

A DECLARATORY RESOLUTION designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for property commonly known as 6710 Innovation Blvd., Fort Wayne, Indiana 46825 (Accugear, Inc.)

WHEREAS, Petitioner has duly filed its petition dated February 27, 2019 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 60 full-time permanent jobs for a total additional payroll of \$2,373,000 with an average annual job salary being \$39,550 and retain 92 full-time permanent jobs and nine part-time jobs for a current annual payroll of \$4,773,703, with the average current annual job salary being \$47,264; and

WHEREAS, the total estimated project cost is \$13,000,000; 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 "Economic Revitalization Area" shall apply to both a deduction of the assessed value of real estate improvements made between April 1, 2019 and December 31, 2019 and personal property for new manufacturing equipment improvements to be made between June 1, 2019 and December 31, 2019.

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

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

- (a) If the proposed development does not occur, the approximate current year tax rates for this site would be \$3.4092/\$100.
- (b) If the proposed development does occur and no deduction is granted, the approximate current year tax rate for the site would be \$3.4092/\$100 (the change would be negligible).

- (c) If the proposed development occurs and a deduction percentage of fifty percent (50%) is assumed, the approximate current year tax rate for the site would be \$3.4092/\$100 (the change would be negligible).
- (d) If the proposed new manufacturing equipment is not installed, the approximate current year tax rates for this site would be \$3.4092/\$100.
- (e) If the proposed new manufacturing equipment is installed and no deduction is granted, the approximate current year tax rate for the site would be \$3.4092/\$100 (the change would be negligible).
- (f) If the proposed new manufacturing equipment is installed and a deduction percentage of eighty percent (80%) is assumed, the approximate current year tax rate for the site would be \$3.4092/\$100 (the change would be negligible).

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

SECTION 7. That, pursuant to I.C. 6-1.1-12.1, it is hereby determined that the deduction from the assessed value of the real property shall be for a period of ten years, and the deduction from the assessed value of the new manufacturing equipment shall be for a period of ten years.

SECTION 8. The deduction schedule from the assessed value of the real property pursuant to I.C. 6-1.1-12.1-17 shall look like this:

Year of Deduction	Percentage
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%
11	0%

SECTION 9. The deduction schedule from the assessed value of new personal property manufacturing equipment pursuant to I.C. 6-1.1-12.1-17 shall look like this:

Year of Deduction	Percentage
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%
11	0%

SECTION 11. That, the benefits described in the Petitioner's Statement of Benefits can be reasonably expected to result from the project and are sufficient to justify the applicable deductions.

SECTION 12. That, the taxpayer is non-delinquent on any and all property tax due to jurisdictions within Allen County, Indiana.

SECTION 13. That, pursuant to I.C. 6-1.1-12.1-12 et al, any property owner that has received a deduction under section 3 or 4.5 of this chapter may be required to repay the

1 deduction amount as determined by the county auditor in accordance with section 12 of said
2 chapter if the property owner ceases operations at the facility for which the deduction was
3 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.

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

6 _____
Member of Council

7
8 APPROVED AS TO FORM AND LEGALITY

9 _____
10 Carol Helton, City Attorney
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CITY OF FT. WAYNE

03/2013

FEB 27 2019

**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: \$ 7,000,000
Total cost of manufacturing equipment improvements: \$ 6,000,000
Total cost of research and development equipment improvements: \$ 0
Total cost of logistical distribution equipment improvements: \$ 0
Total cost of information technology equipment improvements: \$ 0
TOTAL OF ABOVE IMPROVEMENTS: \$ 13,000,000

GENERAL INFORMATION

Real property taxpayer's name: Accugear Inc.
Personal property taxpayer's name: Accugear Inc.
Telephone number: 260-497-6622
Address listed on tax bill: 6710 Innovation Blvd., Fort Wayne, IN 46825
Name of company to be designated, if applicable: Accugear Inc.
Year company was established: 2009
Address of property to be designated: 6710 Innovation Blvd., Fort Wayne, IN 46825
Real estate property identification number: 02-07-16-200-015.000-073
Contact person name: Dennis Andreski and David Yoder
Contact person telephone number: (260) 497-6622 Contact person Email: dennis.andreski@aam.com
david.yoder@aam.com
Contact person address: 6710 Innovation Blvd., Fort Wayne, IN 46825
List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Dennis Andreski	Plant Manager	6710 Innovation Blvd., Fort Wayne, IN 46825	(260) 497-6622

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

NAME	PERCENTAGE
American Axle & Manufacturing	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? 100%

What is the company's primary North American Industrial Classification Code (NAICs)? 336330

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

Accugear is an automotive Tier 1 & 2 supplier of net shape differential gears and other forged components.

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2016	\$29,354,069
2017	\$ 29,681,015
2018	\$ 30,197,318

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

03/2013

Customer Name	City/State	Annual Gross Sales
AAM - 3 Rivers	Three Rivers, MI	\$ 11,175,706
ZF	Gainesville, GA and Marysville, MI	\$ 7,329,949
Linamar	Canada	\$ 6,149,824

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

Supplier Name	City/State	Annual Gross Purchases
Gerdau	Jackson and Monroe, MI	\$ 5,077,765
AAM-Zell	Zell, Germany	\$ 3,602,138
Erie Steel LTD	Toledo, OH	\$ 2,679,086

List the company's top three competitors:

Competitor Name	City/State
Dana	Maumee, OH
GM	Detroit, MI
GKN	United Kingdom

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

Net shape differential gears and other forged components.

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 proposed project will provide for further development of property that is currently not fully developed resulting in an expansion of both the tax base and employment levels. It should be noted that AccuGear is owned by American Axle & Manufacturing which has over 90 global locations including over 50 in the United States and Mexico. As such, AccuGear faces competition not only from unrelated third-party manufacturers, but also must compete for capital spending allocations with its sister plants located through the U.S. These include facilities in neighboring states including Ohio, Michigan and Wisconsin that have more favorable property tax structures for manufacturers. The tax abatement benefit help makes the Fort Wayne site more competitive when comparing to other potential investment sites. Additional investment in the Fort Wayne facility will also help strengthen the long-term viability of this plant and provide skilled manufacturing jobs to help maintain a diverse local workforce.

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:

89,000 square foot manufacturing facility

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

Average condition

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

A 67,000 square foot addition will be added to house additional new manufacturing equipment.

Projected construction start (month/year): 04/2019

Projected construction completion (month/year): 12/2019

☐ 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)

1250 Ton Fagor Press Line

- This press line is equipped with a material handling system to transfer a "billet" from a hopper into a heater, through the press for forming and a conveyance system out of the press. This press line is equipped with a transfer system, cooling system, and heating System.

☐ 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): 06/2019

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

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

Assets will be depreciated over 7 years for Federal Income Tax Purposes.

ELIGIBLE VACANT BUILDING INFORMATION

Complete this section of the application if you are requesting a deduction from the current assessed value of a vacant building

☐ Yes ☐ No Has the building for which you are seeking designation for tax phase-in been unoccupied for at least one year? Please provide evidence of occupation. (i.e. certificate of occupancy, paid utility receipts, executed lease agreements)

Describe any structure(s) that is/are currently on the property:

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

Projected occupancy date (month/year): _____

Describe the efforts of the owner or previous owner in regards to selling, leasing or renting the eligible vacant building during the period the eligible vacant building was unoccupied including how much the building was offered for sale, lease, or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied.

PUBLIC BENEFIT INFORMATION

EMPLOYMENT INFORMATION FOR FACILITY TO BE DESIGNATED

ESTIMATE OF EMPLOYEES AND PAYROLL FOR FORT WAYNE FACILITY REQUESTING ECONOMIC REVITALIZATION AREA DESIGNATION

Please be specific on job descriptions. When listing the occupation codes, please avoid using the "Major Occupational Groupings" (i.e. 11-000, 13-000, 15-000, etc.) which are more general in nature. Instead, use specific occupation codes (i.e. 11-1021, 13-1081, 15-2041 etc) for each created and retained job. To fill out information on occupation and occupation code, use data available through Occupation Employment Statistics for Fort Wayne http://www.bls.gov/oes/current/oes_23060.htm

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 Grid			

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Attached Grid			

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Attached Grid			

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Attached Grid			

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Attached Grid			

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
See Attached Grid			

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:

Vision, Uniforms, Wellness Program, Safety Glasses and Steel Toe Shoes annually. Also provided will be a performance based bonus company wide annually as well as vacation, holidays and bereavement.

When will you reach the levels of employment shown above? (month/year): 12/2020

Accugear Inc.			
City Of Fort Wayne Economi Revitalization Area Application			
Public Benefit Information Attachment			
Current Full-Time Employment			
Occupation	Occupation Code	Number of Jobs	Total Payroll
Plant Manager	11-1021	1	\$ [REDACTED]
Finance Manager	11-3031	1	\$ [REDACTED]
Production Managers	11-3051	2	\$ 190,000
Managers; all other	11-9199	3	\$ 380,000
HR Specialists	13-1071	2	\$ 118,000
Financial Analysts	13-2051	2	\$ 142,000
First-line Supervisors	51-1011	6	\$ 392,000
Engineers	17-2199	6	\$ 413,700
Maintenance Workers	49-9043	8	\$ 291,440
All Production Workers	51-9199	61	\$ 2,200,083
	Total	92	\$ 4,449,223
Current Part-Time or Temporary Jobs			
Occupation	Occupation Code	Number of Jobs	Total Payroll
All Production Workers	51-9199	8	\$ 280,800
Maintenance Workers	49-9043	1	\$ [REDACTED]
	Total	9	\$ 324,480
	Total Current Employment	101	\$ 4,773,703
Retained Full-Time Employment			
Occupation	Occupation Code	Number of Jobs	Total Payroll
Plant Manager	11-1021	1	\$ [REDACTED]
Finance Manager	11-3031	1	\$ [REDACTED]
Production Managers	11-3051	2	\$ 190,000
Managers; all other	11-9199	3	\$ 380,000
HR Specialists	13-1071	2	\$ 118,000
Financial Analysts	13-2051	2	\$ 142,000
First-line Supervisors	51-1011	6	\$ 392,000
Engineers	17-2199	6	\$ 413,700
Maintenance Workers	49-9043	8	\$ 291,440
All Production Workers	51-9199	61	\$ 2,200,083
	Total	92	\$ 4,449,223
Retained Part-Time or Temporary Jobs			
Occupation	Occupation Code	Number of Jobs	Total Payroll
All Production Workers	51-9199	8	\$ 280,800
Maintenance Workers	49-9043	1	\$ [REDACTED]
	Total	9	\$ 324,480
	Total Retained Employment	101	\$ 4,773,703
Additional Full-Time Employment - 2019			
Occupation	Occupation Code	Number of Jobs	Total Payroll
All Production Workers	51-9199	25	\$ 884,000
Maintenance Workers	49-9043	3	\$ 150,000
Buyer	13-1020	1	\$ [REDACTED]
Engineers	17-2199	2	\$ 150,000
First-line Supervisors	51-1011	1	\$ [REDACTED]
	Total	32	\$ 1,304,000
Additional Full-Time Employment - 2020			
Occupation	Occupation Code	Number of Jobs	Total Payroll
All Production Workers	51-9199	25	\$ 884,000.00
Engineers	17-2199	1	\$ [REDACTED]
First-line Supervisors	51-1011	2	\$ 120,000
	Total	28	\$ 1,069,000
	Total Additional Employment	60	\$ 2,373,000
	Grand Total - Current Employment and Additional Employment	161	\$ 7,146,703

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

DENNIS ANDRUS

Printed Name and Title of Applicant

2-27-19

Date



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R6 / 10-14)

Prescribed by the Department of Local Government Finance

CITY OF FT. WAYNE

20 19 PAY 20 20

FORM SB-1 / Real Property

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.

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):
☒ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
☐ Residentially distressed area (IC 6-1.1-12.1-4.1)

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** the redevelopment or rehabilitation of real property 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 initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
3. To obtain a deduction, a Form 322/RE must be filed with the County Auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between March 1 and May 10 of a subsequent year.
4. A property owner who files for the deduction must provide the County Auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable.
5. For a Form SB-1/Real Property 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/Real Property 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 Accugear Inc.		
Address of taxpayer (number and street, city, state, and ZIP code) 6710 Innovation Blvd., Fort Wayne, IN 46825		
Name of contact person Dennis Andreski and David Yoder	Telephone number (260) 497-6622	E-mail address dennis.andreski@aam.com, david.yoder@aam.com

SECTION 2

LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Fort Wayne Common Council		Resolution number
Location of property 6710 Innovation Blvd., Fort Wayne, IN 46825		County Allen
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) A 67,000 square foot addition will be added to house additional new manufacturing equipment.		DLGF taxing district number 073
		Estimated start date (month, day, year) 04/01/2019
		Estimated completion date (month, day, year) 12/31/2019

SECTION 3

ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
101.00	\$4,773,703.00	101.00	\$4,773,703.00	60.00	\$2,373,000.00

SECTION 4

ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

Current values	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Plus estimated values of proposed project	6,083,554.00	2,273,000.00
Less values of any property being replaced	7,000,000.00	4,000,000.00
Net estimated values upon completion of project	13,083,554.00	6,273,000.00

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 DENNIS ANDRESKI		Date signed (month, day, year) 2-27-19
Name of authorized representative DENNIS ANDRESKI		Title PLANT MANAGER



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

FEB 27 2019

PRIVACY NOTICE

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

INSTRUCTIONS

1. This statement must be submitted to the body designating the Economic Revitalization Area **BEFORE** 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. **COMMUNITY DEVELOPMENT**
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 Accugear Inc.	Name of contact person Dennis Andreski and David Yoder
Address of taxpayer (number and street, city, state, and ZIP code) 6710 Innovation Blvd., Fort Wayne, IN 46825	Telephone number (260) 497-6622

SECTION 2

LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Fort Wayne Common Council	Resolution number (s)
Location of property 6710 Innovation Blvd., Fort Wayne, IN 46825	County Allen
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.) 1250 Ton Fagor Press Line - This press line is equipped with a material handling system to transfer a "billet" from a hopper into a heater, through the press for forming and a conveyance system out of the press. This press line is equipped with a transfer system, cooling system, and heating system.	DLGF taxing district number 073
	ESTIMATED
	START DATE
	COMPLETION DATE
Manufacturing Equipment	06/01/2019
R & D Equipment	
Logist Dist Equipment	
IT Equipment	

SECTION 3

ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number 101	Salaries 4,773,703	Number retained 101	Salaries 4,773,703	Number additional 60	Salaries 2,373,000
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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	17,765,666	4,905,878						
Plus estimated values of proposed project	6,000,000	4,900,000						
Less values of any property being replaced								
Net estimated values upon completion of project	23,765,666	9,805,878						

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

hereby certify that the representations in this statement are true.

Signature of authorized representative Dennis Andreski	Date signed (month, day, year) 2-27-19
Name of authorized representative DENNIS ANDRESKI	Title PLANT MANAGER

EXHIBIT A

Ft. Wayne

(Legal Description)

Real property in the City of Fort Wayne, County of Allen, State of Indiana, described as follows:

Lots 10 through 15, Summit Park Addition, according to the plat thereof recorded in Plat Record 48, Pages 1-5, together with all of vacated Disc Drive, as vacated by City of Fort Wayne General Ordinance No. G-10-89 recorded as Document Number 89-17966.

Parcel No.: 02-07-16-200-015.000-073



MSKTD & Associates
Architecture / Engineering / Interior Design
1715 Montgomery Avenue
Suite 100
Indianapolis, IN 46204
317.577.1100
www.msktd.com

American Axle & Manufacturing
Manufacturing Building Expansion
6710 Innovation Blvd, Fort Wayne, IN 46818

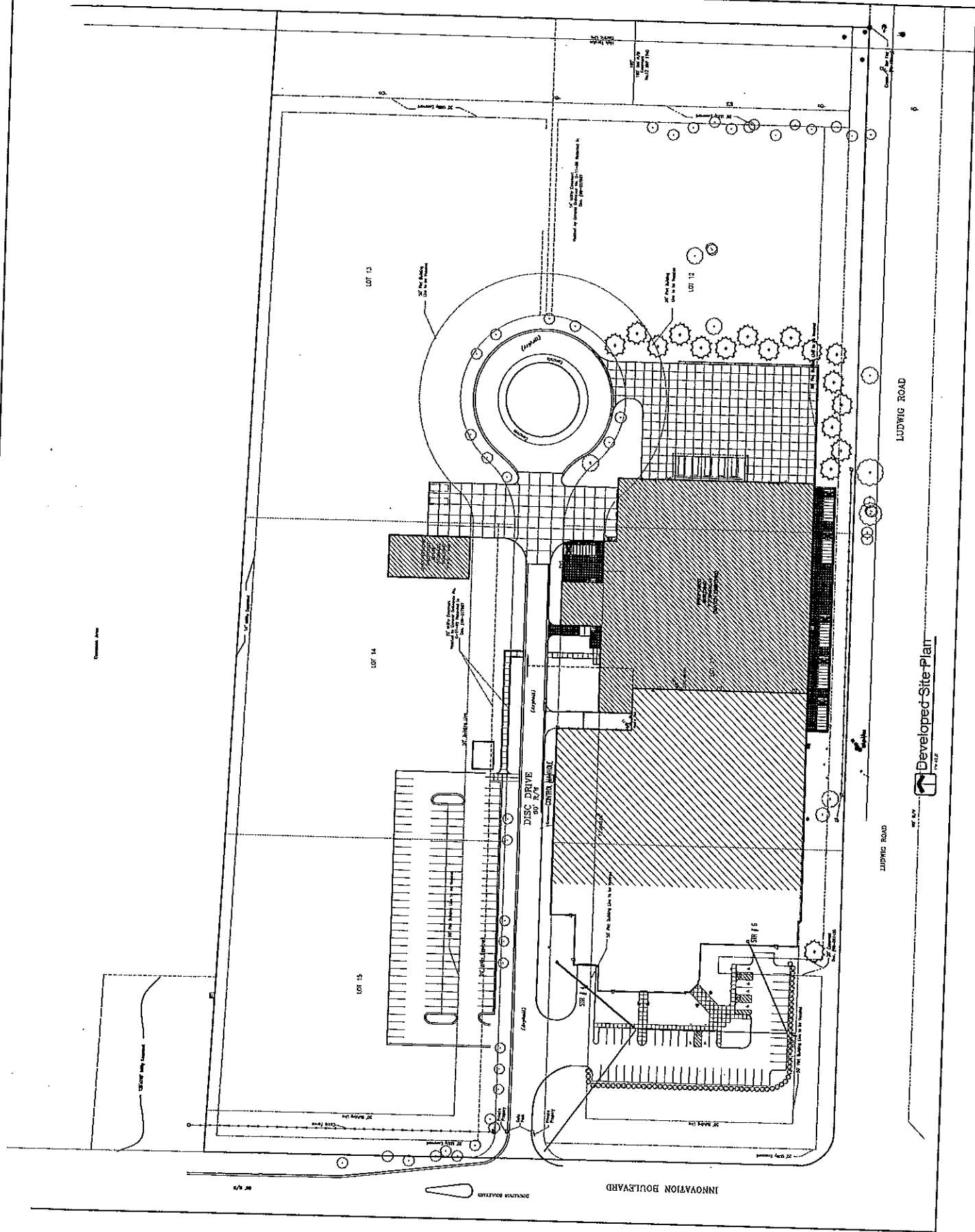
PROJECT NO. 7350
DATE 02-26-13
REV.

SHEET NUMBER

SHEET TITLE
Developed Site Plan

SHEET NUMBER

C4-1



MEMORANDUM



TO: City Council
FROM: Carman Young, Economic Development Specialist
DATE: March 6, 2019
RE: Request for designation by Accugear, Inc. as an ERA for real and personal property improvements.

BACKGROUND

PROJECT ADDRESS:	6710 Innovation Blvd.	PROJECT LOCATED WITHIN:	N/A
PROJECT COST:	\$13,000,000	COUNCILMANIC DISTRICT:	3

COMPANY PRODUCT OR SERVICE:	Accugear, Inc. is an automotive Tier 1 and 2 supplier of net shape differential gears and other forged components.
PROJECT DESCRIPTION:	Accugear, Inc. will construct a 67,000 square foot addition to its current facility and lease new manufacturing equipment.

CREATED

RETAINED

JOBS CREATED (FULL-TIME):	60	JOBS RETAINED (FULL-TIME):	92
JOBS CREATED (PART-TIME):	0	JOBS RETAINED (PART-TIME):	9
TOTAL NEW PAYROLL:	\$2,373,000	TOTAL RETAINED PAYROLL:	\$4,773,703
AVERAGE SALARY (FULL-TIME NEW):	\$39,550	AVERAGE SALARY (FULL-TIME RETAINED):	\$48,361

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 Commercial. 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: This project will expand the current 89,000 square foot facility with a 67,000 square foot addition.

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: Accugear, Inc. will lease new personal property 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: Accugear, Inc. will retain 92 full-time positions with an annual payroll of \$4,449,223, and nine part-time positions with an annual payroll of \$324,480. Accugear, Inc. will create 60 new full-time positions with an annual payroll of \$2,373,000.

Yes ☒ No ☐ N/A ☐

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

POLICY

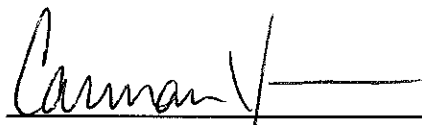
Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

1. The period of deduction for real property improvements is ten years.
2. The period of deduction for personal property improvements is ten years.

Under Fort Wayne Common Council's tax abatement policies and procedures, Accugear, Inc. is eligible for a recommended ten year deduction on real and 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 **Accugear, Inc.**

PERSONAL PROPERTY TAX ABATEMENT - 10 yr Schedule

Year	True Cash		True Tax		Assessed		Tax Abate		Tax Paid %	Deduction	Taxable A V	Tax Rate	Tax Paid	Tax Saved
	Value	"Pool 2"	Value	%	Value	%	Value	%						
1	\$6,000,000	40%	\$2,400,000	100%	\$2,400,000	100%	\$0	0%	0%	\$2,400,000	\$0	0.034092	\$0	\$81,821
2	\$6,000,000	56%	\$3,360,000	90%	\$3,360,000	90%	\$3,024,000	10%	10%	\$3,024,000	\$336,000	0.034092	\$11,455	\$103,094
3	\$6,000,000	42%	\$2,520,000	80%	\$2,520,000	80%	\$2,016,000	20%	20%	\$2,016,000	\$504,000	0.034092	\$17,182	\$68,729
4	\$6,000,000	32%	\$1,920,000	70%	\$1,920,000	70%	\$1,344,000	30%	30%	\$1,344,000	\$576,000	0.034092	\$19,637	\$45,820
5	\$6,000,000	30%	\$1,800,000	60%	\$1,800,000	60%	\$1,080,000	40%	40%	\$1,080,000	\$720,000	0.034092	\$24,546	\$36,819
6	\$6,000,000	30%	\$1,800,000	50%	\$1,800,000	50%	\$900,000	50%	50%	\$900,000	\$900,000	0.034092	\$30,683	\$30,683
7	\$6,000,000	30%	\$1,800,000	40%	\$1,800,000	40%	\$720,000	60%	60%	\$720,000	\$1,080,000	0.034092	\$36,819	\$24,546
8	\$6,000,000	30%	\$1,800,000	30%	\$1,800,000	30%	\$540,000	70%	70%	\$540,000	\$1,260,000	0.034092	\$42,956	\$18,410
9	\$6,000,000	30%	\$1,800,000	20%	\$1,800,000	20%	\$360,000	80%	80%	\$360,000	\$1,440,000	0.034092	\$49,092	\$12,273
10	\$6,000,000	30%	\$1,800,000	10%	\$1,800,000	10%	\$180,000	90%	90%	\$180,000	\$1,620,000	0.034092	\$55,229	\$6,137
11	\$6,000,000	30%	\$1,800,000	0%	\$1,800,000	0%	\$0	100%	100%	\$0	\$1,800,000	0.034092	\$61,366	\$0
										TOTAL TAX SAVED	(10 yrs on 10 yr deduction)		\$428,332	
										TOTAL TAX PAID	(10 yrs on 10 yr deduction)		\$348,966	

REAL PROPERTY TAX ABATEMENT - 10 yr Schedule

Year	True Cash		True Tax		Assessed		Tax Abate		Tax Paid %	Deduction	Taxable AV	Tax Rate	Tax Paid	Tax Saved
	Value	"Pool 2"	Value	%	Value	%	Value	%						
1	\$7,000,000		\$7,000,000	100%	\$7,000,000	100%	\$0	0%	0%	\$7,000,000	\$0	0.034092	\$0	\$238,644
2	\$7,000,000		\$7,000,000	95%	\$7,000,000	95%	\$350,000	5%	5%	\$6,650,000	\$350,000	0.034092	\$11,932	\$226,712
3	\$7,000,000		\$7,000,000	80%	\$7,000,000	80%	\$1,400,000	20%	20%	\$5,600,000	\$1,400,000	0.034092	\$47,729	\$190,915
4	\$7,000,000		\$7,000,000	65%	\$7,000,000	65%	\$2,450,000	35%	35%	\$4,550,000	\$2,450,000	0.034092	\$83,525	\$155,119
5	\$7,000,000		\$7,000,000	50%	\$7,000,000	50%	\$3,500,000	50%	50%	\$3,500,000	\$3,500,000	0.034092	\$119,322	\$119,322
6	\$7,000,000		\$7,000,000	40%	\$7,000,000	40%	\$2,800,000	60%	60%	\$2,800,000	\$4,200,000	0.034092	\$143,186	\$95,458
7	\$7,000,000		\$7,000,000	30%	\$7,000,000	30%	\$2,100,000	70%	70%	\$2,100,000	\$4,900,000	0.034092	\$167,051	\$71,593
8	\$7,000,000		\$7,000,000	20%	\$7,000,000	20%	\$1,400,000	80%	80%	\$1,400,000	\$5,600,000	0.034092	\$190,915	\$47,729
9	\$7,000,000		\$7,000,000	10%	\$7,000,000	10%	\$700,000	90%	90%	\$700,000	\$6,300,000	0.034092	\$214,780	\$23,864
10	\$7,000,000		\$7,000,000	5%	\$7,000,000	5%	\$350,000	95%	95%	\$350,000	\$6,650,000	0.034092	\$226,712	\$11,932
11	\$7,000,000		\$7,000,000	0%	\$7,000,000	0%	\$0	100%	100%	\$0	\$7,000,000	0.034092	\$238,644	\$0
										TOTAL TAX SAVED REAL PROPERTY	(10 yrs on 10 yr deduction)		\$1,181,288	
										TOTAL TAX PAID REAL PROPERTY (10 yrs)	(10 yrs on 10 yr deduction)		\$1,443,796	

TOTAL TAX SAVED PERSONAL & REAL
TOTAL TAX PAID PERSONAL & REAL

\$1,609,620
\$1,792,762

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

Real Property Abatements

Tax Abatement Review System

Accugear, Inc.

Points Possible	Points Awarded
--------------------	-------------------

INVESTMENT (30 points possible)

Total new investment in real property (new structures and/or rehabilitation)

Over \$1,000,000	10	10
\$500,000 to \$999,999	8	
\$100,000 to \$499,999	6	
Under \$100,000	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	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	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	
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Estimated Percent of Business done outside

Allen County

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

JOBS (20 points possible)

Total number of permanent jobs retained

Over 250	10	
100 to 249	8	
50 to 99	6	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	10	
50-99	8	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	8
\$28,000 to \$32,999	4	
under \$28,000	0	

BENEFITS (10 points possible)

Major Medical Plan	7	7
Pension, Tuition Reimbursement, Life Insurance, Dental Insurance,		
Disability Insurance,	3	3

SUSTAINABILITY

Construction uses green building techniques (ie LEED Certification)	5	
Construction uses techniques to minimize impact on Combined Sewer Overflows (CSOs)	5	5

Total	81
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Length of Abatement

20 to 39 points - 3 year abatement
40 to 59 points - 5 year abatement
60 to 69 points - 7 year abatement
70 to 100 points - 10 year abatement

10 year phase-in

* If Average annual salary of the full-time jobs created by listed occupation is 10% or greater than the average salary for Allen County using current occupational employment statistics, then the applicant is eligible for an alternate deduction schedule.

Real Property Deduction Schedules	Alternative Deduction Real Property Schedules
10 year	10 Year
Year 1: 100%	Year 1: 100%
Year 2: 95%	Year 2: 100%
Year 3: 80%	Year 3: 100%
Year 4: 65%	Year 4: 100%
Year 5: 50%	Year 5: 100%
Year 6: 40%	Year 6: 90%
Year 7: 30%	Year 7: 80%
Year 8: 20%	Year 8: 65%
Year 9: 10%	Year 9: 50%
Year 10: 5%	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%	

Personal Property Abatements

Tax Abatement Review System

Accugear, Inc.

Points Possible	Points Awarded
--------------------	-------------------

INVESTMENT (30 points possible)**Total new investment in equipment**

Over \$5,000,000	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	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	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	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	
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Estimated Percent of Business done outside**Allen County**

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

JOBS (20 points possible)**Total number of permanent jobs retained**

Over 250	10	
100 to 249	8	
50 to 99	6	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	10	
50-99	8	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	8
\$28,000 to \$32,999	4	
under \$28,000	0	

BENEFITS (10 points possible)

Major Medical Plan	7	7
Pension, Tuition Reimbursement, Life Insurance, Dental Insurance, Disability Insurance,	3	3

SUSTAINABILITY

Construction uses green building techniques (ie LEED Certification)	5	
Construction uses techniques to minimize impact on Combined Sewer Overflows (CSOs)	5	5

Total 81

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

10 year phase-in

* If Average annual salary of the full-time jobs created by listed occupation is 10% or greater than the average salary for Allen County using current occupational employment statistics, then the applicant is eligible for an alternate deduction schedule.

Personal Property Deduction Schedules	Alternative Deduction Personal Property Schedules
10 year	10 Year
Year 1: 100%	Year 1: 100%
Year 2: 90%	Year 2: 100%
Year 3: 80%	Year 3: 100%
Year 4: 70%	Year 4: 100%
Year 5: 60%	Year 5: 100%
Year 6: 50%	Year 6: 90%
Year 7: 40%	Year 7: 80%
Year 8: 30%	Year 8: 65%
Year 9: 20%	Year 9: 50%
Year 10: 10%	Year 10: 40%
Year 11: 0%	
7 year	7 Year
Year 1: 100%	Year 1: 100%
Year 2: 85%	Year 2: 100%
Year 3: 71%	Year 3: 100%
Year 4: 57%	Year 4: 100%
Year 5: 43%	Year 5: 100%
Year 6: 29%	Year 6: 71%
Year 7: 14%	Year 7: 43%
Year 8: 0%	
5 year	
Year 1: 100%	
Year 2: 80%	
Year 3: 60%	
Year 4: 40%	
Year 5: 20%	
Year 6: 0%	
3 year	
Year 1: 100%	
Year 2: 66%	
Year 3: 33%	
Year 4: 0%	

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Accugear, Inc. is requesting the designation of an Economic Revitalization Area for eligible real and personal property improvements in the amount of \$13,000,000. Accugear, Inc. will expand its current facility with a 67,000 square foot addition. New personal property manufacturing equipment will be leased.**

EFFECT OF PASSAGE: **Investment of \$13,000,000, the creation of 60 full-time positions with an annual payroll of \$2,373,000 and the retention of 92 full-time and nine part-time positions with a total annual payroll of \$4,773,703.**

EFFECT OF NON-PASSAGE: **Potential loss of investment and the creation of 60 full-time positions with an annual payroll of \$2,373,000 and the retention of 92 full-time and nine part-time positions with a total annual payroll of \$4,773,703.**

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

ASSIGNED TO COMMITTEE (PRESIDENT): **Russ Jehl and Jason Arp**