

CITY OF SOUTH BEND

COMMUNITY INVESTMENT

April 6, 2021

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

RE: Real Property Tax Abatement Petition for: **Delta Management Company, LLC**

Dear Council Member Tomas Morgan:

Please find the attached information pertaining to a real property tax abatement petition submitted by Delta Management, LLC to expand the existing facility at 4755 Ameritech Drive, South Bend, IN 46628 for KW Custom Controls, LLC. This petition package includes:

- Department of Community Investment's summary report
- Petition
- Statement of Benefits form
- Supporting information

The report contains the Department's findings relative to the above petition. The petitioner proposes to invest approximately \$1,800,000 in a new construction to accommodate growth of tenant KW Custom Controls, LLC. Representatives from Delta Management Company, LLC and KW Custom Controls, LLC will be available to meet with the Committee on Monday, April 12, 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 574-235-5823.

Sincerely,

Daniel J. Buckenmeyer
Director, Business Development

TAX ABATEMENT REPORT

TO: South Bend Common Council
FROM: Daniel J. Buckenmeyer, Director of Business Development
SUBJECT: REAL PROPERTY TAX ABATEMENT PETITION FOR: **Delta Management Company, LLC**

DATE: April 6, 2021

On Thursday, March 25, 2021, a petition from Delta Management Company, LLC was received and subsequently filed with the City Clerk for real and personal property tax abatements consideration for property located at *4755 Ameritech 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

- Delta Management Company plans to expand the building at 4755 Ameritech Drive, South Bend, IN with a \$1.8m private investment and 30,000 SF addition in order to accommodate growth of tenant KW Custom Controls, LLC.
- In September 2018, an investor group led by the Pfeil family restarted a previously bankrupt business. The company rehired 50 people.
- Koontz-Wagner's origins date back to the 1920's when two brothers in South Bend, Indiana began repairing motors in a small garage. Over the next 40 years, the company diversified services, while maintaining a focus on electrification and rotating equipment.
- Today, KW Custom Controls is focused solely on the construction and integration of custom-built transportable packaged control houses. Across the globe, KW Custom Controls has serviced a variety of industries including power generation, oil & gas pipeline, power utility, materials handling, telecom or alternative energy.
- During the 5-year real property tax abatement, an estimated amount of taxes to be paid is \$34,063.

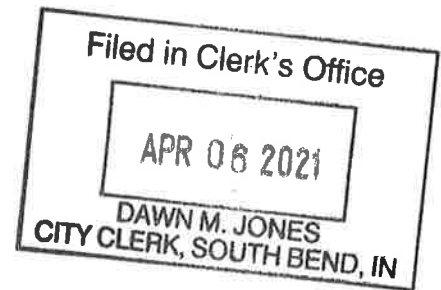
EMPLOYMENT IMPACT

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

- Retain fifty (50) permanent full-time jobs representing a total annual payroll of \$3,640,000 and create, at least, twenty (20) new full-time jobs with an estimated total annual payroll of \$873,600.

ABATEMENT QUALIFICATION

1. A review of the tax abatements previously granted, finds that the petitioner has not been granted any tax abatements.
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 **the five (5) year real property** 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.



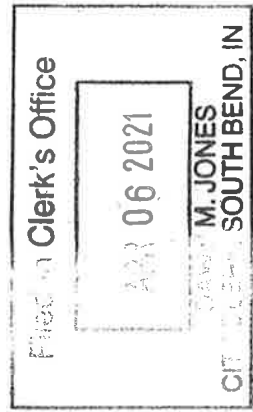
5 YEAR

5-Apr-21

Delta Management Company, LLC

South Bend German Township
Real Property Tax Abatement Schedule*

Tax Key Number	71-03-18-400-010-000-009									
Current Assessed Value:	40,100									
Estimated Project Cost:	1,800,000									
Assessed Value:	100%	Without Abatement	100%	100%	100%	95%	90%	85%		
Current Assessed Value		40,100	40,100	40,100	40,100	40,100	40,100	40,100		
Base Assessed Value	80%	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000		
Less Abatement Deduction		0	(1,440,000)		(1,440,000)	(1,368,000)	(1,296,000)	(1,224,000)		
Net Assessed Value		1,480,100	40,100	40,100	40,100	112,100	184,100	256,100		
Property Taxes:										
Assume constant tax rate of		5.3897%	5.3897%	5.3897%	5.3897%	5.3897%	5.3897%	5.3897%		
Gross Tax (tax rate x net assessed value)		2,161	79,773	2,161	2,161	6,042	9,922	13,803		
Less Circuit Breaker Credit		(958)	(35,370)	0	0	0	0	0		
Net Tax		1,203	44,403	2,161	2,161	6,042	9,922	13,803		
Circuit Breaker Cap										
Circuit Breaker	3.0000%	1,203	44,403	44,403	44,403	44,403	44,403	44,403		
Debt Service	0.0000%	0	0	0	0	0	0	0		
Circuit Breaker Cap		1,203	44,403	44,403	44,403	44,403	44,403	44,403		



Year	Existing Taxes	New Project Taxes	Combined Existing & New Taxes	Tax Abated	Net Tax Paid
1	1,203	43,200	44,403	42,242	2,161
2	1,203	43,200	44,403	42,242	2,161
3	1,203	43,200	44,403	38,361	6,042
4	1,203	43,200	44,403	34,481	9,922
5	1,203	43,200	44,403	30,600	13,803
Totals	6,015	216,000	222,015	187,925	34,090

*This schedule is for estimation purposes only and assumes constant tax rates. The true tax values will ultimately be determined by the actual assessed valuation and the then current tax rates.

BILL NO. 21-14

RESOLUTION NO. _____

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

4755 Ameritech Drive, South Bend IN

**AN ECONOMIC REVITALIZATION AREA FOR PURPOSES OF A FIVE
(5) YEAR REAL PROPERTY TAX ABATEMENT FOR**

Delta Management Company, LLC

WHEREAS, a petition for real property tax abatement has been filed with the City Clerk for consideration by the Common Council of the City of South Bend, Indiana requesting that the area located at 4755 Ameritech Drive, South Bend IN 46628, which is more particularly described as:

Lot Numbered 7 as shown on the recorded Plat of U.S. 31 Industrial Park – Section One, St. Joseph County, State of Indiana.

Lot Numbered 8 as shown on the recorded Plat of U.S. 31 Industrial Park –Section Two, St. Joseph County, State of Indiana

and which has Key Numbers 71-03-18-400-010.000-009 and 71-03-18-400-011.000-009 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, petitioner has agreed to and has accepted responsibility to report any changes in the final legal description and to report the final, appropriate Key Number to the Department of Community Investment and to the Office of the City Clerk; 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 that the Petition for Real Property Tax Abatement and the Statement of Benefits form completed by the Petitioner meet the requirements of Indiana Code § 6-1.1-12.1 et seq., for tax abatement.

SECTION II. The Common Council hereby determines and finds the following:

- A. That the description of the proposed redevelopment or rehabilitation meets the applicable standards for such development;
- B. That the estimate of the value of the redevelopment or rehabilitation is reasonable for projects of this nature;
- C. That the estimate of the number of individuals who will be employed or whose employment will be retained by the Petitioner can reasonably be expected to result from the proposed described redevelopment or rehabilitation;
- D. That the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained by the Petitioner can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- E. That the other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation; and
- F. That the totality of benefits is sufficient to justify the requested deduction, all of which satisfy the requirements of Indiana Code § 6-1.1-12.1-3.

SECTION III. The Common Council hereby determines and finds that the proposed described redevelopment or rehabilitation can be reasonably expected to yield benefits identified in the Statement of Benefits, Sections 1 through 3 of the Petition for Real Property Tax Abatement Consideration and the Memorandum of Agreement between the Petitioner and the City of South Bend, and that the 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 § 6-1.1-12.1-3.

SECTION IV. The Common Council hereby accepts the report and recommendation of the Community Investment Committee that the area herein described be designated as an Economic Revitalization Area and hereby adopts a Resolution designating this area as an Economic Revitalization Area for purposes of real property tax abatement.

SECTION V. The designation as an Economic Revitalization Area shall be limited to three (3) calendar years from the date of the adoption of this Resolution by the Common Council.

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

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

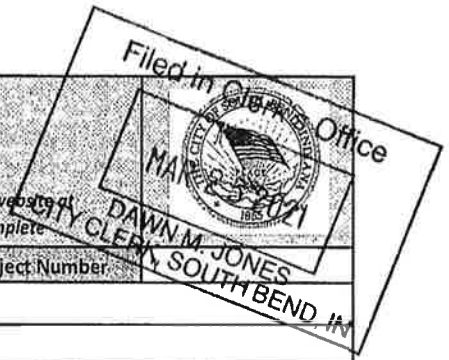
SECTION VII. The Common Council directs the City Clerk to cause notice of the adoption of this Declaratory Resolution for Real Property Tax Abatement to be published pursuant to Indiana Code § 5-3-1 and Indiana Code § 6-1.1-12.1-2.5, said publication providing notice of the public hearing before the Common Council on the proposed confirming of said declaration.

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

Karen White, Council President
South Bend Common Council

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.



General Information		Project Name	4755 Ameritech Drive	Project Number	
Legal name as registered with Secretary of State		Delta Management Company LLC ("Delta")			
Business structure		LLC			
Company website		Delta has no website; KW Custom Controls LLC ("KWCC", the tenant) site is www.kwcustomcontrols.com			
Proposed Project Information					
Proposed project address		4755 Ameritech Drive	Parent company name	NA	
City, State, Zip		South Bend, IN 46628	Legal owner	Delta Management Company LLC	
Site acreage or acreage required		9.01	Is the real estate owned or leased?	owned	
Square feet of facility		currently 50,000; addition will increase to 80,000	If leased by whom	property is leased to KWCC	
Primary Contact Information					
Primary company contact name		Laura Pfeil Elliott	Title	Manager and Member	
Address of company contact		4755 Ameritech Drive	Phone	574-274-8051	
City, State, Zip		South Bend, IN 46628	Email	elliottsb4@sbcglobal.net	
Senior Official Information					
Company senior official name		William Harlan	Title	Manager and Director	
Address of company contact (if different from above)		4755 Ameritech Drive	Phone	312-343-3920	
City, State, Zip		South Bend, IN 46628	Email	wharlan@kwcustomcontrols.com	
Consultant Information/Agent					
Hired business consultant/agent name		Peter Agostino, Atty	Consultant release (Y/N)		
Address		131 S. Taylor Street	Local economic development partners approval (Y/N)		
City, State, Zip		South Bend, IN 46601	Email	agostino@aaklaw.com	
Project Overview					
Brief description of your company, project, and why the property is necessary for economic growth		<p>Subject to approval of property tax abatement, Delta Management Company LLC plans to expand the building at 4755 Ameritech Drive with a \$1.8 million, 30,000 SF addition in order to accommodate growth of tenant KW Custom Controls, LLC ("KWCC"), with job growth of 20 full time jobs within 3 years. In September 2018, an investor group led by the Pfeil family re-started a previously bankrupt business now known as KWCC. Restart of the business by the investor group led to the re-employment of previously displaced workers following the July 2018 bankruptcy filing of Koontz-Wagner Custom Controls Holdings LLC. KWCC continues to employ approximately 50 people, and has plans for additional growth following completion of the building expansion. Please see Attachment 1 for additional information.</p>			
Certified Technology Park appropriate		NA			
Is the project in a Tax Incremental Financing (TIF) area? If so, which?		No			
Certify that the Building Permit has not been issued (Y/N)		N	Number of residential units created by project	NA	
If this is a petition for personal property tax abatement, has the equipment been installed		NA			

Investment Details			
Public infrastructure needs (Off-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?
NA	NA	Minimal or no new equipment being purchased	NA

New Project Investments								
Calendar Year	2021	2022	2023	2024	2025	2026	2027	2028
Land Acquisition								
Building Lease Payments								
Building Purchase Costs								
New Building Construction	\$ 1,800,000.00							
Existing Building Improvements								
New Machinery & Equipment								
Special Tooling/Retooling								
New Furniture/Fixtures								
New Computer/IT Hardware								
New Software								
On-site Rail Infrastructure								
On-site Fiber Infrastructure								
TOTAL	\$ 1,800,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

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
2021	50	35				0
2022			10	\$21/hr		0
2023			5	\$21/hr		0
2024			5	\$21/hr		0
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						

Provide hourly wage information for new employees in the following positions:		
	Full time	Part time
Laborers	\$16 to \$18	0
Technical	\$20 to \$25	0
Managerial	NA	0
Administrative	NA	0

Who will be the individual responsible for coordinating with WorkOne on recruiting? **Michelle Steele (KWCC's HR person)**

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

Please list the number of full time and part time minority and/or female employees for each of the last three years:							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.
Year	2020		2019		2018		
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	
Black	4		3		3		We reached out to Work One regularly, as well as other services for referrals, and we do in fact hire minorities and will continue to do so.
Hispanic	5		4		3		
Asian	0						
Indian	0						
Female	4	1	3	1	3	1	
Other	0		0		0		

**Complete below for Real or Personal Property Tax Abatement only.
Please sign for all requested incentives.**

Public Benefit Item:

Information is required on both the construction companies and the companies which will provide materials purchased for this project. Please complete the table below with the appropriate information. If you qualify for the points, please enter the full amount of available points.		Qualify (Yes or No)	Earned Points	Available Points	
1	Construction Related (Contractors):				
	A.	Employ Local Companies (75%)	No	0	20
	B.	Purchase Materials from Local Companies (75%)	Yes	20	20
	C.	Require Employees vs. Independent Contractors	Yes	19	19
	D.	Require Prevailing Wage (Davis Bacon)	Yes	22	22
	E.	Require Health Benefits	yes	22	22
	F.	Require Pension Benefits	no	0	18
	G.	Maintain Affirmative Action Plan	no	0	20
		Sub-total Construction Related:		83	141
2	Wage & Benefit Related (Owner):				
	A.	Pay Target Wage Levels	Yes	33	33
	B.	Provide Health Benefits	Yes	34	34
	C.	Provide Pension Benefits	No	0	29
	D.	Provide Training	No	0	28
	E.	Provide Child Care	No	0	15
	F.	Provide Transportation Assistance	No	0	14
	G.	Provide Employer Assisted Housing program	No	0	9
	Sub-total Wage & Benefit Related:		67	162	
3	Workforce Related:				
	A.	Create New Jobs	Yes	42	42
	B.	Retain Existing Jobs	Yes	41	41
	C.	Maintain Affirmative Action Plan	No	0	35
	D.	Provide Targeted Hiring Preference		0	34
	Sub-total Workforce Related:		83	152	
4	Support a Municipal Facility:				
	A.	Support a SB Municipal Facility (donations to the zoo, conservatory, museum, etc.)	YES; See Attachment	84	84
		Name of Facility			
	Sub-total Municipal Facility:		84	84	
Sub-total from Above:			317	539	

The undersigned owner(s) of real property, located within the City of South Bend, hereby petition the Common Council of the City of South Bend for a real and/or personal property tax abatement consideration and pursuant to I.C., 6-1.1-12.1-1, et seq., and South Bend Municipal Code Sec. 2-76 et seq., for this petition state the above:

Submitted By:	Peter J. Agostino, Attorney for Petitioner	Date:	3/18/2021
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For Staff Use Only Below This Line				
What is the current assessed value?	Real Property:	1,557,300	Personal Property:	
What is the projected assessed value?	Real Property:	3,357,000	Personal Property:	
What is the tax key number for this project?	71-03-18-400-010.000-009 71-03-18-400-011.000-009			
What is the six digit NAICS code?	332311			
Please attach a Google map and street view of the location.	Attached			
Please list the amount of real and personal property taxes paid for the last five years when applicable.	Real Property Taxes:	Personal Property Taxes:		
	2020 Pay 2021 Year One	148,307		
	2019/2020 Year Two	0		
	2018/2019 Year Three	28,988		
	2017/2018 Year Four	58,923		
	2016/2017 Year Five	63,528		
Please fill out the following Public Benefit Summary Information and add to total from above:				
	(Y or N)	Points	Points	
Public Benefit Item:				
Project Related:				
5	A.	Redevelop a Site that has Special Needs		49
	B.	Develop Based on Local University Research		35
	C.	Achieve a Physical Element of a Plan		36
	Sub-total Project Related:			120
6	Super Size Projects (point values are cumulative):			
	A.	100% to 199%	25	25
	B.	200% to 299%	68	68
	C.	300% to 399%		65
	D.	400% and Over		52
Sub-total Super Size Projects:		93	210	
7	Pay for Municipal Infrastructure:			
	A.	Pay for Oversizing or Upgrading		14
	B.	Pay for 26-50% of Extension Cost		26
	C.	Pay for 51-75% of Extension Cost		39
	D.	Pay for 76-100% of Extension Cost		52
Sub-total Infrastructure Related:			131	
Total from Applicant Section:		317	539	
Total from Staff Section:		93	461	
Total Public Benefit Points:		410	1000	

Filed in Clerk's Office
 APR 06 2021
 DAWN M. JONES
 CITY CLERK, SOUTH BEND, IN



**STATEMENT OF BENEFITS
 REAL ESTATE IMPROVEMENTS**

State Form 51767 (R6 / 10-14)
 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:

- 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.
- 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.
- 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.
- 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)
- 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 Delta Management Company LLC					
Address of taxpayer (number and street, city, state, and ZIP code) 4755 Ameritech Drive, South Bend, IN 46627					
Name of contact person William Harlan		Telephone number () 312-343-3920		E-mail address wharlan@kwcustomcontrols.com	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body Common Council of the City of South Bend				Resolution number	
Location of property 4755 Ameritech Drive		County St. Joseph		DLGF taxing district number 009 - South Bend German	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) 30,000 SF addition to existing structure				Estimated start date (month, day, year) 5/1/2021	
				Estimated completion date (month, day, year) 11/1/2021	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 50	Salaries	Number retained 50	Salaries	Number additional 10 in year 1	Salaries
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
REAL ESTATE IMPROVEMENTS					
COST					
ASSESSED VALUE					
Current values		NA; was purchased in 2001		1,417,200 + 140,000 land	
Plus estimated values of proposed project		1,800,000		1,800,000	
Less values of any property being replaced		0		0	
Net estimated values upon completion of project		3,357,000		3,217,200 + 140,000 land	
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 Laura Pfeil-Elliott				Date signed (month, day, year) 3/24/21	
Printed name of authorized representative Laura Pfeil Elliott			Title Member and Manager, Delta Property Management		

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 _____ calendar years* (*see below*). The date this designation expires is _____.
- 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 (<i>signature and title of authorized member of designating body</i>)	Telephone number ()	Date signed (<i>month, day, year</i>)
Printed name of authorized member of designating body	Name of designating body	
Attested by (<i>signature and title of attester</i>)	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.

Attachment 1
**In support of Petition for Incentives filed by Delta Management
Company, LLC to allow for facility expansion for tenant
KW Custom Controls LLC**

Summary

KW Custom Controls LLC (KWCC or tenant) and Delta Management Company LLC (Delta) are seeking a tax abatement coincident with the 30,000 s.f. expansion of the existing facility located at 4755 Ameritech Drive in South Bend. Projected cost of the expansion is approximately \$1.8 million. Cost savings resulting from the tax abatement will facilitate the continued employment of approximately 50 people at KWCC, and growth in that employment base by approximately 20 over the first three years following the expansion.

KWCC is a manufacturer of electrical packaged control houses and custom control buildings with deep, century-long roots in South Bend. KWCC and Delta are both controlled by the Pfeil family which has a similarly long-running history in South Bend and has supported the community generously. The Pfeil's most recent support of the South Bend community includes the following: (1) \$500,000 gift in support of the expansion of the downtown South Bend library and (2) \$250,000 committed to LaCasa code Almstead. Mr. Pfeil is a founder and continual supporter of The Music Village in South Bend, in addition to support he has provided to Bethel College, IUSB, and many other local concerns. Mr. Pfeil is a member of the County Council of St. Joseph County.

Background

The original Koontz Wagner Electric business was formed in the 1920's and grew to become a multi-division electrical products and services business. One of the divisions, started in the 1950's, manufactured electrical control panels, electrical shelters, and packaged control houses ("PCH") and over decades became a significant supplier in the industry.

The Pfeil family's involvement with the business dates back to 1926. Over the course of several decades, this involvement led to ownership of the business until 2008 when the Pfeil family sold the business to High Street Capital. Following their purchase, High Street broke up and separately sold off Koontz Wagner Electric's divisions, including the sale of the PCH business to Global Power in 2012. Global Power is a publicly traded business based in Texas at the time and now known as Williams Industrial Services Group, LLC. Global Power subsequently completed other acquisitions and added locations in TX and ID. However, following a downturn in the industry and broader challenges in its business, Global Power put the PCH business (known as Koontz-Wagner Custom Control Holdings, LLC) into chapter 7 bankruptcy on July 11, 2018.

As a result of the prior business involvement and ownership, the bankrupt business was well known to Richard Pfeil and Bill Harlan and Steve Vivian (through their prior involvement and ownership of another of the divisions). This investor group (Pfeil family and Harlan/Vivian) also had strong relationships with Don Eichstadt (former VP & GM of the PCH division) and Frank Stec (former Director of Sales of the PCH division). Following investigation and due diligence by Pfeil/Harlan/Vivian, along with Eichstadt and Stec who agreed to re-join the business, in

4755 Ameritech Drive
South Bend, IN 46628

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Company, LLC to allow for facility expansion for tenant
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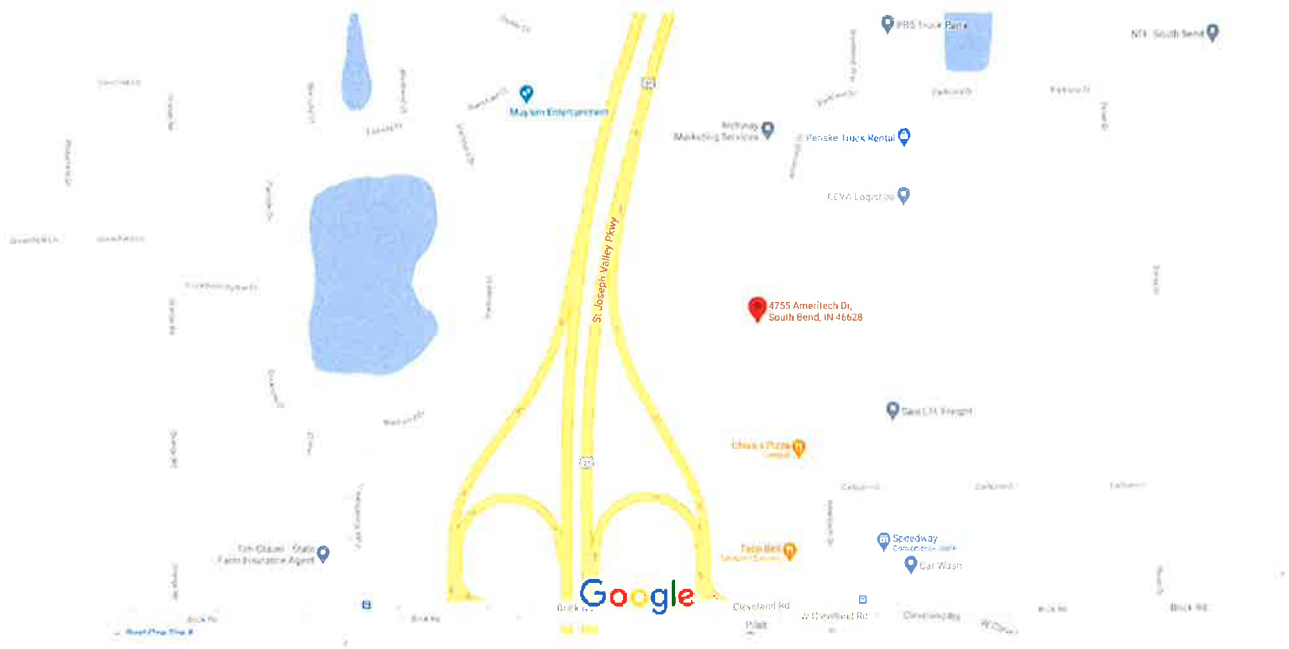
September 2018 the investor group (Pfeil and Harlan/Vivian) purchased the South Bend assets of the bankrupt Koontz-Wagner Custom Control Holdings, LLC and committed to re-starting the business under the name KW Custom Controls LLC (KWCC).

KWCC was well capitalized, and had substantial support from the Pfeil family in getting re-started. KWCC re-hired approximately 50 people who had lost jobs following the bankruptcy filing. Immediately following the re-start, KWCC worked to complete a large purchase order, while also securing ISO and quality certifications, rationalizing facility expenses (KWCC had assumed leases on three South Bend locations occupied by the bankrupt business), and working to build a backlog of business by winning back customers left disappointed by the bankruptcy.

KWCC successfully completed the large purchase order, and continued by winning back several key customers including Siemens, General Electric, and others. Facilities have been rationalized from three down to a single facility located at 4755 Ameritech Drive. This facility is owned by members of the Pfeil family who have provided a favorable lease to KWCC which was helpful in containing costs while re-starting the business.

KWCC manages hundreds of projects annually, ranging from sub \$100K to over \$20 million in scope. Customers include Siemens, General Electric, and other large companies in the power generation, oil & gas pipeline, power utility, materials handling, telecom, and alternative energy industries. Project locations are worldwide. KWCC is now poised for growth and in need of additional manufacturing space. Following completion of the planned addition, KWCC anticipates hiring 20 additional employees over the first three years in the new space.

Google Maps 4755 Ameritech Dr



4755 Ameritech Dr

Building



Directions



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Nearby



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4755 Ameritech Dr, South Bend, IN 46628

At this place

4/5/2021

4755 Ameritech Dr - Google Maps

Koontz-Wagner Powerhouse

1.0 ★ (1)

Manufacturer



KW Custom Controls LLC

No reviews

Prefabricated house companies



[Directions](#)