

BILL NO. R-18-08-29

DECLARATORY RESOLUTION NO. R-_____

**A DECLARATORY RESOLUTION OF THE COMMON
COUNCIL OF THE CITY OF FORT WAYNE, INDIANA,
DECLARING ITS OFFICIAL INTENT TO PERMIT THE
REIMBURSEMENT OF PROJECT EXPENDITURES WITH
BOND PROCEEDS (SAC PROPERTIES PROJECT)**

WHEREAS, the City of Fort Wayne, Indiana (the "**Issuer**"), is authorized by IC 36-7-11.9 and 12 (the "**Act**") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, construction and equipping of said facilities or the reimbursement of costs incurred in connection therewith, and said facilities to be either sold or leased to another person or directly owned by another person; and

WHEREAS, SAC Properties, LLC, an Indiana limited liability company (the "**Company**"), proposes to request the Issuer to issue its tax-exempt bonds (the "**Bonds**") under the Act, to finance a portion of the hereinafter described economic development facilities for the Company (collectively the "**Project**"); and

WHEREAS, the Company has advanced a portion of the costs of the Project prior to the issuance of the Bonds, and it is anticipated that the Company will make additional advances of costs of the Project in the future, such advances to be repaid from proceeds of the Bonds upon the issuance thereof; and

WHEREAS, United States Treasury Regulation § 1.150-2 (the "**Reimbursement Regulations**") specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the Issuer intends by this resolution to qualify amounts advanced by the Company to the Project for reimbursement to the Company from proceeds of the Bonds in accordance with the requirements of the Reimbursement Regulations.

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

Section 1. The Project shall consist of the financing of certain economic development facilities, including the construction of a 47,000 sq. ft. building to be situated at 13026 Bluffton Road in Allen County, Indiana that will contain equipment and furnishings necessary for NIA LLC, an Indiana limited liability company doing business as Northern Indiana Anodize, the lessee of the Project from the Company, to engage in the aluminum anodization business.

Section 2. The maximum principal amount of Bonds expected to be issued for the Project is \$3,000,000.

Section 3. The Issuer hereby declares its official intent, as anticipated by this resolution, for the Company to reimburse itself for its advances to the Project from proceeds of the Bonds, when and as issued by the Issuer.

Section 4. Issuance of the Bonds is subject to review and approval by the Fort Wayne Economic Development Commission and the approval and authorization by this Common Council by proper proceedings subsequent to the passage of this resolution.

Councilmember

APPROVED AS TO FORM AND LEGALITY:

Carol Helton, City Attorney

August 23, 2018

City of Fort Wayne Common Council
Attn: City Council Administrator
Citizens Square
200 E. Berry St., Ste. 120
Fort Wayne, Indiana 46802

**Re: A DECLARATORY RESOLUTION OF THE COMMON COUNCIL OF
THE CITY OF FORT WAYNE, INDIANA, DECLARING ITS OFFICIAL
INTENT TO REIMBURSE PROJECT EXPENDITURES WITH BOND
PROCEEDS (SAC PROPERTIES PROJECT)**

To Whom It May Concern:

Enclosed please find a proposed Declaratory Resolution of the Common Council of The City of Fort Wayne, Indiana, declaring its official intent to reimburse project expenditures with bond proceeds (SAC Properties Project).

As background, SAC Properties, LLC, an Indiana limited liability company (the "*Company*"), intends to construct a 47,000 square foot building to be situated at 13026 Bluffton Road in Allen County, Indiana that will contain equipment and furnishings necessary for the Company's affiliate, NIA LLC, an Indiana limited liability company doing business as Northern Indiana Anodize, to engage in the aluminum anodization business. These are startup companies and the project is expected to create 48 new full time jobs. Please see the attached "Application for Approval of a Statement of Benefits" prepared by the Company for more detailed information on the benefits that this project will provide to the Fort Wayne area.

The Company proposes to request the City of Fort Wayne to issue its tax-exempt bonds as authorized by Indiana Code 36-7-11.9 and 12 to finance the economic development facilities described in this Declaratory Resolution. In furtherance of that objective, the Company will submit its Application for Economic Development Bond Financing to the Fort Wayne Economic Development Commission, to be considered for approval at the Commission's September 20th regular meeting.

The Company requests that the Common Council consider and approve this Declaratory Resolution so that certain funds that the Company has already advanced into the project may be eligible for reimbursement from the bond proceeds under applicable Internal Revenue Code and Treasury Regulation requirements in the event the Common Council subsequently approves the issuance of such bonds. United States Treasury Regulation § 1.150-2 specifies that in order for certain advances to be eligible for reimbursement from bond proceeds, the issuer of the bonds

must adopt an "official intent" to reimburse prior expenditures from bond proceeds. This official intent can be in any reasonable form, including issuer resolution, as long as it is adopted within 60 days of the original expenditure.

This proposed Declaratory Resolution is necessary at this time in order for certain Company advances to be eligible for reimbursement from bond proceeds. If the declaration of official intent is not adopted by Common Council until after the September 20th meeting of the Fort Wayne Economic Development Commission, some of those advances may fall outside the 60-day window described in the preceding paragraph.

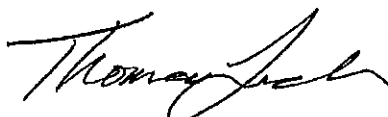
This Declaratory Resolution would not commit the City of Fort Wayne or the Economic Development Commission to authorize or approve anything with respect to the potential bond issuance. It is merely an administrative formality required by applicable Federal tax law that will only take effect if the Economic Development Commission and Common Council actually approve and authorize the bond issuance by proper proceedings subsequent to the passage of this Declaratory Resolution.

As a further reminder, the bonds that the Company will request the City of Fort Wayne to issue are economic development bonds for which the City will have no liability.

If you need any further information, please let me know.

Sincerely,

BARRETT McNAGNY LLP

A handwritten signature in black ink, appearing to read "Thomas E. Ludwiski", with a stylized flourish at the end.

Thomas E. Ludwiski

TEL/smb: 2120787

Enclosures



APPLICATION FOR APPROVAL OF A STATEMENT OF BENEFITS (SB-1) (2017)

APPLICATION IS FOR: (check either or both)

- X Real Estate Improvements (New Building, Addition, and/or Modification)
- X New Equipment (Manufacturing, Research and Development, Logistical Distribution, and/or Information Technology)

Please provide the amount invested for each category:

Total cost of real estate improvements:	<u>2,000,000</u>
Total cost of manufacturing equipment:	<u>4,600,000</u>
Total cost of research and development equipment:	<u>0</u>
Total cost of logistical distribution equipment:	<u>50,000</u>
Total cost of information technology equipment:	<u>20,000</u>
Grand total cost of real estate improvements and equipment:	<u>6,670,000</u>

GENERAL INFORMATION

- Real property taxpayer's name: SAC Properties LLC
Personal property taxpayer's name: NIA LLC
(**Please make sure these names match the SB-1 state forms for tax purposes)
- Address listed on tax bill: 13026 Bluffton Road
- Year Company was established: 2018 Start up
- Name of Company to be designated, if applicable: _____
- Address of property where improvements will be made: 13026 Bluffton Road
- Parcel Identification Number of property: 02-17-16-400-005.000-059
- Contact person/representative: Bruce Fogler
- Telephone number: 260-482-7544
- Mailing address of contact person: 6935 Lincoln Parkway
Fort Wayne, IN 46804
- E-mail address: brucef@faztek.net
- Do you plan to request state or local assistance to finance public improvements? No

12. What is the company's NAICS (North American Industrial Classification Code)? 332813
13. Indicate the nature of the company's business, in general: Anodize Aluminum
14. For "Office" and "Service" businesses, please indicate the percentage of clients/customers that are located within Allen County: 10%
15. Description of product or service to be offered at the project site: Anodize Aluminum extrusions up to 30 feet in length. Anodizing is a coating to prevent aluminum from corroding. The coating is applied by dipping the aluminum in multiple chemical baths.
16. Dollar amount of annual sales for each of the last three years:
0 0 0 Startup company
17. What is the percentage of clients/customers served that are located outside of Allen County?
90%
18. List the three largest customers, their locations, and amount of annual gross sales:
- | Customer | City / State | Annual Gross Sales |
|------------------------------|--------------|--------------------|
| Startup no current customers | | |
19. List the three largest material suppliers, their locations, and amount of annual purchases:
- | Supplier | City / State | Gross Purchases |
|----------------------------|--------------|-----------------|
| Startup No current vendors | | |
20. Does the company's business include a retail component, meaning that goods or items are sold to the ultimate consumer for the consumer's use or consumption and not to a person for resale? No (If yes, continue below. If no, then skip to question 21.)
- a. What percentage of floor space will be utilized for retail activities?
- _____

- b. What percentage of sales are made to the ultimate consumer as defined above?

- c. Provide the amount of sales tax collected in each of the last three years?

- d. What percentage of business is from service calls? _____

21. Impact on existing businesses:

- a. Will this project be in competition with existing local businesses? No current anodize facility in Allen County has 32 foot long tanks. We will compete with local anodize companies for parts less than 15 feet long.
- b. Will this project complement existing local business? Yes, some businesses use aluminum extrusions over 15 foot long that currently must be anodized outside the county. We will provide a local alternative.

REAL PROPERTY INFORMATION

Complete this section only if you are requesting a deduction from assessed value for real estate improvements.

22. Current use of the property:
- a. How is the real estate presently used? Agriculture
 - b. What structures are on the property? No structures
 - c. What is (are) the general condition of structure(s)?
23. Describe the proposed improvements to the subject property: 47,000 square foot steel building 24 foot sides and 30 foot peak with parking lot and drive.
24. Have Allen County building permits been filed for this project? ☐ Yes ☒ No
25. Projected Construction timeframe:
- a. Construction start date: 8/2018
 - b. Construction completion date: 3/2019
26. Will this project require approval of a rezoning, plat, development plan, vacation, variance, special exception, or contingent use prior to the issuance of an Improvement Location Permit? Yes If yes, list: Development plan

PERSONAL PROPERTY INFORMATION

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

27. Describe the purpose of the proposed equipment at the project site: Equipment to anodize aluminum and run safe and environmentally clean operation.

28. Please provide a list of the equipment for which you are applying for a personal property abatement along with the expected life of the asset for purposes of depreciation (attach a separate sheet if necessary):

<u>Proposed Equipment (list individually)</u>	<u>Expected Life of Asset For Purpose of Depreciation</u>
Listing attached	

29. Will any of the equipment listed above be classified as special tooling (as defined by regulation No. 16 and reported on Form 103-T) for property tax purposes? No

a. If yes, please indicate the total cost of special tooling: _____

30. Has any of the equipment for which you are seeking a designation been installed? No

31. Has any of the proposed equipment ever been used for any purpose in Indiana? No
If so, who was it purchased from: _____

32. Development time frame

a. Equipment purchase date: 9/2018 b. Equipment installation date: 6/2019

JOB CREATION AND RETENTION

Please be specific on job descriptions. When listing the occupation codes, please avoid using the "Major Occupational Groupings" (i.e. 11-000, 13-000, etc.) which are more general in nature. Instead, use specific occupation codes (11-1021, 13-1081, 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, IN Metropolitan and Nonmetropolitan Area at the following link:
http://www.bls.gov/oes/current/oes_23060.htm

33. Current full-time employment:

<i>Occupation</i>	<i>Occupation Code</i>	<i>Number Of Jobs</i>	<i>Average Salary</i>	<i>Salary Range</i>
		0		

34. Full-time jobs to be created as a result of this project:

<i>Occupation</i>	<i>Occupation Code</i>	<i>Number Of Jobs</i>	<i>Average Salary</i>	<i>Salary Range</i>
Operators	51-4193	44	\$16 per hour	\$14 -\$18
Customer Service	43-4051	1	\$17 per hour	\$15-\$19
Production Managers	11-3051	3	\$24 per hour	\$18-\$30

35a. Please note any temporary positions:

<i>Occupation Current or created?</i>	<i>Occupation Code</i>	<i>Number Of Jobs</i>	<i>Average Salary</i>	<i>Salary Range</i>

35b. Please note any part-time positions:

<i>Occupation Current or created?</i>	<i>Occupation Code</i>	<i>Number Of Jobs</i>	<i>Average Salary</i>	<i>Salary Range</i>

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36. Anticipated date for reaching employment level in Question 33: 12/2020

37. Check all of the benefits listed below that the company provides to workers who have been employed for 6 months. The company must pay at least 70% of the benefit cost.

- | | | |
|---|--|---|
| ☒ Paid Vacation | ☒ Health Insurance | ☒ Uniforms |
| ☒ Sick Leave | ☒ Life Insurance | ☒ Employee Training |
| ☒ Paid Holidays | ☐ Dental Insurance | ☐ Tuition Reimbursement |
| ☐ Pension Plan | ☐ Vision Insurance | |
| ☐ Other (Please List): _____ | | |

COMMUNITY BENEFITS

38. The Allen County Council began the Tax Abatement Development Fund in 1992 as a means to fund future economic development efforts which benefit expanding or new industries. The fund is being capitalized with voluntary contributions of either 10% or 5% of the tax savings realized by companies receiving tax abatement. Is the company willing to contribute a portion of its tax savings? (Please check one)

48

Yes: ☐ 10% ☒ 5% No: ☐

REQUIRED ATTACHMENTS

This application will not be considered complete unless signed and the items listed below are attached. Once the application is determined to be complete, then this project will be placed on the agenda of the Allen County Council.

- ☐ 1) Application Fee (Make check payable to "Allen County Treasurer")
- ☐ 2) Statement of Benefits (SB-1) Form(s) (Fill in pg 1 and sign)

There is a non-refundable filing fee of \$500 for either real estate improvements or new equipment. If filing for both real estate improvements and new equipment the fee is \$750. A fee may also be assessed if the applicant requests a waiver of non-compliance for failure to apply prior to obtaining building permits and/or installing equipment. The filing fee will be used to defray the costs incurred by Allen County in processing the application pursuant to I.C. 6-1.1-12.1-2(h). Please make the check payable to the **Allen County Treasurer** and include it with the application. Please send check, application, and applicable state forms to:

Department of Planning Services
Attn: Rachel Black

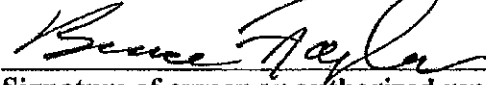
200 E Berry St / Suite 150
Fort Wayne, IN 46802

CERTIFICATION

Filing this application constitutes a request for approval of a Statement of Benefits (SB-1) only and does not constitute an automatic deduction of property taxes. I understand it is the responsibility of the applicant to file the appropriate abatement forms with the Allen County Auditor and the Allen County Assessor if the SB-1 is approved. I certify that the taxpayer is not delinquent on any and/or all property tax due to taxing jurisdictions within Allen County, Indiana.

I hereby certify the information and representations of this application are true and complete and that neither an Improvement Location Permit nor a Structural Permit have been filed for construction of improvements, nor has equipment which is a part of this application been purchased and installed as of the date of the filing of this application.

I understand that I must file a correctly completed Compliance with Statement of Benefits Form (CF-1) demonstrating compliance with the community benefits described on the SB-1 form and that failure to demonstrate compliance on an annual basis may result in the termination of the tax abatement benefits authorized by the approval of the SB-1.



Signature of owner or authorized representative

Bruce Fogler, CFO

Printed name and title

Date 5/25/2018

NIA, LLC Equipment list

Manufacturing Equipment		phase in
Tanks	900,000	10 years
Spill containment	250,000	10 years
Crane	275,000	10 years
Rectifiers	200,000	10 years
Chiller	175,000	10 years
Heat Exchangers and pumps	50,000	10 years
Water Supply line	75,000	10 years
Ventilation	600,000	10 years
Waste Treatment	970,000	10 years
Tank heat system	535,000	10 years
Air Compressor	35,000	10 years
Tank Filters	30,000	10 years
Tank decking	25,000	10 years
Racking	180,000	10 years
Installation electric/plumbing	<u>300,000</u>	10 years
	4,600,000	

Logistic

Forklifts	30,000	7 years
Packing station	<u>20,000</u>	7 years
	50,000	

IT

PC/Server	20,000	5 year
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Total	4,670,000	
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