

**A DECLARATORY RESOLUTION designating an
"Economic Revitalization Area" under I.C. 6-1.1-12.1
for property commonly known as 7606 Freedom Way,
Fort Wayne, Indiana 46818 (First Gear, Inc.)**

WHEREAS, Petitioner has duly filed its petition dated August 14, 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 three full-time, permanent jobs for a total new, annual payroll of \$118,560, with the average new annual job salary being \$39,520 and retain 25 full-time, permanent jobs for a current annual payroll of \$976,976, with the average current annual job salary being \$39,079; and

WHEREAS, the total estimated project cost is \$1,800,000; and

WHEREAS, it appears the said petition should be processed to final determination in accordance with the provisions of said Division 6.

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

SECTION 1. That, subject to the requirements of Section 6, below, the property hereinabove described is hereby designated and declared an "Economic Revitalization Area" under I.C. 6-1.1-12.1. Said designation shall begin upon the effective date of the Confirming Resolution referred to in Section 6 of this Resolution and shall terminate on December 31, 2021, unless otherwise automatically extended in five year increments per I.C. 6-1.1-12.1-9.

SECTION 2. That, upon adoption of the Resolution:

- (a) Said Resolution shall be filed with the Allen County Assessor;
- (b) Said Resolution shall be referred to the Committee on Finance requesting a recommendation from said committee concerning the advisability of designating the above area an "Economic Revitalization Area";
- (c) Common Council shall publish notice in accordance with I.C. 6-1.1-12.1-2.5 and I.C. 5-3-1 of the adoption and substance of this resolution and setting this designation as an "Economic Revitalization Area" for public hearing.

SECTION 3. That, said designation of the hereinabove described property as an "Economic Revitalization Area" shall apply to a deduction of the assessed value of personal

property for new manufacturing equipment improvements to be made between October 1, 2019 and December 31, 2020.

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 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 new manufacturing equipment.

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

- (a) If the proposed new manufacturing equipment is not installed, the approximate current year tax rates for this site would be \$3.2934/\$100.
- (b) 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. 2934/\$100 (the change would be negligible).
- (c) 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. 2934/\$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 new manufacturing equipment shall be for a period of seven years.

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

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

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.

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Member of Council

APPROVED AS TO FORM AND LEGALITY

Carol Helton, City Attorney



CITY OF FT. WAYNE
AUG 14 2019

03/2013

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:

\$ 1,880,000

TOTAL OF ABOVE IMPROVEMENTS:

\$ 1,880,000

GENERAL INFORMATION

Real property taxpayer's name: First Gear, Inc.

Personal property taxpayer's name: First Gear, Inc.

Telephone number: 260-490-3238

Address listed on tax bill: 7606 Freedom Way, Fort Wayne, IN 46818

Name of company to be designated, if applicable: First Gear, Inc.

Year company was established: 1988

Address of property to be designated: 7606 Freedom Way, Fort Wayne, IN 46818

Real estate property identification number: 02-07-09-452-002.000-073

Contact person name: Rhonda Blickenstaff

Contact person telephone number: (260) 490-3238

Contact person Email: rblickenstaff@first-gear.com

Contact person address: 7606 Freedom Way, Fort Wayne, IN 46818

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Gregory A. Leffler	President	7606 Freedom Way, Fort Wayne, IN 46818	(260) 490-3238
Cindy Leffler	Vice-President	7606 Freedom Way, Fort Wayne, IN 46818	(260) 490-3238
Gregory A. Leffler Jr	Quality Manager	7606 Freedom Way, Fort Wayne, IN 46818	(260) 490-3238
Rhonda Blickenstaff	General Manager	7606 Freedom Way, Fort Wayne, IN 46818	(260) 490-3238

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

NAME	PERCENTAGE
Gregory A Leffler	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? 92%

What is the company's primary North American Industrial Classification Code (NAICs)? 333612

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

First Gear, Inc. processes gears for others, using several types of machines depending on the operation performed.

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2016	\$ 2,112,702.00
2017	\$ 2,322,776
2018	\$ 2,930,199

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

Customer Name	City/State	Annual Gross Sales
RW Screw	Massillon, OH	\$ 455,332
CA Tool	Churubusco, IN	\$ 307,365
M.W. Bevins Company	Tulsa, OK	\$ 287,937

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

Supplier Name	City/State	Annual Gross Purchases
SRS Manufacturing	Clinton Township, MI	\$ 64,406
Memcor-Truohm	Huntington, IN	\$ 59,463
Earle M Jorgenson Co	Chicago, IL	\$ 52,060

List the company's top three competitors:

Competitor Name	City/State
Forest City Gear	Roscoe, IL
Schafer Industries	South Bend, IN
Perry Technology Corporation	New Hartford, CT

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

First Gear, Inc. processes gears for others, using several types of machines depending on the operation performed. The new CNC Swiss Lathe Machine will be used for the machining of high-precision parts adding to the versatility and diversity in the type of parts that First Gear, Inc. can machine. The new Keopfer Hobbing machine will be used for additional machining capacity to cut gears. Our gear hobbing business volume continues to grow requiring an additional machine. The new Finish Grinder and the Honing machine will support existing business and provide us with the additional capacity needed to continue to grow.

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?

New equipment expands our capabilities, allowing us to bring in lathe, hobbing, honing, and grinding work currently outsourced to vendors in Detroit, Chicago, Philadelphia, and Huntington, Indiana allowing us to grow our business and add stability.

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)

SR-38/B Swiss Lathe Machine to be used for the machining of high-precision parts with versatility and diversity in the type of parts that First Gear, Inc. can machine.

The new Keopfer Hobbing machine will be used for additional machining capacity to cut gears. Our gear hobbing business volume continues to grow requiring an additional machine. The new Finish Grinder and the Honing machine will support existing business and provide us with the additional capacity needed to continue to grow.

☐ 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): 10/2019

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

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

Term of Depreciation = 7 years

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
CEO	11-1011	1	████████
General/Operations Mgrs	11-1021	2	\$ 125,968
Machine Tool Oper.	51-4011	17	\$ 591,420
Bookkeeping/Acct Clerk	43-9061	1	████████
Supervisors	51-1011	4	\$ 188,523

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
Machine Tool Oper.	51-4011	3	\$ 118,560

\$39,520

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
n/a			

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
n/a			

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
n/a			

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

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

List any benefits not mentioned above:

Vacation and personal days

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

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

Gregory A. Leffler

 Printed Name and Title of Applicant

8-12-2018

 Date

EXHIBIT A

ZOHRAH K. TAZIAN, P.E. & L.S.
JOHN C. SAUER, L.S.
SAM L. FAUST, L.S.



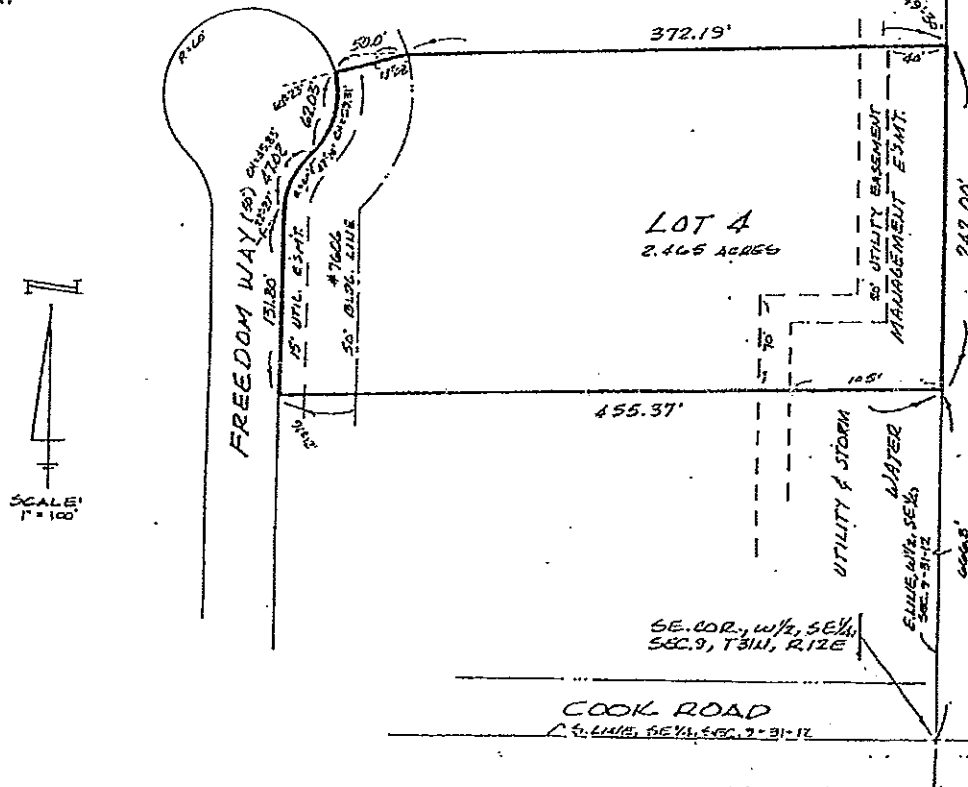
CERTIFICATE OF SURVEY

This document is a record of a resurvey of land and real estate prepared in conformity with established rules of surveying and made in accordance with the records or plat on file in the Recorder's office of _____ County, State of Indiana. The land described is in full dimensions as shown hereon in feet. It is free from encroachments by adjoining land owners unless specifically stated below. Corners are perpetuated as indicated.

DESCRIPTION OF REAL ESTATE

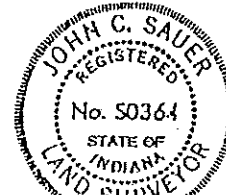
Part of the West Half of the Southeast Quarter of Section 9, Township 31 North, Range 12 East, Allen County, Indiana, more particularly described as follows, to wit:

Beginning on the East line of the West Half of the Southeast Quarter of said Section 9, at a point situated 666.8 feet North of the Southeast corner thereof; thence North, on and along said East line, a distance of 242.0 feet; thence Westerly, by a deflection angle left of 90 degrees 49 minutes 30 seconds and parallel to the South line of said Southeast Quarter, a distance of 372.19 feet; thence Southwesterly, by a deflection angle left of 13 degrees 00 minutes, a distance of 50.0 feet; thence Southwesterly, on and along the arc of a cul-de-sac curve having a radius of 60.0 feet, an arc distance of 62.03 feet, being subtended by a long chord having a length of 59.31 feet and deflecting left 60 degrees 23 minutes from the last described course, to the point of reverse curvature of a regular curve to the left having a radius of 60.0 feet; thence Southerly, on and along the arc of said curve, a distance of 47.02 feet, being subtended by a long chord having a length of 45.83 feet and deflecting right 07 degrees 10 minutes from the last described long chord; thence Southerly, and tangent to the last said curve, by a deflection angle left of 22 degrees 27 minutes from the last described long chord, a distance of 131.00 feet; thence East, by a deflection angle left of 91 degrees 12 minutes and parallel to said South line, a distance of 455.37 feet to the point of beginning, containing 2.465 acres of land, subject to all easements of record, this tract being Lot 4 in the proposed plat of Liberty Industrial Park.



I hereby certify on the 29th day of JUNE, 1990 that the above survey is correct.
Surveyed for:
Survey No.:

[Signature]



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51764 (R4 / 11-15)

Prescribed by the Department of Local Government Finance

CITY OF FT. WAYNE

AUG 14 2019

FORM SB-1 / PP

PRIVACY NOTICE

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

INSTRUCTIONS

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)

COMMUNITY DEVELOPMENT

SECTION 1 TAXPAYER INFORMATION								
Name of taxpayer First Gear, Inc.			Name of contact person Rhonda Blickenstaff					
Address of taxpayer (number and street, city, state, and ZIP code) 7606 Freedom Way, Fort Wayne, IN 46818			Telephone number (260) 490-3238					
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT								
Name of designating body Fort Wayne Common Council			Resolution number (s)					
Location of property 7606 Freedom Way, Fort Wayne, IN 46818		County Allen		DLGF taxing district number 037 FW Washington				
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.) SR-38 Type B Swiss Automatic Lathe Machine Koeper Hobbing Maching Finish Grinder Honing Machine				ESTIMATED				
				START DATE	COMPLETION DATE			
				Manufacturing Equipment	09/03/2019 12/31/2020			
				R & D Equipment				
				Logist Dist Equipment				
IT Equipment								
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT								
Current number 25	Salaries 976,976	Number retained 25	Salaries 976,976	Number additional 3	Salaries 118,560			
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	1,880,000							
Less values of any property being replaced								
Net estimated values upon completion of project								
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) 8-12-2019				
Printed name of authorized representative Gregory A. Leffler				Title President				

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is December 31, 2021. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.

B. The type of deduction that is allowed in the designated area is limited to:

1. Installation of new manufacturing equipment;
2. Installation of new research and development equipment;
3. Installation of new logistical distribution equipment.
4. Installation of new information technology equipment;

☒ Yes ☐ No ☐ Enhanced Abatement per IC 6-1.1-12.1-18
☐ Yes ☒ No Check box if an enhanced abatement was
☐ Yes ☒ No approved for one or more of these types.
☐ Yes ☒ No

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ Unlimited cost with an assessed value of \$ Unlimited. (One or both lines may be filled out to establish a limit, if desired.)

D. The amount of deduction applicable to new research and development equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

F. The amount of deduction applicable to new information technology equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)

G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

☐ Year 1 ☐ Year 2 ☐ Year 3 ☐ Year 4 ☐ Year 5 ☐ Enhanced Abatement per IC 6-1.1-12.1-18
☐ Year 6 ☒ Year 7 ☐ Year 8 ☐ Year 9 ☐ Year 10 Number of years approved: _____
 (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? ☒ Yes ☐ No
 If yes, attach a copy of the abatement schedule to this form.
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by: (signature and title of attester)	Printed name of attester	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **First Gear, Inc. is requesting the designation of an Economic Revitalization Area for eligible personal property improvements in the amount of \$1,800,000. First Gear, Inc. will purchase and install new manufacturing equipment.**

EFFECT OF PASSAGE: **Investment of \$1,800,000, creation of three new full-time jobs with an annual payroll of \$118,560 and retention of 25 full-time jobs with an annual payroll of \$976,976.**

EFFECT OF NON-PASSAGE: **Potential loss of investment, three new full-time jobs and retention of 25 full-time jobs.**

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

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

MEMORANDUM



TO: City Council

FROM: Carman Young, Economic Development Specialist

DATE: August 21, 2019

RE: Request for designation by First Gear, Inc. as an ERA for personal property improvements.

BACKGROUND

PROJECT ADDRESS:	7606 Freedom Way	PROJECT LOCATED WITHIN:	N/A
PROJECT COST:	\$1,800,000	COUNCILMANIC DISTRICT:	3

COMPANY PRODUCT OR SERVICE:	First Gear, Inc. is a high precision gear manufacturer.
PROJECT DESCRIPTION:	First Gear, Inc. will purchase and install new manufacturing equipment. This equipment will retain work locally that is normally outsourced to regional vendors.

CREATED		RETAINED	
JOBS CREATED (FULL-TIME):	3	JOBS RETAINED (FULL-TIME):	25
JOBS CREATED (PART-TIME):	0	JOBS RETAINED (PART-TIME):	0
TOTAL NEW PAYROLL:	\$118,560	TOTAL RETAINED PAYROLL:	\$976,976
AVERAGE SALARY (FULL-TIME NEW):	\$39,520	AVERAGE SALARY (FULL-TIME RETAINED):	\$39,079

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 I-2, 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: New manufacturing equipment will be purchased and installed.

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: Three new full-time positions will be created and 25 full-time positions will be retained.Yes ☐ No ☐ N/A ☐

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

POLICY

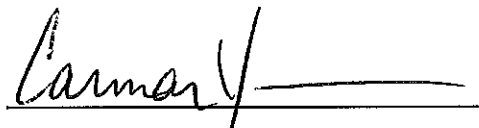
Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

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

Under Fort Wayne Common Council's tax abatement policies and procedures, First Gear, 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

Reviewed:


 Economic Development Administrator

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

First Gear, Inc.

PERSONAL PROPERTY TAX ABATEMENT - 7 yr Schedule

Year	True Cash Value	"Pool 2"	True Tax Value	Assessed Value	Abatement %	Tax Paid %	Deduction	Taxable A V	Tax Rate	Tax Paid	Tax Saved
1	\$1,800,000	40%	\$720,000	\$720,000	100%	0%	\$720,000	\$0	0.032934	\$0	\$23,712
2	\$1,800,000	56%	\$1,008,000	\$1,008,000	85%	15%	\$856,800	\$151,200	0.032934	\$4,980	\$28,218
3	\$1,800,000	42%	\$756,000	\$756,000	71%	29%	\$536,760	\$219,240	0.032934	\$7,220	\$17,678
4	\$1,800,000	32%	\$576,000	\$576,000	57%	43%	\$328,320	\$247,680	0.032934	\$8,157	\$10,813
5	\$1,800,000	30%	\$540,000	\$540,000	43%	57%	\$232,200	\$307,800	0.032934	\$10,137	\$7,647
6	\$1,800,000	30%	\$540,000	\$540,000	29%	71%	\$156,600	\$383,400	0.032934	\$12,627	\$5,157
7	\$1,800,000	30%	\$540,000	\$540,000	14%	86%	\$75,600	\$464,400	0.032934	\$15,295	\$2,490
8	\$1,800,000	30%	\$540,000	\$540,000	0%	100%	\$0	\$540,000	0.032934	\$17,784	\$0
							TOTAL TAX SAVED		(7 yr deduction)		<u>\$95,715</u>
							TOTAL TAX PAID		(7 yr deduction)		<u>\$76,200</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

	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	
less than \$3,000	1	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	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	
25 to 49	4	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	
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	
\$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

Total	66
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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

* 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%	