

**A DECLARATORY RESOLUTION designating an
"Economic Revitalization Area" under I.C. 6-1.1-12.1
for property commonly known as 3923 Engle Road,
Fort Wayne, Indiana 46804 (Quake Manufacturing,
Inc.)**

WHEREAS, Petitioner has duly filed its petition dated November 14, 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 five full-time and three part-time, permanent jobs for a total new, annual payroll of \$295,000, with the average new annual job salary being \$53,000 and retain 12 full-time and three part-time, permanent jobs for a total current annual payroll of \$723,000, with the average current, annual job salary being \$58,583; and

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

1 "Economic Revitalization Area" shall apply to a deduction of the assessed value of personal
2 property for new manufacturing equipment improvements to be made between December 1,
3 2018 and December 31, 2023.

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

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

11 (a) If the proposed new manufacturing equipment is not installed, the approximate
12 current year tax rates for this site would be \$3.5479/\$100.

13 (b) If the proposed new manufacturing equipment is installed and no deduction is
14 granted, the approximate current year tax rate for the site would be \$3.5479/\$100
15 (the change would be negligible).

16 (c) If the proposed new manufacturing equipment is installed and a deduction
17 percentage of eighty percent (80%) is assumed, the approximate current year tax
18 rate for the site would be \$3.5479/\$100 (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 equipment shall be for a period of
24 five years.

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

27

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

28

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

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

6 **SECTION 11.** That, pursuant to I.C. 6-1.1-12.1-12 et al, any property owner that has
7 received a deduction under section 3 or 4.5 of said chapter may be required to repay the
8 deduction amount as determined by the county auditor in accordance with section 12 of said
9 chapter if the property owner ceases operations at the facility for which the deduction was
10 granted and if the Common Council finds that the property owner obtained the deduction by
11 intentionally providing false information concerning the property owner's plans to continue
12 operation at the facility.

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

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Member of Council

APPROVED AS TO FORM AND LEGALITY

Carol Helton, City Attorney



CITY OF FT WAYNE

03/2013

NOV 14 2018

CR4

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:

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:

\$ 1000000

TOTAL OF ABOVE IMPROVEMENTS:

1000000

GENERAL INFORMATIONReal property taxpayer's name: Quake Manufacturing, Inc.Personal property taxpayer's name: Quake Manufacturing, Inc.Telephone number: 2604328023Address listed on tax bill: Property Address 3923 Engle Rd. Fort Wayne, IN 46804Name of company to be designated, if applicable: Quake Manufacturing, Inc.Year company was established: 1990Address of property to be designated: 3923 Engle Rd. Fort Wayne, IN 46804Real estate property identification number: 02-12-20-226-002.000-074Contact person name: Dan ReeseContact person telephone number: (260) 432-8023Contact person Email: dan@quakemfg.comContact person address: 3923 Engle Rd. Fort Wayne, IN 46804

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Paul Quake	CEO	14311 Blue Heron Chase, Roanoke, IN 46783	(260) 672-9892
Hermann Quake	President	3220 Emerald Lake Dr Fort Wayne IN 46804	260-459-1618
Sally Quake	Secretary	3220 Emerald Lake Dr Fort Wayne IN 46804	(260) 459-1618

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

NAME	PERCENTAGE
Paul Quake	50
Herman Quake	25
Sally Quake	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? 50%

What is the company's primary North American Industrial Classification Code (NAICs)? 332710

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

Machining many types of metal and plastic parts and parts of other composite materials on a job or order basis.

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2015	2500000
2016	2270000
2017	2740000

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

Customer Name	City/State	Annual Gross Sales
PHD, Inc	9030 CLUBBRIDGE DRIVE FORT WAYNE, INDIANA 46809	\$ 691000
Tuthill Transfer Systems	8824 AVIATION DRIVE FORT WAYNE, INDIANA 46809	550000
Nucor Fastners	6730 COUNTY ROAD 60 ST. JOE, INDIANA 46785	\$ 218000

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

Supplier Name	City/State	Annual Gross Purchases
Elite Tooling	5001 SW STATE ROAD 116-1 BLUFFTON, INDIANA 46714	\$ 173000
Westar	04271 CO. RD. 15-D BRYAN, OHIO 43506	117000
Quality Engineering	3925 ENGLE RD. FORT WAYNE, IN 46804-4414	\$ 93000

List the company's top three competitors:

Competitor Name	City/State
Gordon Tool	Fort Wayne, IN
AMT	Fort Wayne, IN
Proform	Fort Wayne, IN

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

Machining many types of metal and plastic parts and parts of other composite materials on a job or order basis.

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 project would create new jobs and update equipment to stay more competitive.

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)

CNC Machines

☐ 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): 12/2018

Date last piece of equipment will be installed (month/year): 12/2023

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

Up to 7 years, perhaps all the 1st year.

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

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
Machinist	51-4041	10	548000
Office Staff	43-1011	2	\$ 155000

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
Machinist	51-4041	10	\$ 548000
Office Staff	43-1011	2	\$ 155000

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
Machinist	51-4041	5	\$ 265000

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
Machinist	51-4041	3	\$ 20000

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
Machinist	51-4041	3	\$ 20000

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
Machinist	51-4041	3	\$ 30000

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

- | | | |
|--|--|--|
| ☐ Pension Plan | ☐ Major Medical Plan | ☒ Disability Insurance |
| ☐ Tuition Reimbursement | ☒ Life Insurance | ☒ Dental Insurance |

List any benefits not mentioned above:

When will you reach the levels of employment shown above? (month/year): 12/2023

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.**

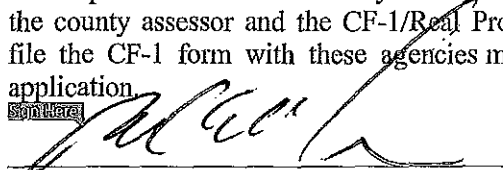
ERA filing fee (either real or personal property improvements)	.1% of total project cost not to exceed \$500
ERA filing fee (both real and personal property improvements)	.1% of total project cost not to exceed \$750
ERA filing fee (vacant commercial or industrial building)	\$500
ERA filing fee in an 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.


Signature of Taxpayer/Owner

Paul Quake CEO

Printed Name and Title of Applicant

11/14/2018

Date

**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51764 (R4 / 11-15)

Prescribed by the Department of Local Government Finance

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

NOV 14 2018

CER

COMMUNITY DEVL**PRIVACY NOTICE**

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

INSTRUCTIONS

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
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 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.
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 Quake Manufacturing, Inc.			Name of contact person Dan Reese					
Address of taxpayer (number and street, city, state, and ZIP code) 3923 Engle Road Fort Wayne, IN 46804				Telephone number (260) 4328023				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT								
Name of designating body Fort Wayne Common Council			Resolution number (s)					
Location of property 3923 Engle Road		County Allen		DLGF taxing district number 073				
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) CNC Machines			ESTIMATED					
			START DATE		COMPLETION DATE			
			Manufacturing Equipment		12/15/2018		12/15/2023	
			R & D Equipment					
			Logist Dist Equipment					
IT Equipment								
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT								
Current number 15	Salaries 723000	Number retained 15	Salaries 723000	Number additional 8	Salaries 295000			
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	1000000	1000000						
Less values of any property being replaced								
Net estimated values upon completion of project	1000000	1000000						
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 					Date signed (month, day, year) 11/14/2018			
Printed name of authorized representative Paul Quake					Title CEO			

95-051170

Mail tax bills to: 2323 OPELCHEE WAY
FORT WAYNE, IN 46809 Tax Key No. _____
WARRANTY DEED

THIS INDENTURE WITNESSETH THAT WILEY W. TAYLOR, of Allen County, Indiana, convey and warrant to HERMANN QUAKE and SALLY QUAKE, husband and wife, of Allen County, Indiana, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, the following Real Estate in Allen County, in the State of Indiana, to wit:

Part of the East Half of the Northeast Quarter of Section 20, Township 30 North, Range 12 East, Allen County, Indiana, more particularly described as follows, to wit:

Commencing at the Northeast corner of said Northeast Quarter; thence N 90°-00' W (assumed bearing and is used as the basis for the bearings in this description), on and along the North line of said Northeast Quarter, a distance of 693.0 feet; thence S 02°-24' E and parallel to the East line of said Northeast Quarter, a distance of 48.71 feet to a point on the South right-of-way line of Engle Road, said South right-of-way line having been established by the conveyance of 0.674 acres of land from Erwin A. Dressler and Kenneth W. Dressler to the County of Allen, Indiana in a deed recorded August 21, 1974 in Document #74-19593 in the Office of the Recorder of Allen County, Indiana; thence N 87°-08'-15" W, on and along said South right-of-way line, a distance of 173.57 feet; thence N 90°-00' W, continuing along said South right-of-way line and parallel to said North line, a distance of 108.71 feet to the true point of beginning; thence North 90 degrees 00 minutes West, continuing along said South right-of-way line, a distance of 91.29 feet; thence South 84 degrees 17 minutes 22 seconds West, continuing along said South right-of-way line, a distance of 100.50 feet; thence North 90 degrees 00 minutes West, continuing along said South right-of-way line, a distance of 100.5 feet; thence North 90 degrees 00 minutes West, continuing along said South right-of-way line, a distance of 89.98 feet (recorded 91.05 feet) to the point of intersection of said South right-of-way line with the East line of a 2.03 acre tract of land conveyed to David H. Fortney and Elizabeth Ann Fortney by deed dated November 18, 1983 and recorded in Document Number 83-26825 in the Office of

Wiley W. Taylor
ALLEN COUNTY RECORDER

95 NOV -3 AM 10:01

ENTERED FOR TAXATION
NOV 03 1995

Send to: SCHENKEL TIRPAK & KOWALCZYK
Box

95 9430
AUDITORS NUMBER

951170

9551170

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Quake Manufacturing, Inc. is requesting the designation of an Economic Revitalization Area for eligible personal property improvements in the amount of \$1,000,000. Quake Manufacturing, Inc. will purchase and install new CNC machinery.**

EFFECT OF PASSAGE: **Investment of \$1,000,000 and retention of 12 full-time and three part-time jobs with an annual payroll of \$723,000 and creation of five full-time and three part-time jobs with an annual payroll of \$295,000.**

EFFECT OF NON-PASSAGE: **Potential loss of investment and retention of 12 full-time and three part-time jobs with an annual payroll of \$723,000 and creation of five full-time and three part-time jobs with an annual payroll of \$295,000.**

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

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

MEMORANDUM



TO: City Council
FROM: Carman Young, Economic Development Specialist
DATE: November 15, 2018
RE: Request for designation by Quake Manufacturing, Inc. as an ERA for personal property improvements.

BACKGROUND

PROJECT ADDRESS:	3923 Engle Road	PROJECT LOCATED WITHIN:	N/A
PROJECT COST:	\$1,000,000	COUNCILMANIC DISTRICT:	4

COMPANY PRODUCT OR SERVICE:	Quake Manufacturing, Inc. produces precision machined, fabricated and assembled components.
PROJECT DESCRIPTION:	Quake Manufacturing, Inc. will purchase and install new CNC machinery.

CREATED

RETAINED

JOBS CREATED (FULL-TIME):	5	JOBS RETAINED (FULL-TIME):	12
JOBS CREATED (PART-TIME):	3	JOBS RETAINED (PART-TIME):	3
TOTAL NEW PAYROLL:	\$295,000	TOTAL RETAINED PAYROLL:	\$723,000
AVERAGE SALARY (FULL-TIME NEW):	\$53,000	AVERAGE SALARY (FULL-TIME RETAINED):	\$58,583

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 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?

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: Quake Manufacturing, Inc. will purchase and install new manufacturing 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: Quake Manufacturing, Inc. will retain 12 full-time and three part-time jobs with an annual payroll of \$723,000 and create five full-time and three part-time jobs with an annual payroll of \$295,000.Yes ☒ No ☐ N/A ☐

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

POLICY

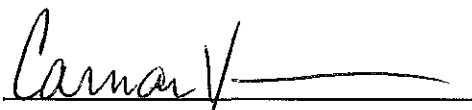
Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

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

Under Fort Wayne Common Council's tax abatement policies and procedures, Quake Manufacturing, 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

Quake Manufacturing, Inc.

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	\$1,000,000	40%	\$400,000	\$400,000	100%	0%	\$400,000	\$0	0.035479	\$0	\$14,192
2	\$1,000,000	56%	\$560,000	\$560,000	85%	15%	\$476,000	\$84,000	0.035479	\$2,980	\$16,888
3	\$1,000,000	42%	\$420,000	\$420,000	71%	29%	\$298,200	\$121,800	0.035479	\$4,321	\$10,580
4	\$1,000,000	32%	\$320,000	\$320,000	57%	43%	\$182,400	\$137,600	0.035479	\$4,882	\$6,471
5	\$1,000,000	30%	\$300,000	\$300,000	43%	57%	\$129,000	\$171,000	0.035479	\$6,067	\$4,577
6	\$1,000,000	30%	\$300,000	\$300,000	29%	71%	\$87,000	\$213,000	0.035479	\$7,557	\$3,087
7	\$1,000,000	30%	\$300,000	\$300,000	14%	86%	\$42,000	\$258,000	0.035479	\$9,154	\$1,490
8	\$1,000,000	30%	\$300,000	\$300,000	0%	100%	\$0	\$300,000	0.035479	\$10,644	\$0
							TOTAL TAX SAVED	(7 yr deduction)			
							TOTAL TAX PAID	(7 yr deduction)			
											<u>\$57,284</u>
											<u>\$45,605</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

Quake Manufacturing, Inc.

	Points Possible	Points Awarded
INVESTMENT (30 points possible)		
Total new investment in equipment		
Over \$5,000,000	10	
\$1,000,000 to \$4,999,999	8	8
\$500,000 to \$999,999	6	
\$0 to \$499,999	4	
Investment per employee (both jobs created and retained)		
\$35,000 or more	10	10
\$18,500 to \$34,999	8	
\$6,250 to \$18,499	6	
\$1,250 to \$6,249	4	
less than \$1,249	2	
Estimated local income taxes generated from jobs retained		
\$80,000 or more	5	
\$30,000 to \$79,999	4	
\$10,000 to \$29,999	3	3
\$5,000 to \$9,999	2	
less than \$5,000	1	
Estimated local income taxes generated from jobs created (Double points for start-up)		
\$30,000 or more	5	
\$10,000 to \$29,999	4	
\$5,000 to \$9,999	3	
\$3,000 to \$4,999	2	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	5
Estimated Percent of Business done outside Allen County		
Greater than 75%	15	
50% to 74%	10	10
25% to 49%	5	
JOBS (20 points possible)		
Total number of permanent jobs retained		
Over 250	10	
100 to 249	8	
50 to 99	6	
25 to 49	4	
10 to 24	2	2
1 to 9	1	
Total number of permanent jobs created (Double for start-up)		
Over 100	10	
50-99	8	
25-49	6	
10-24	4	
1 to 9	2	2
WAGES (20 points possible)		
Median salary of the jobs created and/or retained		
Over \$47,999	20	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	

BENEFITS (10 points possible)

Major Medical Plan	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	65
--------------	-----------

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
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%	