



CITY OF SOUTH BEND

COMMUNITY INVESTMENT

February 3, 2021

Council Member Rachel Tomas Morgan, Chairperson
Community Investment Committee
South Bend Common Council
4th Floor, County City Building
South Bend, IN 46601

RE: Personal Property Tax Abatement Petition for: **Royal Adhesives & Sealants, LLC**

Dear Council Member Tomas Morgan:

Please find the attached information pertaining to a personal property tax abatement petition submitted by Royal Adhesives & Sealants, LLC to purchase new industrial & manufacturing equipment. The company is planning to expand their business in South Bend, Indiana. This petition package includes:

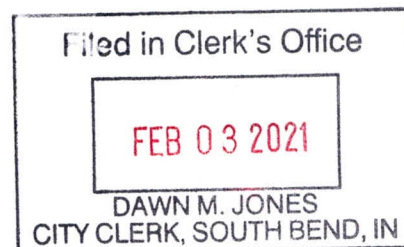
- Department of Community Investment's summary report
- Petition
- Statement of Benefits forms (Personal property)
- Supporting information

The report contains the Department's findings relative to the above petition. The petitioner proposes to purchase new industrial & manufacturing equipment with estimated cost of \$1,380,875. A representative from Royal Adhesives & Sealants will be available to meet with the Committee on Monday, February 8, 2021.

Should you or any of the other Council members have any questions concerning the report, or need additional information, please feel free to call me at 235-5823.

Sincerely,

Daniel J. Buckenmeyer
Director, Business Development



DANIEL J. BUCKENMEYER ALKEYNA ALDRIDGE PAMELA MEYER TIM CORCORAN
BUSINESS DEVELOPMENT ENGAGEMENT & ECONOMIC EMPOWERMENT NEIGHBORHOOD DEVELOPMENT PLANNING & COMMUNITY RESOURCES

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1400S County-City Building | 227 W. Jefferson Blvd. | South Bend, Indiana 46601 | p 574.235.9371 | www.southbendin.gov

BILL NO. 21-05

RESOLUTION NO. _____

**A RESOLUTION OF THE COMMON COUNCIL OF THE
CITY OF SOUTH BEND CONFIRMING CERTAIN AREAS WITHIN
THE CITY OF SOUTH BEND, INDIANA, COMMONLY KNOWN AS**

1915 N Bendix Drive, South Bend, Indiana 46628

**AN ECONOMIC REVITALIZATION AREA FOR PURPOSES OF A
(5) FIVE-YEAR PERSONAL PROPERTY TAX ABATEMENT FOR
ROYAL ADHESIVES & SEALANTS, LLC**

WHEREAS, a petition for personal property tax abatement consideration has been filed with the City Clerk for consideration by the Common Council of the City of South Bend, Indiana, requesting that the area commonly known as 1915 N. Bendix Drive, South Bend, Indiana 46628, and which is more particularly described as follows:

Business Personal Property

and which has Key Numbers to be assigned, be designated as an Economic Revitalization Area under the provisions of Indiana Code 6-1.1-12.1 et seq., and South Bend Municipal Code Sections 2-76 et seq., and;

WHEREAS, the Department of Community Investment has concluded an investigation and prepared a report with information sufficient for the Common Council to determine that the area qualifies as an Economic Revitalization Area under Indiana Code 6-1.1-12.1, et seq., and South Bend Municipal Code Sections 2-76, et seq., and has further prepared maps and plats showing the boundaries and such other information regarding the area in question as required by law; and

WHEREAS, the Community Investment Committee of the Common Council has reviewed said report and recommended to the Common Council that the area qualifies as an Economic Revitalization Area.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of South Bend, Indiana, as follows:

SECTION I. The Common Council hereby determines and finds pursuant to Indiana Code 6-1.1-12.1-4.5 et seq., that:

- a. The estimate of the cost of the new industrial and manufacturing equipment is reasonable for equipment of that type;
- b. That the estimate of the number of individuals that will be employed or whose employment will be retained by the Petitioner can reasonably be expected to result from the proposed installation of new industrial and manufacturing equipment;
- c. That the estimate of the annual salaries of those individuals that will be employed or whose employment will be retained by the Petitioner can be reasonably expected to result from the proposed installation of new industrial and manufacturing equipment;
- d. Any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed new industrial and manufacturing equipment; and
- e. The totality of benefits is sufficient to justify the deduction requested.

SECTION II. The Common Council hereby determines and finds that the proposed new industrial and manufacturing equipment can be reasonably expected to yield the benefits identified in the Statement of Benefits as set forth in Sections 1 through 3 of the Petition for Personal Property Tax Abatement Consideration and that Statement of Benefits form completed by the petitioner, said form being prescribed by the State Board of Accounts, are sufficient to justify the deduction granted under Indiana Code 6-1.1-12.1-4.5.

SECTION III. The Common Council hereby accepts the report and recommendation of the Department of Community Investment, and the Community Investment Committee's favorable recommendation, that the area herein described be designated as an Economic Revitalization Area for purposes of personal property tax abatement and hereby makes such a designation.

SECTION IV. The Common Council determines that such designation is for personal property tax abatement only and shall be limited to three (3) calendar years from the date of the adoption of this Resolution by the Common Council.

SECTION V. The Common Council hereby determines that the property owner is qualified for and is granted property tax deduction for a period of (5) five years as shown below pursuant to Indiana Code 6-1.1-12.1-17.

- Year 1-100%
- Year 2- 95%
- Year 3- 90%
- Year 4- 85%
- Year 5- 80%

SECTION VI. The Common Council directs the City Clerk to cause notice of the adoption of this Declaratory Resolution for Personal Property Tax Abatement to be published pursuant to Indiana Code 5-3-1, said publication providing notice of the public hearing before the Common Council on the proposed confirming of said declaration.

SECTION VII. This Resolution shall be in full force and effect from and after its adoption by the Common Council and approval by the Mayor.

Karen L. White, President
South Bend Common Council

TAX ABATEMENT REPORT

TO: South Bend Common Council

FROM: Dan Buckenmeyer, Director of Business Development

SUBJECT: PERSONAL PROPERTY TAX ABATEMENT PETITION FOR: **Royal Adhesives & Sealants, LLC**

DATE: February 3, 2021

On Thursday, January 14, 2021, a petition from Royal Adhesives & Sealants, LLC was received and subsequently filed with the City Clerk for a personal property tax abatement consideration for property located at *1915 N Bendix Drive, South Bend, IN 46628*. Pursuant to Chapter 2, Article 6, Section 2-84.2 of the Municipal Code of the City of South Bend, this petition was referred to the Department of Community Investment for purposes of investigation and preparation of a report determining whether the area qualifies as an Economic Revitalization Area pursuant to I.C.6-1.1-12.1 and whether all zoning requirements have been met.

The Department of Community Investment has reviewed the petition (a copy of which is attached), investigated the area, and makes the following report.

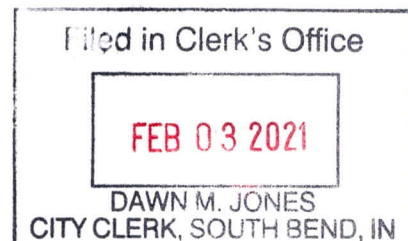
PROJECT SUMMARY

- Royal Adhesives & Sealants, LLC, an affiliated company of HB Fuller. HB Fuller is a large adhesive manufacture who supplies adhesive and sealants with various technologies to multiple markets globally. Two locations – Houston TX and South Bend IN were considered for the new project. A decision was made to expand South Bend presence. The company currently makes the adhesive at the main plant on 2001 W. Washington Street. The new location will become a warehouse for filled cylinders.
- \$1.3m private investment in new industrial and manufacturing equipment to fill cylinders with adhesives and propellants to the roofing and industrial markets.
- 5-year personal property tax abatement with estimated taxes of \$15.8 for the five years of the tax abatement period.

EMPLOYMENT IMPACT

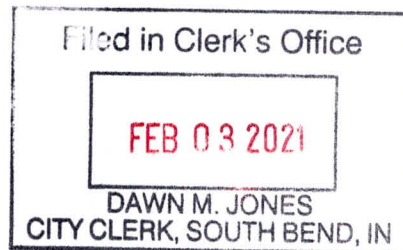
Per this petition, it is estimated that the company will:

- Retain two hundred one (201) jobs with a total annual payroll of \$12,928,877 (2001 W. Washington Street, South Bend)
- Create six (6) permanent full-time jobs with a total annual payroll of \$287,040. The estimated hourly average wage is \$23.



ABATEMENT QUALIFICATION

1. A review of the tax abatements previously granted, finds that the petitioner has been granted two tax abatements.
 - a. 3-Y Real Property – Confirming Resolution #3954-09, March 2009
 - b. 5-Y Personal Property – Confirming Resolution# 3955-09, March 2009
2. The Area Plan Commission has reviewed the petition and finds the property to be properly zoned for the proposed project.
3. A review of the South Bend Redevelopment designation areas finds that the property is located in the River West Development Area.
4. A review of the Tax Abatement Ordinance No. 9394-03 finds that the petitioner meets the qualifications for a five (5) year personal tax abatements under section 2-82.1, Industrial development in Urban Enterprise Zone and Redevelopment Blighted Areas, and section 2-84.2, Tangible Personal Property Tax Abatement.



City of South Bend Petition for Incentives

Petition must include a \$250 filing fee payable to the City Clerk's Office or online via the City's website at <http://southbendin.gov/government/content/tax-abatement> before processing can be complete



Filed in Clerk's Office
 DAWN M. JONES
 CITY CLERK, SOUTH BEND, IN
 JAN 7 4 2021

General Information		Project Name	Mariner	Project Number
Legal name as registered with Secretary of State	Royal Adhesives & Sealants, LLC			
Business structure	Adhesive and sealant manufacturer			
Company website	hbfuller.com			
Proposed Project Information				
Proposed project address	1915 N. Bendix Drive	Parent company name	HB Fuller Company	
City, State, Zip	South Bend, IN 46628	Legal owner	HB Fuller Company	
Site acreage or acreage required	4.45 acres	Is the real estate owned or leased	Leased	
Square feet of facility	64,500	If leased by whom	Appletrao Associates L.P. C/O PFI/Genesis, Inc.	
Primary Contact Information				
Primary company contact name	Randy Greenlee	Title	Operations Director	
Address of company contact	2001 West Washington Street	Phone	574-246-5331	
City, State, Zip	South Bend, IN	Email	randy.greenlee@hbfuller.com	
Senior Official Information				
Company senior official name	Theodore Clark	Title	VP Executive Chief Operating Officer	
Address of company contact (if different from above)	177 Oak Meadow Road	Phone	626-203-3745	
City, State, Zip	Sierra Madre, CA 91024	Email	Ted.Clark@hbfuller.com	
Consultant Information/Agent				
Hired business consultant/agent name		Consultant release (Y/N)		
Address		Local economic development partners approval (Y/N)		
City, State, Zip		Email		
Project Overview				
Brief description of your company, project, and why the property is necessary for economic growth	<p>HB Fuller is a very large adhesive manufacturer who supplies adhesive and sealants with various technologies to multiple markets globally. The project is to purchase and install equipment to fill cylinders with adhesives and propellants to the roofing and Industrial markets. The South Bend plant currently does not do this. It is done by a 3rd party filler located in another State. HB Fuller looked at doing this in Houston, TX as well, but it was decided that South Bend was the better choice see we currently make the adhesive at the main plant on 2001 W. Washington Street in South Bend and ship the filled cylinders from the 1915 N Bendix Drive leased warehouse. An estimated 5 to 6 new jobs will be created with this initial investment and with future investments more jobs will be added.</p>			
Certified Technology Park appropriate				
Is the project in a Tax Incremental Financing (TIF) area? If so, which?				
Certify that the Building Permit has not been issued (Y/N)	No, but will be issued on Jan 4th.	Number of residential units created by project	None	
If this is a petition for personal property tax abatement, has the equipment been installed	The equipment has not been installed.			

Investment Details			
Public infrastructure needs (OR site of project in dollars)	Has any 504 funding been received?	What is the value of any equipment being purchased in Indiana for the project?	What is the value of any equipment being purchased from out of state for the project?
	no	\$30,000	\$1,350,875

New Project Investments								
Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027
Land Acquisition								
Building Lease Payments	\$ 125,775.00	\$ 129,000.00	\$ 132,225.00	\$ 135,450.00	\$ 138,675.00	\$ 138,675.00	\$ 143,512.50	\$ 151,575.00
Building Purchase Costs								
New Building Construction								
Existing Building Improvements								
New Machinery & Equipment	\$ 657,531.50	\$ 723,343.50						
Special Tooling/Retooling								
New Furniture/Fixtures								
New Computer/IT Hardware								
New Software								
On-site Rail Infrastructure								
On-site Fiber Infrastructure								
TOTAL	\$ 783,306.50	\$ 852,343.60	\$ 132,225.00	\$ 135,450.00	\$ 138,675.00	\$ 138,675.00	\$ 143,512.60	\$ 151,575.00

Full-Time Permanent Indiana-Resident Positions by Calendar Year						
Calendar Year	Jobs retained	Total hourly wage w/o fringe or bonuses	Cumulative # of net NEW full time permanent jobs created at project	Hourly average wage, w/o benefits or bonuses, of cumulative net new jobs	Total training expenditure - not cumulative	Total # to be trained - not cumulative
2020	201	\$12,928,877				
2021			6	\$23		
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						

Provide hourly wage information for new employees in the following positions.

	Full time	Part time
Laborers	6	
Technical		
Managerial		
Administrative		

Who will be the individual responsible for coordinating with WorkOne on recruiting? Angela Thompson

Does your company have an EEO hiring policy? Yes Are you an EEO employer? Yes

Year	2020		2019		2018	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Black	37		25		19	
Hispanic	19		14		8	
Asian	3					
Indian						
Female	52		37		32	
Other	2					

Please describe your commitment to diversity and inclusion by detailing your outreach and recruitment efforts for the last three years as well as current policies.