

A DECLARATORY RESOLUTION designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for property commonly known as 2990 E. Coliseum Boulevard, Fort Wayne, Indiana 46804 (Intellectual Technology, Inc./P&A Realty, Inc.)

WHEREAS, Petitioner has duly filed its petition dated June 2, 2017 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 15 full-time, permanent jobs for a total new, annual payroll of \$1,010,000, with the average new annual job salary being \$67,333 and retain 82 full-time, permanent jobs and eight part-time jobs for a total current annual payroll of \$5,382,804, with the average current, annual job salary being \$59,808; and

WHEREAS, the total estimated project cost is \$849,000; 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, 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.

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 research and development and information technology
4 equipment improvements.

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 research and development and information technology equipment, all
9 contained in Petitioner's Statement of Benefits, are reasonable and are benefits that can be
10 reasonably expected to result from the proposed described redevelopment or rehabilitation
11 and from the installation of new research and development and information technology
12 equipment.

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

- 15 (a) If the proposed development does not occur, the approximate current year tax
16 rates for this site would be \$3.4500/\$100.
- 17 (b) If the proposed development does occur and no deduction is granted, the
18 approximate current year tax rate for the site would be \$3.4500/\$100 (the
19 change would be negligible).
- 20 (c) If the proposed development occurs and a deduction percentage of fifty percent
21 (50%) is assumed, the approximate current year tax rate for the site would be
22 \$3.4500/\$100 (the change would be negligible).
- 23 (d) If the proposed new research and development and information technology
24 equipment is not installed, the approximate current year tax rates for this site
25 would be \$3.4500/\$100.
- 26 (e) If the proposed new research and development and information technology
27 equipment is installed and no deduction is granted, the approximate current year
28 tax rate for the site would be \$3.4500/\$100 (the change would be negligible).
- 29 (f) If the proposed new research and development and information technology
30 equipment is installed and a deduction percentage of eighty percent (80%) is
assumed, the approximate current year tax rate for the site would be
\$3.4500/\$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 research and development and
2 information 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:

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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%

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23 **SECTION 9.** The deduction schedule from the assessed value of new personal
24 property research and development and information technology equipment pursuant to I.C.
25 6-1.1-12.1-17 shall look like this:

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Year of Deduction	Percentage
1	100%
2	90%
3	80%
4	70%

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

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

Member of Council

APPROVED AS TO FORM AND LEGALITY

Carol Helton, City Attorney



CITY OF FT WAYNE

03/2013

CR4
JUN 03 2017June 2, 2017
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:

\$ 259,000

Total cost of manufacturing equipment improvements:

Total cost of research and development equipment improvements:

\$ 450,000

Total cost of logistical distribution equipment improvements:

Total cost of information technology equipment improvements:

\$ 140,000

TOTAL OF ABOVE IMPROVEMENTS:

\$ 849,000

GENERAL INFORMATIONReal property taxpayer's name: P & A Realty, Inc.Personal property taxpayer's name: Intellectual Technology, Inc.Telephone number: 260-459-8800Address listed on tax bill: 2990 E. Coliseum Blvd.Name of company to be designated, if applicable: Intellectual Technology, Inc.Year company was established: 1989Address of property to be designated: 2990 E. Coliseum Blvd.Real estate property identification number: 02-08-30-428-001-000-072Contact person name: John W. LowContact person telephone number: (760) 476-9100Contact person Email: jlow@iti4dmv.comContact person address: 1901 Camino Vida Roble, Suite 204, Carlsbad, CA 92008

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Craig Litchin	President	1901 Camino Vida Roble, Suite 204, Carlsbad,	(760) 476-9100
John W. Low	Chief Financial Officer & Sec	1901 Camino Vida Roble, Suite 204, Carlsbad,	(760) 476-9100
Drew Nicholson	Chief Operating Officer	2980 E. Coliseum Blvd, Fort Wayne, IN 46804	(760) 476-9100

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

NAME	PERCENTAGE
ITI Holdings, Inc.	99%
Various Others	1%

- ☐ Yes ☒ No Are any elected officials shareholders or holders of any debt obligation of the applicant or operating business? If yes, who? (name/title) _____
- ☒ Yes ☐ No Is the property for which you are requesting ERA designation totally within the corporate limits of the City of Fort Wayne?
- ☐ Yes ☒ No Do you plan to request state or local assistance to finance public improvements?
- ☐ Yes ☒ No Is the property for which you are requesting ERA designation located in an Economic Development Target Area (EDTA)? (see attached map for current areas)
- ☐ Yes ☒ No Does the company's business include a retail component? If yes, answer the following questions:
 What percentage of floor space will be utilized for retail activities? _____
 What percentage of sales is made to the ultimate customer? _____
 What percentage of sales will be from service calls? _____

What is the percentage of clients/customers served that are located outside of Allen County? 98%

What is the company's primary North American Industrial Classification Code (NAICs)? 541519

Describe the nature of the company's business, product, and/or service:

Intellectual Technology, Inc. provides turnkey solutions to government jurisdictions for the management and operation of vehicle registrations, license plate and other DMV related functions.

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2016	\$ 27,640,000.00
2015	\$ 26,280,000
2014	\$ 16,200,000

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

Customer Name	City/State	Annual Gross Sales
Indiana BMV	Indianapolis, IN	\$ 10,600,000
California DMV	Sacramento, CA	\$ 4,900,000
Pheasantland Industries	Sioux Falls, SD	\$ 4,400,000

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

Supplier Name	City/State	Annual Gross Purchases
3M	St. Paul, MN	\$ 3,100,000
Taylor Communications	Dayton, OH	\$ 2,400,000
Datamax-O'Neil Corp	Orlando, FL	\$ 950,000

List the company's top three competitors:

Competitor Name	City/State
Morpho Trust-Safran	Billerica, MA
3M	St. Paul, MN
RR Donnelley	Chicago, IL

Describe the product or service to be produced or offered at the project site:

Expansion of our operations currently located at 2980 E. Coliseum Blvd., Fort Wayne, IN 46805.

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

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

This additional space at 2990 E. Coliseum Blvd. has been vacant for more than 5 years. Our existing operations at 2980 E. Coliseum Blvd. has grown significantly since moving to this location and is continuing to grow. The addition of this additional space will facilitate our continuing growth.

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:

16,041 sq. ft. office, commercial and flex space, of which 12,150 sq. ft. has been vacant for many years.

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

The property is in need of substantial tenant improvement to be usable for our needs.

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

The entire space will be restored: ceiling tile, carpet, paint, HVAC, plumbing, and blinds.

Construction of a pedestrian bridge to connect 2980 E. Coliseum Blvd. (our existing facility) with 2990 E. Coliseum Blvd.

Projected construction start (month/year): 07/2017

Projected construction completion (month/year): 10/2017

☐ 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)

Arcan Printing Press for license plate development - \$450,000 for R&D
 Electrical, networking, and security - \$85,000
 Computers - \$55,000

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

☐ Yes ☒ No Will the equipment be leased?

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

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

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

ELIGIBLE VACANT BUILDING INFORMATION

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

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

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

16,041 sq. ft. building of which 12,150 sq. ft is vacant

Describe the condition of the structure(s) listed above: Poor condition, new Paint, Lighting, Elevator and Floor Coverings

Projected occupancy date (month/year): 10/2017

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.

This property was purchase by the current owner in October 2013. The current owner purchased the property from IAB Bank following a foreclosure and Sheriff's Sale in early 2013. The property remained vacant until June 2014 when the Indiana State Teacher's Association (ISTA) leased 3,890 SF of the 16,041 SF total rentable area of the building. Only a quarter of the building has been lease until April 2017 when the balance of the space 12,150 SF was leased to Intellectual Technology, Inc.

Prior to IAB's foreclosure action in 2013, this property had been vacant for several years. The mechanical and electrical systems have been compromised by vandalize and age. The prior uses of the property are not compatible or consistent with modern usage requirements.

The prior owner tried to sell and/or lease the building for several years prior to the bank's foreclosure. The current owner hired the Zacher Company and with the imagination of ITI, we have a lease for the balance of the space.

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

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

Current Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
SEE ATTACHED		82	\$ 5,249,591

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
SEE ATTACHED		82	\$ 5,249,591

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
Manager		1	████████
Developers		8	\$ 90,000
Mailroom Clerks		6	\$ 30,000

Current Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
Ops Manager	11-1021	1	████████
Program Manager LP	11-3021	3	310,000
Software Developer Manager	11-3021		
Purchasing	13-1023	3	137,500
Business Analyst	13-1111	1	████████
Program Analyst	15-1121	1	████████
Programmer	15-1131	2	200,000
System Engineer	15-1131	3	282,500
Software Engineer	15-1133	12	956,000
Graphics Arts	15-1134	3	171,000
Database Administrator	15-1141	1	████████
Network/System Admin	15-1142	3	232,000
Network Support	15-1152	5	353,500
Warehouse Manager	41-3011	5	335,000
Sales/Marketing	41-3011	5	465,000
Customer Support	43-2011	7	204,480
Office clerical	43-3011	1	████████
Office Manager	43-9199	1	████████
Field Service Manager	49-1011		
Field Technician	49-2011	10	496,771
Mailroom Operations	51-9196	5	154,960
Production	51-9198	10	354,800

82 5,249,591

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
SEE ATTACHED		8	\$ 133,213

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
SEE ATTACHED		8	\$ 133,213

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll

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

- | | | |
|--|--|--|
| ☒ Pension Plan | ☒ Major Medical Plan | ☒ Disability Insurance |
| ☐ Tuition Reimbursement | ☒ Life Insurance | ☒ Dental Insurance |

List any benefits not mentioned above:

When will you reach the levels of employment shown above? (month/year): 10/2020

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
Customer Support	43-2011		
Mailroom Operations	51-9196	7	109,769
Production	51-9198	1	

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REQUIRED ATTACHMENTS

The following must be attached to the application.

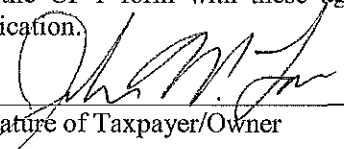
1. **Statement of Benefits Form(s) (first page/front side completed)**
2. **Full legal description of property and a plat map identifying the property boundaries. (Property tax bill legal descriptions are not sufficient.) Should be marked as Exhibit A.**
3. **Check for non-refundable application fee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

John W. Low, Chief Financial Officer

Printed Name and Title of Applicant

05/31/2017

Date



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R6 / 10-14)

Prescribed by the Department of Local Government Finance

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

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.

SECTION 1		TAXPAYER INFORMATION	
Name of taxpayer P and A Realty Inc.			
Address of taxpayer (number and street, city, state, and ZIP code) 2980 E. Coliseum Blvd.			
Name of contact person Fred Bruggeman, President		Telephone number (260) 424-4329	E-mail address rckboulder@aol.com
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT	
Name of designating body Fort Wayne City Council		Resolution number	
Location of property 2990 E. Coliseum Blvd.		County Allen	DLGF taxing district number 072
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) A bridge connecting 2980 and 2990 E. Coliseum Blvd. will be constructed per the contingency in the lease agreement of 2990 E. Coliseum Blvd. with the current tenant of 2980 E. Coliseum Blvd. General remodel of 2990 E. Coliseum Blvd. including blinds as well as plumbing, HVAC and fire system upgrades.		Estimated start date (month, day, year) 07/0/2017	
		Estimated completion date (month, day, year) 10/1/2017	
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT	
Current number	Salaries	Number retained	Salaries
		Number additional	Salaries
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT	
		REAL ESTATE IMPROVEMENTS	
		COST	ASSESSED VALUE
Current values			
Plus estimated values of proposed project		259,000.00	
Less values of any property being replaced			
Net estimated values upon completion of project			
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER	
Estimated solid waste converted (pounds) _____		Estimated hazardous waste converted (pounds) _____	
Other benefits Lease of a previously vacant space (approximately 12,150 square feet), contingent on the construction of a bridge connecting 2980 and 2990 E. Coliseum Blvd.			
SECTION 6		TAXPAYER CERTIFICATION	
I hereby certify that the representations in this statement are true.			
Signature of authorized representative D. M. Moppert, Jr.		Date signed (month, day, year) 5/31/17	
Printed name of authorized representative Fletcher Moppert		Title Authorized Agent	

TRACT 3:

COMMENCING AT THE SOUTHEAST CORNER OF LOT NUMBER 186 OF KIRKWOOD PARK ADDITION, SECTION "F" AS RECORDED IN PLAT BOOK 18, PAGE 195 IN THE ALLEN COUNTY RECORDER'S OFFICE; THENCE NORTH ALONG THE EAST LINE OF SAID SECTION "F", A DISTANCE OF 383.97 FEET TO THE POINT OF BEGINNING.

BEGINNING AT THE ABOVE DESCRIBED POINT; THENCE CONTINUING NORTH ALONG SAID EAST LINE, A DISTANCE OF 36.63 FEET; THENCE BY A DEFLECTION RIGHT OF 90 DEGREES 25 MINUTES 51 SECONDS, A DISTANCE OF 202.81 FEET; THENCE BY A DEFLECTION LEFT OF 26 DEGREES 12 MINUTES 52 SECONDS, A DISTANCE OF 279.85 FEET; THENCE BY A DEFLECTION LEFT OF 39 DEGREES 57 MINUTES 57 SECONDS, A DISTANCE OF 135.07 FEET TO A FIVE-EIGHTS INCH DIAMETER IRON PIN; THENCE BY A DEFLECTION RIGHT OF 89 DEGREES 59 MINUTES 31 SECONDS, A DISTANCE OF 89.22 FEET TO A FIVE-EIGHTS INCH DIAMETER IRON PIN; THENCE BY A DEFLECTION RIGHT OF 90 DEGREES 00 MINUTES, A DISTANCE OF 148.92 FEET; THENCE BY A DEFLECTION RIGHT OF 90 DEGREES 00 MINUTES, A DISTANCE OF 30.58 FEET; THENCE BY A DEFLECTION LEFT OF 49 DEGREES 14 MINUTES 2 SECONDS, A DISTANCE OF 353.04 FEET; THENCE BY A DEFLECTION RIGHT OF 61 DEGREES 07 MINUTES 09 SECONDS, A DISTANCE OF 48.3 FEET; THENCE BY A DEFLECTION LEFT OF 36 DEGREES 24 MINUTES 13 SECONDS, A DISTANCE OF 143.49 FEET TO THE POINT OF BEGINNING, CONTAINING 0.85 ACRES MORE OF LAND, MORE OR LESS.

Exhibit A

MEMORANDUM



TO: City Council

FROM: Carman Young, Economic Development Specialist

DATE: July 6, 2017

RE: Request for designation by Intellectual Technology, Inc./P&A Realty, Inc. as an ERA for real and personal property improvements.

BACKGROUND

PROJECT ADDRESS:	2990 E. Coliseum Blvd.	PROJECT LOCATED WITHIN:	N/A
PROJECT COST:	\$849,000	COUNCILMANIC DISTRICT:	2

COMPANY PRODUCT OR SERVICE:	Intellectual Technology, Inc. provides turnkey solutions to government jurisdictions for the management of vehicle registrations, license plate and other DMV related functions.
PROJECT DESCRIPTION:	Real property improvements relating to the expansion into additional space along with the purchase and installation of new personal property research and development and information technology equipment.

CREATED

RETAINED

JOBS CREATED (FULL-TIME):	15	JOBS RETAINED (FULL-TIME):	82
JOBS CREATED (PART-TIME):	0	JOBS RETAINED (PART-TIME):	8
TOTAL NEW PAYROLL:	\$1,010,000	TOTAL RETAINED PAYROLL:	\$5,382,804
AVERAGE SALARY (FULL-TIME NEW):	\$67,333	AVERAGE SALARY (FULL-TIME RETAINED):	\$59,808

COMMUNITY BENEFIT REVIEW

Yes ☐ No ☒ N/A ☒

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

Explain:

Yes ☒ No ☐ N/A ☐

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

Explain: Property to be designated is zoned BTI-Business Technology. 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: Property to be designated will receive substantial improvements to be usable for applicants needs along with the construction of a pedestrian bridge to connect the current and new locations.

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 personal property research and development 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: 82 full-time jobs and eight part-time jobs will be retained.
Fifteen full-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

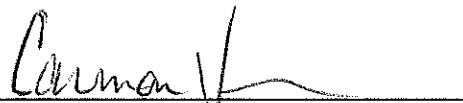
Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

1. The periods of deduction for personal and real property are ten years.

Under Fort Wayne Common Council's tax abatement policies and procedures, Intellectual Technology, Inc./P&A Realty, Inc. is eligible for ten year deductions on real and personal property improvements. Attached is a spreadsheet that shows how the application scored under the review system. Also attached is a calculation of property taxes saved/paid with the deduction.

COMMENTS

Signed and Reviewed:



Economic Development Specialist

POOL #2 FORT WAYNE COMMUNITY DEVELOPMENT DIVISION

TAX ABATEMENT - ESTIMATE OF SAVINGS

*New tax abatement percentages have been changed to reflect change in state law **Intellectual Technology/P&A Realty**

PERSONAL PROPERTY TAX ABATEMENT - 10 yr Schedule

Year	True Cash Value	"Pool 2"	True Tax Value	Assessed Value	Tax Abate %	Tax Paid %	Deduction	Taxable A V	Tax Rate	Tax Paid	Tax Saved
1	\$590,000	40%	\$236,000	\$236,000	100%	0%	\$236,000	\$0	0.034500	\$0	\$8,142
2	\$590,000	56%	\$330,400	\$330,400	90%	10%	\$297,360	\$33,040	0.034500	\$1,140	\$10,259
3	\$590,000	42%	\$247,800	\$247,800	80%	20%	\$198,240	\$49,560	0.034500	\$1,710	\$6,839
4	\$590,000	32%	\$188,800	\$188,800	70%	30%	\$132,160	\$56,640	0.034500	\$1,954	\$4,560
5	\$590,000	30%	\$177,000	\$177,000	60%	40%	\$106,200	\$70,800	0.034500	\$2,443	\$3,664
6	\$590,000	30%	\$177,000	\$177,000	50%	50%	\$88,500	\$88,500	0.034500	\$3,053	\$3,053
7	\$590,000	30%	\$177,000	\$177,000	40%	60%	\$70,800	\$106,200	0.034500	\$3,664	\$2,443
8	\$590,000	30%	\$177,000	\$177,000	30%	70%	\$53,100	\$123,900	0.034500	\$4,275	\$1,832
9	\$590,000	30%	\$177,000	\$177,000	20%	80%	\$35,400	\$141,600	0.034500	\$4,885	\$1,221
10	\$590,000	30%	\$177,000	\$177,000	10%	90%	\$17,700	\$159,300	0.034500	\$5,496	\$611
11	\$590,000	30%	\$177,000	\$177,000	0%	100%	\$0	\$177,000	0.034500	\$6,107	\$0

TOTAL TAX SAVED	(10 yrs on 10 yr deduction)	<u>\$42,623</u>
TOTAL TAX PAID	(10 yrs on 10 yr deduction)	<u>\$34,726</u>

REAL PROPERTY TAX ABATEMENT - 10 yr Schedule

Year	Cash Value	True Tax Value	Assessed Value	Tax Abate %	Tax Paid %	Deduction	Taxable AV	Tax Rate	Tax Paid	Tax Saved
1	\$259,000	\$259,000	\$259,000	100%	0%	\$259,000	\$0	0.034500	\$0	\$8,936
2	\$259,000	\$259,000	\$259,000	95%	5%	\$246,050	\$12,950	0.034500	\$447	\$8,489
3	\$259,000	\$259,000	\$259,000	80%	10%	\$207,200	\$25,900	0.034500	\$894	\$7,148
4	\$259,000	\$259,000	\$259,000	65%	20%	\$168,350	\$51,800	0.034500	\$1,787	\$5,808
5	\$259,000	\$259,000	\$259,000	50%	30%	\$129,500	\$77,700	0.034500	\$2,681	\$4,468
6	\$259,000	\$259,000	\$259,000	40%	40%	\$103,600	\$103,600	0.034500	\$3,574	\$3,574
7	\$259,000	\$259,000	\$259,000	30%	50%	\$77,700	\$129,500	0.034500	\$4,468	\$2,681
8	\$259,000	\$259,000	\$259,000	20%	65%	\$51,800	\$168,350	0.034500	\$5,808	\$1,787
9	\$259,000	\$259,000	\$259,000	10%	80%	\$25,900	\$207,200	0.034500	\$7,148	\$894
10	\$259,000	\$259,000	\$259,000	5%	95%	\$12,950	\$246,050	0.034500	\$8,489	\$447
11	\$259,000	\$259,000	\$259,000	0%	100%	\$0	\$259,000	0.034500	\$8,936	\$0

TOTAL TAX SAVED REAL PROPERTY	(10 yrs on 10 yr deduction)	<u>\$44,231</u>
TOTAL TAX PAID REAL PROPERTY (10 yrs)	(10 yrs on 10 yr deduction)	<u>\$44,231</u>

TOTAL TAX SAVED PERSONAL & REAL	<u>\$86,854</u>
TOTAL TAX PAID PERSONAL & REAL	<u>\$78,956</u>

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

Personal Property Abatements

Tax Abatement Review System

Intellectual Technology, Inc./P&A Realty, Inc.

		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	
\$500,000 to \$999,999	\$259,000	6	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	\$590,000/105=\$5,619	4	4
less than \$1,250		2	
Estimated local income taxes generated from jobs retained			
\$80,000 or more		5	
\$30,000 to \$79,999	\$5,382,804 x .0135= \$72,667	4	4
\$10,000 to \$29,999		3	
\$5,000 to \$9,999		2	
less than \$5,000		1	
Estimated local income taxes generated from jobs created (Double points for start-up)			
\$30,000 or more		5	
\$10,000 to \$29,999	\$1,010,000 x .0135= \$13,635	4	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	0
Estimated Percent of Business done outside Allen County			
Greater than 75%	98%	15	15
50% to 74%		10	
25% to 49%		5	
JOBS (20 points possible)			
Total number of permanent jobs retained			
Over 250		10	
100 to 249		8	
50 to 99	82	6	6
25 to 49		4	
10 to 24		2	
1 to 9		1	
Total number of permanent jobs created (Double for start-up)			
Over 100		10	
50-99		8	
25-49		6	
10-24	15	4	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	\$57,000	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	73
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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

* 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%	

Real Property Abatements

Tax Abatement Review System

Intellectual Technology, Inc./P&A Realty, 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		10	
\$500,000 to \$999,999	\$259,000	8	
\$100,000 to \$499,999		6	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	\$259,000/105=\$2,466	4	4
less than \$1,250		2	

Estimated local income taxes generated from jobs retained

\$80,000 or more		5	
\$30,000 to \$79,999	\$5,382,804 x .0135= \$72,667	4	4
\$10,000 to \$29,999		3	
\$5,000 to \$9,999		2	
less than \$5,000		1	

Estimated local income taxes generated from jobs created
(Double points for start-up)

\$30,000 or more		5	
\$10,000 to \$29,999	\$1,010,000 x .0135= \$13,635	4	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	0
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Estimated Percent of Business done outside

Allen County			
Greater than 75%	98%	15	15
50% to 74%		10	
25% to 49%		5	

JOBS (20 points possible)

Total number of permanent jobs retained

Over 250		10	
100 to 249		8	
50 to 99	82	6	6
25 to 49		4	
10 to 24		2	
1 to 9		1	

Total number of permanent jobs created (Double for start-up)

Over 100		10	
50-99		8	
25-49		6	
10-24	15	4	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	\$57,000	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

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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%	

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Intellectual Technology, Inc./P&A Realty, Inc. is requesting the designation of an Economic Revitalization Area for eligible real property improvements and personal research and development and information technology equipment improvements in the amount of \$849,000.**

EFFECT OF PASSAGE: **Investment of \$849,000 and 15 new full-time jobs.**

EFFECT OF NON-PASSAGE: **Potential loss of investment and 15 full-time jobs.**

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

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