

4 **A DECLARATORY RESOLUTION designating an**
5 **“Economic Revitalization Area” under I.C. 6-1.1-12.1 for**
6 **property commonly known as 711 E. Tillman Road, Fort**
7 **Wayne, Indiana 46816 (Housing Opportunity Program,**
8 **Inc/Hillcrest Pointe, L.P.)**

9 **WHEREAS**, Petitioner has duly filed its petition dated April 8, 2013 to have the
10 following described property designated and declared an “Economic Revitalization Area”
11 under Sections 153.13-153.24 of the Municipal Code of the City of Fort Wayne, Indiana, and
12 I.C 6-1.1-12.1, to wit:

13 Attached hereto as “Exhibit A” as if a part herein;

14 and

15 **WHEREAS**, said project will create two full-time, permanent jobs for a total new,
16 annual payroll of \$39,936, with the average new annual job salary being \$19,968

17 **WHEREAS**, the total estimated project cost is \$4,956,350; and

18 **WHEREAS**, it appears the said petition should be processed to final determination in
19 accordance with the provisions of said Division 6.

20 **NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE**
21 **CITY OF FORT WAYNE, INDIANA:**

22 **SECTION 1.** That, subject to the requirements of Section 6, below, the
23 property hereinabove described is hereby designated and declared an “Economic
24 Revitalization Area” under I.C. 6-1.1-12.1 Said designation shall begin upon the effective
25 date of the Confirming Resolution referred to in Section 6 of this Resolution and shall
26 terminate on December 31, 2016, unless otherwise automatically extended in five year
27 increments per I.C. 6-1.1-12.1-9.

28 **SECTION 2.** That, upon adoption of the Resolution:

29 Said Resolution shall be filed with the Allen County Assessor;

30 Said Resolution shall be referred to the Committee on Finance requesting a
recommendation from said committee concerning the advisability of designating
the above area an “Economic Revitalization Area”;

Common Council shall publish notice in accordance with I.C. 6-1.1-12.1-2.5 and
I.C. 5-3-1 of the adoption and substance of this resolution and setting this
designation as an “Economic Revitalization Area” for public hearing;

1 **SECTION 3.** That, said designation of the hereinabove described property as an
2 "Economic Revitalization Area" shall apply to a deduction of the assessed value of real
3 estate.

4 **SECTION 4.** That, the estimate of the number of individuals that will be employed
5 or whose employment will be retained and the estimate of the annual salaries of those
6 individuals and the estimate of the value of redevelopment or rehabilitation, all contained in
7 Petitioner's Statement of Benefits, are reasonable and are benefits that can be reasonably
8 expected to result from the proposed described redevelopment or rehabilitation.

9 **SECTION 5.** That, the current year approximate tax rates for taxing units within
10 the City would be:

11 If the proposed development does not occur, the approximate current year tax
12 rates for this site would be \$3.3124/\$100.

13 If the proposed development does occur and no deduction is granted, the
14 approximate current year tax rate for the site would be \$3.3124/\$100 (the
15 change would be negligible).

16 If the proposed development occurs and a deduction percentage of fifty percent
17 (50%) is assumed, the approximate current year tax rate for the site would be
18 \$3.3124/\$100 (the change would be negligible).

19 **SECTION 6.** That, this Resolution shall be subject to being confirmed, modified
20 and confirmed, or rescinded after public hearing and receipt by Common Council of the
21 above described recommendations and resolution, if applicable.

22 **SECTION 7.** That, pursuant to I.C. 6-1-1-12 1, it is hereby determined that the
23 deduction from the assessed value of the real property shall be for a period of ten years.

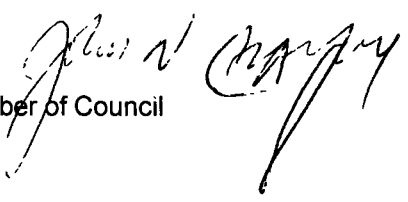
24 **SECTION 8.** That, the benefits described in the Petitioner's Statement of Benefits
25 can be reasonably expected to result from the project and are sufficient to justify the
26 applicable deductions.

27 **SECTION 9.** That, the taxpayer is non-delinquent on any and all property tax due
28 to jurisdictions within Allen County, Indiana.

29 **SECTION 10.** That, pursuant to I.C. 6-1.1-12.1-12 et al, any property owner that
30 has received a deduction under section 3 or 4.5 of this chapter may be required to repay the
deduction amount as determined by the county auditor in accordance with section 12 of said
chapter if the property owner ceases operations at the facility for which the deduction was
granted and if the Common Council finds that the property owner obtained the deduction by
intentionally providing false information concerning the property owner's plans to continue
operation at the facility.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

SECTION 11. That, this Resolution shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.


Member of Council

APPROVED AS TO FORM AND LEGALITY


Carol Helton, City Attorney



APR 08 2013 *am*

**ECONOMIC REVITALIZATION AREA APPLICATION
CITY OF FORT WAYNE, INDIANA**

APPLICATION IS FOR: (Check appropriate box(es))

- Real Estate Improvements
- Personal Property Improvements
- Vacant Commercial or Industrial Building

Total cost of real estate improvements: \$4,956,350
 Total cost of manufacturing equipment improvements: 0
 Total cost of research and development equipment improvements: 0
 Total cost of logistical distribution equipment improvements: 0
 Total cost of information technology equipment improvements: 0

TOTAL OF ABOVE IMPROVEMENTS: \$4,956,350

GENERAL INFORMATION

Real property taxpayer's name: Housing Opportunity Program, Inc aka Fort Wayne Housing Authority

Personal property taxpayer's name: Same as above

Telephone number: 260-267-9300 x7105

Address listed on tax bill: 711 E. Tillman Road

Name of company to be designated, if applicable: Hillcrest Pointe, L.P.

Year company was established: To be formed

Address of property to be designated: 711 E Tillman Road, Fort Wayne, IN 46816

Real estate property identification number: 02-12-25-376-011.000-074

Contact person name: Steve Hoffman

Contact person telephone number: 260-399-4102

Contact person Email: stevehoffman@canihelp.org

Contact person address: 227 E. Washington Blvd, Fort Wayne, IN 46802

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Steve Hoffman	Member	227 E. Washington Blvd, Ft Wayne, IN 46802	260-399-4102

List all persons or firms having ownership interest in the applicant business and the percentage each holds:

NAME	PERCENTAGE
Hillcrest Pointe GP, LLC, Hillcrest Pointe, L.P. General Partner	100

- Yes No Are any elected officials shareholders or holders of any debt obligation of the applicant or operating business? If yes, who? (name/title)
- Yes No Is the property for which you are requesting ERA designation totally within the corporate limits of the City of Fort Wayne?
- Yes No Do you plan to request state or local assistance to finance public improvements?
- Yes No Is the property for which you are requesting ERA designation located in an Economic Development Target Area (EDTA)? (see attached map for current areas)
- Yes No Does the company's business include a retail component? If yes, answer the following questions:
 What percentage of floor space will be utilized for retail activities?
 What percentage of sales is made to the ultimate customer?
 What percentage of sales will be from service calls?
 What is the percentage of clients/customers served that are located outside of Allen County? 0
 What is the company's primary North American Industrial Classification Code (NAICs)? n/a
 Describe the nature of the company's business, product, and/or service: Permanent supportive housing for homeless with an emphasis on the homeless Veteran population

Dollar amount of annual sales for the last three years:

Year	Annual Sales
n/a	n/a

List the company's three largest customers, their locations and amount of annual gross sales:

Customer Name	City/State	Annual Gross Sales
n/a		

List the company's three largest material suppliers, their locations and amount of annual purchases:

Supplier Name	City/State	Annual Gross Purchases
n/a		

List the company's top three competitors:

Competitor Name	City/State
n/a	

Describe the product or service to be produced or offered at the project site: Community-based housing that targets the extremely low income with intensive service programs to engage and rapidly house individuals who are homeless into permanent supportive housing and to provide intensive and flexible services to stabilize and support housing tenure.

In order to be considered an Economic Revitalization Area (ERA), the area must be within the corporate limits of the City of Fort Wayne and must have become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. It also includes any area where a facility or group of facilities that are technologically, economically, or energy obsolete is located and where the obsolescence may lead to a decline in employment and tax revenues.

How does the property for which you are requesting designation meet the above definition of an ERA?

This location is within the City limits. The current structure has deteriorated causing it to become undesirable for normal development based on the previous occupants lack of preventative maintenance. The City of Ft Wayne condemned & vacated the building on 1/25/13 based on unsafe building conditions, including roof structure dilapidated and allowing moisture to penetrate the structure and a window and masonry wall structure collapsing. The structure has also been deemed a fire hazard.

REAL PROPERTY INFORMATION

Complete this section of the application if you are requesting a deduction from assessed value for real property improvements.

Describe any structure(s) that is/are currently on the property: **A former brick school building**

Describe the condition of the structure(s) listed above: **Poor, the building has not had routine maintenance and has not been climate controlled for several years. The roof over the gymnasium has been leaking for several years causing severe brick and mortar damage from the weather elements.**

Describe the improvements to be made to the property to be designated for tax phase-in purposes: **A new 49,000 square foot building consisting of (48) 1-bedroom apartments, social service offices, leasing office, a laundry facility, theatre room, community room, food pantry, computer room, a covered pavilion, and gazebo.**

Projected construction start (month/year): **11/01/13**

Projected construction completion (month/year): **11/01/14**

Yes No Will construction result in Leadership in Energy and Environmental Design (LEED) certification by the U.S. Green Building Council? **This new building will meet the ICC 700-2008 Silver Rating National Green Building Standard and a HERS Rating at or below 80.**

Yes No Will construction use techniques to minimize impact on combined sewer overflows? (i.e. rain gardens, bio swales, etc.)

PERSONAL PROPERTY INFORMATION

Complete this section of the application if you are requesting a deduction from assessed value of new manufacturing, research and development, logistical distribution or information technology equipment.

List below the equipment for which you are seeking an economic revitalization area designation.

Manufacturing equipment must be used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property at the site to be designated. Research and development equipment consists of laboratory equipment, research and development equipment, computers and computer software, telecommunications equipment or testing equipment used in research and development activities devoted directly and exclusively to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products at the site to be designated. Logistical distribution equipment consists of racking equipment, scanning or coding equipment, separators, conveyors, fork lifts or lifting equipment, transitional moving equipment, packaging equipment, sorting and picking equipment, software for technology used in logistical distribution, is used for the storage or distribution of goods, services, or information. Information technology equipment consists of equipment, including software used in the fields of information processing, office automation, telecommunication facilities and networks, informatics, network administration, software development and fiber optics: (use additional sheets, if necessary)

Yes No Has the above equipment for which you are seeking a designation, ever before been used for any purpose in Indiana? If yes, was the equipment acquired at an arms length transaction from an entity not affiliated with the applicant? Yes No

Yes No Will the equipment be leased?

Date first piece of equipment will be purchased (month/year):

Date last piece of equipment will be installed (month/year):

Please provide the depreciation schedule term for equipment under consideration for personal property tax phase-in:

ELIGIBLE VACANT BUILDING INFORMATION

Complete this section of the application if you are requesting a deduction from the current assessed value of a vacant building

Yes No Has the building for which you are seeking designation for tax phase-in been unoccupied for at least one year? Please provide evidence of occupation. (i.e. certificate of occupancy, paid utility receipts, executed lease agreements)

Describe any structure(s) that is/are currently on the property:

Describe the condition of the structure(s) listed above:

Projected occupancy date (month/year):

Describe the efforts of the owner or previous owner in regards to selling, leasing or renting the eligible vacant building during the period the eligible vacant building was unoccupied including how much the building was offered for sale, lease, or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied.

PUBLIC BENEFIT INFORMATION

EMPLOYMENT INFORMATION FOR FACILITY TO BE DESIGNATED

ESTIMATE OF EMPLOYEES AND PAYROLL FOR FORT WAYNE FACILITY REQUESTING ECONOMIC REVITALIZATION AREA DESIGNATION

Please be specific on job descriptions. When listing the occupation codes, please avoid using the "Major Occupational Groupings" (i.e. 11-000, 13-000, 15-000, etc.) which are more general in nature. Instead, use specific occupation codes (i.e. 11-1021, 13-1081, 15-2041 etc) for each created and retained job. To fill out information on occupation and occupation code, use data available through Occupation Employment Statistics for Fort Wayne http://www.bls.gov/oes/current/oes_23060.htm

Current Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
0	0	0	0

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
0	0	0	0

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
Building Maintenance	37-2019	1	19,968 (32 hour work wk)
Leasing Agent	43-9061	1	19,968 (32 hour work wk)

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
0	0	0	0

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
0	0	0	0

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
0	0	0	0

Check the boxes below if the existing jobs and the jobs to be created will provide the listed benefits:

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Pension Plan | <input checked="" type="checkbox"/> Major Medical Plan | <input checked="" type="checkbox"/> Disability Insurance |
| <input type="checkbox"/> Tuition Reimbursement | <input checked="" type="checkbox"/> Life Insurance | <input checked="" type="checkbox"/> Dental Insurance |

List any benefits not mentioned above: **Employee assistance program**

When will you reach the levels of employment shown above? (month/year): **03/01/2015**

REQUIRED ATTACHMENTS

The following must be attached to the application.

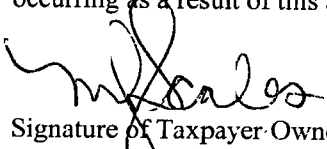
- 1. **Statement of Benefits Form(s) (first page/front side completed)**
- 2. **Full legal description of property and a plat map identifying the property boundaries. (Property tax bill legal descriptions are not sufficient.) Should be marked as Exhibit A.**
- 3. **Check for non-refundable application fee made payable to the City of Fort Wayne.**

ERA filing fee (either real or personal property improvements)	.1% of total project cost not to exceed \$500
ERA filing fee (both real and personal property improvements)	.1% of total project cost not to exceed \$750
ERA filing fee (vacant commercial or industrial building)	\$500
ERA filing fee in an EDTA	\$100
Amendment to extend designation period	\$300
Waiver of non compliance with ERA filing	\$500 + ERA filing fee
- 4. **Owner's Certificate (if applicant is not the owner of property to be designated) Should be marked as Exhibit B if applicable.**

CERTIFICATION

I, as the legal taxpayer and/or owner, hereby certify that all information and representations made on this application and its attached exhibits are true and complete and that neither an Improvement Location Permit nor a Structural Permit has been filed for construction of improvements, nor has any manufacturing, research and development, logistical distribution or information technology equipment which is a part of this application been purchased and installed as of the date of filing of this application. I also certify that the taxpayer is not delinquent on any and all property tax due to taxing jurisdictions within Allen County, Indiana. I understand that any incorrect information on this application may result in a rescission of any tax phase-ins which I may receive.

I understand that I must file a correctly completed Compliance with Statement of Benefits Form (CF-1/Real Property for real property improvements and CF-1/PP for personal property improvements) and the Public Benefit Annual Update with the City of Fort Wayne Community Development Division in each year in which I receive a deduction. Further the CF-1/PP form must be filed with the county assessor and the CF-1/Real Property must be filed with the county auditor. Failure to file the CF-1 form with these agencies may result in a rescission of any tax phase-in occurring as a result of this application.



Signature of Taxpayer Owner

Maynard J. Scales, Secretary

Printed Name and Title of Applicant

04 08' 2013
Date



STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS

State Form 51767 (R4 / 2-13)
Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

20 PAY 20

FORM SB-1 / Real Property

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential, the balance of the filing is public record per IC 6-1-1-12-1-5-1(c) and (d)

APR 08 2013 *apw*

COMMUNITY DEV

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 "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1-1-12-1)
- 2 Approval of the designating body (City Council, Town Board, County Council etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, BEFORE a deduction may be approved
- 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. If the property owner misses the May 10 deadline in the initial year of occupation, he can apply between March 1 and May 10 of a subsequent year.
- 4 Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits [IC 6-1-1-12-1-5-1(b) and IC 6-1-1-12-1-5-3(j)]
- 5 The schedules established under IC 6-1-1-12-1-4(d) for rehabilitated property apply to any economic revitalization areas designated after June 30, 2000, unless an alternative deduction schedule is adopted by the designating body (IC 6-1-1-12-1-17). The schedules effective prior to July 1, 2000, shall continue to apply to economic revitalization areas designated before July 1, 2000

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer
Housing Opportunities Program, Inc. (to be Hillcrest Pointe, L.P.)
Address of taxpayer (number and street city state, and ZIP code)
2013 South Anthony Boulevard, Fort Wayne, IN 46816
Name of contact person
Maynard J. Scales
Telephone number
(260) 267-9300 x7105
E-mail address
mscales@fwha.org

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body
Fort Wayne Common Council
Location of property
711 E. Tillman Road, Fort Wayne, IN 46816
County
Allen
DLGF taxing district number
074
Description of real property improvements, redevelopment or rehabilitation (use additional sheets if necessary)
A 49,000+ square foot building consisting of (48) 1 bedroom apartments, with social service offices, a leasing office, a laundry facility, theatre room, community room, food pantry and a computer room for homeless individuals with an emphasis on the homeless Veteran population
Estimated start date (month, day, year)
11/01/2013
Estimated completion date (month, day, year)
11/01/2014

SECTION 3 ESTIMATE OF PAY PROYECTAN DESALARIES AS RESULT OF PROPOSED PROJ

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
0.00	\$0.00	0.00	\$0.00	2.00	\$39,936.00

SECTION 4 ESTIMATE OF TOTAL COST AND VALUE OF PROPOS CORPRON FOR

	REAL ESTATE IMPROVEMENTS COST	ASSESSED VALUE
Current values		224,400.00
Plus estimated values of proposed project	4,956,350.00	
Less values of any property being replaced		
Net estimated values upon completion of project	4,956,350.00	

SECTION 5 WASTE CONVERSION AND OTHER BENEFITS FROM SOLID WASTE BY THE TAXPAYER

Estimated solid waste converted (pounds) 0.00
Estimated hazardous waste converted (pounds) 0.00
Other benefits

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true
Signature of authorized representative *mscales*
Title
Secretary
Date signed (month, day, year)
04/09/2013

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 6-1-12-1, provides for the following limitations:

- A. The designated area has been limited to a period of time not to exceed ten calendar years* (see below). The date this designation expires is December 31, 2016.
- 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 \$ unlimited
- D. Other limitations or conditions (specify) Nif
- E. The deduction is allowed for ten years* (see below).
- F. Did the designating body adopt an alternative deduction schedule per IC 6-1.1-12.1-17? Yes No
If yes, attach a copy of the alternative deduction schedule to this form.

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)

Thomas J. Decker

Telephone number

(260) 427-1221

Date signed (month, day, year)

5-14-13

Attested by (signature and title of attester)

Robert E. Kennedy

Designated body

Common Council

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.

- A. For residentially distressed areas, the deduction period may not exceed five (5) years
- B. For redevelopment and rehabilitation or real estate improvements.
 - 1. If the Economic Revitalization Area was designated prior to July 1, 2000, the deduction period is limited to three (3), six (6), or ten (10) years
 - 2. If the Economic Revitalization Area was designated after June 30, 2000, and is not in a residentially distressed area, the deduction period may not exceed ten (10) years

Legal Description

The East 158 feet of Lots #67, 72, 73 and 78, the West 59 feet of Lot #68, the West 59 feet of the North 92 feet of Lot #71; the West 41 feet of the South 8 feet of Lot 71; and the West 41 feet of Lots 74 and 77, all in Home Gardens Addition, excepting therefrom the right-of-way taken for Tillman Road.

Together with two Non-Exclusive Easements for Ingress and Egress as Follows:

Easement No.1: Ingress and Egress Easement 18 feet in width and being more particularly described as follow:
The East 18 feet of the West 59 feet of Lots 74 and 77 and the East 18 feet of the West 59 feet of the South 8 feet of Lot #71, all in Home Gardens Addition, except that part of Lot #77 taken for the right-of-way of Tillman Road.

Easement No 2: Ingress and Egress easement 24 feet in width, being 12 feet either side of the following described centerline, more particularly described as follows:

Beginning at a point on the North right-of-way line of Tillman Road, said point being situated 223 feet West of the East line of Lot #78 in Home Gardens Addition; thence Northeasterly 112.7 feet to a point situated 158 feet West of the East line of Lot #73 in said Addition and 93 feet North of the North right-of-way of Tillman Road, said point being the terminus of said easement centerline.

Admn. Appr.

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Housing Opportunity Program, Inc./Hillcrest Point, L.P. is requesting the designation of an Economic Revitalization Area for real property improvements in the amount of \$4,956,350. Housing Opportunity Program, Inc./Hillcrest Point, L.P. will construct a new 49,000 square foot building consisting of (48) 1-bedroom apartments, social service offices, leasing office, a laundry facility, theatre room, community room, food pantry, computer room, covered pavilion, and gazebo.**

EFFECT OF PASSAGE: **Constructing the building will allow Housing Opportunity Program, Inc./Hillcrest Point, L.P. to redevelop the land where a former school building in poor shaped currently resides. The current building has not had routine maintenance or climate control for several years. Two full-time jobs will be created.**

EFFECT OF NON-PASSAGE: **Potential loss of development and two full-time jobs.**

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

ASSIGNED TO COMMITTEE (PRESIDENT): **John Crawford and Tom Smith**

MEMORANDUM



TO: City Council
FROM: Adam Welch, Economic Development Specialist
DATE: April 25, 2013
RE: Request for designation by Housing Opportunity Program, Inc./Hillcrest Pointe, L.P. as an ERA for real property improvements

BACKGROUND

PROJECT ADDRESS: **711 E. Tillman Road** PROJECT LOCATED WITHIN: **Economic Development Target Area**
 PROJECT COST: **\$ 4,956,350** COUNCILMANIC DISTRICT: **6**

COMPANY PRODUCT OR SERVICE: **Housing Opportunity Program, Inc./Hillcrest Pointe, L.P. will provide community-based housing that targets the extremely low income with intensive service programs to engage and rapidly house individuals who are homeless into permanent supportive housing and to provide intensive and flexible services to stabilize and support housing tenure.**

PROJECT DESCRIPTION: **Housing Opportunity Program, Inc./Hillcrest Pointe, L.P. will construct a new 49,000 square foot building consisting of (48) 1-bedroom apartments, social service offices, leasing office, a laundry facility, theatre room, community room, food pantry, computer room, a covered pavilion, and gazebo in the place of the former brick school building.**

	CREATED		RETAINED	
JOBS CREATED (FULL-TIME):	2	JOBS RETAINED (FULL-TIME):		N/A
JOBS CREATED (PART-TIME)	0	JOBS RETAINED (PART-TIME)		N/A
TOTAL NEW PAYROLL:	\$ 39,936	TOTAL RETAINED PAYROLL:		N/A
AVERAGE SALARY (FULL-TIME NEW):	\$ 19,968	AVERAGE SALARY (FULL-TIME RETAINED)		N/A

COMMUNITY BENEFIT REVIEW

Yes No N/A

Project will encourage vacant or under-utilized land appropriate for commercial or industrial use?

Yes No N/A

Real estate to be designated is consistent with land use policies of the City of Fort Wayne?

Explain: Property to be designated is zoned CM2; Limited Retail and Commercial

Yes No N/A

Project encourages the improvement or replacement of a deteriorated or obsolete structure?

Explain: The building has not had routine maintenance and has not been climate controlled for several years. The roof over the gymnasium has been leaking for several years causing severe brick and mortar damage from the weather elements.

- Yes No N/A Project encourages the improvement or replacement of obsolete manufacturing and/or research and development and or information technology and/or logistical distribution equipment?
- Yes No N/A Project will result in significant conversion of solid waste or hazardous waste into energy or other useful products?
- Yes No N/A Project encourages preservation of an historically or architecturally significant structure?
- Yes No N/A Construction will result in Leadership in Energy and Environmental Design (LEED) certification by the U.S. Green Building Council?
- Yes No N/A Construction will use techniques to minimize impact on combined sewer overflows? (i.e. rain gardens, bio swales, etc.)
- Yes No N/A ERA designation induces employment opportunities for Fort Wayne area residents?.
- Yes No N/A Taxpayer is NOT delinquent on any or all property tax due to any taxing jurisdiction within Allen County.

POLICY

Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

1. The period of deduction for real property is ten years.

The project is located in an Economic Development Target Area (EDTA). Thus, under Fort Wayne Common Council's tax abatement policies and procedures, Housing Opportunity Program, Inc. Hillcrest Pointe, L.P. is eligible for a ten year deduction on real property improvements. Attached is a spreadsheet that shows how the application scored under the review system. Also attached is an estimate of the taxes saved and paid over the length of ten years.

COMMENTS

Signed:


Economic Development Specialist

Reviewed:


Economic Development Specialist

COMMUNITY DEVELOPMENT DIVISION

**FORT WAYNE COMMUNITY DEVELOPMENT DIVISION
TAX ABATEMENT - ESTIMATE OF SAVINGS**

*New tax abatement percentages have been changed to reflect change in state law

REAL PROPERTY TAX ABATEMENT - 10 yr Schedule

Year	Cash Value	True Tax Value	Assessed Value	Tax Abatement %	Tax Paid %	Deduction	Taxable AV	Tax Rate	Tax Paid	Tax Saved
1	\$4,956,350	\$4,956,350	\$4,956,350	100%	0%	\$4,956,350	\$0	0.033124	\$0	\$164,174
2	\$4,956,350	\$4,956,350	\$4,956,350	95%	5%	\$4,708,533	\$247,818	0.033124	\$8,209	\$155,965
3	\$4,956,350	\$4,956,350	\$4,956,350	80%	20%	\$3,965,080	\$991,270	0.033124	\$32,835	\$131,339
4	\$4,956,350	\$4,956,350	\$4,956,350	65%	35%	\$3,221,628	\$1,734,723	0.033124	\$57,461	\$106,713
5	\$4,956,350	\$4,956,350	\$4,956,350	50%	50%	\$2,478,175	\$2,478,175	0.033124	\$82,087	\$82,087
6	\$4,956,350	\$4,956,350	\$4,956,350	40%	60%	\$1,982,540	\$2,973,810	0.033124	\$98,504	\$65,670
7	\$4,956,350	\$4,956,350	\$4,956,350	30%	70%	\$1,486,905	\$3,469,445	0.033124	\$114,922	\$49,252
8	\$4,956,350	\$4,956,350	\$4,956,350	20%	80%	\$991,270	\$3,965,080	0.033124	\$131,339	\$32,835
9	\$4,956,350	\$4,956,350	\$4,956,350	10%	90%	\$495,635	\$4,460,715	0.033124	\$147,757	\$16,417
10	\$4,956,350	\$4,956,350	\$4,956,350	5%	95%	\$247,818	\$4,708,533	0.033124	\$155,965	\$8,209
11	\$4,956,350	\$4,956,350	\$4,956,350	0%	100%	\$0	\$4,956,350	0.033124	\$164,174	\$0
								TOTAL TAX SAVED REAL PROPERTY	(10 yrs on 10 yr deduction)	\$812,662
								TOTAL TAX PAID REAL PROPERTY	(10 yrs on 10 yr deduction)	\$829,079

NOTE: Above calculations assume a constant tax rate over the abatement period. Time value of money is not considered.

Real Property Abatements

Tax Abatement Review System

	Points Possible	Points Awarded
INVESTMENT (30 points possible)		
Total new investment in real property (new structures and/or rehabilitation)		
Over \$1,000,000	10	10
\$500,000 to \$999,999	8	
\$100,000 to \$499,999	6	
Under \$100,000	4	
Investment per employee (both jobs created and retained)		
\$35,000 or more	10	10
\$18,500 to \$34,999	8	
\$6,250 to \$18,499	6	
\$1,250 to \$6,249	4	
less than \$1,250	2	
Estimated local income taxes generated from jobs retained		
\$80,000 or more	5	
\$30,000 to \$79,999	4	
\$10,000 to \$29,999	3	
\$5,000 to \$9,999	2	
less than \$5,000	1	
Estimated local income taxes generated from jobs created (Double points for start-up)		
\$30,000 or more	5	
\$10,000 to \$29,999	4	
\$5,000 to \$9,999	3	
\$3,000 to \$4,999	2	
less than \$3,000	1	2
ECONOMIC BASE (20 points possible)		
Location Quotient in designated Occupation Code (use majority Occupation Code of all created and retained jobs)		
Greater than 1.0	5	
Estimated Percent of Business done outside Allen County		
Greater than 75%	15	
50% to 74%	10	
25% to 49%	5	
JOBS (20 points possible)		
Total number of permanent jobs retained		
Over 250	10	
100 to 249	8	
50 to 99	6	
25 to 49	4	
10 to 24	2	
1 to 9	1	
Total number of permanent jobs created (Double for start-up)		
Over 100	10	
50-99	8	
25-49	6	
10-24	4	
1 to 9	2	4
WAGES (20 points possible)		
Median salary of the jobs created and/or retained		
Over \$45,000	20	
\$40,000 to \$44,999	16	
\$35,000 to \$39,999	12	
\$30,000 to \$34,999	8	
\$25,000 to \$29,999	4	
under \$25,000	0	

BENEFITS (10 points possible)

Major Medical Plan	7	7
Pension, Tuition Reimbursement, Life Insurance, Dental Insurance, Disability Insurance,	3	3

SUSTAINABILITY

Construction uses green building techniques (ie LEED Certification)	5	
Construction uses techniques to minimize impact on Combined Sewer Overflows (CSOs)	5	5
Total		41

Length of Abatement:

- 20 to 39 points - 3 year abatement
- 40 to 59 points - 5 year abatement
- 60 to 69 points - 7 year abatement
- 70 to 100 points - 10 year abatement

* If Average annual salary of the full-time jobs created by listed occupation is 10% or greater than the average salary for Allen County using current occupational employment statistics, then the applicant is eligible for an alternate deduction schedule.

<p>10 year</p> <p>Year 1 100%</p> <p>Year 2 95%</p> <p>Year 3 80%</p> <p>Year 4 65%</p> <p>Year 5 50%</p> <p>Year 6 40%</p> <p>Year 7 30%</p> <p>Year 8 20%</p> <p>Year 9 10%</p> <p>Year 10 5%</p> <p>Year 11 0%</p> <p>7 year</p> <p>Year 1 100%</p> <p>Year 2 85%</p> <p>Year 3 71%</p> <p>Year 4 57%</p> <p>Year 5 43%</p> <p>Year 6 29%</p> <p>Year 7 14%</p> <p>Year 8 0%</p> <p>5 year</p> <p>Year 1 100%</p> <p>Year 2 80%</p> <p>Year 3 60%</p> <p>Year 4 40%</p> <p>Year 5 20%</p> <p>Year 6 0%</p> <p>3 year</p> <p>Year 1 100%</p> <p>Year 2 66%</p> <p>Year 3 33%</p> <p>Year 4 0%</p>	<p>10 Year</p> <p>Year 1 100%</p> <p>Year 2 100%</p> <p>Year 3 100%</p> <p>Year 4 100%</p> <p>Year 5 100%</p> <p>Year 6 90%</p> <p>Year 7 80%</p> <p>Year 8 65%</p> <p>Year 9 50%</p> <p>Year 10 40%</p> <p>7 Year</p> <p>Year 1 100%</p> <p>Year 2 100%</p> <p>Year 3 100%</p> <p>Year 4 100%</p> <p>Year 5 100%</p> <p>Year 6 71%</p> <p>Year 7 43%</p>
---	---

Public Hearing Date, if applicable

Read the first time in full and on motion by Councilman *John Crawford*
Read the second time by title and referred to the *Finance Committee*
Committee. Read the third time in full and on motion by Councilman
Crawford, placed on passage by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	9			
BENDER	✓			
CRAWFORD	✓			
DIDIER	✓			
HARPER	✓			
HINES	✓			
JEHL	✓			
PADDOCK	✓			
SHOAFF	✓			
SMITH	✓			

DATED: *5-14-13* *Sandra E. Kennedy*
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as
(ANNEXATION) (APPROPRIATION) (GENERAL) (SPECIAL) (ZONING) ORDINANCE
(RESOLUTION) NO. *R-46-13* on the *14th* day of
May, 2013

ATTEST:
Sandra E. Kennedy
SANDRA E. KENNEDY,
CITY CLERK

T. Thomas F. Didier
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the *20th* day
of *May*, 2013, at the hour of *2:00* o'clock *PM*. E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this *20th* day of *MAY*
2013, at the hour of *2:00* o'clock *PM*. E.S.T.

Thomas C. Henry
THOMAS C. HENRY, MAYOR

BILL NO R-13-05-03

REPORT OF THE COMMITTEE ON FINANCE

MAY 14, 2013

JOHN CRAWFORD – CHAIR
TOM SMITH – CO-CHAIR
ALL COUNCIL MEMBERS

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS REFERRED A DECLARATORY RESOLUTION designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for property commonly known as 711 E. Tillman Road, Fort Wayne, Indiana 46816 (Housing Opportunity Program, Inc/Hillcrest Pointe, L.P.) COMMITTEE OF FINANCE HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE

DO PASS

DO NOT PASS

ABSTAIN

NO REC

Glynn Davis - Cate - didn't vote

[Handwritten signatures and initials, including names like John Crawford and Tom Smith]

SANDRA E. KENNEDY
CITY CLERK