

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

WHEREAS, Petitioner has duly filed its petition dated August 31, 2015 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 285 full-time and 34 part-time, permanent jobs for a total new, annual payroll of \$13,721,247, with the average new annual job salary being \$43,013 and retain 733 full-time and 66 part-time, permanent jobs for a total current annual payroll of \$34,424,277, with the average current, annual job salary being \$43,084; and

WHEREAS, the total estimated project cost is \$7,200,000; 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, 2016, 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.

1 **SECTION 3.** That, said designation of the hereinabove described property as an
2 "Economic Revitalization Area" shall apply to both a deduction of the assessed value of real
3 estate and personal property for new logistical distribution and information technology
4 equipment.

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

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

- 14 (a) If the proposed development does not occur, the approximate current year tax
15 rates for this site would be \$3.3979/\$100.
16 (b) If the proposed development does occur and no deduction is granted, the
17 approximate current year tax rate for the site would be \$3.3979/\$100 (the
18 change would be negligible).
19 (c) If the proposed development occurs and a deduction percentage of fifty percent
20 (50%) is assumed, the approximate current year tax rate for the site would be
21 \$3.3979/\$100 (the change would be negligible).
22 (d) If the proposed new logistical distribution and information technology equipment
23 is not installed, the approximate current year tax rates for this site would be
24 \$3.3979/\$100.
25 (e) If the proposed new logistical distribution and information technology equipment
26 is installed and no deduction is granted, the approximate current year tax rate for
27 the site would be \$3.3979/\$100 (the change would be negligible).
28 (f) If the proposed new logistical distribution and information technology equipment
29 is installed and a deduction percentage of eighty percent (80%) is assumed, the
30 approximate current year tax rate for the site would be \$3.3979/\$100 (the
change would be negligible).

SECTION 6. That, this Resolution shall be subject to being confirmed, modified
and 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

1 the deduction from the assessed value of the new logistical distribution and information
2 technology equipment shall be for a period of ten years.

3 **SECTION 8.** The deduction schedule from the assessed value of the real
4 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%

13
14 **SECTION 9.** The deduction schedule from the assessed value of the new
15 logistical distribution and information technology equipment pursuant to I.C. 6-1.1-12.1-17
16 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%

25 **SECTION 10.** That, the benefits described in the Petitioner's Statement of Benefits
26 can be reasonably expected to result from the project and are sufficient to justify the
27 applicable deductions.
28
29
30

1 **SECTION 11.** That, the taxpayer is non-delinquent on any and all property tax due
2 to jurisdictions within Allen County, Indiana.

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

10 **SECTION 13.** That, this Resolution shall be in full force and effect from and after
11 its passage and any and all necessary approval by the Mayor.

12
13
14 _____
15 Member of Council

16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
APPROVED AS TO FORM AND LEGALITY

Carol Helton, City Attorney

AUG 31 2015 *gmc*

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: \$5,550,000
 Total cost of manufacturing equipment improvements: _____
 Total cost of research and development equipment improvements: _____
 Total cost of logistical distribution equipment improvements: 1,000,000
 Total cost of information technology equipment improvements: 650,000

TOTAL OF ABOVE IMPROVEMENTS: \$7,200,000

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 US Hwy 30 W, Fort Wayne, IN 46818

Name of company to be designated, if applicable: _____

Year company was established: 1979Address of property to be designated: 5501 US Hwy 30 W, Fort Wayne, IN 46818Real estate property identification number: 02-07-19-400-002.000-073Contact person name: Andrew D. BoxbergerContact person telephone number: 260-423-9411 Contact person Email: aboxberger@carsonboxberger.ccContact person address: 301 W. Jefferson, Suite 200, Fort Wayne, IN 46802

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Charles J Surack	Pres/CEO	5809 Leesburg Road Fort Wayne, IN 46808	260-432-8176
John M. Hopkins	Exec VP/COO	203 E Berry #1504 Fort Wayne, IN 46802	260-432-8176
C Marc Leveridge	Sr VP/CFO	10417 River Birch Run Fort Wayne, IN 46814	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? 4.7%
- 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
2012	\$232,013,000
2013	\$277,358,000
2014	\$353,382,000

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

Customer Name	City/State	Annual Gross Sales
Michael Miller	Noblesville, IN	\$451,000
Mt. St. Mary's College	Los Angeles, CA	\$312,000
Chuck Pasque	Clinton Township, MI	\$254,000

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	
Gibson Guitars	Nashville, TN	
Avid	Burbank, CA	

List the company's top three competitors:

Competitor Name	City/State
Guitar Center/Musicians Friend	Kansas City, MO
Sam Ash Music Stores	Indianapolis, IN
American Music Supply	Spicer, MN

Describe the product or service to be produced or offered at the project site: Sales and support of equipment/
technology for pro audio and musician 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. It's 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 320,000 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 related to this particular service and needs to expand to grow.

Describe the improvements to be made to the property to be designated for tax phase-in purposes: New construction of a marketing, merchandising department (16,000 square feet) with furniture and fixtures related thereto. Also, a renovation and expansion of the health and exercise facility as well as the construction of an outdoor performance pavillion. Sweetwater Sound also intends to make renovations to existing space for administrative and office purposes.

Projected construction start (month/year): September, 2015

Projected construction completion (month/year): December, 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)

1) logistical equipment: tracking equipment; scanning and coding equipment; conveyors; fork lifts; sorting and software for technology information used in shipping

2) information technology equipment: computers, servers, network switches, network routers, phones, call center 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): fourth quarter of 2015

Date last piece of equipment will be installed (month/year): December, 2017

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
General & operational managers	11-1021	32	\$ 2,136,000
sales engineers	41-9031	420	23,948,126
shipping/receiving clerks	43-5071	143	3,624,080
accounting clerks	43-3031	8	243,524
maintenance	17-0000	4	179,810

NOTE: continued on next page

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
EMPLOYEES RETAINED AT CURRENT LEVELS			

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
General & operational managers	11-1021	14	\$ 934,500
sales engineers	41-9031	150	8,552,902
shipping/receiving clerks	43-5071	61	1,545,936
accounting clerks	43-3031	3	91,322
maintenance	17-0000	2	89,905

NOTE: continued on next page

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
database management	15-1141	9	\$ 569,000
food service	25-2012	18	513,483
customer service representatives	43-4051	13	365,102
office & administration	43-1011	86	1,298,820

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
EMPLOYEES RETAINED AT CURRENT LEVELS			

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
database management	15-1141	4	\$ 252,889
food service	25-2012	8	228,215
customer service representatives	43-4051	6	168,509
office & administration	43-1011	37	558,795

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
shipping/receiving clerks	43-5071	48	\$1,208,027
food service	25-2012	3	57,054
maintenance	37-0000	2	44,953
reception	43-2011	13	236,268

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
	ALL EMPLOYMENT RETAINED		

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
shipping/receiving clerks	43-5071	24	\$604,014
food service	25-2012	2	38,036
maintenance	37-0000	2	44,953
reception	43-2011	6	109,047

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: Employee purchase discount program

When will you reach the levels of employment shown above? (month/year): December, 2018

REQUIRED ATTACHMENTS

The following must be attached to the application.

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

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

CERTIFICATION

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

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


Signature of Taxpayer/Owner

Chuck Surack, President/CEO
Printed Name and Title of Applicant

8/28/15
Date

**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R5 / 12-13)

Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

AUG 31 2015 *cmc*

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

Sweetwater Holdings, LLC

Address of taxpayer (number and street, city, state, and ZIP code)

5501 US Highway 30 West, Fort Wayne, IN 46818

aboxberger@carsonboxberger.com

Name of contact person

Andrew D. Boxberger

Telephone number

(260) 423-9411

E-mail address

see above

SECTION 2**LOCATION AND DESCRIPTION OF PROPOSED PROJECT**

Name of designating body

Fort Wayne Common Council

Resolution number

Location of property

5501 US Highway 30 West, Fort Wayne, IN 46818

County

Allen

DLGF taxing district number

073

Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary)

Construction of new marketing/merchandising departments and outdoor performance pavilion;
renovation and expansion of health and fitness facilities; and renovation of existing space.

Estimated start date (month, day, year)

10/01/2015

Estimated completion date (month, day, year)

12/01/2017

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
799.00	\$34,424,277.00	799.00	\$34,424,277.00	319.00	\$13,721,247.00

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

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values		17,508,600.00
Plus estimated values of proposed project	5,550,000.00	5,550,000.00
Less values of any property being replaced		
Net estimated values upon completion of project	5,550,000.00	23,058,600.00

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

Charles J. Surack

Date signed (month, day, year)

8/28/15

Printed name of authorized representative

Charles J. Surack

Title

CEO/President

**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51764 (R3 / 12-13)

Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE**FORM SB-1 / PP**AUG 31 2015 *eme***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 March 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 March 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)

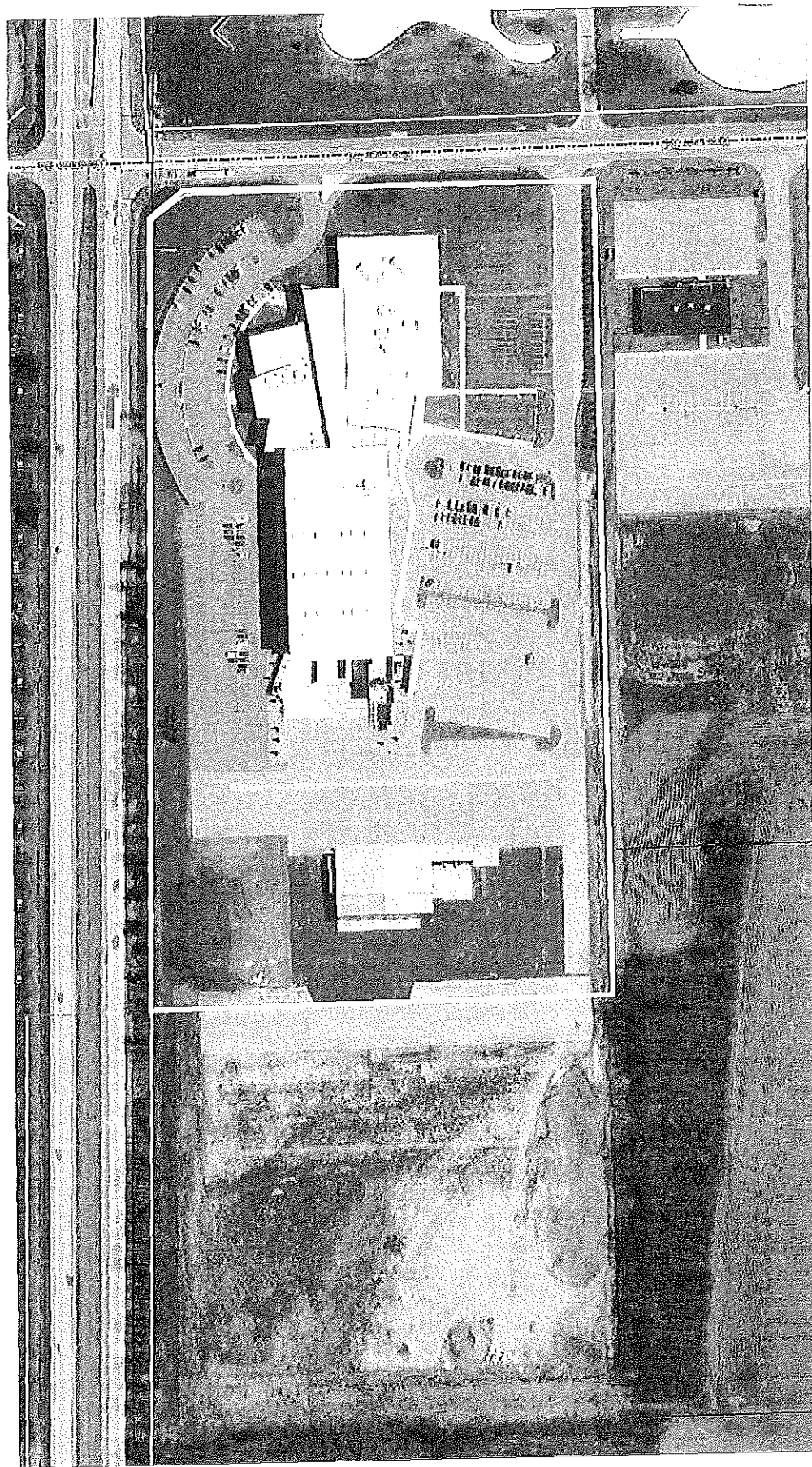
SECTION 1		TAXPAYER INFORMATION						
Name of taxpayer Sweetwater Sound, Inc		Name of contact person Andrew Boxberger						
Address of taxpayer (number and street, city, state, and ZIP code) 5501 US Highway 30 West, Fort Wane, IN 46818		Telephone number (260) 423-9411						
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT						
Name of designating body Fort Wayne Common Council		Resolution number (s)						
Location of property 5501 US Highway 30 West, Fort Wayne, IN 46818		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.) Logistical Equipment: tracking equipment, scanning and coding equipment, conveyors, fork lifts, sorting and software tech. IT Equipment: computers, servers, network switches, network routers, phones, and fiber optics.		ESTIMATED						
		START DATE		COMPLETION DATE				
		Manufacturing Equipment						
		R & D Equipment						
		Logist Dist Equipment		01/01/2016	12/31/2017			
IT Equipment		01/01/2016	12/31/2017					
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT						
Current number 799	Salaries \$34,424,277	Number retained 799	Salaries \$34,424,277	Number additional 319	Salaries \$13,721,247			
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					1,000,000.00	1,000,000.00	650,000.00	650,000.00
Less values of any property being replaced								
Net estimated values upon completion of project					1,000,000.00	1,000,000.00	650,000.00	650,000.00
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 <i>Charles J. Surack</i>				Date signed (month, day, year) 8/28/15				
Printed name of authorized representative Charles J. Surack				Title CEO/President				

Exhibit A

A portion of the lands of Sweetwater Holdings, LLC as described in Document #206021897 and being a part of the East Half of the Southeast Quarter of Section 19, Township 31 North, Range 12 East, Allen County, Indiana, More Particularly Described as Follows:

Beginning at a point situated on the South line of Sweetwater Holdings, LLC as described in Document #206021897 located North 00°52'54" West 1922.27 feet from the Southwest Corner of the East half of the Southeast Quarter; thence North 00°52'54" West along the West line of said East half a distance of 731.85 feet to a point of intersection with the South right-of-way of U.S. #30, said point marked by a 5/8" x 24" rebar with a "Bertsch-Frank" identification cap (Firm #0081); thence North 89°46'25" East along the South right-of-way of U.S. #30 a distance of 847.75 feet to a point of deflection, said point marked by a 5/8" x 24" rebar with a "Bertsch-Frank" Identification CAP (Firm #0081); thence South 89°24'55" East along the South right-of-way of U.S. #30 a distance of 381.00 feet to a point of deflection, said point marked by a 5/8"x24" rebar with a "Bertsch-Frank" identification cap (Firm #0081); thence South 37°17'09" East along the South right-of-way of U.S. #30 a distance of 60.37 feet to a point of intersection with the West 50' right-of-way of Kroemer Road as described in Document #74-26919, said point marked by a 5/8"x 24" rebar with a "Bertsch-Frank" identification cap (Firm #0081); thence South 00 °56'29" East along the West 50' right-of-way of Kroemer Road as described in document #74-26919 a distance of 663.24 feet to the Southeast corner of the lands of Sweetwater Holdings, LLC said corner marked by a 5/8" rebar with a "Sauer" identification cap; thence South 89 °05'31" West along the South line of Sweetwater Holdings, LLC a distance of 1265.20 feet to the point of beginning, containing 20.98 acres more or less.

Exhibit A-1



Admn. Appr. _____

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 both real and personal property improvements in the amount of \$7,200,000. Sweetwater Sound, Inc. will construct a 16,000 square foot addition to house the company's marketing and merchandising departments. Employee health and exercise and office and administrative spaces within the company's existing 320,000 square foot facility will be renovated and expanded. Construction of an outdoor performance pavilion is also planned. Sweetwater Sound, Inc. will also purchase and install new logistical distribution and information technology equipment.**

EFFECT OF PASSAGE: **In order to meet the company's continued demand for products and services, Sweetwater Sound, Inc. must expand their facility. 285 full-time and 34 part-time jobs will be created as a result of the project.**

EFFECT OF NON-PASSAGE: **Potential loss of development and 285 full-time and 34 part-time jobs**

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

ASSIGNED TO COMMITTEE (PRESIDENT): **Russell Jehl and Tom Didier**

MEMORANDUM



TO: City Council
FROM: Elissa McGauley, Economic Development Specialist
DATE: September 8, 2015
RE: Request for designation by Sweetwater Holdings, LLC/Sweetwater Sound, Inc. as an ERA for real and personal property improvements

BACKGROUND

PROJECT ADDRESS:	5501 U.S. Highway 30 West	PROJECT LOCATED WITHIN:	Redevelopment Area
PROJECT COST:	\$ 7,200,000	COUNCILMANIC DISTRICT:	3

COMPANY PRODUCT OR SERVICE:	Sweetwater Sound, Inc. is the country's most respected dealer in high-technology equipment for musicians, recording studios and broadcasters. Sweetwater sells said equipment through expert sales and service offered at and through its Fort Wayne facility.
PROJECT DESCRIPTION:	Sweetwater Sound, Inc. will construct a 16,000 square foot addition to house the company's marketing and merchandising departments. Employee health and exercise and office and administrative spaces within the company's existing 320,000 square foot facility will be renovated and expanded. The construction of an outdoor performance pavilion is also planned. The company will purchase and install new logistical distribution and information technology equipment.

CREATED

RETAINED

JOBS CREATED (FULL-TIME):	285	JOBS RETAINED (FULL-TIME):	733
JOBS CREATED (PART-TIME):	34	JOBS RETAINED (PART-TIME):	66
TOTAL NEW PAYROLL:	\$ 13,721,247	TOTAL RETAINED PAYROLL:	\$ 34,424,277
AVERAGE SALARY (FULL-TIME NEW):	\$ 43,589	AVERAGE SALARY (FULL-TIME RETAINED):	\$ 44,854

COMMUNITY BENEFIT REVIEW

Yes ☐ No ☐ N/A ☒

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

Yes ☒ No ☐ N/A ☐

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

Explain: Property to be designated is zoned I2, general industrial zoning classification. 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: A 16,000 square foot addition will be constructed.
Improvements to the existing 320,000 square foot facility will be made.**

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: Company will install \$1,650,000 in new logistical distribution and information technology equipment.

Yes ☐ No ☐ N/A ☒

Project will result in significant conversion of solid waste or hazardous waste into energy or other useful products?

Yes ☐ No ☐ N/A ☒

Project encourages preservation of an historically or architecturally significant structure?

Yes ☐ No ☒ N/A ☐

Construction will result in Leadership in Energy and Environmental Design (LEED) certification by the U.S. Green Building Council?

Yes ☐ No ☒ N/A ☐

Construction will use techniques to minimize impact on combined sewer overflows? (i.e. rain gardens, bio swales, etc.)

Yes ☒ No ☐ N/A ☐

ERA designation induces employment opportunities for Fort Wayne area residents?
Explain: 285 full-time and 34 part-time jobs 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 property is ten years.
2. The period of deduction for personal property is ten years.

Under Fort Wayne Common Council's tax abatement policies and procedures, Sweetwater Holdings, LLC/Sweetwater Sound, Inc. is eligible for ten year deductions on real and personal property improvements. Attached are spreadsheets that shows how the application scored under the review system and a calculation of property tax savings with the deductions.

COMMENTS

Signed:

Elissa McMaury
Economic Development Manager

Real Property Abatements

Tax Abatement Review System

	Points Possible	Points Awarded
INVESTMENT (30 points possible)		
Total new investment in real property (new structures and/or rehabilitation)		
Over \$1,000,000	10	10
\$500,000 to \$999,999	8	
\$100,000 to \$499,999	6	
Under \$100,000	4	
Investment per employee (both jobs created and retained)		
\$35,000 or more	10	
\$18,500 to \$34,999	8	
\$6,250 to \$18,499	6	
\$1,250 to \$6,249	4	4
less than \$1,250	2	
Estimated local income taxes generated from jobs retained		
\$80,000 or more	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	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	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	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	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 \$45,000	20	20
\$40,000 to \$44,999	16	
\$35,000 to \$39,999	12	
\$30,000 to \$34,999	8	
\$25,000 to \$29,999	4	
under \$25,000	0	
BENEFITS (10 points possible)		
Major Medical Plan	7	7
Pension, Tuition Reimbursement, Life Insurance, Dental Insurance, Disability Insurance,	3	3

SUSTAINABILITY

Construction uses green building techniques (ie LEED Certification)

5

Construction uses techniques to minimize impact on Combined
Sewer Overflows (CSOs)

5

Total

94

Length of Abatement

20 to 39 points - 3 year abatement

40 to 59 points - 5 year abatement

60 to 69 points - 7 year abatement

70 to 100 points - 10 year abatement

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

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

	Points Possible	Points Awarded
INVESTMENT (30 points possible)		
Total new investment in equipment		
Over \$5,000,000	10	
\$1,000,000 to \$4,999,999	8	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	
\$1,250 to \$6,249	4	4
less than \$1,250	2	
Estimated local income taxes generated from jobs retained		
\$80,000 or more	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	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	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	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	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 \$45,000	20	20
\$40,000 to \$44,999	16	
\$35,000 to \$39,999	12	
\$30,000 to \$34,999	8	
\$25,000 to \$29,999	4	
under \$25,000	0	
BENEFITS (10 points possible)		
Major Medical Plan	7	7
Pension, Tuition Reimbursement, Life Insurance, Dental Insurance, Disability Insurance,	3	3

SUSTAINABILITY

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

Total 92

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

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

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%	

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

PERSONAL PROPERTY TAX ABATEMENT - 10 yr Schedule

Year	True Cash Value	"Pool 2"	True Tax Value	Assessed Value	Tax Abatement %	Tax Paid %	Deduction	Taxable A V	Tax Rate	Tax Paid	Tax Saved
1	\$1,650,000	40%	\$660,000	\$660,000	100%	0%	\$660,000	\$0	0.033979	\$0	\$22,426
2	\$1,650,000	56%	\$924,000	\$924,000	90%	10%	\$831,600	\$92,400	0.033979	\$3,140	\$28,257
3	\$1,650,000	42%	\$693,000	\$693,000	80%	20%	\$554,400	\$138,600	0.033979	\$4,709	\$18,838
4	\$1,650,000	32%	\$528,000	\$528,000	70%	30%	\$369,600	\$158,400	0.033979	\$5,382	\$12,559
5	\$1,650,000	30%	\$495,000	\$495,000	60%	40%	\$297,000	\$198,000	0.033979	\$6,728	\$10,092
6	\$1,650,000	30%	\$495,000	\$495,000	50%	50%	\$247,500	\$247,500	0.033979	\$8,410	\$8,410
7	\$1,650,000	30%	\$495,000	\$495,000	40%	60%	\$198,000	\$297,000	0.033979	\$10,092	\$6,728
8	\$1,650,000	30%	\$495,000	\$495,000	30%	70%	\$148,500	\$346,500	0.033979	\$11,774	\$5,046
9	\$1,650,000	30%	\$495,000	\$495,000	20%	80%	\$99,000	\$396,000	0.033979	\$13,456	\$3,364
10	\$1,650,000	30%	\$495,000	\$495,000	10%	90%	\$49,500	\$445,500	0.033979	\$15,138	\$1,682
11	\$1,650,000	30%	\$495,000	\$495,000	0%	100%	\$0	\$495,000	0.033979	\$16,820	\$0
TOTAL TAX SAVED							(10 yrs on 10 yr deduction)			<u>\$117,401</u>	
TOTAL TAX PAID							(10 yrs on 10 yr deduction)			<u>\$78,828</u>	