BILL NO. R-17-10-18

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 7127, 7205, 7111 S. Hanna St., Fort Wayne, Indiana 46816 (Fort Wayne AAL, LP/Vermilion Development, LLC)

WHEREAS, Petitioner has duly filed its petition dated September 28, 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 35 full-time, permanent jobs for a new total annual payroll of $1,539,000, with the average current, annual job salary being $43,971; and

WHEREAS, the total estimated project cost is $23,000,000; 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.

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.

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).

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.

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

SECTION 11. 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 12. That, this Resolution shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.

_____
Member of Council

APPROVED AS TO FORM AND LEGALITY

_____
Carol Helton, City Attorney

CITY OF FT WAYNE

OCT 11 2017

COMMUNITY DEVL.

03/2013

ECONOMIC REVITALIZATION AREA APPLICATION
CITY OF FORT WAYNE, INDIANA

APPLICATION IS FOR: (Check appropriate box(es))

- [x] **Real Estate Improvements**
- [ ] **Personal Property Improvements**
- [ ] **Vacant Commercial or Industrial Building**

Total cost of real estate improvements:	$ 23,000,000
Total cost of manufacturing equipment improvements:	
Total cost of research and development equipment improvements:	
Total cost of logistical distribution equipment improvements:	
Total cost of information technology equipment improvements:	
TOTAL OF ABOVE IMPROVEMENTS:	$ 23,000,000

GENERAL INFORMATION

Real property taxpayer's name: Fort Wayne AAL LP

Personal property taxpayer's name:

Telephone number: 312-239-3535

Address listed on tax bill: TBD (currently: 7127, 7205, 7111 S Hanna St.)

Name of company to be designated, if applicable:

Year company was established: 2017

Address of property to be designated: TBD (currently: 7127, 7205, 7111 S Hanna St.)

Real estate property identification number: TBD

Contact person name: Ari Parritz

Contact person telephone number: (312) 239-3535 Contact person Email: Ari@vermiliondevelopment.co

Contact person address: 401 N Franklin St, Suite 4 South, Chicago, IL 60654

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
David Cocagne	President	401 N Franklin St, Suite 4 South, Chicago, IL (	(312) 239-3534

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

NAME	PERCENTAGE
Affordable Housing Partners (Limited Partner)	99.99
General Partner:	.01%
David Cocagne	72.50%
The Mark J. Laubacher Trust	25%
Darrin Jolas	2.50%

☐ 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? _____

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? <10%

What is the company's primary North American Industrial Classification Code (NAICs)? 623312

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

The company provides affordable assisted living facilities and services

Dollar amount of annual sales for the last three years:

Year	Annual Sales
N/A	

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

Customer Name	City/State	Annual Gross Sales
N/A		

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

Supplier Name	City/State	Annual Gross Purchases
N/A		

List the company's top three competitors:

Competitor Name	City/State
N/A	

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

The project involves the construction and operation of an affordable assisted living community containing 119 residential units.

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 property is not currently served by the City of Fort Wayne's sanitary sewer system. In order to develop a new structure on this site the sanitary sewer line must be extended to service it, which costs in excess of $100,000. In addition, due to this property type and its location in the Southtown neighborhood, the sewer connection fee is calculated to be over $80,000 over similar connections in other Indiana markets.

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:

There are 3 single family homes currently on the property, 2 of which are vacant.

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

Poor. They would involve extensive rehabilitation should they remain a single family homes. Further, each home is serviced by a standalone septic tank which the city has deemed unsuitable for single family residential use. Any new development would require an extension of the sewer line.

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

There will be a brand new 119 unit assisted living community constructed on the site, totaling approximately 100,000 square feet of building area.

Projected construction start (month/year): 01/2018

Projected construction completion (month/year): 02/2019

☐ 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)

N/A

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

☐ Yes ☐ No Will the equipment be leased?

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

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

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

ELIGIBLE VACANT BUILDING INFORMATION

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

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

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

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

Projected occupancy date (month/year): _____

Describe the efforts of the owner or previous owner in regards to selling, leasing or renting the eligible vacant building during the period the eligible vacant building was unoccupied including how much the building was offered for sale, lease, or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied.

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
Administrative		4	$ 223,000
Marketing and Social Pro		4	$ 134,000
Nursing		12	$ 715,000
Dietary Service		5	$ 311,000
Housekeepers and Mainte		10	$ 156,000

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll

PUBLIC BENEFIT INFORMATION

Current Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll

Retained Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll

Additional Part-Time or Temporary Jobs

Occupation	Occupation Code	Number of Jobs	Total Payroll

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

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

List any benefits not mentioned above:

When will you reach the levels of employment shown above? (month/year): 01/2021

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

Dave Cocagne, President

Printed Name and Title of Applicant

10/5/17

Date

CITY OF FT WAYNE
CRY
OCT 11 2017
COMMUNITY DEV'L.

STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS

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

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 provisions of the Indiana Code:
☑ 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: Fort Wayne AAL LP

Address of taxpayer (*number and street, city, state, and ZIP code*): 401 N Franklin, Suite 4 South, Chicago, IL 60654

Name of contact person	Telephone number	E-mail address
Dave Cocagne	(312) 236-3534	Dave.Cocagne@Vermilondevelopment.com

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body:

Resolution number:

Location of property: 7125 S Hanna St.

County: Allen

DLGF taxing district number:

Description of real property improvements, redevelopment, or rehabilitation (*use additional sheets if necessary*): See attached.

Estimated start date (*month, day, year*): 1/1/2018

Estimated completion date (*month, day, year*): 3/1/2019

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
0.00	$0.00	0.00	$0.00	35.00	$1,534,000 ~~$1,300,000.00~~

SECTION 4 — ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	337,000.00	160,100.00
Plus estimated values of proposed project	23,000,000.00	
Less values of any property being replaced	100,000.00	
Net estimated values upon completion of project	22,900,000.00	

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:

Date signed (*month, day, year*): 10/5/17

Printed name of authorized representative: Dave Cocagne

Title: President

vermilion
development

EXHIBIT A

Legal Descriptions

PIN 021225376001000074 - HOME GARDENS ADD LOT 42 SW OF HW (0.12 Acres).

That part of Lot Number Forty-Two (42), in Home Gardens Addition to the City of Fort Wayne, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder lying south and west of U.S. Highway #27, as now established; Together with the north half of vacated Sylvia Street lying west of U.S. Highway #27, as vacated by General Ordinance G-33-98 approved September 25, 1998.

And:

PIN 021225376002000074 - LOT 43 & VAC ST ON N HOME GARDEN ADD EX H/W (0.49 Acres).

PIN 021225376003000074 - LOT 48 HOME GARDENS ADD EX H/W (0.80 Acres).

Lots Numbered Forty-Three (43) and Forty Eight (48) in Home Gardens Addition, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder, except that part sold off for highway purposes in Deed Record 490, pages 526-527; Together with the south half of vacated Sylvia Street lying west of U.S. Highway #27, as vacated by General Ordinance G-33-98 approved September 25, 1998.

And:

PIN 021225376004000074 - LOT 49 HOME GARDENS ADD (0.96 Acres).

Lot Number Forty-Nine (49) in Home Gardens Addition, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder.

And:

PIN 021225376005000074 - LOT 54 HOME GARDENS ADD (0.96 Acres).

Lot 54, Home Gardens Addition to the City of Fort Wayne, according to the plat thereof, as recorded in the Office of the Recorder of Allen County, Indiana, Plat Record 8, page 79.

And:

PIN 021225376006000074 - LOT 55 HOME GARDENS ADD (0.96 acres).

Lot Number 55 in Home Gardens Addition, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder

www.vermiliondevelopment.com
401 N. Franklin Street, Suite 4 South · Chicago, Illinois 60654

EXHIBIT B1

vermilion
development

October 4th, 2017

Fort Wayne AAL LP
c/o Vermilion Acquisitions LLC
401 N Franklin St, Suite 4 South
Chicago, IL 60654

VIA E-MAIL: carman.young@cityoffortwayne.org

Regarding: Property Tax Abatement Application for:
7125 S Hanna St, Fort Wayne, IN 46816

To Whom it May Concern:

In an agreement dated April 17th, 2017 Vermilion Acquisitions entered into an option contract to purchase the lots known as 7127, 7205, and 7211 S. Hanna St. These properties are being consolidated into 7125 S Hanna St. The parcels have the following legal descriptions and tax PINS:

021225376001000074 - HOME GARDENS ADD LOT 42 SW OF HW (0.12 Acres).

That part of Lot Number Forty-Two (42), in Home Gardens Addition to the City of Fort Wayne, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder lying south and west of U.S. Highway #27, as now established; Together with the north half of vacated Sylvia Street lying west of U.S. Highway #27, as vacated by General Ordinance G-33-98 approved September 25, 1998.

And:

021225376002000074 - LOT 43 & VAC ST ON N HOME GARDEN ADD EX H/W (0.49 Acres).

021225376003000074 - LOT 48 HOME GARDENS ADD EX H/W (0.80 Acres).

Lots Numbered Forty-Three (43) and Forty Eight (48) in Home Gardens Addition, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder, except that part sold off for highway purposes in Deed Record 490, pages 526-527; Together with the south half of vacated Sylvia Street lying west of U.S. Highway #27, as vacated by General Ordinance G-33-98 approved September 25, 1998.

And:

021225376004000074 - LOT 49 HOME GARDENS ADD (0.96 Acres).

Lot Number Forty-Nine (49) in Home Gardens Addition, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder.

And:

021225376005000074 - LOT 54 HOME GARDENS ADD (0.96 Acres).

Lot 54, Home Gardens Addition to the City of Fort Wayne, according to the plat thereof, as recorded in the Office of the Recorder of Allen County, Indiana, Plat Record 8, page 79.

And:

021225376006000074 - LOT 55 HOME GARDENS ADD (0.96 acres).

Lot Number 55 in Home Gardens Addition, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder

We, the current owners, are aware and understand that Fort Wayne AAL LP is seeking to designate the properties as an Economic Revitalization Area prior to Fort Wayne AAL LP's closing of the sale of the properties.

PURCHASER:

Vermilion Acquisitions, LLC

By: _____
Name: _____
Its: _____

Jeana Bodart, Owner

7113,7121, 7127 Hanna Street

Fort Wayne, IN 46816

Jeana K. Bodart (10-5-12)

Peter & Sandra Meyer, Owners

7205 Hanna Street

Fort Wayne, IN 46816

_____ _____

Gene & Joyce Quickery, Owners

7211 Hanna Street

Fort Wayne, IN 46816

_____ _____

EXHIBIT B2

vermilion
development

October 4th, 2017

Fort Wayne AAL LP
c/o Vermilion Acquisitions LLC
401 N Franklin St, Suite 4 South
Chicago, IL 60654

VIA E-MAIL: carman.young@cityoffortwayne.org

Regarding: Property Tax Abatement Application for:
7125 S Hanna St, Fort Wayne, IN 46816

To Whom it May Concern:

In an agreement dated April 17th, 2017 Vermilion Acquisitions entered into an option contract to purchase the lots known as 7127, 7205, and 7211 S. Hanna St. These properties are being consolidated into 7125 S Hanna St. The parcels have the following legal descriptions and tax PINS:

021225376001000074 - HOME GARDENS ADD LOT 42 SW OF HW (0.12 Acres).

That part of Lot Number Forty-Two (42), in Home Gardens Addition to the City of Fort Wayne, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder lying south and west of U.S. Highway #27, as now established; Together with the north half of vacated Sylvia Street lying west of U.S. Highway #27, as vacated by General Ordinance G-33-98 approved September 25, 1998.

And:

021225376002000074 - LOT 43 & VAC ST ON N HOME GARDEN ADD EX H/W (0.49 Acres).

021225376003000074 - LOT 48 HOME GARDENS ADD EX H/W (0.80 Acres).

Lots Numbered Forty-Three (43) and Forty Eight (48) in Home Gardens Addition, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder, except that part sold off for highway purposes in Deed Record 490, pages 526-527; Together with the south half of vacated Sylvia Street lying west of U.S. Highway #27, as vacated by General Ordinance G-33-98 approved September 25, 1998.

And:

021225376004000074 - LOT 49 HOME GARDENS ADD (0.96 Acres).

Lot Number Forty-Nine (49) in Home Gardens Addition, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder.

And:

021225376005000074 - LOT 54 HOME GARDENS ADD (0.96 Acres).

Lot 54, Home Gardens Addition to the City of Fort Wayne, according to the plat thereof, as recorded in the Office of the Recorder of Allen County, Indiana, Plat Record 8, page 79.

And:

021225376006000074 - LOT 55 HOME GARDENS ADD (0.96 acres).

Lot Number 55 in Home Gardens Addition, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder

We, the current owners, are aware and understand that Fort Wayne AAL LP is seeking to designate the properties as an Economic Revitalization Area prior to Fort Wayne AAL LP's closing of the sale of the properties.

PURCHASER:

Vermilion Acquisitions, LLC

By: _____
Name: _____
Its: _____

Jean Bodart, Owner

7113,7121, 7127 Hanna Street

Fort Wayne, IN 46816

_____ _____

Peter & Sandra Meyer, Owners

7205 Hanna Street

Fort Wayne, IN 46816

_____ _____

Gene & Joyce Quickery, Owners

7211 Hanna Street

Fort Wayne, IN 46816

_____ _____

EXHIBIT B3

vermilion
development

October 4th, 2017

Fort Wayne AAL LP
c/o Vermilion Acquisitions LLC
401 N Franklin St, Suite 4 South
Chicago, IL 60654

VIA E-MAIL: carman.young@cityoffortwayne.org

Regarding: Property Tax Abatement Application for:
7125 S Hanna St, Fort Wayne, IN 46816

To Whom it May Concern:

In an agreement dated April 17th, 2017 Vermilion Acquisitions entered into an option contract to purchase the lots known as 7127, 7205, and 7211 S. Hanna St. These properties are being consolidated into 7125 S Hanna St. The parcels have the following legal descriptions and tax PINS:

021225376001000074 - HOME GARDENS ADD LOT 42 SW OF HW (0.12 Acres).

That part of Lot Number Forty-Two (42), in Home Gardens Addition to the City of Fort Wayne, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder lying south and west of U.S. Highway #27, as now established; Together with the north half of vacated Sylvia Street lying west of U.S. Highway #27, as vacated by General Ordinance G-33-98 approved September 25, 1998.

And:

021225376002000074 - LOT 43 & VAC ST ON N HOME GARDEN ADD EX H/W (0.49 Acres).

021225376003000074 - LOT 48 HOME GARDENS ADD EX H/W (0.80 Acres).

Lots Numbered Forty-Three (43) and Forty Eight (48) in Home Gardens Addition, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder, except that part sold off for highway purposes in Deed Record 490, pages 526-527; Together with the south half of vacated Sylvia Street lying west of U.S. Highway #27, as vacated by General Ordinance G-33-98 approved September 25, 1998.

And:

021225376004000074 - LOT 49 HOME GARDENS ADD (0.96 Acres).

Lot Number Forty-Nine (49) in Home Gardens Addition, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder.

And:

021225376005000074 - LOT 54 HOME GARDENS ADD (0.96 Acres).

Lot 54, Home Gardens Addition to the City of Fort Wayne, according to the plat thereof, as recorded in the Office of the Recorder of Allen County, Indiana, Plat Record 8, page 79.

And:

021225376006000074 - LOT 55 HOME GARDENS ADD (0.96 acres).

Lot Number 55 in Home Gardens Addition, as recorded in Plat Record 8, page 79 in the Office of the Allen County Recorder

We, the current owners, are aware and understand that Fort Wayne AAL LP is seeking to designate the properties as an Economic Revitalization Area prior to Fort Wayne AAL LP's closing of the sale of the properties.

PURCHASER:

Vermilion Acquisitions, LLC

By: _____
Name: _____
Its: _____

Jean Bodart, Owner

7113,7121, 7127 Hanna Street

Fort Wayne, IN 46816

_____ _____

Peter & Sandra Meyer, Owners

7205 Hanna Street

Fort Wayne, IN 46816

_____ _____

Gene & Joyce Quickery, Owners

7211 Hanna Street

Fort Wayne, IN 46816

Joyce S. Quickery
10/6/2017

Admn. Appr._____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **Fort Wayne AAL, LP/Vermilion Development, LLC is requesting the designation of an Economic Revitalization Area for eligible vacant real property improvements in the amount of $23,000,000. Fort Wayne AAL, LP/Vermilion Development, LLC will construct a 119 unit affordable assisted living facility.**

EFFECT OF PASSAGE: **Investment of $23,000,000 and the creation of 35 full-time jobs.**

EFFECT OF NON-PASSAGE: **Potential loss of investment and creation of 35 full-time jobs.**

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

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

MEMORANDUM

TO: City Council

FROM: Carman Young, Economic Development Specialist

DATE: October 17, 2017

RE: Request for designation by Fort Wayne AAL, LP/Vermilion Development, LLC as an ERA for real property improvements.

BACKGROUND

PROJECT ADDRESS:	**7127, 7205, 7111 S. Hanna St.**	PROJECT LOCATED WITHIN:	**EDTA**
PROJECT COST:	**$23,000,000**	COUNCILMANIC DISTRICT:	**1**

COMPANY PRODUCT OR SERVICE:	**Fort Wayne AAL, LP/Vermilion Development, LLC provides affordable assisted living facilities and services.**
PROJECT DESCRIPTION:	**Fort Wayne AAL, LP/Vermilion Development, LLC will construct a 119 unit affordable assisted living facility.**

CREATED		RETAINED	
JOBS CREATED (FULL-TIME):	**35**	JOBS RETAINED (FULL-TIME):	**0**
JOBS CREATED (PART-TIME):	**0**	JOBS RETAINED (PART-TIME):	**0**
TOTAL NEW PAYROLL:	**$1,539,000**	TOTAL RETAINED PAYROLL:	**0**
AVERAGE SALARY (FULL-TIME NEW):	**$59,583**	AVERAGE SALARY (FULL-TIME RETAINED):	**0**

COMMUNITY BENEFIT REVIEW

Yes ☒ **No** ☐ **N/A** ☐

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

Explain: Some of the lots for this project are vacant. A new affordable assisted living facility will be constructed.

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 RP-Planned Residential. 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: Three older residential structures will be demolished. A new affordable assisted living facility will be constructed.

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: 35 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 period of deduction for real property is 10 years.
2. The project is located within an Economic Development Target Area

Under Fort Wayne Common Council's tax abatement policies and procedures, Fort Wayne AAL, LP/Vermilion Development, LLC is eligible for a 10 year deduction on real 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: Carman V

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

Fort Wayne AAL, LP/Vermilion Development

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	$23,000,000	$23,000,000	$23,000,000	100%	0%	$23,000,000	$0	0.035721	$0	$821,583
2	$23,000,000	$23,000,000	$23,000,000	95%	5%	$21,850,000	$1,150,000	0.035721	$41,079	$780,504
3	$23,000,000	$23,000,000	$23,000,000	80%	20%	$18,400,000	$4,600,000	0.035721	$164,317	$657,266
4	$23,000,000	$23,000,000	$23,000,000	65%	35%	$14,950,000	$8,050,000	0.035721	$287,554	$534,029
5	$23,000,000	$23,000,000	$23,000,000	50%	50%	$11,500,000	$11,500,000	0.035721	$410,792	$410,792
6	$23,000,000	$23,000,000	$23,000,000	40%	60%	$9,200,000	$13,800,000	0.035721	$492,950	$328,633
7	$23,000,000	$23,000,000	$23,000,000	30%	70%	$6,900,000	$16,100,000	0.035721	$575,108	$246,475
8	$23,000,000	$23,000,000	$23,000,000	20%	80%	$4,600,000	$18,400,000	0.035721	$657,266	$164,317
9	$23,000,000	$23,000,000	$23,000,000	10%	90%	$2,300,000	$20,700,000	0.035721	$739,425	$82,158
10	$23,000,000	$23,000,000	$23,000,000	5%	95%	$1,150,000	$21,850,000	0.035721	$780,504	$41,079
11	$23,000,000	$23,000,000	$23,000,000	0%	100%	$0	$23,000,000	0.035721	$821,583	$0

TOTAL TAX SAVED REAL PROPERTY (10 yrs on 10 yr deduction **$4,066,836**

TOTAL TAX PAID REAL PROPERTY (10 yrs on 10 yr deduction **$4,970,577**

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

Real Property Abatements

Tax Abatement Review System

Fort Wayne AAL, LP/Vermilion Development		Points Possible	Points Awarded
INVESTMENT (30 points possible)			
Total new investment in real property (new structures and/or rehabilitation)			
Over $1,000,000	$23,000,000	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	$657,142	10	10
$18,500 to $34,999		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		5	
$30,000 to $79,999		4	
$10,000 to $29,999		3	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	$20,776	4	8
$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	
50% to 74%		10	
25% to 49%		5	
JOBS (20 points possible)			
Total number of permanent jobs retained			
Over 250		10	
100 to 249		8	
50 to 99		6	
25 to 49		4	
10 to 24		2	
1 to 9		1	
Total number of permanent jobs created (Double for start-up)			
Over 100		10	
50-99		8	
25-49		6	12
10-24		4	
1 to 9		2	
WAGES (20 points possible)			
Median salary of the jobs created and/or retained			
Over $47,999		20	20
$43,000 to $47,999		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	5

Total	83

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

Five year phase-in

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

Real Property Deduction Schedules
10 year
Year 1: 100%
Year 2: 95%
Year 3: 80%
Year 4: 65%
Year 5: 50%
Year 6: 40%
Year 7: 30%
Year 8: 20%
Year 9: 10%
Year 10: 5%
Year 11: 0%
7 year
Year 1: 100%
Year 2: 85%
Year 3: 71%
Year 4: 57%
Year 5: 43%
Year 6: 29%
Year 7: 14%
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%

Alternative Deduction Real Property Schedules
10 Year
Year 1: 100%
Year 2: 100%
Year 3: 100%
Year 4: 100%
Year 5: 100%
Year 6: 90%
Year 7: 80%
Year 8: 65%
Year 9: 50%
Year 10: 40%
7 Year
Year 1: 100%
Year 2: 100%
Year 3: 100%
Year 4: 100%
Year 5: 100%
Year 6: 71%
Year 7: 43%