

**ALLEN COUNTY
REDEVELOPMENT COMMISSION
2017 ANNUAL REPORT**



Blue Kingfisher, June 2017

DEPARTMENT OF PLANNING SERVICES

January 2018

A MESSAGE FROM THE PRESIDENT

The Allen County Redevelopment Commission was pleased to see results from previous year's efforts and the commitments we have made to assist continued economic growth in Allen County. I always like to say that government doesn't create jobs, but we can provide assistance to the companies that do. It was nice to see the results of the Commission's assistance be realized in 2017, as construction was completed on the NorthPoint logistics facility and nears completion on the Walmart owned Blue Kingfisher milk processing facility



The Commission also provided assistance to the City of New Haven and the City of Woodburn to help support their continued growth. Finally, the reconstruction of Pleasant Center Road, which was funded by the Commission, was completed in 2017. This project certainly made the site Walmart chose for their project more attractive and may provide opportunities for additional growth in the future. We look forward to working with our many partners in making 2018 another successful year.

Respectfully Submitted,

Richard E. Beck, Jr., President
Allen County Redevelopment Commission

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Indiana Code (IC 36-7-14-13) requires that every redevelopment commission prepare an annual report for presentation to the executive branch of the local government. Below is information about the Allen County Redevelopment Commission's (the "commission") activities, and expenditures during the year. Information on the members of the commission is provided at the end of this report.

ACTIVITIES

After a very busy 2016 with the Northpoint (GM logistics), Blue Kingfisher (Walmart milk processing), and XPO Logistics (medical distribution), the pace of activity slowed in 2017. However some activity related to these projects carried over into the new year.

For example, a TIF agreement with Blue Kingfisher was only finalized and approved in April 2017 following a public hearing. Of course, by this time the facility was already under construction. The TIF agreement was to provide an incentive in the amount of \$1,048,000 to offset some of the costs of developing the site. This will be paid off in future years as tax increment becomes available. The facility is shown to the right as it neared completion. Blue Kingfisher will employ 151 people at the facility which was expected to cost \$83 million to construct.



Blue Kingfisher

Lippert Components closed on Ryan Road property owned by the commission in January for expansion of their local operations in New Haven. The commission received \$668,340 for the property that was acquired in an exchange with OmniSource for the Bandalier property in 2011. Lippert had planned to construct a 380,000 square foot building at a cost of \$15.3 million on the site and invest another \$3.8 million in equipment to expand their New Haven operations. Lippert later changed their plans and will be relocating in the former Nestle distribution center near the airport for this expansion. They plan to invest \$10.8 million in real and personal property improvements at the 764,177 s.f. facility.

The owners of the XPO distribution facility sold it in July 2017 to Gramercy Property Trust. Gramercy asked for an assignment agreement regarding a right of first refusal for additional land adjacent to the facility. Gramercy also assumed the rights to the TIF LEDGE Agreement provided when the facility was constructed in 2016. The commission also considered payment to XPO under a pond agreement approved in February 2016 for a share of the construction cost of the detention pond at that facility. The \$100,000 payment was made to XPO in March, and the City of Fort Wayne repaid \$50,000 of this later in the year as their share.

As the Pleasant Center Road project neared completion, a homeowner on the road complained about drainage problems that may have been due to the road improvements. The commission instructed staff to try to resolve the problem. In April, after much discussion, the commission authorized additional work to correct the issue with standing water through its existing contract with PRIMCO. The commission made the final payment in October after approving a change order that decreased the contract by \$36,734. The final contract amount for the road project was \$1,626,431.75.

In March, the commission extended a lease agreement with BF Goodrich Tire Manufacturing, which had been amended two times prior. The resolution approved by the commission extended the lease term until 2021 and maintained a previous benefit cap of \$1.65 million. Through 2016 BF Goodrich had only received \$597,975.70 from the lease agreement. The original lease agreement was approved in 2003, and BF Goodrich has continued to invest in the facility since then. In December 2016, BF Goodrich received a tax abatement for a \$100 million investment in new equipment at the facility.

The commission entered into a wetland services agreement in March with Earth Source to evaluate a property the commission was considering purchasing west of General Motors. Some potential wetland areas were identified by Earth Source during a basic inspection. The commission declined to pursue the property further after considering the possible wetland and other potential issues with the site.

In May, the Mayor of New Haven, Terry McDonald, and Kristi Sturtz made a presentation about a proposed planning study for a triangle area east of New Haven which includes the former New Haven (Casad) Depot. They were requesting funding of \$100,000 to assist in the funding the study. While the proposed area included about 258 acres, much of the discussion revolved around New Haven's desire to acquire Casad from the Federal government to use as a large industrial park. While the commission did not agree to assist in the planning study, it did provide \$300,000 in October for previous improvements to a water tower in the area. New Haven had requested assistance with that project in March 2015. The \$300,000 for New Haven was provided by the Board of Commissioners of the County of Allen, and will be repaid later from tax increment from the Casad East TIF district. The Commission entered into a reimbursement agreement with the Board of Commissioners regarding this repayment.

In August, it was announced that Avancez would be leasing some of the NorthPoint facility providing logistics services to the General Motors assembly plant across Lafayette Center. This operation was expected to create over 300 jobs paying about \$20 per hour. A ribbon cutting event was held in November as Avancez begins setting up the facility for operation next year. LINC (Logistics Insight Corporation) will also be operating out of the facility (shown to the right).



NorthPoint

In September, there was discussion regarding a request from the City of Woodburn for the use of some funds from the Woodburn TIF districts to support upgrades to Woodburn's wastewater treatment plant and a small sewer extension along SR 101. The following month, the commission approved a resolution pledging TIF revenue toward the Sewer Works Revenue Bonds of 2017 that would pay for the needed improvements. An amended and restated resolution was approved in November that included language requested by the Indiana Finance Authority who are purchasing the bonds through a wastewater loan program. The pledge will provide \$100,000 per year from the Woodburn TIF districts to support the debt service on the bonds for a period of 20 years.

In October, the Commission dissolved the I-69 / Dupont Road Economic Development Area and Allocation Area. This area that was created in 2002, but had never generated any tax increment. The EDA plan was to assist in the development of a technology park that never occurred. The following month, the commission began the process of establishing a new Economic Development Area that is a larger area which includes the I-69 / Dupont area. The intent of the new Dupont Diebold EDA is to provide funding for infrastructure to support the continued growth in the area resulting from development related to the Parkview Regional Medical Center and other projects in the area. The Dupont Diebold Allocation Area includes 233.57 acres of mostly undeveloped land on property owned by primarily by Parkview. Potential improvements in the area outlined in the EDA plan includes roads, trails, and sidewalks as well as water and sanitary sewers among other potential needs.

In November, the commission agreed to participate in an interlocal agreement with the Board of Commissioners, the City of Fort Wayne, and the Fort Wayne Redevelopment Commission that would provide support for a boutique hotel project in downtown Fort Wayne. This hotel is a partnership between Barbara Baekgaard, one of the founders of Vera Bradley, and Provenance Hotels. The commission will serve as a conduit to provide \$2 million in funding from the board of commissioners for the project, and will receive tax increment from Fort Wayne in the future to repay the county.

During 2017, the commission made payments of nearly \$3 million toward bonds, loans and leases. The 2015 series bonds issues represented about \$1.28 million of that total. Loan and reimbursement payments to the board of commissioners and Allen County Highway Department totaled about \$1.33 million. With those payments, the commission paid off two obligations – one related to storm sewer work for SDI LaFarga, and the other for infrastructure related to the Greatbatch project. Lease payments to Uniroyal Goodrich and Franklin Electric amounted to \$340,402 combined. Details on the funds controlled by the commission are included in the following section.

FUNDS ACTIVITY

The commission maintains a General Fund (246) for general expenditures, and began the year with \$871.60 in funds. The fund received \$50,000 of CEDIT funds and \$382.35 in interest during 2017. There was \$17,829.24 in expenditures from the General Fund in 2017, with legal services representing the majority of the expenses in the amount of \$15,581.06. The General Fund ended the year with a balance of \$35,093.69.

The Capital Fund (826) began 2017 with a balance of \$4,816,117.89 and received \$668,340 in revenue from the sale of the Ryan Road property, \$1,033,974.51 transferred from another fund from a land sale in 2016, \$2 million from the Board of Commissioners for the boutique hotel project, and \$59,873.74 in interest. The commission's expenditures from the Capital Fund totaled \$22,174.30 including \$20,174.94 for property related expenses. The year-end balance for the Capital Fund was \$8,556,131.84.

There are also individual funds for each TIF district to keep the income and payments segregated, and to make accounting functions easier. The following are details for each TIF account under the control of the commission.

- The Lincoln Industrial TIF Fund (333) received \$139,097.99 in tax increment revenue during 2017 and \$2,684.40 in interest. The commission paid out \$130,000 to Brunswick Leisure Boat Company under a TIF Agreement entered into with the company in 2013. The year-end fund balance was \$310,573.16.
- The Nestle II TIF Bond Fund (336) collected \$293,679.22 in tax increment revenue during 2017, as well as \$3,924.53 in interest. The only expenses in 2017 was an \$80,000 transfer to the Nestle II Bond Principal & Interest fund (403) for debt service payments on the 2015C bond issue and \$200,000 to the GM 2015A Bond fund (408). The year-end fund balance for Fund 336 was \$469,354.79.
- The CASAD East TIF Fund (399) received \$286,938.06 in tax increment, \$300,000 from the board of commissioners, and \$4,807.66 in interest. The commission had \$459,548.63 in expenditures from this fund in 2017, included \$159,549 for engineering and right-of-way services, and right-of-way acquisition for the Ryan / Bruick Road improvement project. The \$300,000 from the commissioners was paid to the City of New Haven for previous work on a water tower adjacent to the CASAD EDA. The fund ended 2017 with a balance of \$593,968.55.
- The Nestle II Bond Principal and Interest Account (403) made payments on the 2015C bond issue debt service totaling \$79,468.76 and \$500 in administrative fees to US Bank. As mentioned previously, the fund received \$80,000 from Fund 336 as well as \$435.34 in interest. The fund ended the year with a balance of \$40,747.65.
- The Nestle II Reserve Account (404) had no activity during 2017 and the fund ended 2017 with a balance of \$89.08.
- In 2017, the GM General Account Fund (405) received \$1,103,506.74 in tax increment from the GM TIF district and \$702.96 in interest. During 2017, the commission transferred \$949,000 to the two Bond Principal & Interest accounts for future bond payments. As a result, the fund balance increased to \$561,969.30 at the end of 2017.
- The GM 2015B Bond Principal and Interest Account (406) received \$339,900 from the GM General fund (405) and \$1,749.49 in interest. The Commission paid \$323,661.25 in bond payments on the Series 2015B bonds from this fund during 2017, leaving a balance of \$166,939.90 at year-end.
- The GM 2015B Reserve Fund (407) exceeds the funding level of \$232,203.73 required by the bond ordinance for this reserve fund and had no activity aside from interest received of \$2,344.38 while ending 2017 with a fund balance of \$236,331.10. The 2005B Reserve Fund is fully funded.

- The GM 2015A Bond Principal and Interest Fund (408) received transfers of \$609,100 from the GM General Fund (405), and \$200,00.00 from the Nestle TIF Fund (336). The fund also earned \$3,029.55 in interest. Bond payments on the Series 2015A bonds totaled \$880,787.50 leaving a fund balance of \$106,543.00.
- The GM 2015A Reserve Fund (409) had a year end 2017 fund balance of \$156,390.07 and had only interest activity of \$1,551.35 .
- The commission collected \$64,866.76 in tax increment from the Fort Wayne Assembly TIF district for the GM Supplemental Fund (410) in 2017. The fund also received interest of \$399.90. The fund provided \$100,000 to the GM2015A bond account during 2017 and ended the year with a balance of \$33,167.66
- The Pleasant Center Road Fund (424) had expenditures totaling \$212,710.62 during 2017 including \$143,049.18 for the reconstruction of Pleasant Center Road which was completed in 2017. The fund received \$1,825.65 in interest, and ended 2017 with a balance of \$60,837.64.
- The Uniroyal Goodrich TIF Fund (780) collected \$257,032.52 in tax increment revenue and \$134.00 in interest. The Commission made two lease payments during 2017 to BF Goodrich Tire Manufacturing totaling \$203,901.33. The fund balance ended 2017 with a balance of \$128,559.58.
- The Bandelier TIF Fund (806) collected \$271,889.43 in tax increment and \$217.92 in interest during 2017. The Fund made two loan payments totaling \$203,901.33 to the Tax Abatement Development Fund (331) for the SDI LaFarga drainage project. This loan was paid off in 2017 as a result of those payments. The year-end balance was \$147,636.55.
- The Bluffton Road East TIF Fund (807) received \$266,496.15 in tax increment and \$987.93 in interest during 2017. Loan payments related to work for the General Mills project were made in the amount of \$400,000. Another \$100,000 was paid to TG Fort Wayne as a share of the cost of constructing a detention pond, which the City of Fort Wayne reimbursed half. The fund ended the year with a balance of \$42,348.63.
- The Oak Crossing TIF Fund (809) generated \$385,813.70 in tax increment and received \$263.23 in interest during 2017. The Commission made two payments with a total amount of \$385,000 as part of a reimbursement agreement with the Allen County Highway Department for the North Clinton / Mayhew Road project. The fund ended the year with a balance of \$197,439.84.
- The Vera Bradley TIF Fund (810) received \$191,565.55 in tax increment and \$119.72 in interest during 2017. The fund paid \$185,000 in two payments toward a loan for infrastructure improvements associated with the Vera Bradley project from 2006. The year-end balance for the fund was \$97,004.73.
- The Woodburn US 24 TIF Fund (812) received \$44,934.33 in tax increment in 2017 and \$561.75 in interest. The only expenditure was legal fees related to a bond issue for the Woodburn Sewer Bond of \$105.00. The fund ended the year with a balance to \$81,361.64.
- The Woodburn Industrial Park TIF Fund (813) received \$36,490.64 in tax increment and \$10.24 in interest. The only expenditure was a \$14,930.91 payment to the City of Woodburn which was a reimbursement for a road improvement in the Woodburn Industrial Park. The fund ended the year with a balance of \$22,217.13.

- The Zubrick Road TIF Fund (823) received \$43,027.59 in tax increment and \$183.20 in interest during 2017. In July, the Commission made a \$45,000 payment toward a loan for the work done for the Vera Bradley project loan. The fund ended the year with a balance of \$26,284.87.
- The Zubrick Road II TIF Fund (824) received \$49,418.22 in tax increment and \$247.02 in interest during 2017. In July, the commission made a \$50,000 payment toward a loan for the work done for the Vera Bradley project loan. As a result, the fund ended with a balance of \$37,421.46.
- The Greatbatch TIF Fund (841) received \$205,535.23 in tax increment and \$309.93 in interest during the year. The commission made \$150,496.02 in loan payments to the Economic Development Fund (330) for infrastructure improvements related to the Greatbatch project. Those payments closed out this loan. The fund ended with a balance of \$113,571.13.
- The Coverdale TIF Fund (843) received \$136,696.11 in 2017 tax increment. During 2017, the commission made two payments totaling \$137,805.34 to a Franklin Electric Prudential Escrow account under a TIF Agreement with the company. The fund ended with a balance of \$68,326.35.
- The Dupont Corner TIF Fund (861) received tax increment of \$26,429.20 during 2017 and \$69.50 in interest. The fund ended the year with a balance of \$28,423.99.
- The Stonebridge TIF Fund (862) received \$7,288.85 in tax increment and interest of \$4,817.88 during 2017. During the year, \$1,033,974.51 was transferred to the Capital Fund, which was from the sale of property in 2016. The fund ended the year with a balance of \$25,997.76.

A summary of the activities of each fund and a list of the 2017 expenditures for each fund are attached to this report as Exhibits A & B.

COMMISSION MEMBERSHIP

The Allen County Redevelopment Commission has five voting members and a non-voting member representing a school district. The board of commissioners appoints three members, along with the ex-officio school board member while the county council appoints two members. All members are appointed for a one year term; there are no term limits. The commission is also represented by legal counsel and the county auditor. A president, vice president, and secretary are elected at the first meeting of each year. Below is a list of members, the office held during 2017, the date of the member's original appointment, and a short biography for each member.

Richard E. Beck, Jr., President – January 1, 2002

Richard E. Beck, Jr. has been in the financial services industry for over 40 years. In addition to his career in banking, he has served as a senior adjunct faculty member at Concordia University of Wisconsin's Fort Wayne campus teaching management and business ethics and marketing. He has taught for the American Institute of Banking, the Indiana Bankers Association, and American Bankers Association. Mr. Beck currently



teaches for the North and South Dakota Schools of Banking and the Nebraska and Kansas Schools of Banking as well. His teaching expertise led him to teaching a summer session in marketing at Concordia's International University in Estonia. He has published articles on sales, marketing and management for trade magazines. He is the author and recently published the 7th edition of the American Bankers Association textbook on Consumer Lending. He currently serves on the board of Fort Wayne Construction Trades Inc., Allen County Redevelopment Authority as president, Allen County Economic Development Commission as secretary, and volunteers his time to the Allen County Sheriff's Reserve. Mr. Beck holds a master's degree in management from Indiana Wesleyan University and a bachelor's degree in political science from Ball State University. He is currently Senior Vice-President and Corporate Sales Manager for STAR Financial Bank in Fort Wayne.

Kurt Gutman, Vice President – January 19, 2005

Mr. Gutman is a financial consultant with Compass Financial Advisors in Fort Wayne, which is a full-service investment firm. He has been in the financial services industry for over 10 years. Mr. Gutman has served as treasurer for Lutheran Social Services of Indiana, executive board member of American Red Cross Indiana-Ohio Region, president of Pine Valley Community Association and delegate to The Lutheran Foundation. He is also a member of the Allen County Redevelopment Authority.



Steven P. Bercot, Secretary – January 1, 1987

Mr. Bercot is Vice President of Bercot-Gibson Construction Company, Incorporated and Bercot, Incorporated, both of which specialize in heavy construction, site development, and utility construction. He is also President of BEHEPE, Incorporated, a residential and commercial real estate development company. Mr. Bercot is president of the Allen County Economic Development Commission; past president of the Friars Club, past president of the Purdue Club of Fort Wayne; and former member and past president of the Board of Directors of Concordia High School. He is also a member of the Allen County Redevelopment Authority.



Darren Vogt, Member – January 1, 2015

Mr. Vogt rejoined the Commission in 2015 after previously serving as a member during 2012. He previously served on the Allen County Council representing the 3rd district from 2003 to 2014. Mr. Vogt currently owns an Allstate Insurance agency, and currently serves on the Junior Achievement board. He previously served on the Indiana University Alumni Club and the board of Greater Fort Wayne, Inc. He also owns commercial real estate and residential rental property



Bob Armstrong, Member – January 1, 2017

Mr. Armstrong joined the Commission as a new member in 2017, replacing the late Roy Buskirk. Mr. Armstrong has been a member of the Allen County Council since 2009 and served as a FWCS School Board Trustee from 2003 to 2007. Mr. Armstrong is employed by the Allen County Solid Waste Management District.



Chris Baker, Non-voting Member – December 11, 2012

Mr. Baker is the Building Envelope Department Manager, and oversees the New Haven branch office for The Etica Group. The Etica Group is an architectural engineering firm. The firm also provides roof and building envelope consulting, as well as construction observation services. The Etica Group has offices in New Haven and Indianapolis and is a certified WBE firm. Chris is currently serving his second term on the East Allen County School (EACS) Board and has been the President, Vice President, and currently Secretary. He also serves on the Board of Directors for the New Haven Chamber, where he has served as chairman and currently serves on the board's advisory panel. He also serves on the EACS Education Foundation Board, as well as the New Haven High School Career Majors Advisory Board.



G. William Fishing, Attorney – Beers, Mallers, Backs, and Salin

Mr. Fishing serves as counsel for the Allen County Redevelopment Commission. He also served as Chief Deputy County Attorney from 1977 through 1984 and has been serving as the county attorney since 1984. Mr. Fishing is a member of the National Association of Bond Lawyers and American Bar Association forum on the construction industry. He is a member of the Allen County, American, and Indiana State Bar Associations. His practice is devoted to municipal law, municipal finance law, construction law, and labor law. Mr. Fishing has also been selected by his peers as one of Indiana's Best Lawyers for construction law from 2008-2014. Mr. Fishing previously served on the board of directors for the Allen County Fairgrounds from 1987-1997 and for the Auburn Cord Duesenberg Festival. Bill stays busy with family events, coaching Charger Youth Football, and playing golf.



Nick Jordan, Auditor – Allen County, Indiana

Mr. Jordan was selected to succeed Tera Klutz as the Allen County Auditor in February 2017. Prior to that, he served Allen County as the Chief Deputy Auditor. As the Auditor, Mr. Jordan also serves as the Treasurer for the Redevelopment Commission. His duties in the Auditors Office include implementing internal control training for all Allen County departments, implementing electronic payment of vendors, performing semi-annual property tax settlements, and implementing direct deposit of employee pay checks. As auditor, Mr. Jordan is also responsible for the oversight of all operation in the auditor department.

COMMISSION STAFF

The Allen County Redevelopment Commission is provided administrative and professional staff services by the Department of Planning Services (DPS). Staff to the Commission includes Elissa McGauley, Director of Redevelopment, Scott Harrold, Senior Economic Development Specialist, and Rachel Black, Economic Development Specialist. Cathy Stone of DPS assists with the financial reports and meeting minutes.