BILL NO. R-21-10-22

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 for property commonly known as 6055 Innovation Boulevard, Fort Wayne, Indiana 46818 (Michael Kinder and Sons, 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 ten full-time, permanent jobs for a total additional annual payroll of $740,000, with the average additional, annual job salary being $74,000 and retain 80 full-time permanent and 21 part-time jobs with a total annual payroll of $4,548,124; and

WHEREAS, the total estimated project cost is $6,450,000; and

WHEREAS, representatives of Michael Kinder and Sons, Inc. informed Common Council that the application for designation under I.C. 6-1.1-12 was submitted after the initiating the project by applying for an Improvement Location Permit; and

WHEREAS, Michael Kinder and Sons, 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 Michael Kinder and Sons, 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 Michael Kinder and Sons, 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 Michael Kinder and Sons, 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 Michael Kinder and Sons, Inc. desires to claim an Economic Revitalization Area deduction.

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 December 31, 2021 and May 1, 2023 and personal property for new information technology equipment improvements to be made between May 1, 2022 and May 1, 2023. Should any delays occur, an updated timeframe will be communicated to the Allen County Assessor and Allen County Auditor by Community Development staff in writing.

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 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 $3.1453/$100.

(b) If the proposed development does occur and no deduction is granted, the approximate current year tax rate for the site would be $3.1453/$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 $3.1453/$100 (the change would be negligible).

(d) If the proposed new logistical distribution and information technology equipment is not installed, the approximate current year tax rates for this site would be $3.1453/$100.

(e) If the proposed new logistical distribution and information technology equipment is installed and no deduction is granted, the approximate current year tax rate for the site would be $3.1453/$100 (the change would be negligible).

(f) If the proposed 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 $3.1453/$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 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.

____

Member of Council

APPROVED AS TO FORM A LEGALITY

____

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 approve a waiver of non-compliance and confirm the designation of an Economic Revitalization Area for eligible real and personal property improvements. Michael Kinder and sons will construct a new corporate headquarters and warehouse. New logistical distribution and information technology personal property equipment will be purchased and installed.**

EFFECT OF PASSAGE: **Investment of $6,450,000, the creation of ten new full-time permanent jobs with an annual payroll of $740,000 and retention of 80 full-time permanent and 21 part-time jobs with an annual payroll of $4,548,124.**

EFFECT OF NON-PASSAGE: **Potential loss of investment, the creation of ten new full-time permanent jobs with an annual payroll of $740,000 and retention of 80 full-time permanent and 21 part-time jobs with an annual payroll of $4,548,124.**

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

ASSIGNED TO COMMITTEE (CO-CHAIRS): **Jason Arp and Glynn Hines**