

**A DECLARATORY RESOLUTION designating an  
"Economic Revitalization Area" under I.C. 6-1.1-12.1  
for property commonly known as 7310 Innovation  
Boulevard, Fort Wayne, Indiana 468018 (Hoffmaster  
Group, Inc.)**

**WHEREAS**, Petitioner has duly filed its petition dated November 1, 2018 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 156 full-time, permanent jobs for a total new, annual payroll of \$4,873,560, with the average new annual job salary being \$31,240 and retain 98 full-time, permanent jobs for a total current annual payroll of \$3,023,216, with the average current, annual job salary being \$30,849; and

**WHEREAS**, the total estimated project cost is \$5,565,000; 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, 2021, 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, logistical distribution and information technology equipment improvements to be made between November 1, 2018 and December 31, 2020.

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

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

9                   (a) If the proposed new manufacturing, logistical distribution and information technology  
10 equipment is not installed, the approximate current year tax rates for this site would  
11 be \$3.4092/\$100.

12                   (b) If the proposed new manufacturing, logistical distribution and information technology  
13 equipment is installed and no deduction is granted, the approximate current year tax  
14 rate for the site would be \$3.4092/\$100 (the change would be negligible).

15                   (c) If the proposed new manufacturing, logistical distribution and information technology  
16 equipment is installed and a deduction percentage of eighty percent (80%) is  
17 assumed, the approximate current year tax rate for the site would be \$3.4092/\$100  
18 (the change would be negligible).

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

22                   **SECTION 7.** That, pursuant to I.C. 6-1.1-12.1, it is hereby determined that the  
23 deduction from the assessed value of the new manufacturing, logistical distribution and  
24 information technology equipment shall be for a period of seven years.

25                   **SECTION 8.** The deduction schedule from the assessed value of new manufacturing,  
26 logistical distribution and information technology equipment pursuant to I.C. 6-1.1-12.1-17 shall  
27 look like this:

| Year of Deduction | Percentage |
|-------------------|------------|
| 1                 | 100%       |
| 2                 | 85%        |
| 3                 | 71%        |
| 4                 | 57%        |
| 5                 | 43%        |
| 6                 | 29%        |
| 7                 | 14%        |
| 8                 | 0%         |

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

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

3                   **SECTION 11.** That, pursuant to I.C. 6-1.1-12.1-12 et al, any property owner that has  
4 received a deduction under section 3 or 4.5 of said chapter may be required to repay the  
5 deduction amount as determined by the county auditor in accordance with section 12 of said  
6 chapter if the property owner ceases operations at the facility for which the deduction was  
7 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.

8                   **SECTION 12.** That, this Resolution shall be in full force and effect from and after its  
9 passage and any and all necessary approval by the Mayor.

10 \_\_\_\_\_  
Member of Council

11 APPROVED AS TO FORM AND LEGALITY

12 \_\_\_\_\_  
13 Carol Helton, City Attorney  
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## CITY OF FT WAYNE

NOV 01 2018

03/2013



COMMUNITY DEVL.

ECONOMIC REVITALIZATION AREA APPLICATION  
CITY OF FORT WAYNE, INDIANA

APPLICATION IS FOR: (Check appropriate box(es))

- ☐ Real Estate Improvements
- ☒ Personal Property Improvements
- ☐ Vacant Commercial or Industrial Building

Total cost of real estate improvements:

\$ 5,190,000

Total cost of manufacturing equipment improvements:

Total cost of research and development equipment improvements:

\$ 300,000

Total cost of logistical distribution equipment improvements:

\$ 75,000

Total cost of information technology equipment improvements:

TOTAL OF ABOVE IMPROVEMENTS:

\$ 5,565,000

## GENERAL INFORMATION

Real property taxpayer's name: All America City Investors, LLC

Personal property taxpayer's name: Hoffmaster Group, Inc.

Telephone number: (920) 235-9330

Address listed on tax bill: 7310 Innovation Boulevard, Fort Wayne, IN 46818

Name of company to be designated, if applicable: Hoffmaster Group, Inc.

Year company was established: 2005

Address of property to be designated: 7310 Innovation Boulevard, Fort Wayne, IN 46818

Real estate property identification number: 02-07-16-200-011.000-073

Contact person name: David Walkowski

Contact person telephone number: (920) 235-9330

Contact person Email: david.walkowski@hoffmaster.com

Contact person address: 2920 North Main Street, Oshkosh, WI 54903

List company officer and/or principal operating personnel

| NAME            | TITLE                          | ADDRESS                                   | PHONE NUMBER   |
|-----------------|--------------------------------|-------------------------------------------|----------------|
| Roderick Leyden | President & CEO                | 2920 North Main Street, Oshkosh, WI 54903 | (920) 235-9330 |
| David Walkowski | CFO, Vice President, Secretary | 2920 North Main Street, Oshkosh, WI 54903 | (920) 235-9330 |
| Jane Shulze     | Assistant Treasurer            | 2920 North Main Street, Oshkosh, WI 54903 | (715) 823-3104 |
|                 |                                |                                           |                |
|                 |                                |                                           |                |

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

| NAME                      | PERCENTAGE |
|---------------------------|------------|
| Hoffmaster Holdings, Inc. | 100%       |
|                           |            |
|                           |            |
|                           |            |
|                           |            |

- ☐ Yes ☒ No Are any elected officials shareholders or holders of any debt obligation of the applicant or operating business? If yes, who? (name/title) \_\_\_\_\_
- ☒ Yes ☐ No Is the property for which you are requesting ERA designation totally within the corporate limits of the City of Fort Wayne?
- ☐ Yes ☒ No 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)? 322299

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

Hoffmaster Group, Inc. is a manufacturer and distributor of disposable tableware. The business activity at this location will be the manufacture of disposable paper straws.

Dollar amount of annual sales for the last three years:

| Year | Annual Sales      |
|------|-------------------|
| 2017 | \$ 443,000,000.00 |
| 2016 | \$ 439,000,000    |
| 2015 | \$ 432,000,000    |

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

| Customer Name                         | City/State      | Annual Gross Sales |
|---------------------------------------|-----------------|--------------------|
| Walmart                               | Bentonville, AR | \$ 49,000,000      |
| Baugh Supply Chain/Syseo Food Service | Houston, TX     | \$ 41,000,000      |
| US Foods                              | Phoenix, AZ     | \$ 41,000,000      |

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

| Supplier Name                       | City/State     | Annual Gross Purchases |
|-------------------------------------|----------------|------------------------|
| G-P Financial Management LLC        | Atlanta, GA    | \$ 21,000,000          |
| Graphic Packaging International LLC | Pittsburgh, PA | \$ 16,000,000          |
| Dunn Paper Inc.                     | Chicago, IL    | \$ 14,000,000          |

List the company's top three competitors:

| Competitor Name                    | City/State       |
|------------------------------------|------------------|
| Amscan, Inc.                       | Elmsford, NY     |
| Unique Industries, Inc.            | Philadelphia, PA |
| Paterson Pacific Parchment Company | Sparks, NV       |

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

Manufacture and distribution of disposable paper straws.

In order to be considered an Economic Revitalization Area (ERA), the area must be within the corporate limits of the City of Fort Wayne and must have become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. It also includes any area where a facility or group of facilities that are technologically, economically, or energy obsolete is located and where the obsolescence may lead to a decline in employment and tax revenues.

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

The property at 7310 Innovation Boulevard had been unoccupied for the last year. The building was established for office and light manufacturing. Hoffmaster Group, Inc. will be leasing approximately 112,000 square feet. The building will need to be renovated/improved to meet the needs of Hoffmaster's operation. The remainder of the building remains empty.

**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)

Various straw manufacturing equipment will be installed. These include winders, flex machines and wrappers.

Logistical distribution equipment consisting of fork lift.

Furniture and fixtures for office personnel.

Information technology equipment consisting of communications equipment, network equipment to connect to the corporate office of Hoffmaster Group, Inc. in Oshkosh, WI and general office IT equipment (laptops, printers, etc.)

☐ 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): 11/2018

Date last piece of equipment will be installed (month/year): 12/2020

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

The machinery, equipment, distribution equipment and furniture and fixtures will be depreciated over seven years for tax purposes. The information technology equipment will be depreciated over five years.



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### 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](http://www.bls.gov/oes/current/oes_23060.htm)

Any information concerning the cost of the property and specific salaries paid to individual employees is confidential per Indiana Code (I.C. 6-1.1-12.1-5.1)

#### Current Full-Time Employment

| Occupation           | Occupation Code | Number of Jobs | Total Payroll |
|----------------------|-----------------|----------------|---------------|
| See Attached Listing |                 |                |               |
|                      |                 |                |               |
|                      |                 |                |               |
|                      |                 |                |               |
|                      |                 |                |               |

#### Retained Full-Time Employment

| Occupation           | Occupation Code | Number of Jobs | Total Payroll |
|----------------------|-----------------|----------------|---------------|
| See Attached Listing |                 |                |               |
|                      |                 |                |               |
|                      |                 |                |               |
|                      |                 |                |               |
|                      |                 |                |               |

#### Additional Full-Time Employment

| Occupation           | Occupation Code | Number of Jobs | Total Payroll |
|----------------------|-----------------|----------------|---------------|
| See Attached Listing |                 |                |               |
|                      |                 |                |               |
|                      |                 |                |               |
|                      |                 |                |               |
|                      |                 |                |               |

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## 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:

- |                                                           |                                                        |                                                          |
|-----------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Pension Plan                     | <input checked="" type="checkbox"/> Major Medical Plan | <input checked="" type="checkbox"/> Disability Insurance |
| <input checked="" type="checkbox"/> Tuition Reimbursement | <input checked="" type="checkbox"/> Life Insurance     | <input checked="" type="checkbox"/> Dental Insurance     |

List any benefits not mentioned above:

Vision insurance, 401k plan with employer match, spousal and dependent life insurance

When will you reach the levels of employment shown above? (month/year): 02/2021

## 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 no Improvement Location Permit or Structural Permit has been filed for construction of improvements, the occupation of the vacant building has not taken place and no 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, CF-1/PP for personal property improvements, and CF-1/VBD for vacant building deduction) 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 and CF-1/VBD 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.

*David L. Walkowski*  
 Signature of Taxpayer/Owner  
**DAVID L. WALKOWSKI**  
 VICE PRESIDENT AND CFO, HOFFMASTER GROUP, INC.  
 Printed Name and Title of Applicant

10.31.18  
 Date

Hoffmaster Group, Inc.  
Economic Revitalization Area Application  
City of Fort Wayne, Indiana

**Current and Retained Full-Time Employment**

| Occupation                | Occupation Code | Number of Jobs | Total Payroll       |
|---------------------------|-----------------|----------------|---------------------|
| Machine Operators         | 51-9032         | 88             | \$ 2,546,170        |
| Inventory Control Coordin | 43-3061         | 1              | \$ [REDACTED]       |
| Shipping Supervisor       | 51-1011         | 1              | \$ [REDACTED]       |
| Maintenance Manager       | 11-3051         | 1              | \$ [REDACTED]       |
| Operations Manager        | 11-1021         | 1              | \$ [REDACTED]       |
| BOM Specialist            | 43-3061         | 1              | \$ [REDACTED]       |
| Manufacturing Support     | 43-3061         | 1              | \$ [REDACTED]       |
| Scheduler                 | 43-5061         | 1              | \$ [REDACTED]       |
| Shipping Clerk            | 43-5071         | 2              | \$ 53,872           |
| Supervisors               | 51-1011         | 1              | \$ [REDACTED]       |
| <b>Totals</b>             |                 | <b>98</b>      | <b>\$ 3,023,216</b> |

**Additional Full-Time Employment**

| Occupation             | Occupation Code | Number of Jobs | Total Payroll       |
|------------------------|-----------------|----------------|---------------------|
| Supervisors            | 51-1011         | 1              | \$ [REDACTED]       |
| Continuous Improvement | 17-2112         | 1              | \$ [REDACTED]       |
| Plant Manager          | 11-1021         | 1              | \$ [REDACTED]       |
| HR Manager             | 11-3121         | 1              | \$ [REDACTED]       |
| Cost Manager           | 11-3031         | 1              | \$ [REDACTED]       |
| Planning Manager       | 11-3061         | 1              | \$ [REDACTED]       |
| Mechanic               | 51-4041         | 6              | \$ 287,040          |
| Electricians           | 17-3023         | 6              | \$ 312,000          |
| Machine Operators      | 51-9032         | 129            | \$ 3,488,160        |
| Material Handling      | 53-7062         | 9              | \$ 243,360          |
| <b>Totals</b>          |                 | <b>156</b>     | <b>\$ 4,873,560</b> |



# STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51784 (R4 / 11-18)

Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

NOV 01 2018

COMMUNITY DEVL.

FORM SB-1 / PP

## 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 January 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 January 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<br><b>Hoffmaster Group, Inc.</b>                                                                      | Name of contact person<br><b>David Walkowski</b> |
| Address of taxpayer (number and street, city, state, and ZIP code)<br><b>2920 North Main Street, Oshkosh, WI 54903</b> | Telephone number<br><b>( 920 ) 235-9330</b>      |

## SECTION 2

## LOCATION AND DESCRIPTION OF PROPOSED PROJECT

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Name of designating body<br><b>City of Fort Wayne Community Development Division</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Resolution number (s)                    |
| Location of property<br><b>7310 Innovation Boulevard, Fort Wayne, IN 46818</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | County<br><b>Allen</b>                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | DLGF taxing district number<br><b>73</b> |
| Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment.<br>(Use additional sheets if necessary.)<br><b>Various straw manufacturing equipment including winders, flex machines and wrappers. Logistical distribution equipment consisting of fork lifts. Furniture and fixtures for office personnel. Information technology equipment consisting of communications equipment, network equipment to connect to corporate office in WI and general office IT equipment (laptops, printers, etc.)</b> | <b>ESTIMATED</b>                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>START DATE</b>                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>COMPLETION DATE</b>                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Manufacturing Equipment</b>           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>R &amp; D Equipment</b>               |
| <b>Logist Dist Equipment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>11/01/2018</b>                        |
| <b>IT Equipment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>11/01/2018</b>                        |

## SECTION 3

## ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

|                             |                              |                              |                              |                                 |                              |
|-----------------------------|------------------------------|------------------------------|------------------------------|---------------------------------|------------------------------|
| Current number<br><b>98</b> | Salaries<br><b>3,023,216</b> | Number retained<br><b>98</b> | Salaries<br><b>3,023,216</b> | Number additional<br><b>156</b> | Salaries<br><b>4,873,560</b> |
|-----------------------------|------------------------------|------------------------------|------------------------------|---------------------------------|------------------------------|

## 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. | <b>MANUFACTURING EQUIPMENT</b> |                       | <b>R &amp; D EQUIPMENT</b> |                       | <b>LOGIST DIST EQUIPMENT</b> |                       | <b>IT EQUIPMENT</b> |                       |
|                                                                                       | <b>COST</b>                    | <b>ASSESSED VALUE</b> | <b>COST</b>                | <b>ASSESSED VALUE</b> | <b>COST</b>                  | <b>ASSESSED VALUE</b> | <b>COST</b>         | <b>ASSESSED VALUE</b> |
| Current values                                                                        | <b>1,634,000</b>               |                       |                            |                       | <b>60,497</b>                |                       | <b>2,787</b>        |                       |
| Plus estimated values of proposed project                                             | <b>5,190,000</b>               |                       |                            |                       | <b>300,000</b>               |                       | <b>75,000</b>       |                       |
| Less values of any property being replaced                                            |                                |                       |                            |                       |                              |                       |                     |                       |
| Net estimated values upon completion of project                                       | <b>6,824,000</b>               |                       |                            |                       | <b>360,497</b>               |                       | <b>77,787</b>       |                       |

## 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<br><i>David L. Walkowski</i>    | Date signed (month, day, year)<br><b>10-31-18</b>            |
| Printed name of authorized representative<br><b>DAVID L. WALKOWSKI</b> | Title<br><b>VICE PRESIDENT + CFO, HOFFMASTER GROUP, INC.</b> |

## EXHIBIT "A"

## LEGAL DESCRIPTION

A parcel of land located in the Northwest one-quarter of Section 15, Township 31 North, Range 12 East and in the Northeast one-quarter of Section 16, Township 31 North, Range 12 East, Allen County, Indiana and more particularly described as follows, to wit; Commencing at the Southeast corner of the Northeast one-quarter of Section 16, Township 31 North, Range 12 East, also being the Southwest corner of the Northwest one-quarter of Section 15, Township 31 North, Range 12 East as now established by the Allen County Surveyor's reference monuments; thence North 89 degrees 21 minutes East along the South line of the Northwest one-quarter of said Section 15 a distance of 7.70 feet to a point on the West right-of-way line of the Grand Rapids & Indiana Railroad; thence North 0 degrees 04 minutes 40 seconds West along said West right-of-way line a distance of 1,641.10 feet to the point of beginning. BEGINNING at the above described point, thence North 0 degrees 04 minutes 40 seconds West along the West right-of-way line of the Grand Rapids & Indiana Railroad a distance of 960.0 feet to an iron pin set on the South right-of-way line of Cook Road as dedicated in Document #83-026073 recorded in the Allen County Recorder's Office; thence North 90 degrees 00 minutes West along said South right-of-way line and 40 feet South of the North line of said Northeast one-quarter a distance of 739.95 feet; thence on a curve to the left having a radius of 40.0 feet, an arc length of 62.89 feet and subtended by a chord of 56.61 feet bearing South 44 degrees 57 minutes 40 seconds West; thence South 0 degrees 04 minutes 40 seconds East a distance of 919.95 feet to an iron pin set; thence North 90 degrees 00 minutes East a distance of 780.0 feet to the point of beginning, containing 17.182 acres of land, more or less.

# MEMORANDUM



**TO:** City Council

**FROM:** Carman Young, Economic Development Specialist

**DATE:** November 7, 2018

**RE:** Request for designation by Hoffmaster Group Inc./All America City Investors, LLC as an ERA for real property improvements.

## BACKGROUND

|                  |                       |                         |     |
|------------------|-----------------------|-------------------------|-----|
| PROJECT ADDRESS: | 7310 Innovation Blvd. | PROJECT LOCATED WITHIN: | N/A |
| PROJECT COST:    | \$5,565,000           | COUNCILMANIC DISTRICT:  | 3   |

|                             |                                                                                                                                                                                                                                |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COMPANY PRODUCT OR SERVICE: | Hoffmaster Group, Inc. produces premium paperware for special events. They recently acquired Aardvark a local producer of paper straws.                                                                                        |
| PROJECT DESCRIPTION:        | Hoffmaster Group, Inc. will retain straw production locally by moving into 112,000 square feet of an existing facility. New manufacturing, logistical distribution and information technology will be purchased and installed. |

| CREATED                         |             | RETAINED                             |             |
|---------------------------------|-------------|--------------------------------------|-------------|
| JOBS CREATED (FULL-TIME):       | 156         | JOBS RETAINED (FULL-TIME):           | 98          |
| JOBS CREATED (PART-TIME):       | 0           | JOBS RETAINED (PART-TIME):           | 0           |
| TOTAL NEW PAYROLL:              | \$4,873,560 | TOTAL RETAINED PAYROLL:              | \$3,023,216 |
| AVERAGE SALARY (FULL-TIME NEW): | \$31,240    | AVERAGE SALARY (FULL-TIME RETAINED): | \$30,849    |

## COMMUNITY BENEFIT REVIEW

Yes ☒ No ☐ N/A ☐

Project will encourage vacant or under-utilized land appropriate for commercial or industrial use?

**Explain:** Hoffmaster Group, Inc. will retain straw production locally by moving into 112,000 square feet of an existing facility.

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 I2/General Industrial. Use of this property is consistent with the land use policies of the City of Fort Wayne.

Yes ☒ No ☐ N/A ☐

Project encourages the improvement or replacement of a deteriorated or obsolete structure?

**Explain:** Real property improvements will be made by the property owner to the area of the facility to be occupied by Hoffmaster Group, Inc.



Yes ☒ No ☐ N/A ☐

Project encourages the improvement or replacement of obsolete manufacturing and/or research and development and/or information technology and/or logistical distribution equipment?

**Explain: Hoffmaster Group, Inc. will purchase and install new manufacturing, logistical distribution and information technology 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 a 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?  
**Explain: Hoffmaster Group, Inc. will create 156 new full-time positions with an annual payroll of \$4,873,560 and retain 98 full-time positions with an annual payroll of \$4,873,560**

Yes ☒ No ☐ N/A ☐

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

### POLICY

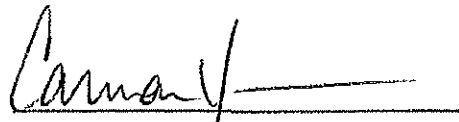
Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

1. The period of deduction for personal property improvements is seven years.

Under Fort Wayne Common Council's tax abatement policies and procedures, Hoffmaster Group, Inc. is eligible for a recommended seven year deduction on personal property improvements. Attached is a calculation of property taxes saved/paid with the deduction.

### COMMENTS

Signed and Reviewed:

  
Economic Development Specialist

POOL #2 FORT WAYNE COMMUNITY DEVELOPMENT DIVISION

**TAX ABATEMENT - ESTIMATE OF SAVINGS**

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

**Hoffmaster Group, Inc. 7310 Innovation**

**PERSONAL PROPERTY TAX ABATEMENT - 10 yr Schedule**

| Year                              | True Cash Value | "Pool 2" | True Tax Value | Assessed Value | Tax Abatement % | Tax Paid % | Deduction   | Taxable A V | Tax Rate | Tax Paid | Tax Saved        |
|-----------------------------------|-----------------|----------|----------------|----------------|-----------------|------------|-------------|-------------|----------|----------|------------------|
| 1                                 | \$5,565,000     | 40%      | \$2,226,000    | \$2,226,000    | 100%            | 0%         | \$2,226,000 | \$0         | 0.034092 | \$0      | \$75,889         |
| 2                                 | \$5,565,000     | 56%      | \$3,116,400    | \$3,116,400    | 85%             | 15%        | \$2,648,940 | \$467,460   | 0.034092 | \$15,937 | \$90,308         |
| 3                                 | \$5,565,000     | 42%      | \$2,337,300    | \$2,337,300    | 71%             | 29%        | \$1,659,483 | \$677,817   | 0.034092 | \$23,108 | \$56,575         |
| 4                                 | \$5,565,000     | 32%      | \$1,780,800    | \$1,780,800    | 57%             | 43%        | \$1,015,056 | \$765,744   | 0.034092 | \$26,106 | \$34,606         |
| 5                                 | \$5,565,000     | 30%      | \$1,669,500    | \$1,669,500    | 43%             | 57%        | \$717,885   | \$951,615   | 0.034092 | \$32,442 | \$24,474         |
| 6                                 | \$5,565,000     | 30%      | \$1,669,500    | \$1,669,500    | 29%             | 71%        | \$484,155   | \$1,185,345 | 0.034092 | \$40,411 | \$16,506         |
| 7                                 | \$5,565,000     | 30%      | \$1,669,500    | \$1,669,500    | 14%             | 86%        | \$233,730   | \$1,435,770 | 0.034092 | \$48,948 | \$7,968          |
| 8                                 | \$5,565,000     | 30%      | \$1,669,500    | \$1,669,500    | 0%              | 100%       | \$0         | \$1,669,500 | 0.034092 | \$56,917 | \$0              |
| TOTAL TAX SAVED ( 7 yr deduction) |                 |          |                |                |                 |            |             |             |          |          | <u>\$396,325</u> |
| TOTAL TAX PAID ( 7 yr deduction)  |                 |          |                |                |                 |            |             |             |          |          | <u>\$243,869</u> |

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

**Personal Property Abatements**

Tax Abatement Review System

Hoffmaster Group, Inc.

| Points<br>Possible | Points<br>Awarded |
|--------------------|-------------------|
|--------------------|-------------------|

**INVESTMENT (30 points possible)**

Total new Investment in equipment

|                            |             |    |    |
|----------------------------|-------------|----|----|
| Over \$5,000,000           | \$5,565,000 | 10 | 10 |
| \$1,000,000 to \$4,999,999 |             | 8  |    |
| \$500,000 to \$999,999     |             | 6  |    |
| \$0 to \$499,999           |             | 4  |    |

Investment per employee (both jobs created and retained)

|                      |          |    |   |
|----------------------|----------|----|---|
| \$35,000 or more     |          | 10 |   |
| \$18,500 to \$34,999 | \$21,909 | 8  | 8 |
| \$6,250 to \$18,499  |          | 6  |   |
| \$1,250 to \$6,249   |          | 4  |   |
| less than \$1,249    |          | 2  |   |

Estimated local income taxes generated from jobs retained

|                      |          |   |   |
|----------------------|----------|---|---|
| \$80,000 or more     |          | 5 |   |
| \$30,000 to \$79,999 | \$44,743 | 4 | 4 |
| \$10,000 to \$29,999 |          | 3 |   |
| \$5,000 to \$9,999   |          | 2 |   |
| less than \$5,000    |          | 1 |   |

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

|                      |          |   |   |
|----------------------|----------|---|---|
| \$30,000 or more     | \$72,128 | 5 | 5 |
| \$10,000 to \$29,999 |          | 4 |   |
| \$5,000 to \$9,999   |          | 3 |   |
| \$3,000 to \$4,999   |          | 2 |   |
| less than \$3,000    |          | 1 |   |

**ECONOMIC BASE (20 points possible)**

Location Quotient in designated Occupation Code

(use majority Occupation Code of all created and retained jobs)

|                  |   |  |
|------------------|---|--|
| Greater than 1.0 | 5 |  |
|------------------|---|--|

Estimated Percent of Business done outside

Allen County

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

**JOBS (20 points possible)**

Total number of permanent jobs retained

|            |    |    |   |
|------------|----|----|---|
| Over 250   |    | 10 |   |
| 100 to 249 |    | 8  |   |
| 50 to 99   | 98 | 6  | 6 |
| 25 to 49   |    | 4  |   |
| 10 to 24   |    | 2  |   |
| 1 to 9     |    | 1  |   |

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

|          |     |    |    |
|----------|-----|----|----|
| Over 100 | 156 | 10 | 10 |
| 50-99    |     | 8  |    |
| 25-49    |     | 6  |    |
| 10-24    |     | 4  |    |
| 1 to 9   |     | 2  |    |

**WAGES (20 points possible)**

Median salary of the jobs created and/or retained

|                      |  |    |   |
|----------------------|--|----|---|
| Over \$47,999        |  | 20 |   |
| \$43,000 to \$47,999 |  | 16 |   |
| \$38,000 to \$42,999 |  | 12 |   |
| \$33,000 to \$37,999 |  | 8  |   |
| \$28,000 to \$32,999 |  | 4  |   |
| under \$28,000       |  | 0  | 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 |

|              |           |
|--------------|-----------|
| <b>Total</b> | <b>68</b> |
|--------------|-----------|

**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 current average salary for Allen County and is eligible for a 7 or 10 year abatement, then the applicant is eligible for an alternate deduction schedule.

| Personal Property Deduction Schedules | Alternative Deduction Personal Property Schedules |
|---------------------------------------|---------------------------------------------------|
| <b>10 year</b>                        | <b>10 Year</b>                                    |
| 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%                           |                                                   |
| <b>7 year</b>                         | <b>7 Year</b>                                     |
| 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%                            |                                                   |
| <b>5 year</b>                         |                                                   |
| Year 1: 100%                          |                                                   |
| Year 2: 80%                           |                                                   |
| Year 3: 60%                           |                                                   |
| Year 4: 40%                           |                                                   |
| Year 5: 20%                           |                                                   |
| Year 6: 0%                            |                                                   |
| <b>3 year</b>                         |                                                   |
| Year 1: 100%                          |                                                   |
| Year 2: 66%                           |                                                   |
| Year 3: 33%                           |                                                   |
| Year 4: 0%                            |                                                   |

Admn. Appr. \_\_\_\_\_

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Hoffmaster Group, Inc. is requesting the designation of an Economic Revitalization Area for eligible personal improvements in the amount of \$5,565,000. Hoffmaster Group, Inc. produces premium paperware for special events. They recently acquired Aardvark, a local producer of paper straws. Hoffmaster Group, Inc. will retain straw production locally by moving into 112,000 square feet of an existing facility. New manufacturing, logistical distribution and information technology will be purchased and installed.**

EFFECT OF PASSAGE: **Investment of \$5,565,000 and creation of 156 new full-time positions with an annual payroll of \$4,873,560 and retention of 98 full-time positions with an annual payroll of \$4,873,560.**

EFFECT OF NON-PASSAGE: **Potential loss of investment, 156 new full-time positions with an annual payroll of \$4,873,560 and retention of 98 full-time positions with an annual payroll of \$4,873,560.**

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

ASSIGNED TO COMMITTEE (PRESIDENT): **John Crawford and Jason Arp**