BILL NO. R-19-05-17

CONFIRMING RESOLUTION NO. R-________

A CONFIRMING RESOLUTION designating an "Economic Revitalization Area" and approving a waiver of non-compliance under I.C. 6-1.1-12. 2677 Persistence Drive, Fort Wayne, Indiana 46808, (WC Holdings II, LLC/ElringKlinger Manufacturing Indiana, Inc.)

WHEREAS, Common Council has previously designated and declared by Declaratory Resolution the following described property as 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 26 full-time, permanent jobs for a total additional annual payroll of $1,151,134, with the average additional, annual job salary being $44,274 and retain 37 full-time permanent jobs with a total current payroll of $2,193,485,with the average current, annual salary of $59,283; and

WHEREAS, the total estimated project cost is $5,963,581; and

WHEREAS, representatives of WC Holdings II, LLC/ElringKlinger Manufacturing Indiana, Inc. informed Common Council that the real and personal property improvements for which they are requesting designation of an Economic Revitalization Area under I.C. 6-1.1-12.1 are complete; and

WHEREAS, WC Holdings II, LLC/ElringKlinger Manufacturing Indiana, Inc. has submitted a written request for a waiver of non-compliance under I.C. 6-1.1-12.1-11.3; and

WHEREAS, I.C. 6-1.1-12.1-11.3 permits non-compliance events such as the untimely filing of an application, statement of benefits, or another document required to be filed under I.C. 6-1.1-12.1; and

WHEREAS, the Common Council acknowledges that WC Holdings II, LLC/ElringKlinger Manufacturing Indiana, Inc. has requested a waiver of non-compliance which the Common Council has the power and authority to approve under I.C. 6-1.1-12.1-11.3; and

WHEREAS, Common Council finds that WC Holdings II, LLC/ElringKlinger Manufacturing Indiana, Inc. did not comply with I.C. 6-1.1-12.1 by:

(a) failure to provide the completed statement of benefits forms to the Common Council before the public hearing,

(b) failure to submit the completed statement of benefits form to the Common Council before initiation of redevelopment or rehabilitation,

WHEREAS, notice of the adoption and substance of said Resolution has been published in accordance with I.C. 6-1.1-12.1-2.5, I.C. 6-1.1-12.1-11.3(c) and I.C. 5-3-1and a public hearing has been conducted on said Resolution and waiver.

WHEREAS, representatives of WC Holdings II, LLC/ElringKlinger Manufacturing Indiana, Inc. were in attendance and presented testimony on why a waiver should be granted; and

WHEREAS, a recommendation has been received from the Committee on Finance concerning said Resolution; and

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

SECTION 1. That, Common Council hereby adopts a waiver of non-compliance with I.C. 6-1.1-12.1-11.3 regarding:

(a) failure to provide the completed statement of benefits forms to the common council before the public hearing,

(b) failure to submit the completed statement of benefits form to the common council before initiation of redevelopment or rehabilitation, and

for which WC Holdings II, LLC/ElringKlinger Manufacturing Indiana, Inc. desires to claim an Economic Revitalization Area deduction. Such waiver shall be in effect for real and property improvements during the period of February 1, 2019 through the date of this resolution.

SECTION 2. That, the Resolution previously designating the above described property as an "Economic Revitalization Area" is confirmed in all respects.

SECTION 3. That, the hereinabove described property is hereby declared an "Economic Revitalization Area" pursuant to I.C. 6-1.1-12.1, said designation to begin on the effective date 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 4. 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 February 1, 2019 and July 31, 2019 and personal property for new manufacturing, logistical distribution and information technology equipment improvements to be made between May 1, 2019 and May 30, 2023.

SECTION 5. 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 redevelopment or rehabilitation and estimate of the value of the new manufacturing equipment, all contained in Petitioner's Statement of Benefits are reasonable and are benefits that can be reasonably expected to result from the proposed described installation of the new manufacturing, logistical distribution and information technology equipment.

SECTION 6. 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 $3.2934/$100.

(b) If the proposed development does occur and no deduction is granted, the approximate current year tax rate for the site would be $3.2934/$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 $3.2934/$100 (the change would be negligible).

(d) If the proposed new manufacturing, logistical distribution and information technology equipment is not installed, the approximate current year tax rates for this site would be $3.2934/$100.

(e) If the proposed new information technology equipment is installed and no deduction is granted, the approximate current year tax rate for the site would be $3.2934/$100 (the change would be negligible).

(f) If the proposed manufacturing, logistical distribution and information technology equipment is installed and a deduction percentage of eighty percent (80%) is assumed, the approximate current year tax rate for the site would be $3.2934/$100 (the change would be negligible).

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 and personal property 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 manufacturing, logistical distribution and information technology 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 10. 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 11. For manufacturing, logistical distribution and information technology equipment, a deduction application must contain a performance report showing the extent to which there has been compliance with the Statement of Benefits form approved by Common Council at the time of filing. This report must be submitted to the Allen County Auditor's Office, and the City of Fort Wayne's Community Development Division and must be included with the deduction application. For subsequent years, the performance report must be updated and submitted along with the deduction application at the time of filing.

SECTION 12. For real property, a deduction application must contain a performance report showing the extent to which there has been compliance with the Statement of Benefits form approved by the Common Council at the time of filing. This report must be submitted to the Allen County Auditor's Office and the City of Fort Wayne's Community Development Division and must be included in the deduction application. For subsequent years, the performance report must be updated each year in which the deduction is applicable at the same time the property owner is required to file a personal property tax return in the taxing district in which the property for which the deduction was granted is located. If the taxpayer does not file a personal property tax return in the taxing district in which the property is located, the information must be provided by May 15.

SECTION 13. The performance report must contain the following information:

A. The cost and description of real property improvements and/or new manufacturing, logistical distribution and information technology equipment acquired.

B. The number of employees hired through the end of the preceding calendar year as a result of the deduction.

C. The total salaries of the employees hired through the end of the preceding calendar year as a result of the deduction.

D. The total number of employees employed at the facility receiving the deduction.

E. The total assessed value of the real and/or personal property deductions.

F. The tax savings resulting from the real and/or personal property being abated.

SECTION 14. That, the taxpayer is non-delinquent on any and all property tax due to jurisdictions within Allen County, Indiana.

SECTION 15. 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 deduction amount as determined by the county auditor in accordance with section 12 of said chapter if the property owner ceases operations at the facility for which the deduction was granted and if the Common Council finds that the property owner obtained the deduction by intentionally providing false information concerning the property owner's plans to continue operation at the facility.

SECTION 16. That, this Resolution shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.

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Member of Council

APPROVED AS TO FORM A LEGALITY

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Carol Helton, City Attorney

Admn. Appr.___________

DIGEST SHEET

TITLE OF ORDINANCE: **Confirming Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **This is to confirm the designation of an Economic Revitalization Area for WC Holdings II, LLC/ElringKlinger Manufacturing Indiana, Inc. for eligible real and personal property improvements. WC Holdings II, LLC will construct a 60,000 square foot addition to the existing facility of the same size. ElringKlinger Manufacturing Indiana, Inc. will use this as a logistics and distribution center for which they will purchase and install new manufacturing, logistical distribution and information technology equipment.**

EFFECT OF PASSAGE: **Investment of $5,963,581, the retention of 37 full-time permanent jobs with an annual payroll of $2,193,485 and the creation of 26 new full-time permanent jobs with an annual payroll of $1,151,134.**

EFFECT OF NON-PASSAGE: **Potential loss of investment, the retention of 37 full-time permanent jobs with an annual payroll of $2,193,485 and the creation of 26 new full-time permanent jobs with an annual payroll of $1,151,134.**

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

ASSIGNED TO COMMITTEE (CO-CHAIRS): **Russ Jehl and Jason Arp**

EXHIBIT A

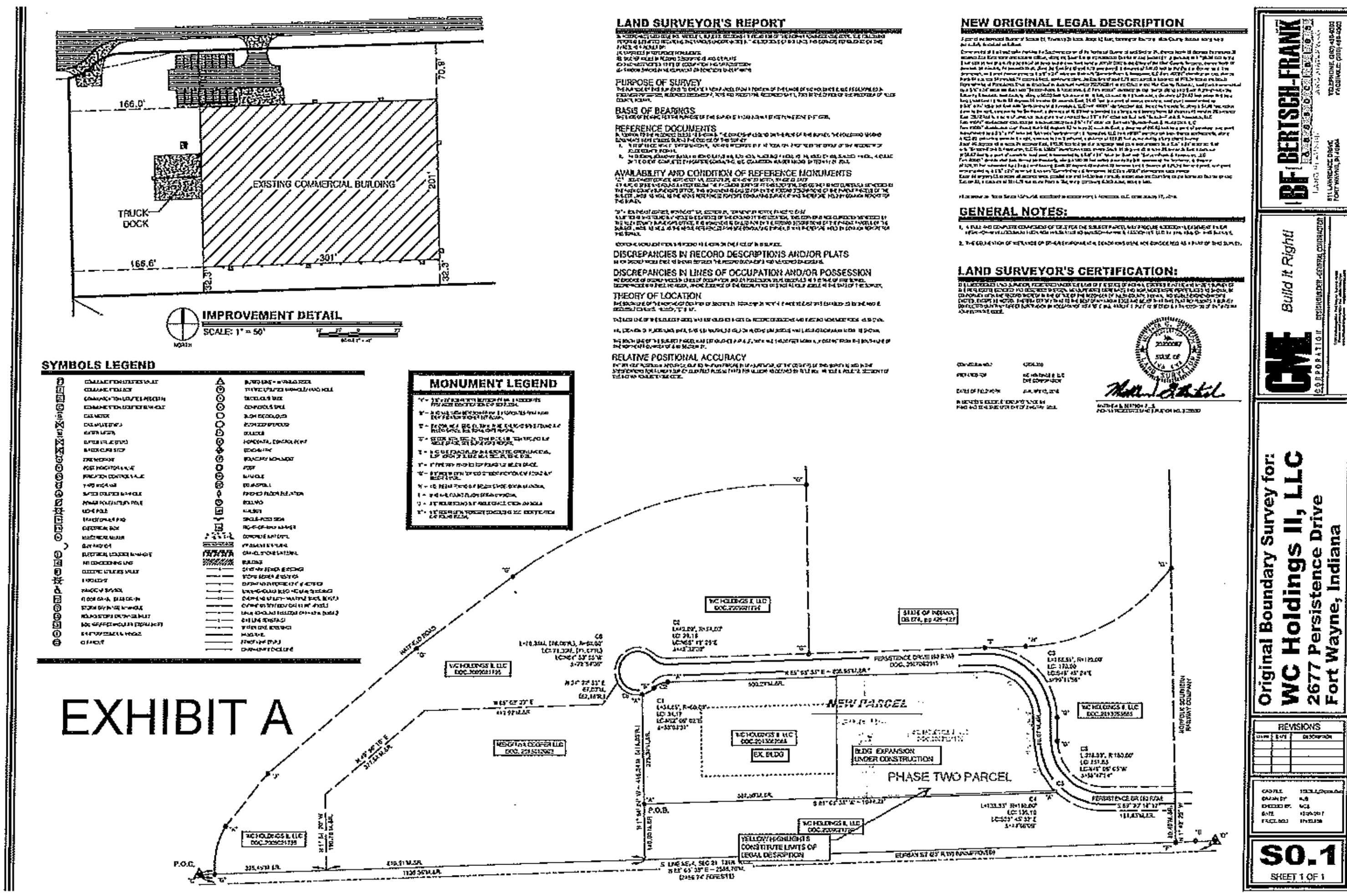
LAND SURVEYOR'S REPORT
PURPOSE OF SURVEY
BASIS OF BEARINGS
REFERENCE DOCUMENTS
AVAILABILITY AND CONDITION OF REFERENCE MONUMENTS
DISCREPANCIES IN RECORD DESCRIPTIONS AND/OR PLATS
DISCREPANCIES IN LINES OF OCCUPATION AND/OR POSSESSION
THEORY OF LOCATION
RELATIVE POSITIONAL ACCURACY
NEW ORIGINAL LEGAL DESCRIPTION
GENERAL NOTES:
LAND SURVEYOR'S CERTIFICATION:
BF BERTSCH-FRANK
Build it Right!
Original Boundary Survey for:
WC Holdings II, LLC
2677 Persistence Drive
Fort Wayne, Indiana
REVISIONS
S0.1
SHEET 1 OF 1
166.0'
70.8'
EXISTING COMMERCIAL BUILDING
201'
TRUCK DOCK
166.6'
301'
32.3'
32.3'
IMPROVEMENT DETAIL
SCALE: 1" = 50'
SYMBOLS LEGEND
MONUMENT LEGEND
WC HOLDINGS II, LLC
STATE OF INDIANA
NEW PARCEL
EX. BLDG
BLDG. EXPANSION UNDER CONSTRUCTION
PHASE TWO PARCEL
YELLOW HIGHLIGHTS CONSTITUTE LIMITS OF LEGAL DESCRIPTION
P.O.B.
P.O.C.

EXHIBIT D

LEGAL DESCRIPTION OF THE PROPERTY LOCATED AT 2677 PERSISTENCE DRIVE, FORT WAYNE, INDIANA 46808

A part of the Northeast Quarter of Section 21, Township 31 North, Range 12 East, Washington Township, Allen County, Indiana, being more particularly described as follows:

Commencing at a railroad spike marking the Southwest corner of the Northeast Quarter of said Section 21, thence North 88 degrees 05 minutes 38 seconds East (Grid North and basis to follow), along the South line of the Northeast Quarter of said Section 21, a distance of 1,136.36 feet to the Southeast corner of a 6.79 acre parcel as described in document number 2015012002 in the Office of the Allen County Recorder; thence North 01 degrees, 54 minutes, 24 seconds West, along the East line of said 6.79 acre parcel, a distance of 415.34 feet to the South Right-of-Way of Persistence Drive as described in document number 2007063911 in the Office of the Allen County Recorder; thence along said South Right-of-Way the following 7 courses: northeasterly, along a 60.00 foot radius curve to the left, concave to the Northwest, a distance of 34.65 feet subtended by a long chord bearing North 62 degrees 06 minutes 01 seconds East, 34.17 feet to a point of reverse curvature; thence northeasterly, along a 54.00 foot radius curve to the right, concave to the Southeast, a distance of 40.09 feet subtended by a long chord bearing North 66 degrees 49 minutes 26 seconds East, 39.18 feet to a point of tangency; thence North 88 degrees 05 minutes 38 seconds East, a distance of 400.63 feet to the Point of Beginning of the herein described parcel; thence North 88 degrees 05 minutes 38 seconds East, a distance of 406.32 feet to a point of curvature; thence southeasterly, along a 120.00 foot radius curve to the right, concave to the Southwest, a distance of 188.91 feet subtended by a long chord bearing South 46 degrees 48 minutes 24 seconds East, 170.00 feet to a point of tangency; thence South 01 degrees 42 minutes 25 seconds East a distance of 58.67 feet to a point of curvature; thence southeasterly, along a 180.00 foot radius curve to the left, concave to the Northeast, a distance of 138.55 feet subtended by a long chord bearing South 23 degrees 45 minutes 32 seconds East a distance of 135.16 feet to a point; thence South 88 degrees 05 minutes 38 seconds West, parallel with and 140.00 feet normally distant from the South line of the Northeast Quarter of said Section 21, a distance of 576.42 feet to a point; thence North 01 degrees, 54 minutes, 24 seconds West, parallel with the East line of said 6.79 acre parcel, a distance of 304.53 feet to the Point of Beginning, containing 3.653 acres, more or less.

CITY OF FT. WAYNE
APR 12 2019 CRY
COMMUNITY DEVELOPMENT

elringklinger

ElringKlinger Manufacturing Indiana, Inc. | 2677 Persistence Drive | Fort Wayne, IN 46808 | USA

private/confidential
City of Fort Wayne
Ms. Carman Young, MS
200 East Berry Street, Suite 320
Fort Wayne, Indiana 46802 USA

Our ref.
ERA Application

Date
3/28/19

Phone
+1 260 234 5905

Fax
+1 260 234 5905

E-mail
david.beyer@elringklinger.com]

Elringklinger Manufacturing Indiana, ERA Application

Dear, Ms. Carman Young, MS

I am writing this letter to express my sincerest apologies for failing to submit our formal tax phase-in and associated ERA application for our firm's expanded operations within the outlined period before the start of construction activity on the site. We regret any inconvenience this has caused you and your organization. You have been very supportive as we have had to revise our documentation accordingly.

Mr. Böni and I have been working with Mr. Blair since January 2018 on our incentive compliance, with the goal of meeting state and local requirements for due diligence and proper documentation. We are doing this in 2019 with respect to the expansion that we have been discussing with W.C. Holding, the owner of the property where our leased facility is located.

The reason for our delayed submission of the ERA Application was a result of the timing of the project based on decisions from our corporate offices in Germany. Due to a number of factors that included the impending impact of the winter weather on the building season and growing business pressures on our U.S. operations calling for the need for the logistics facility space that we would be looking at building out in our Fort Wayne location, we asked the construction company to move forward with their building plans. We did this in the belief that our management in Germany would provide the final budget approvals at any moment.

Knowing that we needed to have a shell building in place in order to receive a timely delivery, we decided to make the investment based on the pricing proposed by WC Holdings and then wait for the final approvals from our corporate unit. Once we had this budget in hand, we were able to provide Mr Blair with the data and information that he needed in completing some of the paperwork for the application (personal property investments + personnel requirements = payroll).

I trust that the Common Council and its President will understand the situation in which we found ourselves, and agree that no ill intent was intended. We appreciate the thoughtful consideration of our case and remain,

Sincerely yours,
Elringklinger Manufacturing Indiana, Inc.

ELRINGKLINGER
MANUFACTURING INDIANA, INC.

2677 Persistence Drive
Fort Wayne, IN 46808
USA

Phone +1 260 234-5800
Fax +1 260 234-5999
info.us@elringklinger.com
www.elringklinger.com

GENERAL MANAGER

David Beyer

elringklinger

David Beyer
General Manager

ELRINGKLINGER
MANUFACTURING INDIANA, INC.

2677 Persistence Drive
Fort Wayne, IN 46808
USA

Phone +1 260 234-5800
Fax +1 260 234-5999
info.us@elringklinger.com
www.elringklinger.com