BILL NO. R-17-09-17-

DECLARATORY RESOLUTION NO. R-______

A DECLARATORY RESOLUTION designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for property commonly known as 113 W. Berry Street, Fort Wayne, Indiana 46802 (Aptera Software, Inc./CT Financial Berry Street, LLC)

WHEREAS, Petitioner has duly filed its petition dated August 17, 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 20 full-time permanent jobs for a total new, annual payroll of $1,495,000, with the average new annual job salary being $74,750 and retain 87 full-time permanent jobs for a total current annual payroll of $6,406,128, with the average current, annual job salary being $73,633; and

WHEREAS, the total estimated project cost is $2,600,000; 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.

SECTION 3. That, said designation of the hereinabove described property as an "Economic Revitalization Area" shall apply to a deduction of the assessed value of real estate and occupation of an eligible vacant building.

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

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

(a) If the proposed development does not occur, the approximate current year tax rates for this site would be \$3.5721/\$100.

(b) If the proposed development does occur and no deduction is granted, the approximate current year tax rate for the site would be \$3.5721/\$100 (the change would be negligible).

(c) If the proposed development occurs and a deduction percentage of fifty percent (50%) is assumed, the approximate current year tax rate for the site would be \$3.5721/\$100 (the change would be negligible).

(d) If the proposed occupation of the eligible vacant building does not occur, the approximate current year tax rates for this site would be \$3.5721/\$100.

(e) If the proposed occupation of the eligible vacant building occurs and no deduction is granted, the approximate current year tax rate for the site would be \$3.5721/\$100 (the change would be negligible).

(f) If the proposed occupation of the eligible vacant building occurs, and a deduction percentage of fifty percent (50%) is assumed, the approximate current year tax rate for the site would be \$3.5721/\$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 the deduction from the assessed value of the occupation of the eligible vacant building shall be for a period of one year.

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 the vacant building pursuant to I.C. 6-1.1-12.1-17 shall look like this:

Year of Deduction	Percentage
1	100%
2	0%

SECTION 10. 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 11. That, the taxpayer is non-delinquent on any and all property tax due to jurisdictions within Allen County, Indiana.

SECTION 12. 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 13. 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

AUG 17 2017

CRY

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:	**$2,600,000**
Total cost of manufacturing equipment improvements:	**$0**
Total cost of research and development equipment improvements:	**$0**
Total cost of logistical distribution equipment improvements:	**$0**
Total cost of information technology equipment improvements:	**$0**
TOTAL OF ABOVE IMPROVEMENTS:	**$2,600,000**

GENERAL INFORMATION

Real property taxpayer's name: CT Financial Berry St, LLC

Personal property taxpayer's name: ______

Telephone number: 260.969.1410

Address listed on tax bill: 113 W Berry St, Fort Wayne, IN 46802

Name of company to be designated, if applicable: Aptera Software, Inc.

Year company was established: 2003

Address of property to be designated: 113 W Berry St, Fort Wayne, IN 46802

Real estate property identification number: Parcel Number 02-12-02-453-003.000-074

Contact person name: TK Herman

Contact person telephone number: 260.249.8067 Contact person Email: TK@apterainc.com

Contact person address: 201 W Main St, Fort Wayne, IN 46802

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
Thomas K. Herman	President	13341 Leesburg Rd, Fort Wayne, IN 46818	260.249.8067
Conrad Ehinger	V.P., Secretary and CIO	16017 Raptor Court, Huntertown, IN 46748	260.438.2494

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

NAME	PERCENTAGE
Thomas K Herman	50%
Conrad Ehinger	50%

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? N/A

What percentage of sales is made to the ultimate customer? N/A

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? 75%

What is the company's primary North American Industrial Classification Code (NAICs)? 541511: Custom Computer Programming Services

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

CT Financial Berry St, LC is a real estate holding company. The company's single existing asset is 113 W. Berry Street, Fort Wayne, IN 46802.

Aptera Software, Inc. is a team of digital strategists, software engineers, graphic designers, and project managers joined in a single mission: to inspire and create a world of possibility.

Ultimately, living our mission means that every strategy we execute, every line of code we write, and every project we deliver incorporates the combined knowledge of our team to ensure that our clients connect with their customers better, whether those are consumers, other businesses, or their own internal teams.

We do this by providing our clients with unique set of services that combines digital marketing knowledge with deep technology expertise. This allows our clients to execute digital sales and marketing initiatives that drive growth, increase revenue and provide measurable ROI. Our process (Results Driven Design) leverages the best aspects of the agile development methodology and data analytics to help our clients implement online tactics that are data driven and adaptive.

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2017 Projected	$9,531,900
2016	$9,078,000
2015	$8,789,812

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

Customer Name	City/State	Annual Gross Sales
Nucor	Waterloo, IN	$1,300,000
Do It Best Corporation	Fort Wayne, IN	$1,100,000
Franklin Electric	Fort Wayne, IN	$800,000

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

Supplier Name	City/State	Annual Gross Purchases
Note: Aptera is a Service Provider and our number one asset is our employees.	Fort Wayne, IN	$6.4 million +
Dell/Apple/Tech Data/PC Connection Sales Corp = Laptops/Computer Hardware	Various	$75,000
Continuum = IT Management Platform	Boston, MA	$160,000

List the company's top three competitors:

Competitor Name	City/State
Americaneagle.com	Chicago, IL
Perficient	St. Louis, MO
Leap Agency	Louisville, KY

Describe the product or service to be produced or offered at the project site:
Project will provide office space for Aptera Software, Inc. which is a team of digital strategists, software engineers, graphic designers, and project managers. Services Aptera offers include: Results-Driven Website; Digital Marketing; Custom Software; Business Intelligence; and Cloud Infrastructure. Aptera Software, Inc. and CT Financial Berry St, LLC are affiliated companies with common ownership.

- Aptera moved to its current downtown location at 201 W. Main St in 2008. Significant investments have been made to the current location to renovate and enhance the building and being located downtown, Aptera has experienced the excitement as the downtown district has undergone significant downtown development. Aptera desires to be a part of the change and improvement to Fort Wayne's downtown district.
- Aptera employs 89 employees. It is estimated that 150 – 200 family members are impacted by these employees. The various type of impact that this group has on Fort Wayne includes: housing, dining, schools, churches, shopping, involvement in community events, volunteering at non-for profit organizations, purchasing vehicles, and calling Fort Wayne home.
- Aptera employs Software Architects, Software Engineers, Web Developers, Business Analysts, Business Intelligence Developers, Marketing Consultants, Quality Assurance Analysts, Project Managers, Sales/Business Development Managers, Recruitment/Hiring Manager, CFO, Director of Operations, and our owners serve as President and CIO. This is a highly compensated team.

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.

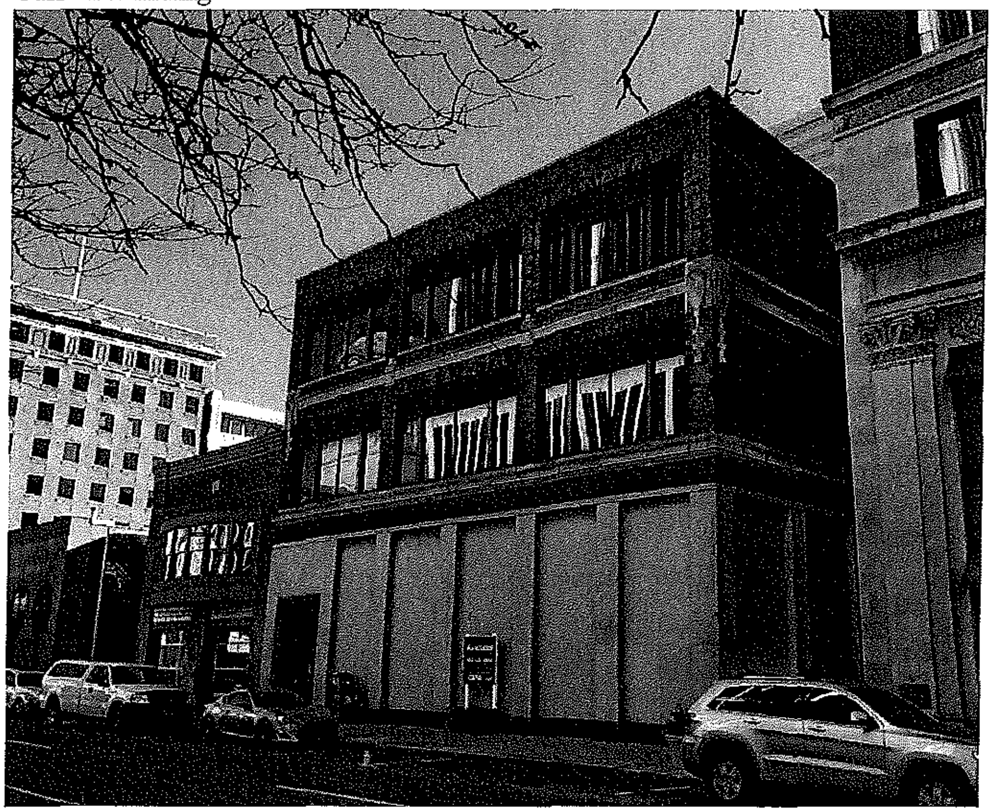
How does the property for which you are requesting designation meet the above definition of an ERA?
The subject real property located at 113 West Berry Street (the "Property") lies in the heart of Fort Wayne's downtown. The current taxpayer, CT Financial Berry St, LLC, a locally owned Indiana limited liability company, purchased the Property in June 2017. Prior to CT Financial Berry St, LLC's acquisition of the Property, the prior owner did little to revitalize and reinvest in the Property. When CT Financial Berry St, LLC acquired the Property, it was CT Financial Berry St, LLC's plan and intent to revitalize and reinvest in the free standing building situated thereon. The building was not occupied and in dire need of a tenant for future development and use of the Property. As such, the Property – especially when taking into account the recent decline of reinvestment in the building by its prior owner – had become undesirable for normal development and occupancy. The Property is wholly within the corporate limits of the City of Fort Wayne. Further, the Property wholly lies within an Economic Development Target Area. Aptera Software, Inc. is relocating its significant staff of 87 employees to the Property pursuant to a long-term lease with CT Financial Berry St, LLC. Aptera Software, Inc. wants to be part of the downtown revitalization movement. However, in order for this to happen, CT Financial Berry St, LLC must undertake the construction of significant and expensive interior and exterior improvements to the building. As such, the construction project represents an attempt to address and resolve the current challenge of revitalizing the building to avoid cessation of growth, deterioration of improvements, and obsolescence. Based on all of the foregoing, the Property meets the definition of an Economic Revitalization Area.

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 site is located along the south side of West Berry Street in the City of Fort Wayne central business district. Per the Allen County GIS, the subject site is zoned in the Downtown Core district.
- The site consists of 0.21-acre of land developed with a three-story commercial building."
- The last occupant was Allen County Small Claims and Circuit Court/Probation Department.
- Current Building

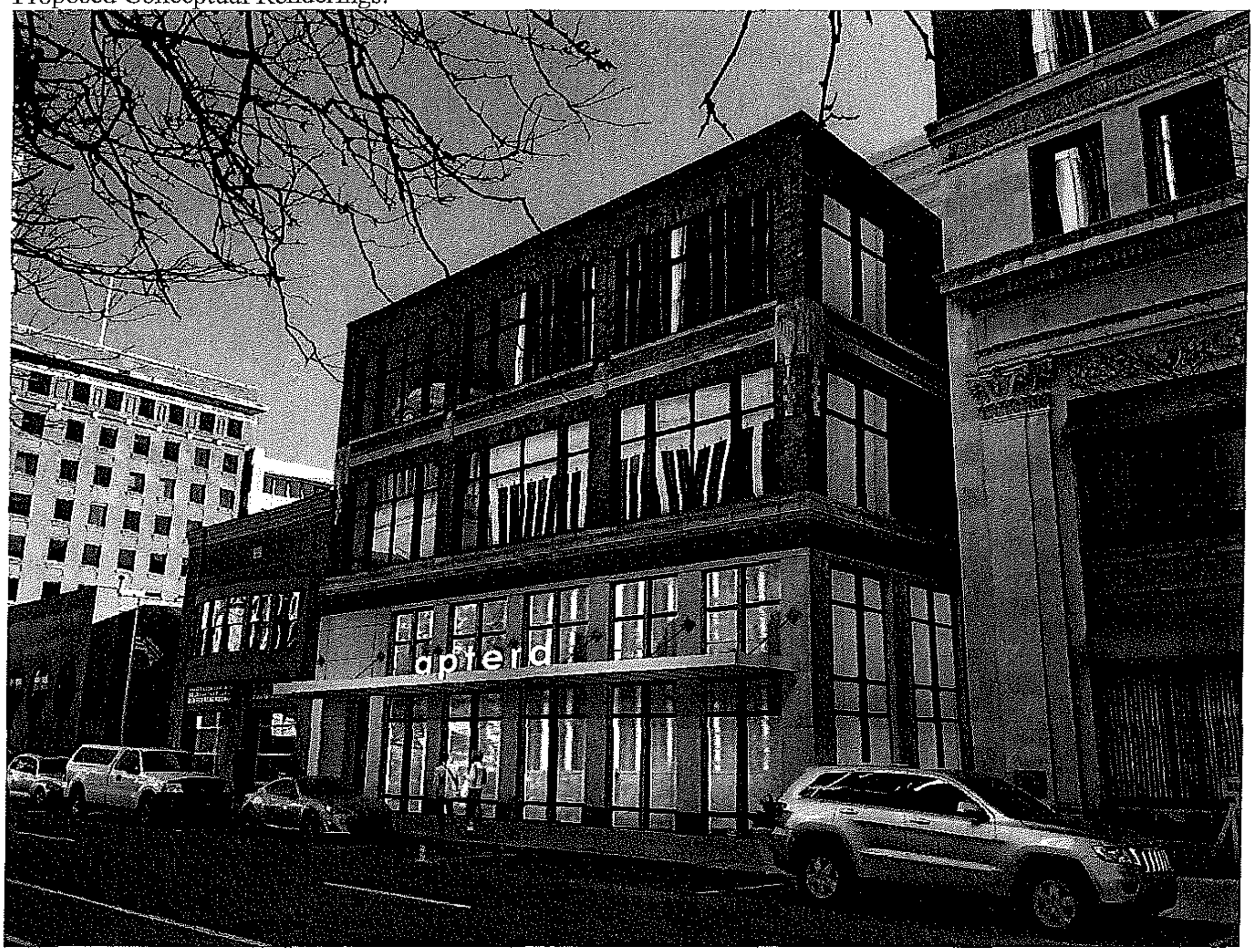


Describe the condition of the structure(s) listed above:

- Building is currently vacant.
- The current façade needs renovation to specifically remove the limestone around the front of the building and to replace that with glass. The second and third floor windows need to be replaced to meet current energy efficient code.
- The inside contains a floor plan that consists of numerous walls and offices and court rooms.
- The building needs new restrooms, elevator interior upgrades, flooring, updated electrical, and updated interior lighting.
- The building currently has zero windows on the side and back of the building.

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

- Aptera Software, Inc. plans to move its operations to that building and occupy the first floor, the mezzanine and the second floor. Plus utilize the third floor and basement for future expansion, training facilities and technical facilities.
- The current plans are to create open floor plans that are flexible and can be rearranged utilizing furniture, glass and partitions. The interior will be totally renovated with new flooring, lighting, windows on the side and back of the building, open staircase, open ceiling concept, and a mixture of offices, conference rooms, work stations and relational/collaborating space.
- The proposed exterior, includes removing the limestone and adding new glass, a canopy, replacing the front windows on the second and third floors, and additional windows on the second and third floors.
- Proposed Conceptual Renderings:



Projected construction start (month/year): August 2017

Projected construction completion (month/year): March 2018

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

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. **N/A**

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

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

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

Yes No Will the equipment be leased?

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

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

Please provide the depreciation schedule term for equipment under consideration for personal property taxphase-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:
A multistory building is located on the property. The building is approximately 40,000 square foot. The building was last renovated in the late 1990s and early 2000s for use as the Allen Country Courthouse Annex.

Describe the condition of the structure(s) listed above: The condition is old, outdated, and in need of major renovations. Outside requires that new windows be installed and the removal of the limestone all along the front of the building.

Projected occupancy date (month/year): March 2018

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.

The building has been vacant since August of 2015. The County (Prior Owner) periodically tried to sell the building and eventually listed it with CBRE Sturges commercial estate company. According to www.loopnet.com, an online commercial real estate site, the building was listed for sale at $900,000. CT Financial Berry St, LLC purchased the property for total consideration of $880,000, which included an assignment fee.

* 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
Grand Total		87	$6,406,128
Software Developers, Applications	15-1132	24	$2,033,295
Web Developers	15-1134	14	$818,540
Computer and Information Systems Manager	11-2021	8	$797,230
Computer Occupations, All Other	15-1199	15	$743,693
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	41-4011	7	$665,000
Chief Executives	11-1011	4	$525,000
Market Research Analysts and Marketing Specialists	13-1161	5	$260,620
Network and Computer Systems Administrators	15-1142	3	$183,000
Computer Network Architects	15-1143	2	$138,000
Graphic Designer	27-1024	2	$93,250
Human Resource Specialists	13-1071	[redacted]	[redacted]
Office and Administrative Support Workers, All Other	43-9199	1	[redacted]
Camera Operators, Television, Video and Motion Picture	27-4031	1	[redacted]

- **Employment figures provided relate to the employees of taxpayer's tenant, Aptera Software, Inc.**

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
Grand Total		87	$6,406,128
Software Developers, Applications	15-1132	24	$2,033,295
Web Developers	15-1134	14	$818,540
Computer and Information Systems Manager	11-2021	8	$797,230
Computer Occupations, All Other	15-1199	15	$743,693
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	41-4011	7	$665,000
Chief Executives	11-1011	4	$525,000
Market Research Analysts and Marketing Specialists	13-1161	5	$260,620
Network and Computer Systems Administrators	15-1142	3	$183,000
Computer Network Architects	15-1143	2	$138,000
Graphic Designer	27-1024	2	$93,250
Human Resource Specialists	13-1071	1	[redacted]
Office and Administrative Support Workers, All Other	43-9199	1	[redacted]
Camera Operators, Television, Video and Motion Picture	27-4031	1	[redacted]

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
Grand Total Estimated		20	$1,495,000
Web Developers	15-1134	9	$630,000
Software Developers, Applications	15-1132	5	$325,000
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	41-4011	2	$300,000
Market Research Analysts and Marketing Specialists	13-1161	1	[redacted]
Computer Occupations, All Other	15-1199	2	$90,000
Human Resource Specialists	13-1071	1	[redacted]

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
Computer Occupations, All Other	15-1199 Summer Interns	2	$2,700

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
Computer Occupations, All Other	15-1199 Summer Interns	2	$2,700

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll
None			

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

Pension Plan ☒ Major Medical Plan ☒ Group (LT & ST) Disability Insurance (Employee Pays)

Tuition Reimbursement ☒ Life Insurance ☒ Group Dental Insurance (Employee Pays)

List any benefits not mentioned above: 401(k) Plan; 15 PTO (Used for Vacation & Sick) Days 1st Year; Group Vision Insurance (Employee Pays); Supplemental Life Insurance (Employee Pays); Company Paid Parking

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

ATTACHMENT A

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	Signature of Taxpayer/Owner
Thomas K Herman: Member of CT Financial Berry St, LLC	Thomas K Herman: President of Aptera Software, Inc.
Printed Name and Title of Applicant	Printed Name and Title of Applicant
August 17, 2017	August 17, 2017
Date	Date

CITY OF FT WAYNE

AUG 17 2017
CDJ
COMMUNITY DEVL.

STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS

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

20 17 PAY 20 18

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: CT Financial Berry St, LLC		
Address of taxpayer (*number and street, city, state, and ZIP code*): 113 W. Berry Street, Fort Wayne, Indiana 46802		
Name of contact person: TK Herman	Telephone number: (260) 249-8067	E-mail address: tk@apterainc.com

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body: Fort Wayne Common Council		Resolution number:
Location of property: 113 W. Berry Street, Fort Wayne, Indiana	County: Allen	DLGF taxing district number: 074
Description of real property improvements, redevelopment, or rehabilitation (*use additional sheets if necessary*): Interior and exterior renovation of the former Allen County Small Claims Court building. Taxpayer's tenant Aptera to move corporate office into this building.		Estimated start date (*month, day, year*): 8/21/2017 Estimated completion date (*month, day, year*): 3/1/2018

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
87	$6,406,128.00	87	$6,406,128.00	20	$1,495,000.00

SECTION 4 — ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	0.00	
Plus estimated values of proposed project	2,600,000.00	to be determined
Less values of any property being replaced	0.00	
Net estimated values upon completion of project	2,600,000.00	to be determined

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

Estimated solid waste converted (*pounds*) 0.00

Estimated hazardous waste converted (*pounds*) 0.00

Other benefits
None

SECTION 6 — TAXPAYER CERTIFICATION

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

Signature of authorized representative:		Date signed (*month, day, year*): 8/17/17
Printed name of authorized representative: TK Herman	Title: Member	

* Employment figures of taxpayer's affiliated tenant, Aptera Software, Inc.

/

EXIBIT A

THIS FORM HAS BEEN PREPARED FOR USE IN THE STATE OF INDIANA ONLY. THE SELECTION OF A FORM OF INSTRUMENT, FILLING IN BLANK SPACES, STRIKING OUT PROVISIONS, AND INSERTION OF SPECIAL CLAUSES, MAY CONSTITUTE THE PRACTICE OF LAW WHICH SHOULD ONLY BE DONE BY A LAWYER.

TAX KEY NO: 02-12-02-453-003.000-074

WARRANTY DEED

THIS INDENTURE WITNESSETH, that **THE BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEN, INDIANA**, Grantor(s) of Allen County, in the State of Indiana, CONVEYS AND WARRANTS to **CT FINANCIAL BERRY ST, LLC**, an Indiana limited liability company, Grantee(s) of Allen County, in the State of Indiana, in consideration of One Dollar ($1.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the real estate described as follows, in Allen County, in the State of Indiana:

Lot Number 104 in the Original Plat to the City of Fort Wayne, as recorded in Deed Record D, page 169.

Subject to real estate taxes, easements (both visible and invisible), if any, restrictions of record, if any, public rights-of-way, subdivision control, and zoning ordinances.

Dated this 10th day of July, 2017.

THE BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEN, INDIANA

Therese M. Brown

Nelson Peters

F. Nelson Peters

Linda K Bloom

Linda K. Bloom

ATTEST:

Nicholas D. Jordan, Auditor, CPA

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

Before me, a Notary Public in and for said County and State, personally appeared Therese M. Brown, F. Nelson Peters and Linda K. Bloom of The Board of Commissioners of the County of Allen, who acknowledged the execution of the foregoing Deed for and on behalf of said Grantor, and who, having been duly sworn, stated that the representations therein contained are true.

Witness my hand and Notarial Seal this 10 day of July, 2017.

My Commission Expires:

NOTARY PUBLIC NOTARY SEAL STATE OF INDIANA
G. WILLIAM FISHERING
Resident of Allen County
My Commission Expires February 29, 2024

Notary Public

County, Indiana

This instrument was prepared by G. William Fishering (6864-02), Beers Mallers Backs & Salin, LLP, 110 West Berry Street, Suite 1100, Fort Wayne, Indiana 46802.

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law.

GRANTEE(S) ADDRESS: "TAX Bills to: 113 W. Berry St. Ft. Wayne, IN 46802

31L7841

96821
96821A
96821B

Admn. Appr.____________

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Aptera Software, Inc./CT Financial Berry St. LLC is requesting the designation of an Economic Revitalization Area for real property improvements in the amount of $2,600,000. In order to expand, Aptera Software, Inc./CT Financial Berry St. LLC will make real property improvements to a vacant building to which they will relocate.**

EFFECT OF PASSAGE: **Aptera Software, Inc./CT Financial Berry St. LLC will rehabilitate and occupy the former Allen County Courthouse Annex at 113 W. Berry Street which has been vacant since August 2015. 20 new full-time positions will be created and 87 full-time positions will be retained.**

EFFECT OF NON-PASSAGE: **Potential loss of rehabilitation of an existing vacant building and the creation of 20 new full-time positions.**

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

ASSIGNED TO COMMITTEE (CO-CHAIRS): **Geoff Paddock and Jason Arp**

MEMORANDUM

TO: City Council

FROM: Carman Young, Economic Development Specialist

DATE: September 19, 2017

RE: Request for designation by Aptera Software, Inc./CT Financial Berry St. LLC as an ERA for personal property improvements.

BACKGROUND

PROJECT ADDRESS:	**113 W. Berry Street**	PROJECT LOCATED WITHIN:	**EDTA**
PROJECT COST:	**$2,600,000**	COUNCILMANIC DISTRICT:	**5**

COMPANY PRODUCT OR SERVICE: PROJECT DESCRIPTION:	**Aptera Software, Inc./CT Financial Berry St. LLC is a team of digital strategists, software engineers, graphic designers and project managers who assist clients in digital sales and marketing to increase growth and revenue. Aptera Software, Inc./CT Financial Berry St. LLC has purchased a vacant building to which it will make interior and exterior updates prior to relocating to the new address.**

CREATED		RETAINED	
JOBS CREATED (FULL-TIME):	**20**	JOBS RETAINED (FULL-TIME):	**87**
JOBS CREATED (PART-TIME):	**0**	JOBS RETAINED (PART-TIME):	**0**
TOTAL NEW PAYROLL:	**$1,495,000**	TOTAL RETAINED PAYROLL:	**$6,406,128**
AVERAGE SALARY (FULL-TIME NEW):	**$74,750**	AVERAGE SALARY (FULL-TIME RETAINED):	**$73,633**

COMMUNITY BENEFIT REVIEW

Yes ☒ **No** ☐ **N/A** ☐

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

Explain: 113 W. Berry Street is a former Allen County Courthouse Annex that has been vacant since August of 2015.

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 DC-Downtown Core. Use of the 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: Internal and external updates will be made to the building. Exterior updates will include new windows being installed after the removal of the limestone along the front of the building.

Yes ☐ No ☐ N/A ☒ Project encourages the improvement or replacement of obsolete manufacturing and/or research and development and/or information technology and/or logistical distribution equipment?

Yes ☐ No ☐ N/A ☒ Project will result in significant conversion of solid waste or hazardous waste into energy or other useful products?

Yes ☐ No ☐ N/A ☒ Project encourages preservation of 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: 87 full-time positions will be retained and 20 new full-time positions will be created.**

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 vacant building deduction is one year.

Under Fort Wayne Common Council's tax abatement policies and procedures, Aptera Software, Inc./CT Financial Berry St. LLC is eligible for a ten year deduction on real property improvements and is eligible for a one year vacant building deduction. 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: Carma J

Economic Development Specialist

FORT WAYNE COMMUNITY DEVELOPMENT DIVISION

TAX ABATEMENT - ESTIMATE OF SAVINGS

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

Aptera Software, Inc./CT Financial Berry St. LLC

REAL PROPERTY TAX ABATEMENT - 10 yr Schedule

Year	Cash Value	True Tax Value	Assessed Value	Tax Abatement %	Tax Paid %	Deduction	Taxable AV	Tax Rate	Tax Paid	Tax Saved
1	$2,600,000	$2,600,000	$2,600,000	100%	0%	$2,600,000	$0	0.035721	$0	$92,875
2	$2,600,000	$2,600,000	$2,600,000	95%	5%	$2,470,000	$130,000	0.035721	$4,644	$88,231
3	$2,600,000	$2,600,000	$2,600,000	80%	20%	$2,080,000	$520,000	0.035721	$18,575	$74,300
4	$2,600,000	$2,600,000	$2,600,000	65%	35%	$1,690,000	$910,000	0.035721	$32,506	$60,368
5	$2,600,000	$2,600,000	$2,600,000	50%	50%	$1,300,000	$1,300,000	0.035721	$46,437	$46,437
6	$2,600,000	$2,600,000	$2,600,000	40%	60%	$1,040,000	$1,560,000	0.035721	$55,725	$37,150
7	$2,600,000	$2,600,000	$2,600,000	30%	70%	$780,000	$1,820,000	0.035721	$65,012	$27,862
8	$2,600,000	$2,600,000	$2,600,000	20%	80%	$520,000	$2,080,000	0.035721	$74,300	$18,575
9	$2,600,000	$2,600,000	$2,600,000	10%	90%	$260,000	$2,340,000	0.035721	$83,587	$9,287
10	$2,600,000	$2,600,000	$2,600,000	5%	95%	$130,000	$2,470,000	0.035721	$88,231	$4,644
11	$2,600,000	$2,600,000	$2,600,000	0%	0%	$0	$0	0.035721	$0	$0

TOTAL TAX SAVED REAL PROPERTY (10 yrs on 10 yr deduction **$459,729**
TOTAL TAX PAID REAL PROPERTY (10 yrs on 10 yr deduction **$469,017**

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

VACANT PROPERTY TAX ABATEMENT- One yr Schedule

Year	Assessed Value	Tax Abatement %	Tax Paid %	Deduction	Taxable AV	Tax Rate	Tax Paid	Tax Saved
1	$800,100	100%	0%	$800,100	$0	0.035721	$0	$28,580
2	$800,100	0%	100%	$0	$800,100	0.035721	$28,580	$0

TOTAL TAX SAVED REAL PROPERTY (1 yr on 1 yr deduction) **$28,580**
TOTAL TAX PAID REAL PROPERTY (1 yr on 1 yr deduction) **$28,580**

Real Property Abatements

Tax Abatement Review System

Aptera Software, Inc./CT Financial Berry St. LLC		Points Possible	Points Awarded

INVESTMENT (30 points possible)

Total new investment in real property (new structures and/or rehabilitation)			
Over $1,000,000	$2,600,000	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	$23,853	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	$86,519	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	
$10,000 to $29,999	$20,182	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%	75%	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	87	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	20	4	4
1 to 9		2	

WAGES (20 points possible)

Median salary of the jobs created and/or retained			
Over $47,999	$65,000	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 82

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

Located in an EDTA 10 year phase-in

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

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%	