

A DECLARATORY RESOLUTION designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for property commonly known as 5501 West Highway 30, Fort Wayne, Indiana 46818 (Sweetwater Holdings, LLC/Sweetwater Sound, Inc.)

WHEREAS, Petitioner has duly filed its petition dated October 8, 2018 to have the following described property designated and declared an "Economic Revitalization Area" under Sections 153.13-153.24 of the Municipal Code of the City of Fort Wayne, Indiana, and I.C. 6-1.1-12.1, to wit:

Attached hereto as "Exhibit A" as if a part herein; and

WHEREAS, said project will create 1,009 full-time permanent jobs for a total additional payroll of \$55,940,450 with an average annual job salary being \$55,441 and retain 1,003 full-time permanent jobs for a current annual payroll of \$55,940,483, with the average current annual job salary being \$55,773; and

WHEREAS, the total estimated project cost is \$83,030,200; and

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

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

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

SECTION 2. That, upon adoption of the Resolution:

- (a) Said Resolution shall be filed with the Allen County Assessor;
- (b) 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";
- (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 both a deduction of the assessed value of real estate improvements made between October 8, 2018 and July 31, 2020 and personal property

1 for new logistical distribution and information technology equipment improvements to be made
2 between August 1, 2019 and December 31, 2022.

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

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

- 12 (a) If the proposed development does not occur, the approximate current year tax rates
13 for this site would be \$3.4092/\$100.
- 14 (b) If the proposed development does occur and no deduction is granted, the
15 approximate current year tax rate for the site would be \$3.4092/\$100 (the change
16 would be negligible).
- 17 (c) If the proposed development occurs and a deduction percentage of fifty percent
18 (50%) is assumed, the approximate current year tax rate for the site would be \$3.
19 4092/\$100 (the change would be negligible).
- 20 (d) If the proposed logistical distribution and information technology is not installed, the
21 approximate current year tax rates for this site would be \$3.4092/\$100.
- 22 (e) If the proposed logistical distribution and information technology is installed and no
23 deduction is granted, the approximate current year tax rate for the site would be \$3.
24 4092/\$100 (the change would be negligible).
- 25 (f) If the proposed new logistical distribution and information technology equipment is
26 installed and a deduction percentage of eighty percent (80%) is assumed, the
27 approximate current year tax rate for the site would be \$3.4092/\$100 (the change
28 would be negligible).

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

SECTION 7. That, pursuant to I.C. 6-1.1-12.1, it is hereby determined that the
deduction from the assessed value of the real property shall be for a period of ten years, and the
deduction from the assessed value of the new logistical distribution and information technology
equipment shall be for a period of ten years.

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

Year of Deduction	Percentage
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%
11	0%

SECTION 9. The deduction schedule from the assessed value of new logistical distribution and information technology equipment pursuant to I.C. 6-1.1-12.1-17 shall look like this:

Year of Deduction	Percentage
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%
11	0%


SECTION 11. That, the benefits described in the Petitioner's Statement of Benefits can be reasonably expected to result from the project and are sufficient to justify the applicable deductions.

SECTION 12. That, the taxpayer is non-delinquent on any and all property tax due to jurisdictions within Allen County, Indiana.

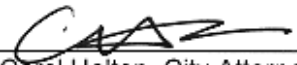
SECTION 13. That, pursuant to I.C. 6-1.1-12.1-12 et al, any property owner that has received a deduction under section 3 or 4.5 of this chapter may be required to repay the deduction amount as determined by the county auditor in accordance with section 12 of said

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

5 **SECTION 14.** That, this Resolution shall be in full force and effect from and after its
6 passage and any and all necessary approval by the Mayor.

7 
8 _____
9 Member of Council

10 APPROVED AS TO FORM AND LEGALITY

11 
12 _____
13 Carol Helton, City Attorney

OCT 08 2018

03/2013



COMMUNITY DEVL.

**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:	\$68,755,200
Total cost of manufacturing equipment improvements:	0
Total cost of research and development equipment improvements:	0
Total cost of logistical distribution equipment improvements:	12,000,000
Total cost of information technology equipment improvements:	1,275,000
TOTAL OF ABOVE IMPROVEMENTS:	\$82,030,200

GENERAL INFORMATION
Real property taxpayer's name: Sweetwater Holdings, LLCPersonal property taxpayer's name: Sweetwater Sound, Inc.Telephone number: (260) 432-8176Address listed on tax bill: 5501 West Highway 30, Fort Wayne, IN 46818

Name of company to be designated, if applicable: _____

Year company was established: 1979Address of property to be designated: 5501 West Highway 30, Fort Wayne, IN 46818Real estate property identification number: see attachedContact person name: Andrew BoxbergerContact person telephone number: (260) 423-9411 Contact person Email: aboxberger@carsonllp.comContact person address: 301 W. Jefferson Boulevard, Suite 200, Fort Wayne, IN 46802

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Charles J. Surack	President/CEO	5501 West Highway 30 Fort Wayne, IN 46818	(260) 432-8176
John M. Hopkins	Exec VP/COO	5501 West Highway 30 Fort Wayne, IN 46818	(260) 432-8176
Greg Clark	CFO	5501 West Highway 30 Fort Wayne, IN 46818	(260) 432-8176

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

NAME	PERCENTAGE
Charles J. Surack - Sweetwater Holdings, LLC	50%
Lisa M. Surack - Sweetwater Holdings, LLC	50%
Surack Enterprises Corp. - Sweetwater Sound, Inc.	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? 2.5%

What percentage of sales is made to the ultimate customer? 100%

What percentage of sales will be from service calls? n/a

What is the percentage of clients/customers served that are located outside of Allen County? 99%

What is the company's primary North American Industrial Classification Code (NAICs)? 454111

Describe the nature of the company's business, product, and/or service: **Sweetwater Sound, Inc. is the country's most respected dealer in high technology equipment for musicians, recording studios and broadcasters. Sweetwater Sound, Inc. sells said equipment through expert sales and service offered at and through its Fort Wayne facility.**

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2015	431,464,344
2016	507,580,912
2017	617,680,585

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

Customer Name	City/State	Annual Gross Sales
Little Kids Rock	Verona, NJ	\$1,535,012.16
Church of the Highlands	Birmingham, AL	609,784.47
Carnival Cruise Lines	Miami, FL	336,779.29

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

Supplier Name	City/State	Annual Gross Purchases
Fender Musical Instruments	Scottsdale, AZ	\$23,146,769
Shure Brothers Inc.	Niles, IL	17,975,045
Roland Corporation	Los Angeles, CA	16,277,417

List the company's top three competitors:

Competitor Name	City/State
Guitar Center	Westlake Village, CA
Sam Ash Music	Hicksville, NY
American Musical Supply	Oakland, NJ

Describe the product or service to be produced or offered at the project site: sales and support of equipment/technology for pro audio and musical instruments and marketing related thereto

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?

Sweetwater Sound's current facility has become too small to fit the company's continued and expected growth. It is impossible for the company to grow at its current location because there is no other existing improvements or infrastructure within the immediate area into which the company can expand. Its growth is dependent upon the expansion of its current facility by building a new facility to house its growth. There is no additional development or other infrastructure that can meet its needs and therefore it is necessary to construct these improvements at this location.

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:

The current facility is comprised of approximately 375,000 square feet of a modern, multi-use building, constructed in several phases since 2005 and includes office space, distribution center, performance auditorium, recording studios, retail space, food service, etc.

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

modern, state of the art, multi-uses, excellent condition -- however, the space is at capacity and can no longer house the growing needs of Sweetwater Sound and its business. The company is at capacity specifically related to its warehousing and needs to expand to grow. In addition, the old warehousing can then be converted and used to house additional sales employees.

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

New construction of an approximately 350,000 square foot warehousing facility and related improvements and infrastructure. In addition, construction of an approximately 1,000 person conference center. The old warehouse will be renovated to create additional sales floors as well as other miscellaneous campus improvements.

Projected construction start (month/year): Oct/Nov 2018

Projected construction completion (month/year): June/July 2020

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)

- 1) logistical equipment: tracking equipment; scanning and coding equipment; conveyors; packing equipment; forklifts; sorting equipment; and software for technology information needed in shipping
- 2) information technology: computers, servers, network switches, network routers, phones, scanners, licenses and fiber optics

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): end of 2019 - beginning of 2020

Date last piece of equipment will be installed (month/year): December 2022

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

Logistical equipment -- 5 years

Information technology equipment -- 7 years

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
see attached			

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
see attached			

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
see attached			

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
See attached			

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
See attached			

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
See attached			

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 purchase discount program*

When will you reach the levels of employment shown above? (month/year): December 2022

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.**

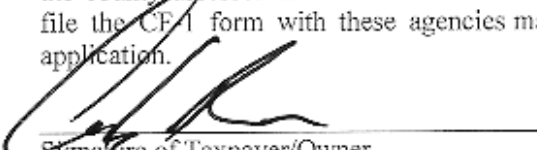
ERA filing fee (either real or personal property improvements)	.1% of total project cost not to exceed \$500
ERA filing fee (both real and personal property improvements)	.1% of total project cost not to exceed \$750
ERA filing fee (vacant commercial or industrial building)	\$500
ERA filing fee in an 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 has 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

Andrew Boxberger, Attorney
Printed Name and Title of Applicant

10/8/18
Date

Project Parcels

1. W. California Rd.
 - a. 02-07-19-400-003.001-065
2. 4835 behind Kroemer Rd.
 - a. 02-07-19-400-005.004-065
3. 4835 Kroemer Rd.
 - a. 02-07-19-400-005.002-065
4. W. Flaugh Rd.
 - a. 02-07-19-300-005.001-065
5. W. California Rd.
 - a. 02-07-19-400-003.000-065
6. 4723 Kroemer Rd.
 - a. 02-07-19-400-005.000-065
7. 5501 Us Highway 30
 - a. 02-07-19-400-002.000-073
8. 5501 Us Highway 30
 - a. 02-07-19-400-001.000-073

Current

Total Employment			
Occupation	Occupation Code	Number of Jobs	Total Payroll
Sales Engineers	41-9031	373	26,044,109.81
Sales Managers	11-2022	10	1,689,267.06
Customer Service	43-4051	149	4,531,479.12
Bookkeeping/accounting	43-3031	16	1,241,356.10
Human Resource Specialist	13-1071	11	583,691.63
Database Administrators	15-1141	19	1,362,524.42
Marketing Specialist	13-1161	82	5,528,108.46
General & Ops Mgr	11-1021	5	1,286,791.65
Food Service	25-2012	27	640,718.53
Ship/Rec Clerks	43-5071	274	6,169,994.53
Office & Admin	43-1011	51	3,892,874.64
Reception	43-2011	17	325,030.19
Sales Assistants	41-3099	45	1,426,213.23
Maintenance	37-0000	12	501,564.79
Merchandiser	43-3061	29	2,031,770.77
Security Guards	33-9032	12	267,822.90
Total		1132	57,523,317.83
Full-Time Employees			
Occupation	Occupation Code	Number of Jobs	Total Payroll
Sales Engineers	41-9031	364	25,918,558.94
Sales Managers	11-2022	10	1,689,267.06
Customer Service	43-4051	133	4,324,030.39
Bookkeeping/accounting	43-3031	14	1,215,000.24
Human Resource Specialist	13-1071	10	564,628.25
Database Administrators	15-1141	18	1,353,065.92
Marketing Specialist	13-1161	80	5,432,129.83
General & Ops Mgr	11-1021	5	1,286,791.65
Food Service	25-2012	17	558,763.97
Ship/Rec Clerks	43-5071	209	5,513,706.21
Office & Admin	43-1011	48	3,862,111.79
Reception	43-2011	8	226,977.86
Sales Assistants	41-3099	45	1,426,107.23
Maintenance	37-0000	12	500,243.79
Merchandiser	43-3061	29	2,031,770.77
Security Guards	33-9032	1	
Total		1003	55,940,483.01
Part-Time or Temporary Jobs			
Occupation	Occupation Code	Number of Jobs	Total Payroll
Sales Engineers	41-9031	9	125,550.87
Sales Managers	11-2022	0	-
Customer Service	43-4051	16	207,448.73
Bookkeeping/accounting	43-3031	2	26,355.86
Human Resource Specialist	13-1071	1	
Database Administrators	15-1141	1	
Marketing Specialist	13-1161	2	95,978.63
General & Ops Mgr	11-1021	0	-
Food Service	25-2012	10	81,954.56
Ship/Rec Clerks	43-5071	65	656,288.32
Office & Admin	43-1011	3	30,762.85
Reception	43-2011	9	98,052.33
Sales Assistants	41-3099	0	106.00
Maintenance	37-0000	0	1,321.00
Merchandiser	43-3061	0	-
Security Guards	33-9032	11	230,493.79
Total		129	1,582,834.82

Retained

Total Employment			
Occupation	Occupation	Number of Jobs	Total Payroll
Sales Engineers	41-9031	373	26,044,109.81
Sales Managers	11-2022	10	1,689,267.06
Customer Service	43-4051	149	4,531,479.12
Bookkeeping/accounting	43-3031	16	1,241,356.10
Human Resource Specialist	13-1071	11	583,691.63
Database Administrators	15-1141	19	1,362,524.42
Marketing Specialist	13-1161	82	5,528,108.46
General & Ops Mgr	11-1021	5	1,286,791.65
Food Service	25-2012	27	640,718.53
Shp/Rec Clerks	43-5071	274	6,169,994.53
Office & Admin	43-1011	51	3,892,874.64
Reception	43-2011	17	325,030.19
Sales Assistants	41-3099	45	1,426,213.23
Maintenance	37-0000	12	501,564.79
Merchandiser	43-3061	29	2,031,770.77
Security Guards	33-9032	12	267,822.90
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Full-Time Employees			
Occupation	Occupation	Number of Jobs	Total Payroll
Sales Engineers	41-9031	364	25,918,558.94
Sales Managers	11-2022	10	1,689,267.06
Customer Service	43-4051	133	4,324,030.39
Bookkeeping/accounting	43-3031	14	1,215,000.24
Human Resource Specialist	13-1071	10	564,628.25
Database Administrators	15-1141	18	1,353,065.92
Marketing Specialist	13-1161	80	5,432,129.83
General & Ops Mgr	11-1021	5	1,286,791.65
Food Service	25-2012	17	558,763.97
Shp/Rec Clerks	43-5071	209	5,513,706.21
Office & Admin	43-1011	48	3,862,111.79
Reception	43-2011	8	226,977.86
Sales Assistants	41-3099	45	1,426,107.23
Maintenance	37-0000	12	500,243.79
Merchandiser	43-3061	29	2,031,770.77
Security Guards	33-9032	1	██████████
Total		1003	55,940,483.01
Part-Time or Temporary Jobs			
Occupation	Occupation	Number of Jobs	Total Payroll
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Human Resource Specialist	13-1071	1	██████████
Database Administrators	15-1141	1	██████████
Marketing Specialist	13-1161	2	95,978.63
General & Ops Mgr	11-1021	0	-
Food Service	25-2012	10	81,954.56
Shp/Rec Clerks	43-5071	65	656,288.32
Office & Admin	43-1011	3	30,762.85
Reception	43-2011	9	98,052.33
Sales Assistants	41-3099	0	106.00
Maintenance	37-0000	0	1,321.00
Merchandiser	43-3061	0	-
Security Guards	33-9032	11	230,493.79
Total		129	1,582,834.82

Additional

Total Employment			
Occupation	Occupation Code	Number of Jobs	Total Payroll
Sales Engineers	41-9031	379	26,044,109.81
Sales Managers	11-2022	10	1,689,267.06
Customer Service	43-4051	149	4,531,479.12
Bookkeeping/accounting	43-3031	16	1,241,355.10
Human Resource Specialist	13-1071	11	583,691.63
Database Administrators	15-1141	19	1,362,524.42
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Food Service	25-2012	27	640,718.53
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Full-Time Employees			
Occupation	Occupation Code	Number of Jobs	Total Payroll
Sales Engineers	41-9031	370	25,918,558.94
Sales Managers	11-2022	10	1,689,267.06
Customer Service	43-4051	133	4,324,030.39
Bookkeeping/accounting	43-3031	14	1,215,000.24
Human Resource Specialist	13-1071	10	564,628.25
Database Administrators	15-1141	18	1,353,065.92
Marketing Specialist	13-1161	80	5,432,129.83
General & Ops Mgr	11-1021	5	1,286,791.65
Food Service	25-2012	17	558,763.97
Ship/Rec Clerks	43-5071	209	5,513,706.21
Office & Admin	43-1011	48	3,662,111.79
Reception	43-2011	8	226,977.66
Sales Assistants	41-3099	45	1,426,107.23
Maintenance	37-0000	12	500,243.79
Merchandiser	43-3061	29	2,031,770.77
Security Guards	33-9032	1	██████████
Total		1009	55,940,483.01
Part-Time or Temporary Jobs			
Occupation	Occupation Code	Number of Jobs	Total Payroll
Sales Engineers	41-9031	9	125,550.87
Sales Managers	11-2022	0	-
Customer Service	43-4051	16	207,448.73
Bookkeeping/accounting	43-3031	2	26,355.86
Human Resource Specialist	13-1071	1	██████████
Database Administrators	15-1141	1	██████████
Marketing Specialist	13-1161	2	95,978.63
General & Ops Mgr	11-1021	0	-
Food Service	25-2012	10	81,954.56
Ship/Rec Clerks	43-5071	65	656,288.32
Office & Admin	43-1011	3	30,762.85
Reception	43-2011	9	98,052.33
Sales Assistants	41-3099	0	108.00
Maintenance	37-0000	0	1,321.00
Merchandiser	43-3061	0	-
Security Guards	33-9032	11	230,493.79
Total		129	1,582,834.82



**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R6 / 10-14)
Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

OCT 08 2018
City

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)

COMMUNITY DEVELOPMENT

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 Sweetwater Holdings, LLC		
Address of taxpayer (number and street, city, state, and ZIP code) 5501 West Highway 30, Fort Wayne, IN 46818		
Name of contact person Andrew Boxberger	Telephone number (260) 423-9411	E-mail address aboxberger@carsonllp.com

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Fort Wayne Common Council	Resolution number
Location of property see attached	County, DLGF taxing district number Allen 073
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) construction of new warehouse facility, conference center and related improvements; addition construction and improvements to existing campus improvements	Estimated start date (month, day, year) 11/15/18 Estimated completion date (month, day, year) 12/31/2022

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
1003	55,940,483	1003	55,940,483	1009	55,940,450

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values		22,483,700
Plus estimated values of proposed project	44,915,200	44,915,200
Less values of any property being replaced		
Net estimated values upon completion of project	44,915,200	44,915,200

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 	Date signed (month, day, year) 10/8/18
Printed name of authorized representative Andrew Boxberger	Title attorney

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	Date signed (month, day, year)
	(260) 427-1221	11/13/18
Printed name of authorized member of designating body	Name of designating body	
JOHN CRAWFORD	CITY COUNCIL	
Attested by (signature and title of attester)	Printed name of attester	
	LISA PETRETTA-HARRIS	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4.1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. The deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
 - (2) The number of new full-time equivalent jobs created.
 - (3) The average wage of the new employees compared to the state minimum wage.
 - (4) The infrastructure requirements for the taxpayer's investment.
- (b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.
- (c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

City Parcels

1. 5501 Us Highway 30 Fort Wayne, IN 46818
 - a. 02-07-19-400-002.000-073

2. 5501 Us Highway 30 Fort Wayne, IN 46818
 - a. 02-07-19-400-001.000-073



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51754 (R4 / 11-15)
Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

FORM SB-1 / PP

OCT 08 2018
CPT

COMMUNITY DEVL.

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

INSTRUCTIONS

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between January 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between January 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1		TAXPAYER INFORMATION									
Name of taxpayer Sweetwater Sound, Inc.			Name of contact person								
Address of taxpayer (number and street, city, state, and ZIP code) 5501 West Highway 30, Fort Wayne, IN 46818					Telephone number ()						
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT									
Name of designating body Fort Wayne Common Council					Resolution number (s)						
Location of property See attached			County Allen		DLGF taxing district number 073						
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) 1) logistical equipment: tracking equipment; scanning & coding equipment; conveyors; packing equipment; forklifts; sorting equipment; and software for technology information needed in shipping; 2) information technology: computers, servers, network switches, network routers, phones, scanners, licenses and fiber optics					ESTIMATED						
					START DATE		COMPLETION DATE				
					Manufacturing Equipment						
					R & D Equipment						
					Logist Dist Equipment		Nov 2018 Dec 2022				
IT Equipment		Nov 2018 Dec 2022									
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT									
Current number 1003	Salaries 55,940,483	Number retained 1003	Salaries 55,940,483	Number additional 1009	Salaries 55,940,450						
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT									
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.		MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT			
		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE		
		Current values									
		Plus estimated values of proposed project						4,000,000 4,000,000		425,000 425,000	
		Less values of any property being replaced									
Net estimated values upon completion of project						4,000,000 4,000,000		425,000 425,000			
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER									
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____								
Other benefits:											
SECTION 5		TAXPAYER CERTIFICATION									
I hereby certify that the representations in this statement are true.											
Signature of authorized representative <i>Andrew D. Boxberger</i>							Date signed (month, day, year) 10/8/18				
Print name of authorized representative Andrew D. Boxberger							Title attorney				

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

- A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is December 31, 2021. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.
- B. The type of deduction that is allowed in the designated area is limited to:
- | | | | |
|--|---|--|---|
| 1. Installation of new manufacturing equipment; | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | Check box if an enhanced abatement was approved for one or more of these types. |
| 3. Installation of new logistical distribution equipment. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 4. Installation of new information technology equipment; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
- C. The amount of deduction applicable to new manufacturing equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)
- D. The amount of deduction applicable to new research and development equipment is limited to \$ N/A cost with an assessed value of \$ N/A. (One or both lines may be filled out to establish a limit, if desired.)
- E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ unlimited cost with an assessed value of \$ unlimited. (One or both lines may be filled out to establish a limit, if desired.)
- F. The amount of deduction applicable to new information technology equipment is limited to \$ unlimited cost with an assessed value of \$ unlimited. (One or both lines may be filled out to establish a limit, if desired.)
- G. Other limitations or conditions (specify) N/A
- H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:
- | | | | | | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---|---|
| <input type="checkbox"/> Year 1 | <input type="checkbox"/> Year 2 | <input type="checkbox"/> Year 3 | <input type="checkbox"/> Year 4 | <input type="checkbox"/> Year 5 | <input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 |
| <input type="checkbox"/> Year 6 | <input type="checkbox"/> Year 7 | <input type="checkbox"/> Year 8 | <input type="checkbox"/> Year 9 | <input checked="" type="checkbox"/> Year 10 | Number of years approved: _____ |
| | | | | | (Enter one to twenty (1-20) years; may not exceed twenty (20) years.) |
- I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? Yes No
 If yes, attach a copy of the abatement schedule to this form.
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body) <u>John Crawford</u>	Telephone number <u>260-427-1221</u>	Date signed (month, day, year) <u>11/13/18</u>
Printed name of authorized member of designating body <u>John N Crawford</u>	Name of designating body <u>CITY COUNCIL</u>	
Attested by: (signature and title of attester) <u>Lisa Petreth Harris</u>	Printed name of attester <u>LISA PETRETH 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.

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
 - (2) The number of new full-time equivalent jobs created.
 - (3) The average wage of the new employees compared to the state minimum wage.
 - (4) The infrastructure requirements for the taxpayer's investment.
- (b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.
- (c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

City Parcels

1. 5501 Us Highway 30 Fort Wayne, IN 46818
 - a. 02-07-19-400-002.000-073

2. 5501 Us Highway 30 Fort Wayne, IN 46818
 - a. 02-07-19-400-001.000-073

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Sweetwater Holdings, LLC/Sweetwater Sound, Inc. is requesting the designation of an Economic Revitalization Area for eligible real and personal property improvements. Sweetwater Holdings, LLC/Sweetwater Sound, Inc. will construct a new 350,000 square foot warehouse, a 1,000 person conference center and renovate an existing warehouse to create additional sales floors as well as other miscellaneous campus improvements. New logistical distribution and information technology equipment will be purchased and installed.**

EFFECT OF PASSAGE: **Investment of \$83,030,200, creation of 1,009 full-time jobs with an annual additional payroll of \$55,940,450 and retention of 1,003 full-time jobs with an annual payroll of \$55,940,483.**

EFFECT OF NON-PASSAGE: **Potential loss of investment, creation of 1,009 full-time jobs with an annual additional payroll of \$55,940,450 and retention of 1,003 full-time jobs with an annual payroll of \$55,940,483.**

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

ASSIGNED TO COMMITTEE (PRESIDENT): **John Crawford and Jason Arp**

MEMORANDUM



TO: City Council
FROM: Carman Young, Economic Development Specialist
DATE: November 6, 2018
RE: Request for designation by Sweetwater Holdings, LLC/Sweetwater Sound, Inc. as an ERA for real and personal property improvements.

BACKGROUND

PROJECT ADDRESS:	5501 West Highway 30	PROJECT LOCATED WITHIN:	N/A
PROJECT COST:	\$82,030,200	COUNCILMANIC DISTRICT:	3

COMPANY PRODUCT OR SERVICE:	Sweetwater Sound, Inc./Sweetwater Holdings, LLC is the country's most respected dealer in high technology equipment for musicians, recording studios and broadcasters. Sweetwater Sound, Inc./Sweetwater Holdings, LLC sells said equipment through expert sales and service offered at and through its Fort Wayne Facility.
PROJECT DESCRIPTION:	Sweetwater Sound, Inc./Sweetwater Holdings, LLC will construct a new 350,000 square foot warehouse, a 1,000 person conference center and renovate an existing warehouse to create additional sales floors as well as other miscellaneous campus improvements. New logistical distribution and information technology equipment will be purchased and installed.

CREATED		RETAINED	
JOBS CREATED (FULL-TIME):	1009	JOBS RETAINED (FULL-TIME):	1003
JOBS CREATED (PART-TIME):		JOBS RETAINED (PART-TIME):	
TOTAL NEW PAYROLL:	\$55,940,450	TOTAL RETAINED PAYROLL:	\$55,940,483
AVERAGE SALARY (FULL-TIME NEW):	\$55,441	AVERAGE SALARY (FULL-TIME RETAINED):	\$55,773

COMMUNITY BENEFIT REVIEW

Yes No N/A

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

Explain: The construction of the new 350,000 square foot warehouse will involve currently vacant parcels of land.

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 and BTI/Business Technology and Industrial Park. Use of this 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: An existing warehouse will be renovated to create additional sales floors as well as other miscellaneous campus improvements.

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: New logistical distribution and information technology equipment will be purchased and installed.

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: Sweetwater Sound, Inc./Sweetwater Holdings, LLC will retain 1,003 full-time jobs with an annual payroll of \$55,940,483. 1,009 full-time jobs will be created with an annual additional payroll of \$55,940,450.

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:

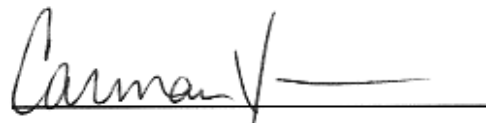
1. The period of deduction for real property improvements is ten years.
2. The period of deduction for personal property improvements is ten years.

Under Fort Wayne Common Council's tax abatement policies and procedures, Sweetwater Sound, Inc./Sweetwater Holdings, LLC is eligible for a recommended ten year deduction on real and personal property improvements. Attached is a calculation of property taxes saved/paid with the deduction.

As this project will be built on land within the limits of the City of Fort Wayne and Allen County, the City of Fort Wayne is ceding administrative jurisdiction to Allen County.

COMMENTS

Signed and Reviewed:



 Economic Development Specialist

**POOL #2 FORT WAYNE COMMUNITY DEVELOPMENT DIVISION
TAX ABATEMENT - ESTIMATE OF SAVINGS**

Sweetwater Holdings, LLC/Sweetwater Sound, Inc.

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

PERSONAL PROPERTY TAX ABATEMENT - 10 yr Schedule

Year	True Cash Value	"Pool 2" Value	True Tax Value	Assessed Value	Abate Value	Tax	Tax Paid %	Deduction	Taxable A V	Tax Rate	Tax Paid	Tax Saved
1	\$13,275,000	40%	\$5,310,000	\$5,310,000	100%	0%	0%	\$5,310,000	\$0	0.034092	\$0	\$181,029
2	\$13,275,000	56%	\$7,434,000	\$7,434,000	90%	10%	10%	\$6,690,600	\$743,400	0.034092	\$25,344	\$228,096
3	\$13,275,000	42%	\$5,575,500	\$5,575,500	80%	20%	20%	\$4,460,400	\$1,115,100	0.034092	\$38,016	\$152,064
4	\$13,275,000	32%	\$4,248,000	\$4,248,000	70%	30%	30%	\$2,973,600	\$1,274,400	0.034092	\$43,447	\$101,376
5	\$13,275,000	30%	\$3,982,500	\$3,982,500	60%	40%	40%	\$2,389,500	\$1,593,000	0.034092	\$54,309	\$81,463
6	\$13,275,000	30%	\$3,982,500	\$3,982,500	50%	50%	50%	\$1,991,250	\$1,991,250	0.034092	\$67,886	\$67,886
7	\$13,275,000	30%	\$3,982,500	\$3,982,500	40%	60%	60%	\$1,593,000	\$2,389,500	0.034092	\$81,463	\$54,309
8	\$13,275,000	30%	\$3,982,500	\$3,982,500	30%	70%	70%	\$1,194,750	\$2,787,750	0.034092	\$95,040	\$40,731
9	\$13,275,000	30%	\$3,982,500	\$3,982,500	20%	80%	80%	\$796,500	\$3,186,000	0.034092	\$108,617	\$27,154
10	\$13,275,000	30%	\$3,982,500	\$3,982,500	10%	90%	90%	\$398,250	\$3,584,250	0.034092	\$122,194	\$13,577
11	\$13,275,000	30%	\$3,982,500	\$3,982,500	0%	100%	100%	\$0	\$3,982,500	0.034092	\$135,771	\$0

TOTAL TAX SAVED (10 yrs on 10 yr deduction) **\$947,684**
 TOTAL TAX PAID (10 yrs on 10 yr deduction) **\$772,087**

REAL PROPERTY TAX ABATEMENT - 10 yr Schedule

Year	Cash Value	True Tax Value	Assessed Value	Tax Abate %	Paid %	Tax	Deduction	Taxable AV	Tax Rate	Tax Paid	Tax Saved
1	\$68,755,200	\$68,755,200	\$68,755,200	100%	0%	0%	\$68,755,200	\$0	0.034092	\$0	\$2,344,002
2	\$68,755,200	\$68,755,200	\$68,755,200	95%	5%	5%	\$65,317,440	\$3,437,760	0.034092	\$117,200	\$2,226,802
3	\$68,755,200	\$68,755,200	\$68,755,200	80%	20%	20%	\$55,004,160	\$13,751,040	0.034092	\$468,800	\$1,875,202
4	\$68,755,200	\$68,755,200	\$68,755,200	65%	35%	35%	\$44,690,880	\$24,064,320	0.034092	\$820,401	\$1,523,601
5	\$68,755,200	\$68,755,200	\$68,755,200	50%	50%	50%	\$34,377,600	\$34,377,600	0.034092	\$1,172,001	\$1,172,001
6	\$68,755,200	\$68,755,200	\$68,755,200	40%	60%	60%	\$27,502,080	\$41,253,120	0.034092	\$1,406,401	\$937,601
7	\$68,755,200	\$68,755,200	\$68,755,200	30%	70%	70%	\$20,626,560	\$48,128,640	0.034092	\$1,640,802	\$703,201
8	\$68,755,200	\$68,755,200	\$68,755,200	20%	80%	80%	\$13,751,040	\$55,004,160	0.034092	\$1,875,202	\$468,800
9	\$68,755,200	\$68,755,200	\$68,755,200	10%	90%	90%	\$6,875,520	\$61,879,680	0.034092	\$2,109,602	\$234,400
10	\$68,755,200	\$68,755,200	\$68,755,200	5%	95%	95%	\$3,437,760	\$65,317,440	0.034092	\$2,226,802	\$117,200
11	\$68,755,200	\$68,755,200	\$68,755,200	0%	100%	100%	\$0	\$68,755,200	0.034092	\$2,344,002	\$0

TOTAL TAX SAVED REAL PROPERTY (10 yrs on 10 yr deduction) **\$11,602,811**
 TOTAL TAX PAID REAL PROPERTY (10 yrs on 10 yr deduction) **\$14,181,214**

TOTAL TAX SAVED PERSONAL & REAL **\$12,550,496**
 TOTAL TAX PAID PERSONAL & REAL **\$14,953,300**

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

Sweetwater Holdings, LLC/Sweetwater Sound, Inc.

Points Possible	Points Awarded
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INVESTMENT (30 points possible)

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

Over \$1,000,000	\$68,755,200	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	
\$18,500 to \$34,999	\$34,172	8	8
\$6,250 to \$18,499		6	
\$1,250 to \$6,249		4	
less than \$1,249		2	

Estimated local income taxes generated from jobs retained

\$80,000 or more	\$827,919	5	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	\$827,918	5	5
\$10,000 to \$29,999		4	
\$5,000 to \$9,999		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	
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Estimated Percent of Business done outside

Allen County			
Greater than 75%		15	15
50% to 74%		10	
25% to 49%		5	

JOBS (20 points possible)

Total number of permanent jobs retained

Over 250	1,003	10	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	1,009	10	10
50-99		8	
25-49		6	
10-24		4	
1 to 9		2	

WAGES (20 points possible)

Median salary of the jobs created and/or retained

Over \$47,999	\$47,901	20	20
\$43,000 to \$47,999		16	
\$38,000 to \$42,999		12	
\$33,000 to \$37,999		8	
\$28,000 to \$32,999		4	
under \$28,000		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	

Total	93
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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

Five year phase-in

* If average annual salary of the full-time jobs created by listed occupation is 10% or greater than the current average salary for Allen County and is eligible for a 7 or 10 year abatement, then the applicant is eligible for an alternate deduction schedule.

Real Property Deduction Schedules	Alternative Deduction Real Property Schedules
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%	

Personal Property Abatements

Tax Abatement Review System

Sweetwater Holdings, LLC/Sweetwater Sound, Inc.

		Points Possible	Points Awarded
INVESTMENT (30 points possible)			
Total new investment in equipment			
Over \$5,000,000	\$13,275,000	10	10
\$1,000,000 to \$4,999,999		8	
\$500,000 to \$999,999		6	
\$0 to \$499,999		4	
Investment per employee (both jobs created and retained)			
\$35,000 or more		10	
\$18,500 to \$34,999		8	
\$6,250 to \$18,499	\$6,511	6	6
\$1,250 to \$6,249		4	
less than \$1,249		2	
Estimated local income taxes generated from jobs retained			
\$80,000 or more	\$827,9	5	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	\$827,9	5	5
\$10,000 to \$29,999		4	
\$5,000 to \$9,999		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	15
50% to 74%		10	
25% to 49%		5	
JOBS (20 points possible)			
Total number of permanent jobs retained			
Over 250	1,003	10	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	1,009	10	10
50-99		8	
25-49		6	
10-24		4	
1 to 9		2	
WAGES (20 points possible)			
Median salary of the jobs created and/or retained			
Over \$47,999		20	20
\$43,000 to \$47,999	\$47,901	16	
\$38,000 to \$42,999		12	
\$33,000 to \$37,999		8	
\$28,000 to \$32,999		4	
under \$28,000		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

Total	91
--------------	-----------

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 current average salary for Allen County and is eligible for a 7 or 10 year abatement, then the applicant is eligible for an alternate deduction schedule.

Personal Property Deduction Schedules	Alternative Deduction Personal Property Schedules
10 year	10 Year
Year 1: 100%	Year 1: 100%
Year 2: 90%	Year 2: 100%
Year 3: 80%	Year 3: 100%
Year 4: 70%	Year 4: 100%
Year 5: 60%	Year 5: 100%
Year 6: 50%	Year 6: 90%
Year 7: 40%	Year 7: 80%
Year 8: 30%	Year 8: 65%
Year 9: 20%	Year 9: 50%
Year 10: 10%	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%	

BILL NO. R-18-11-20

REPORT OF COMMITTEE ON FINANCE

November 13, 2018

John Crawford Chair

Jason Arp 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 5501 West Highway 30, Fort Wayne, Indiana 46818

Sweetwater Holdings, LLC/Sweetwater Sound, Inc


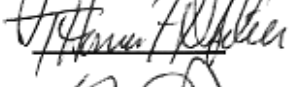
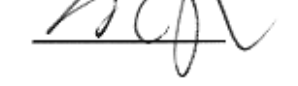
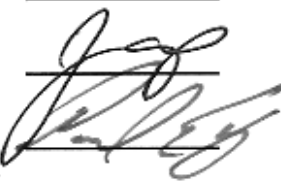



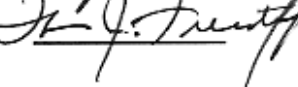
COMMITTEE ON FINANCE HAVE HAD SAID Ordinance under consideration and beg leave to report back to the Common Council that said Ordinance

DO PASS

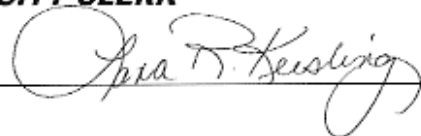
DO NOT PASS

ABSTAIN

NO REC

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

**LANA R. KEESLING
CITY CLERK**



Public Hearing Date: N/A

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

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

Read the third time in full and on motion by Councilman Crawford, 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: November 13, 2018

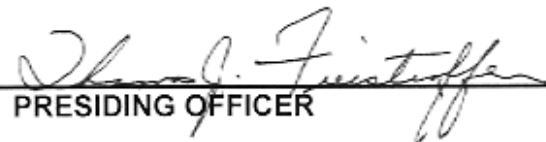


 LANA R. KEESLING, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as
 Resolution No. R-18-11-20 on the 13th day of November, 2018



 LANA R. KEESLING
 CITY CLERK



 PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 14th
 of November 2018, at the hour of 11:40 o'clock A.M. E.S.T.



 LANA R. KEESLING, CITY CLERK

Approved and signed by me this 14TH day of November
 2018, at the hour of 2:00 O'clock PM, E.S.T.

FORT WAYNE, INDIANA
RECEIVED
 NOV 14 2018
 LANA R. KEESLING
 CITY CLERK



 THOMAS C. HENRY, MAYOR