South right-of-way line of Piper Drive (formerly "C" Street); thence S 89°-11' W, on and along said South right-of-way line, a distance of 415.0 feet; thence S 01°-41' E and parallel to said West line, a distance of 647.5 feet to the point of beginning, containing 6.202 acres of land (270,148 square feet), subject to legal right-of-way for Ferguson Road and subject to all easements of record.

and

Commencing at a 5/8 diameter rebar with an orange identification cap stamped "SCO Engineering LLC-Firm #0053-Boundary Point" at the Southwest Corner of the Southeast Quarter of the Southeast Quarter of Fractional Section 5, Township 29 North, Range 12 East, Second Principal Meridian, Pleasant Civil Township, Allen County, Indiana; thence North 89 degrees 30 minutes 47 seconds East (calculated bearing per the Fort Wayne International Airport - Horizontal and Vertical Control Plan and is the basis for this and all subsequent bearings appearing in this description), along the South line of the Southeast Quarter of the Southeast Quarter of said Fractional Section, being within the right-of-way of Ferguson Road, a distance of 1063.00 feet to a survey marker nail with an identification washer stamped "SCO Engineering-Firm #0053" at the point of beginning for the parcel herein described; thence North 01 degrees 07 minutes 33 seconds West, parallel with the West line of the Southeast Quarter of the Southeast Quarter of said Fractional Section, a distance of 678.37 feet to a survey marker nail with an identification washer stamped "SCO Engineering-Firm #0053" on the centerline of Piper Drive (formerly "C" Street); thence North 88 degrees 41 minutes 39 seconds East, along the centerline of Piper Drive, a distance of 146.80 feet to a P.K. nail on the centerline of Sixth Street; thence South 01 degrees 13 minutes 46 seconds East, along the centerline of Sixth Street, a distance of 688.68 feet to a survey marker nail with an identification washer stamped "SCO Engineering-Firm #0053" on the South line of the Southeast Quarter of the Southeast Quarter of said Fractional Section; thence South 89 degrees 30 minutes 47 seconds West, along the South line of the Southeast Quarter of the Southeast Quarter of said Fractional Section, a distance of 148.04 feet to the point of beginning for the parcel herein described, containing 2.30 acres of land, more or less.

MEMORANDUM



TO: City Council
FROM: Elissa McGauley, Economic Development Manager
DATE: August 14, 2015
RE: Request for designation by Ellison Bakery, Inc. as an ERA for personal property improvements

BACKGROUND

PROJECT ADDRESS:	4108 W. Ferguson Road	PROJECT LOCATED WITHIN:	Not Applicable
PROJECT COST:	\$ 1,850,000	COUNCILMANIC DISTRICT:	4

COMPANY PRODUCT OR SERVICE:	Ellison Bakery produces a variety of high quality baked goods, including cookie products and crunch and inclusion products.
PROJECT DESCRIPTION:	Ellison Bakery will update the facility with an investment in new production equipment.

CREATED

RETAINED

JOBS CREATED (FULL-TIME):	16	JOBS RETAINED (FULL-TIME):	87
JOBS CREATED (PART-TIME):	0	JOBS RETAINED (PART-TIME):	3
TOTAL NEW PAYROLL:	\$482,435	TOTAL RETAINED PAYROLL:	\$ 3,471,060
AVERAGE SALARY (FULL-TIME NEW):	\$30,152	AVERAGE SALARY (FULL-TIME RETAINED):	\$ 39,267

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 seven years.

Under Fort Wayne Common Council's tax phase-in policies and procedures, Ellison Bakery, Inc. is eligible for a seven 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 seven year deduction schedule.

COMMENTS

Signed:

Erin McElaney
Economic Development Manager

COMMUNITY DEVELOPMENT DIVISION

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	64
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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 FORT WAYNE COMMUNITY DEVELOPMENT DIVISION
TAX ABATEMENT - ESTIMATE OF SAVINGS**

PERSONAL PROPERTY TAX ABATEMENT - 7 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	\$1,850,000	40%	\$740,000	\$740,000	100%	0%	\$740,000	\$0	0.028706	\$0	\$21,242
2	\$1,850,000	56%	\$1,036,000	\$1,036,000	85%	15%	\$880,600	\$155,400	0.028706	\$4,461	\$25,279
3	\$1,850,000	42%	\$777,000	\$777,000	71%	29%	\$551,670	\$225,330	0.028706	\$6,468	\$15,836
4	\$1,850,000	32%	\$592,000	\$592,000	57%	43%	\$337,440	\$254,560	0.028706	\$7,307	\$9,687
5	\$1,850,000	30%	\$555,000	\$555,000	43%	57%	\$238,650	\$316,350	0.028706	\$9,081	\$6,851
6	\$1,850,000	30%	\$555,000	\$555,000	29%	71%	\$160,950	\$394,050	0.028706	\$11,312	\$4,620
7	\$1,850,000	30%	\$555,000	\$555,000	14%	86%	\$77,700	\$477,300	0.028706	\$13,701	\$2,230
8	\$1,850,000	30%	\$555,000	\$555,000	0%	100%	\$0	\$555,000	0.028706	\$15,932	\$0
9	\$1,850,000	30%	\$555,000	\$555,000	0%	100%	\$0	\$555,000	0.028706	\$15,932	\$0
10	\$1,850,000	30%	\$555,000	\$555,000	0%	100%	\$0	\$555,000	0.028706	\$15,932	\$0
11	\$1,850,000	30%	\$555,000	\$555,000	0%	100%	\$0	\$555,000	0.028706	\$15,932	\$0
TOTAL TAX SAVED									(10 yrs on 7 yr deduction)		<u>\$85,745</u>
TOTAL TAX PAID									(10 yrs on 7 yr deduction)		<u>\$100,126</u>

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

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Ellison Bakery, Inc. is requesting the designation of an Economic Revitalization Area for personal property improvements in the amount of \$1,850,000. In order to expand, Ellison Bakery, Inc. will purchase and install new production equipment.**

EFFECT OF PASSAGE: **Installing the new equipment will allow Ellison Bakery, Inc. to strengthen Ellison's presence and will represent the highest and best use of the facility. Sixteen full-time jobs will be created.**

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

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

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