

3 **A DECLARATORY RESOLUTION designating an**  
4 **“Economic Revitalization Area” under I.C. 6-1.1-12.1 for**  
5 **property commonly known as 6403 Highview Court,**  
6 **Fort Wayne, Indiana 46818 (Apollo Plaza, LTD.)**

7 **WHEREAS**, Petitioner has duly filed its petition dated July 11, 2017 to have the  
8 following described property designated and declared an “Economic Revitalization Area”  
9 under Sections 153.13-153.24 of the Municipal Code of the City of Fort Wayne, Indiana, and  
10 I.C. 6-1.1-12.1, to wit:

11 Attached hereto as “Exhibit A” as if a part herein;  
12 and

13 **WHEREAS**, said project will create 24 full-time permanent jobs for a total new,  
14 annual payroll of \$720,000, with the average new annual job salary being \$30,000; and

15 **WHEREAS**, the total estimated project cost is \$750,000; and

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

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

20 **SECTION 1.** That, subject to the requirements of Section 6, below, the  
21 property hereinabove described is hereby designated and declared an “Economic  
22 Revitalization Area” under I.C. 6-1.1-12.1. Said designation shall begin upon the effective  
23 date of the Confirming Resolution referred to in Section 6 of this Resolution and shall  
24 terminate on December 31, 2021, unless otherwise automatically extended in five year  
25 increments per I.C. 6-1.1-12.1-9.

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

27 (a) Said Resolution shall be filed with the Allen County Assessor;

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

(c) 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.

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

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

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

- 8                   (a) If the proposed development does not occur, the approximate current year tax  
9 rates for this site would be \$3.4347/\$100.  
10                   (b) If the proposed development does occur and no deduction is granted, the  
11 approximate current year tax rate for the site would be \$3.4347/\$100 (the  
12 change would be negligible).  
13                   (c) If the proposed development occurs and a deduction percentage of fifty percent  
14 (50%) is assumed, the approximate current year tax rate for the site would be  
15 \$3.4347/\$100 (the change would be negligible).

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

19                   **SECTION 7.** That, pursuant to I.C. 6-1.1-12.1, it is hereby determined that the  
20 deduction from the assessed value of the real property shall be for a period of three years.

21                   **SECTION 8.** The deduction schedule from the assessed value of the real  
22 property pursuant to I.C. 6-1.1-12.1-17 shall look like this:

Year of Deduction	Percentage
1	100%
2	66%
3	33%
4	0%

23                   **SECTION 9.** That, the benefits described in the Petitioner's Statement of Benefits  
24 can be reasonably expected to result from the project and are sufficient to justify the  
25 applicable deductions.

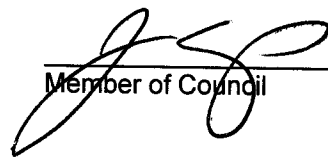
26                   **SECTION 10.** That, the taxpayer is non-delinquent on any and all property tax due  
27 to jurisdictions within Allen County, Indiana.

28                   **SECTION 11.** That, pursuant to I.C. 6-1.1-12.1-12 et al, any property owner that  
29 has received a deduction under section 3 or 4.5 of this chapter may be required to repay the  
30 deduction amount as determined by the county auditor in accordance with section 12 of said

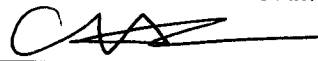
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chapter if the property owner ceases operations at the facility for which the deduction was granted and if the Common Council finds that the property owner obtained the deduction by intentionally providing false information concerning the property owner's plans to continue operation at the facility.

**SECTION 12.** 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

Admn. Appr. \_\_\_\_\_

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Apollo Plaza, LTD. is requesting the designation of an Economic Revitalization Area for eligible real estate improvements in the amount of \$750,000. Apollo Plaza, LTD. is building a 20,000 square foot structure with eight units to offer manufacturing and warehousing space for startup businesses.**

EFFECT OF PASSAGE: **Investment of \$750,000 and 24 new full-time jobs.**

EFFECT OF NON-PASSAGE: **Potential loss of investment and 24 full-time jobs.**

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

ASSIGNED TO COMMITTEE (PRESIDENT): **Geoff Paddock and Jason Arp**

# APOLLO PLAZA LTD

4203 MERCHANT ROAD  
FORT WAYNE, IN 46818

TEL: 260-489-7525      FAX: 260-489-2285

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July 12, 2017

Fort Wayne City Council  
Fort Wayne, IN

We appreciate the opportunity to present our Economic Revitalization Application (ERA).

Our company currently owns several commercial properties in the Fort Wayne area. In this capacity, we have been made aware of an underserved need for start-up companies and small businesses looking for low-cost commercial space for their businesses to start and grow. Phase I of our building project will offer new and existing businesses eight (8) separate units of 2,500 sq. ft. each of finished commercial space for storage, manufacturing and warehousing.

When we began to move forward with our project, our building contractor made us aware of the ERA program. Until then we were unaware of the phase-in process. This resulted in a delay in completing the application process. Since construction has already started we have also applied for a waiver to be considered for property tax relief.

Again, we are looking forward to a fair review of our request for tax relief. Approval will allow us the ability to begin the next phase at an earlier date. Phase II will provide even more of this type of commercial building revitalization in the near future.

Sincerely,



---

Alex Shiriaev, CEO  
Apollo Plaza LTD

cc: file



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

NAME	PERCENTAGE
Alex Shiriaev	40%
Nick Shiriaev	30%
Michelle Shiriaev-Love	30%

- 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?     N/A
- What is the company's primary North American Industrial Classification Code (NAICs)? \_\_\_\_\_
- Describe the nature of the company's business, product, and/or service: warehouse and service-related

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2014	\$423,639
2015	\$378,393
2016	\$403,579

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

Customer Name	City/State	Annual Gross Sales

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

Supplier Name	City/State	Annual Gross Purchases

List the company's top three competitors:

Competitor Name	City/State

Describe the product or service to be produced or offered at the project site: small manufacturing  
and warehousing or service

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?

There is an obsolescence in available manufacturing and warehousing facilities  
in the area, leaving a void for small startup businesses to grow.

**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: 36,000 sq ft, 6 unit warehouse

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

Describe the improvements to be made to the property to be designated for tax phase-in purposes: \_\_\_\_\_

20,000 sq ft building with 8 units (2,500 sq ft each)

Projected construction start (month/year): July 2017

Projected construction completion (month/year): Nov 2017

Yes  No Will construction result in Leadership in Energy and Environmental Design (LEED) certification by the U.S. Green Building Council?

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.

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**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](http://www.bls.gov/oes/current/oes_23060.htm)

Any information concerning the cost of the property and specific salaries paid to individual employees is confidential per Indiana Code (I.C. 6-1.1-12.1-5.1)

**Current Full-Time Employment**

Occupation	Occupation Code	Number of Jobs	Total Payroll

**Retained Full-Time Employment**

Occupation	Occupation Code	Number of Jobs	Total Payroll

**Additional Full-Time Employment**

Occupation	Occupation Code	Number of Jobs	Total Payroll
warehouse		24	\$720,000

**PUBLIC BENEFIT INFORMATION**

**Current Part-Time or Temporary Jobs**

Occupation	Occupation Code	Number of Jobs	Total Payroll

**Retained Part-Time or Temporary Jobs**

Occupation	Occupation Code	Number of Jobs	Total Payroll

**Additional Part-Time or Temporary Jobs**

Occupation	Occupation Code	Number of Jobs	Total Payroll

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

- Pension Plan                                       Major Medical Plan                                       Disability Insurance
- Tuition Reimbursement                                       Life Insurance                                       Dental Insurance

List any benefits not mentioned above: \_\_\_\_\_

When will you reach the levels of employment shown above? (month/year):   2 years

## 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.**

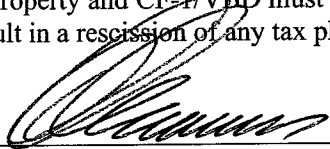
ERA filing fee (either real or personal property improvements)	.1% of total project cost not to exceed \$500
ERA filing fee (both real and personal property improvements)	.1% of total project cost not to exceed \$750
ERA filing fee (vacant commercial or industrial building)	\$500
ERA filing fee in an 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 no Improvement Location Permit or Structural Permit have been filed for construction of improvements, the occupation of the vacant building has not taken place and no 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, CF-1/PP for personal property improvements, and CF-1/VBD for vacant building deduction) 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 and CF-1/VBD 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

ALEX SHIT'AEV CEO  
Printed Name and Title of Applicant

7-5-2017  
Date



# STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R6 / 10-14)

Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

JUL 11 2017

COMMUNITY DEVL.

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 <b>Apollo Plaza LTD</b>		
Address of taxpayer (number and street, city, state, and ZIP code) <b>4203 Merchant Rd, Fort Wayne, IN 46818</b>		
Name of contact person <b>Alex Shiriaev</b>	Telephone number <b>(260) 489-7525</b>	E-mail address <b>alex@summitsource.com</b>

## SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body <b>Apollo Plaza LTD</b>	Resolution number
Location of property <b>6415 - 6431 Highview Dr 46818</b>	County <b>Allen</b>
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) <b>20,000 sq ft building with 8 units</b>	Estimated start date (month, day, year) <b>July 2017</b>
	Estimated completion date (month, day, year) <b>Nov 2017</b>

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
				<b>24</b>	<b>\$720,000</b>

## SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	<b>\$1,200,000</b>	<b>\$1,200,000</b>
Plus estimated values of proposed project	<b>\$ 750,000</b>	<b>\$ 750,000</b>
Less values of any property being replaced		
Net estimated values upon completion of project	<b>\$1,950,000</b>	<b>\$1,950,000</b>

## SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) <b>N/A</b>	Estimated hazardous waste converted (pounds) <b>N/A</b>
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Other benefits  
**Addressing a shortage of flexible warehouse space; attracting more business start-ups to the area.**

## SECTION 6 TAXPAYER CERTIFICATION

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

Signature of authorized representative 	Date signed (month, day, year) <b>7-5-2017</b>
Printed name of authorized representative <b>ALEX SHIRIAEV</b>	Title <b>CEO</b>

**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 December 31, 2021.

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

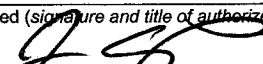

C. The amount of the deduction applicable is limited to \$ unlimited.

D. Other limitations or conditions (specify) N/A

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 <u>260-427-1221</u>	Date signed (month, day, year) <u>07/28/17</u>
Printed name of authorized member of designating body <u>JASON ABO</u>	Name of designating body <u>CITY COUNCIL</u>	
Attested by (signature and title of attester) 	Printed name of attester <u>LISA PETRETTA-HARRIS</u>	

\* 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.

# MEMORANDUM



**To:** City Council  
**FROM:** Carman Young, Economic Development Specialist  
**DATE:** July 20, 2017  
**RE:** Request for designation by Apollo Plaza, LTD. as an ERA for real estate property improvements.

## BACKGROUND

PROJECT ADDRESS:	<b>6403 Highview Drive</b>	PROJECT LOCATED WITHIN:	N/A
PROJECT COST:	<b>\$750,000</b>	COUNCILMANIC DISTRICT:	<b>3</b>

COMPANY PRODUCT OR SERVICE:	<b>Apollo Plaza, LTD. is warehousing and service-related.</b>
PROJECT DESCRIPTION:	<b>Apollo Plaza, LTD. is building a 20,000 square foot structure with eight units to offer manufacturing and warehousing space for startup businesses.</b>

### CREATED

### RETAINED

JOB'S CREATED (FULL-TIME):	<b>24</b>	JOB'S RETAINED (FULL-TIME):	<b>0</b>
JOB'S CREATED (PART-TIME):	<b>0</b>	JOB'S RETAINED (PART-TIME):	<b>0</b>
TOTAL NEW PAYROLL:	<b>\$720,000</b>	TOTAL RETAINED PAYROLL:	<b>0</b>
AVERAGE SALARY (FULL-TIME NEW):	<b>\$30,000</b>	AVERAGE SALARY (FULL-TIME RETAINED):	<b>0</b>

## COMMUNITY BENEFIT REVIEW

Yes  No  N/A

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

**Explain:**

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 I-2, General Industrial. Use of property is consistent with the land use policies of the City of Fort Wayne.**

Yes  No  N/A

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

**Explain: Apollo Plaza, LTD. is building a 20,000 square foot structure with eight units.**

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?

**Explain:**

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 a 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?  
**Explain: 24 full-time positions will be created as a result of the project.**

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 estate improvements is three years.

Under Fort Wayne Common Council's tax abatement policies and procedures, Apollo Plaza, LTD. is eligible for a three year deduction on personal real estate improvements. Attached is a spreadsheet that shows how the application scored under the review system. Also attached is a calculation of property taxes saved/paid with the deduction.

**COMMENTS**

Signed and Reviewed:



\_\_\_\_\_  
Economic Development Specialist

**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 - 3 yr Schedule Apollo Plaza, LDT.**

Year	Cash Value	True Tax Value	Assessed Value	Abatement %	Tax				Taxable AV	Tax Rate	Tax Paid	Tax Saved
					Tax Paid %	Deduction	Tax	Tax Rate				
1	\$750,000	\$750,000	\$750,000	100%	0%	\$750,000	0.034347	\$0	\$25,760			
2	\$750,000	\$750,000	\$750,000	66%	33%	\$495,000	0.034347	\$8,501	\$17,002			
3	\$750,000	\$750,000	\$750,000	33%	66%	\$247,500	0.034347	\$17,002	\$8,501			
4	\$750,000	\$750,000	\$750,000	0%	100%	\$0	0.034347	\$25,760	\$0			
TOTAL TAX SAVED REAL PROPERTY (3 yrs on 3 yr deduction)										<b>\$51,263</b>		
TOTAL TAX PAID REAL PROPERTY (3 yrs on 3 yr deduction)										<b>\$51,263</b>		

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

Apollo Plaza, LTD.

Points Possible	Points Awarded
-----------------	----------------

### INVESTMENT (30 points possible)

Total new investment in real property (new structures and/or rehabilitation)

Over \$1,000,000		10	
\$500,000 to \$999,999	\$750,000	8	8
\$100,000 to \$499,999		6	
Under \$100,000		4	

Investment per employee (both jobs created and retained)

\$35,000 or more		10	
\$18,500 to \$34,999	\$750,000 / 24 = \$31,250	8	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	.0135 X \$720,000 = \$9,720	3	3
\$3,000 to \$4,999		2	
less than \$3,000		1	

### 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	24	4	4
1 to 9		2	

### 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	\$30,000	8	8
\$25,000 to \$29,999		4	
under \$25,000		0	

**BENEFITS (10 points possible)**

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

**SUSTAINABILITY**

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

**Total 36**

<b>Length of Abatement</b>
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

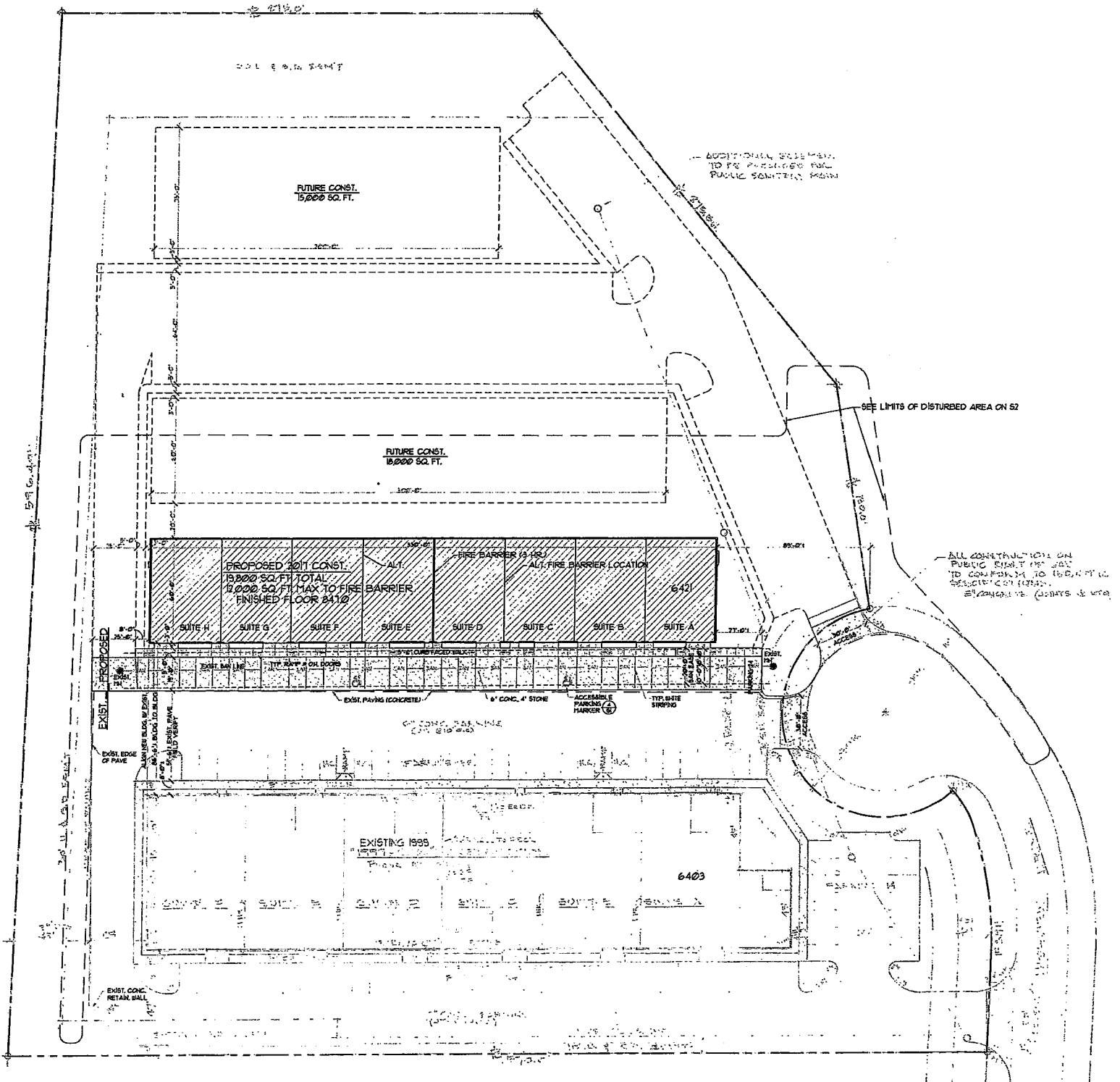
Three year phase-in

\* 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.

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

# Exhibit A:

Legal Description:  
Edgewood Industrial Park Block D Lot 52



**BILL NO. R-17-07-17**

**REPORT OF COMMITTEE ON FINANCE**

**July 25, 2017**

**Jason Arp Chair**

**Geoff Paddock Co-Chair**

**All Council Members**

A Declaratory Resolution designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for property commonly known as 6403 Highview Court, Fort Wayne, Indiana 46818


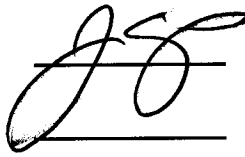
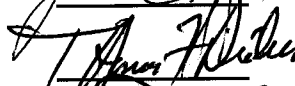
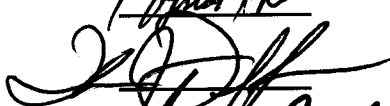
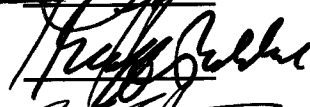


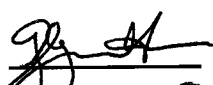

**COMMITTEE ON FINANCE HAVE HAD SAID Ordinance under consideration and beg leave to report back to the Common Council that said Ordinance**

DO PASS

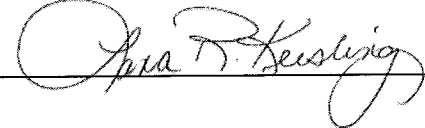
DO NOT PASS

ABSTAIN

NO REC

		_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
		_____	_____
	_____	_____	_____
	_____	_____	_____

**LANA R. KEESLING  
CITY CLERK**



Public Hearing Date: N/A


Read the first time in full and on motion by Councilman Arp.

Read the second time by title and referred to the Finance Committee.

Read the third time in full and on motion by Councilman Arp, placed on passage by the following vote:

<u>TOTAL VOTES</u>	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>
ARP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BARRANDA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CRAWFORD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DIDIER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ENSLEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FREISTROFFER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HINES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
JEHL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PADDOCK	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


DATED: July 25, 2017

  
 \_\_\_\_\_  
 LANA R. KEESLING, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as

Resolution No. R-17-07-17 on the 25th day of July, 2017

ATTEST:


  
 \_\_\_\_\_  
 LANA R. KEESLING  
 CITY CLERK

  
 \_\_\_\_\_  
 PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 26th of July 2017, at the hour of 10:15 o'clock A.M. E.S.T.

  
 \_\_\_\_\_  
 LANA R. KEESLING, CITY CLERK

Approved and signed by me this 26<sup>th</sup> day of JULY 2017, at the hour of 10:30 O'clock AM E.S.T.

  
 \_\_\_\_\_  
 THOMAS C. HENRY, MAYOR