RESOLUTION C-2015-14

INTRODUCING: O'Daniel
COMMITTEE: Finance

A Preliminary Resolution of the Common Council of the City of Evansville Declaring an Economic Revitalization Area for Property Tax Phase-In for The Rehabilitation of Real Property and Installation of New Equipment at 2138 N. Sixth Street, Evansville, IN 47710

(IRD Group, Inc.)

Whereas, IRD Group, Inc. (the "Applicant") has submitted a Statement of Benefits and application for Economic Revitalization Area designation pursuant to IC 6-1.1-12.1 et seq. and Evansville Common Council Resolution C-2002-3 as Amended (the "Tax Phase-In Resolution") for the property located at: 2138 N. Sixth Street, Evansville, IN 47710.; and

Whereas, said property meets the criteria for designation as an Economic Revitalization Area pursuant to IC 6-1.1-12.1- et seq;

NOW THEREFORE, BE IT RESOLVED by the Common Council of the City of Evansville as follows:

Section 1. The Common Council has reviewed the Statement of Benefits and additional information submitted pursuant to I.C. 6-1.1-12.1 and Common Council Resolution C-2002-3 as Amended and made the following findings:

a. The estimated value for construction of new real property by the Applicant is reasonable for projects of that type; and

b. The estimated number of individuals who will be employed or whose employment will be retained by the project can reasonably expect to result from the proposed acquisition and installation of manufacturing equipment; and

c. The estimated annual salaries of those individuals whose employment will be retained by this project can reasonably expect to result from the proposed construction; and

d. The totality of benefits likely to accrue from this project is sufficient to justify a tax deduction.

e. The property known as:

2138 N. Sixth Street, Evansville, IN 47710

Parcel ID: 82-05-13-028-090.001-029
HYDE PK 50-62 LTS 74-86 LTS 98-110 LTS 122-134
ALSO VAC ALLEYS & STS, Pigeon-City Township

has been found to meet the requirements of an Economic Revitalization Area pursuant to IC 6-1.1-12.1.

FILED

SEP 22 2015

Laura Windhorst
CITY CLERK

Section 2. Based on these findings, the Common Council has determined that the purposes of I.C. 6-1.1-12.1 are served by allowing the deduction and the property described in Section 1.e. (above) is hereby declared to be an Economic Revitalization Area.

Section 3. The designation of this Economic Revitalization Areas shall apply to property tax deductions for "real property" and "personal property" as provided in IC 6-1.1-12.1-4.5 and IC 6-1.1-12.1-3.

Section 4. The designation of this Economic Revitalization Area shall commence 8/17/2015 and shall be in effect up to and including 12/31/2018.

Section 5. The length of deduction to be allowed for this project for "real property and "personal property" shall be for 10 years from the date of each increased assessment resulting from the investments made according to the Statement of Benefits Real Estate Improvements (SB-1 Real Property) (and attached hereto) and consistent with the tax phase-in schedule in Attachment 1.

Section 6. The Statement of Benefits submitted by the applicant and dated August 29, 2015 is hereby approved.

Section 7. Benefits provided by this Preliminary Resolution shall accrue and be valid for any investment made prior to the passage of this resolution, but not before August 29, 2015 as provided by the Statement of Benefits-1(Real Estate) attached hereto.

Section 8. This Resolution shall be in full force and effect from and after its passage by the Common Council, signing by the Mayor, and advertisements, if any, as required by law.

PASSED BY the Common Council of the City of Evansville, Indiana, on the 13 day of October, 2015 on said day signed by the President of the Common Council and attested by the City Clerk.

President of the Common Council, Dr. H. Dan Adams

ATTEST: Laura Windhorst
Laura Windhorst, City Clerk

Presented by me, the undersigned City Clerk of the City of Evansville, Indiana, to the Mayor of said city, this 14 day of October, 2015, for his consideration and action thereon.

Laura Windhorst
Laura Windhorst, City Clerk
City of Evansville, Indiana

Having examined the foregoing resolution, I do now, as Mayor of the City of Evansville, Indiana, approve said resolution and return the same to the City Clerk this 16th day of October, 2015.

Lloyd Winnecke, Mayor
City of Evansville, Indiana

APPROVED AS TO FORM

BY _____, COUNSEL

Attachment 1

Real and Personal Property Schedule

Parcel ID: 82-05-13-028-090.001-029

Resolution C-2015-14

IRD Group, Inc.

Tax Phase-In Schedule – Real Property

Real Property	
Year	Abatement
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%
11	0%

Tax Phase-In Schedule – Personal Property

Personal Property	
Year	Abatement
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%
11	0%

Application for Economic Revitalization Area Designation

General Information	
Name of Taxpayer Seeking Phase-In	IRD Group, Inc.
Street Address of Taxpayer	2138 N. Sixth Ave
City, State, Zip	Evansville, IN, 47720
Name of Authorized Representative	Jim Kratochvil
Street Address of Authorized Representative	2138 N. Sixth Ave
City, State, Zip	Evansville, IN 47710
Phone and Fax	(812) 425 3311 Office

Proposed Project Information			
Address of Property	2138 N. Sixth Ave	Tax Code(s) for Property	
Size of Property (sf)	Approx 129,000 sq ft	NAICS Code	
City, State, Zip	47710	Current Zoning	
Township	Pigeon	TIF District	Yes ☐ No ☐
Legal Description of Property	Hyde PK 50-62 LTS 98-100 LTS 122-134 ALSO VAC Alleys & Sts Also known as 2100 N. Sixth Ave and 2138 N. Sixth Ave		

Provide a brief description of the applicant's business, including company history, products(s), facilities, sales and corporate growth, and corporate employment. Also discuss any applicable future growth, planned expansions, and/or corporate diversification, where applicable. (You may attach it as "Company Profile")

The business was historically know as International Revolving Door, a division of Evansville Metal Products. The business was sold through auction to IRD Group, Inc. in July of 2015. The business is being restarted with the intention of selling both revolving doors and parts

Project Overview		
Provide a Detailed Description of the Proposed Project (including how the Subject Property will be used, physical changes made to the property)	The project includes re-opening the revolving door factory, with excess space used in the building used for re-locating JPM Resources and the remaining excess for warehousing	
*Will the Project Require Additional Municipal Services or Facilities? *If yes please state need	Yes ☐ No ☑	

Employment/Benefit Information

Project Cost Estimate

	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5
Purchase of real estate and improvements	$120,000					
Site preparation						
Demolition						
Construction of new structures						
Rehabilitation of existing structures	$470,000					
Infrastructure improvements						
Architecture & engineering fees						
Development fees						
Total cost of manufacturing and research & development equipment – new to Indiana						
Total project cost for real estate component of project	$590,000					

Has this new equipment ever been installed and in use elsewhere in the state of Indiana?	Yes ☐ No ☑	Date new manufacturing/research & development equipment is to be installed?	

Calendar Year	Number of Current Full-Time Permanent Employees at Project	Hourly/Average Wage W/O Fringe Benefits/Bonuses	New Full-Time Permanent Employees at Project	Number of Part-Time Employees
3 Years Ago				
2 Years Ago				
1 Year Ago				
Current Year		17.95	9	
Year 1	18	16.50	9	
Year 2	23	16.50	5	
Year 3	25	16.50	2	
Year 4				

If Tax Phase-In were not granted, how many current jobs would be lost or jeopardized? If any, please attach a supporting explanation (attach as "Potential Job Loss")	Potentially all. If costs are not minimized during the restart of operations, the company will not succeed

		Employees' Educational Requirements (Percentage of new hires)			
		High School Diploma	2 yr Degree/Certificate	4 yr Degree	>4 yr Degree
Identify the type(s) of work or position(s) of the new employees.	Management, steel workers, parts management	78%	11%	11%	
Identify the company benefits offered to employees.	Vacation and Holiday pay at the moment. Hope to add medical and 401(K) in the near future				
What is the value of these benefits (as a percentage of base pay)?	Approx 8%	Does the taxpayer have an affirmative action plan?		Yes ☐ No ☑	

Contribution of Company	
In what ways has the company contributed to the improvement of the neighborhood or surrounding area, or participated in community activities or programs?	The former company kept the building from slipping into complete decay but did not do much more than this. It is the new companies intention to give the building a significant face lift, improving the appearance both outside and inside, as well as improving significant deficiencies with the integrity of the building
Is it your intent to use your best efforts to hire local contractors for the building and/or installation of equipment?	Yes

*Please attach any additional information that you feel will assist in evaluated this request for property tax phase-in.

Click "Sign" to fill out and sign this form. When you are done, you can save a copy by clicking "Done Signing".

I understand that if tax phase-in is granted for this project, that the Applicant will be required to submit a "Compliance with Statement of Benefits" form annually; and

It is my further understanding that if the Applicant should fail to comply with its commitments in job creation, job retention, project investment and/or any other commitments associated with its tax phase-in application, that the designating body has the right, after conducting a public hearing, to terminate said tax phase-in deductions.

I hereby affirm and certify that the information and representations of fact made in this application are true and complete.

Signature: _____ **Title:** President

Date: 8/24/15

or this application to be complete, it must be accompanied by a signed "Statement of Benefits" (State Form 27167) and a check or the appropriate application fee. The check should be made payable to the Growth Alliance for Greater Evansville (GAGE).

pplication Fees:

Real Estate Improvements	$500.00
New Manufacturing or Research & Development Equipment	$250.00

pplication Fee Submitted: _____

Growth Alliance *for* Greater Evansville
Phone: (812) 401.4243
Email: info@GrowthAllianceEvv.com
www.GrowthAllianceEvv.com

STATEMENT OF BENEFITS
PERSONAL PROPERTY

State Form 51764 (R3 / 12-13)
Prescribed by the Department of Local Government Finance

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 March 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 March 1 and the extended due date of that year.*
4. *Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)*
5. *For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)*

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer	Name of contact person	Telephone number
IRD Group, Inc	Jim Kratochvil	(812) 459-7236

Address of taxpayer *(number and street, city, state, and ZIP code)*: 2138 N. Sixth Street , Evansville, IN 47710

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body: City of Evansville Common Council

Resolution number (s):

Location of property: 2138 N. Sixth Street , Evansville, IN 47710

County: Vanderburgh

DLGF taxing district number: 82-029

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.)*

	ESTIMATED START DATE	ESTIMATED COMPLETION DATE
Manufacturing Equipment	10/01/2015	12/31/2015
R & D Equipment		
Logist Dist Equipment		
IT Equipment	10/01/2015	12/31/2015

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
0	0	0	0	23	20.00

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								
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)*: 0

Estimated hazardous waste converted *(pounds)*: 0

Other benefits:

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative: [signature]

Date signed *(month, day, year)*: 9/10/15

Printed name of authorized representative: JAMES M. KRATOCHVIL

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 3 calendar years * *(see below)*. The date this designation expires is 12/31/2018 .

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

1 . Installation of new manufacturing equipment;	☑ Yes	☐ No
2 . Installation of new research and development equipment;	☐ Yes	☑ No
3 . Installation of new logistical distribution equipment.	☐ Yes	☑ No
4 . Installation of new information technology equipment;	☑ Yes	☐ No

C. The amount of deduction applicable to new manufacturing equipment is limited to $ _____ cost with an assessed value of $ _____.

D. The amount of deduction applicable to new research and development equipment is limited to $ _____ cost with an assessed value of $ _____.

E. The amount of deduction applicable to new logistical distribution equipment is limited to $ _____ cost with an assessed value of $ _____.

F. The amount of deduction applicable to new information technology equipment is limited to $ _____ cost with an assessed value of $ _____.

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 (see below *)
☐ Year 6 ☐ Year 7 ☐ Year 8 ☐ Year 9 ☑ Year 10

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.

STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS

State Form 51767 (R5 / 12-13)
Prescribed by the Department of Local Government Finance

20____ PAY 20____
FORM SB-1 / Real Property
PRIVACY NOTICE
Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

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

INSTRUCTIONS:
1. *This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise, this statement must be submitted to the designating body* ***BEFORE*** *the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.*
2. *The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.*
3. *To obtain a deduction, a Form 322/RE must be filed with the County Auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between March 1 and May 10 of a subsequent year.*
4. *A property owner who files for the deduction must provide the County Auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5.1(b)*
5. *For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/Real Property that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. IC 6-1.1-12.1-17*

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer
IRD Group, Inc

Address of taxpayer *(number and street, city, state, and ZIP code)*
2138 N. Sixth Street , Evansville, IN 47710

Name of contact person	Telephone number	E-mail address
Jim Kratochvil	(812) 459-7236	jim.kratochvil@jpmresources

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body		Resolution number
City of Evansville City Common Council		
Location of property	**County**	**DLGF taxing district number**
2138 N. Sixth Street , Evansville, IN 47710	Vanderburgh	82-029
Description of real property improvements, redevelopment, or rehabilitation *(use additional sheets if necessary)*		**Estimated start date** *(month, day, year)*
Rehabilitation of inside of building including fire suppression systems, offices, space utilization, mechanical systems, outside appearance		10/01/2015
		Estimated completion date *(month, day, year)*

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
0.00	$0.00	0.00	$0.00	23.00	$20.00

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	**ASSESSED VALUE**
Current values	120,000.00	
Plus estimated values of proposed project	470,000.00	
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*) 0.00

Estimated hazardous waste converted (*pounds*) 0.00

Other benefits

Rehabilitating a building that would otherwise be an eyesore to the community and provided needed jobs in a distressed area of Evansville.

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative	Date signed *(month, day, year)*
	9/10/15
Printed name of authorized representative	**Title**
JAMES M. KRATOCHVIL	PRESIDENT

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

A. The designated area has been limited to a period of time not to exceed 3 calendar years* *(see below)*. The date this designation expires is 12/31/2018.

B. The type of deduction that is allowed in the designated area is limited to:
1. Redevelopment or rehabilitation of real estate improvements ☑ Yes ☐ No
2. Residentially distressed areas ☐ Yes ☐ No

C. The amount of the deduction applicable is limited to $ _____.

D. Other limitations or conditions *(specify)*_____

E. Number of years allowed: ☐ Year 1 ☐ Year 2 ☐ Year 3 ☐ Year 4 ☐ Year 5 (* see below)
☐ Year 6 ☐ Year 7 ☐ Year 8 ☐ Year 9 ☑ Year 10

F. 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.

We have also 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 (*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.

A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4-1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. The deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)

B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

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.

City of Evansville / Vanderburgh County
Tax Phase-In Application Scoring

-Real Property-

Company Name: IRD Group, Inc.

Application Date: 8/29/2015

		Points Granted
Investment– (5 points maximum)		
Less than $1 Million	1 point	
$1 Million to $5 Million	2 points	
$5,000,001 to $10 Million	3 points	1
$10,000,001 to $15 Million	4 points	
$15 Million +	5 points	
Full-Time employment added or retained (based on project) in 5 years (5 points maximum)		
5 to 20 employees	1 point	
21 to 40 employees	2 points	
41 to 60 employees	3 points	2
61 to 80 employees	4 points	
81 employees +	5 points	
Wage level (5 points maximum)		
Less Than Vanderburgh Co. average wage	1 point	
≤ 5% Vanderburgh Co. average wage	2 points	
5%-10% Vanderburgh Co. average wage	3 points	4
10% - 20% Vanderburgh Co. average wage	4 points	
≥ 20% Vanderburgh Co. average wage	5 points	

The average county wage for 2012is $18.08/hr ($36,606/year) for Vanderburgh County, as determined by the Indiana Department Workforce Development.

Benefits Package (Ins./Retirement/paid time off/tuition reimbursement) (5points maximum)		
0% - 3%	1 point	
4% - 7%	2 points	
8% - 11%	3 points	3
12% - 14%	4 points	
15% +	5 points	
Value of benefits is equal to or greater than base pay.		
Use reuse, rehabilitation and/or expansion of an existing facility. (2 points maximum)		
	2	
Targeted Business (1 point maximum)		
	1	
Percent of employment that requires at least a 2 yr degree or professional certificate (2 points maximum)		
50%-75%	1 point	
75%+	2 points	1

Total Points: 14

Scoring

Score	Max. Length of Deduction
N/A	1 year
N/A	2 years
2-0	3 years
3-4	4 years
5-7	5 years
8-10	6 years
11-13	7 years
14-16	8 years
17-19	9 years
20+	10 years

Grand Total of Points:

Number of Years:

City of Evansville / Vanderburgh County
Tax Phase-In Application Scoring

-Personal Property-

Company Name: IRD Group, Inc.

Application Date: 8/29/2015

		Points Granted
Investment– (5 points maximum)		
< $1 Million	1 point	
$1 Million to $5 Million	2 points	
$5,000,001 to $10 Million	3 points	1
$10,000,001 to $20 Million	4 points	
$20 Million +	5 points	
Full-Time employment added or retained (based on project) in 5 years (5 points maximum)		
5 to 20 employees	1point	
21 to 40 employees	2 points	
41 to 60 employees	3 points	2
61 to 80 employees	4 points	
81 employees +	5 points	
Wage level (5 points maximum)		
Less Than Vanderburgh Co. average wage	1point	
≤ 5% Vanderburgh Co. average wage	2 points	
5%-10% Vanderburgh Co. average wage	3 points	
10% - 20% Vanderburgh Co. average wage	4 points	4
≥ 20% Vanderburgh Co. average wage	5 points	

The average county wage for 2012is $18.08/hr ($36,606/year) for Vanderburgh County, as determined by the Indiana Department Workforce Development.

Benefits Package (Ins./Retirement/paid time off/tuition reimbursement) (5points maximum)		
0% - 3%	1 point	
4% - 7%	2 points	
8% - 11%	3 points	3
12% - 14%	4 points	
15% +	5 points	
Value of benefits is equal to or greater than 15% of base pay.		
Use reuse, rehabilitation and/or expansion of an existing facility. (2 points maximum)		2
Targeted Business (1 point maximum)		1
Percent of employment that requires at least a 2 yr degree or professional certificate (2 points maximum)		
50%-75%	1 point	
75%+	2 points	1

Total Points: 14

Scoring

Score	Max. Length of Deduction
N/A	1 year
N/A	2 years
2-0	3 years
3-4	4 years
5-7	5 years
8-10	6 years
11-13	7 years
14-16	8 years
17-19	9 years
20+	10 years

Grand Total of Points:

Number of Years:

Growth Alliance
Greater Evansville Economic Development

Council Meeting 09/28/2015

SUBJECT: The Growth Alliance has worked with International Revolving Door (IRD) Group, Inc. and Jim Kratochvil (former CFO Berry Plastics, Inc. Evansville, IN) on their current development project to rehabilitate and modernize the former International Steel Building located at 2138 N. Sixth Street while maintaining the integrity of the community surrounding the facility.

Per the best information available, the original building was built circa 1910 as a technical training school. An addition was made to the original facility in or around 1950. For many years, dating back to the middle of the last century, the building was primarily used first as a technical training school, then as a lawnmower fabricating company, then as a machine and metal fabricating shop, known as Evansville Metal Products (EMP). Refrigeration products, such as chillers were added to the product offering, and finally, International Revolving Doors was purchased from International Steel and added as a division of EMP around 1991.

Machining operations began to diminish rapidly as Whirlpool ended manufacturing operations in the Evansville Area several years ago. The International Doors Division ceased manufacturing in February 2015.

Environmental remediation occurred at the site in 2005 under the supervision of the Indiana Department of Environmental Management. Recently a Phase II Environmental Assessment was completed which demonstrated no known significant environmental issues.

The building had been vacant, underutilized and not well maintained. The building requires extensive renovations including roof repair, a security/alarm system, office renovations, fire protection, exterior steel skin panels, electrical upgrade, foyer and store front build out, and remodeling the sheering machine area.

The initial intended use of the facility is to re-start the Revolving Door Factory. International Revolving Door has been referred to as the oldest continuous manufacturing business located within Evansville, and over the years has held the reputation as the premier revolving door manufacturer of the world. In conjunction with the start-up of this facility for door manufacturing, the development plan also includes:

1. Renovating approximately 3,000 sq. ft. of office space to accommodate multiple businesses.

2. Relocate JPM Resources into the facility. JPM is a Commercial, Residential, and Petroleum Construction and Maintenance Business (which has been in business since 1998), currently located at 921 Keck Ave, Evansville, IN 47711.

3. Expand (within two years) with the startup of a custom automation and machining and fabricating business.

4. The remaining empty space in the building will be leased for warehousing until suitable businesses are found.

5. Employing 23 with an average wage of $16.50/hour.

REASONS TO PROVIDE ABATEMENT

- Strength of the Individuals involved in the restoration project and work history within the City of Evansville
- Additional jobs restored in the community
- Investment in the Community
- Promoting good corporate citizenship and culture
- Use of Local Contractors
- Utilization of vacant building and revitalization of the area

IRD Group, Inc. will make a total investment in real property of $600,000; $470,000 being new real property investment. IRD Group, Inc. will also invest $150,000 in personal property over the next 5 years for total investment of $750,000.

FISCAL IMPACT: The total, positive, Economic Impact generated from this project for the City of Evansville is estimated to be:

$ 40,144,711 *over the next 10 years; or* in excess of $4 million per year

RECOMMENDATION: The Growth Alliance recommends standard 10-year tax abatement for real property and standard 10-year tax abatement for personal property, providing a direct impact of **$78,111**. Additionally, the Growth Alliance recommends a grant valued at **$12,500 for Training Assistance**; requiring a 50/50 match. The grant is only applicable towards Evansville residents hired over the first 2 years of project implementation.

Given the growth plan, the new jobs and repurposing of a vacant building, we recommend a package that would include a 10-year tax phase-in on the real estate improvements intended to make on the property located at the location specified and 10-year tax phase-in on the new equipment new to the state of Indiana. **The total value to IRD Group, Inc. would be approximately $90,611 with the project generating a positive, economic impact of over $4 million per year for the City of Evansville. This project is in line with our target market and our goal to bring jobs and opportunity back to the City.**

The State of Indiana has granted – Industrial Recovery Tax Credits totaling **$115,000** (also known as DINO state tax credits).

The Growth Alliance has requested, and the applicant has agreed to execution of an agreement with the City that would require the applicant to reimburse the City for an agreed to amount of the value of the benefits received to date in the event they would decide to relocate these new jobs to another community within the 10 year period. This type of agreement has been referred to as a "claw back agreement" on prior projects.

Attachments:
Confirming Resolution C-2015-14
Application for Economic Revitalization Area Designation
SB-1 Real Property
Form SB-1/Personal Property
Scoring sheet for Real Property
Scoring sheet for Personal Property

For additional information contact:
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