

A DECLARATORY RESOLUTION designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for property commonly known as 4604 Arden Drive, Fort Wayne, Indiana 46804 (KDS Investment Properties, LLC/RetirementHomeTV Corporation)

WHEREAS, Petitioner has duly filed its petition dated February 14, 2018 to have the following described property designated and declared an "Economic Revitalization Area" under Sections 153.13-153.24 of the Municipal Code of the City of Fort Wayne, Indiana, and I.C. 6-1.1-12.1, to wit:

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

WHEREAS, said project will create eight full-time, permanent jobs for a total new, annual payroll of \$360,000, with the average new annual job salary being \$45,000 and retain 22 full-time, permanent jobs for a total current annual payroll of \$1,590,000, with the average current, annual job salary being \$44,008; and

WHEREAS, the total estimated project cost is \$797,000; 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 logistical distribution and information technology
4 equipment improvements to be made between March 1, 2018 and July 31, 2018.

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 personal property for new logistical distribution and information technology
9 equipment, all contained in Petitioner's Statement of Benefits, are reasonable and are
10 benefits that can be reasonably expected to result from the proposed described
11 redevelopment or rehabilitation and from the installation of personal property for new
12 logistical distribution and information technology 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 \$3.5721/\$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 \$3.5721/\$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 \$3.5721/\$100 (the change would be negligible).
- 23 (d) If the proposed new logistical distribution and information technology equipment
24 is not installed, the approximate current year tax rates for this site would be
25 \$3.5721/\$100.
- 26 (e) If the proposed new logistical distribution and information technology equipment
27 is installed and no deduction is granted, the approximate current year tax rate for
28 the site would be \$3.5721/\$100 (the change would be negligible).
- 29 (f) If the proposed new logistical distribution and information technology equipment
30 is installed and a deduction percentage of eighty percent (80%) 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 seven years,

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

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

Year of Deduction	Percentage
1	100%
2	85%
3	71%
4	57%
5	43%
6	29%
7	14%
8	0%

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

Year of Deduction	Percentage
1	100%
2	80%
3	60%
4	40%
5	20%
6	0%

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

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

26 **SECTION 13.** That, pursuant to I.C. 6-1.1-12.1-12 et al, any property owner that
27 has received a deduction under section 3 or 4.5 of this chapter may be required to repay the
28 deduction amount as determined by the county auditor in accordance with section 12 of said
29 chapter if the property owner ceases operations at the facility for which the deduction was
30 granted and if the Common Council finds that the property owner obtained the deduction by

1 intentionally providing false information concerning the property owner's plans to continue
2 operation at the facility.

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

5
6 _____
Member of Council

7
8 APPROVED AS TO FORM AND LEGALITY

9
10 _____
Carol Helton, City Attorney



FEB 14 2018

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:

\$ 767,000

Total cost of manufacturing equipment improvements:

Total cost of research and development equipment improvements:

Total cost of logistical distribution equipment improvements:

\$ 5,000

Total cost of information technology equipment improvements:

\$ 25,000

TOTAL OF ABOVE IMPROVEMENTS:

\$ 797,000

GENERAL INFORMATION

Real property taxpayer's name: KDS INVESTMENT PROPERTIES LLC

Personal property taxpayer's name: RETIREMENTHOMETV CORPORATION

Telephone number: 260-471-3474

Address listed on tax bill: 4604 ARDEN DR., FORT WAYNE, IN 46804

Name of company to be designated, if applicable: KDS INVESTMENT PROPERTIES, LLC

Year company was established: 2014

Address of property to be designated: 4604 ARDEN DR., FORT WAYNE, IN 46804

Real estate property identification number:

Contact person name: KURT SCHLABACH

Contact person telephone number: (260) 341-1516

Contact person Email: KURT@RETIREMENTHOMI

Contact person address: 12229 MCKAYS POINTE, FORT WAYNE, IN 46814

List company officer and/or principal operating personnel

NAME	TITLE	ADDRESS	PHONE NUMBER
KURT SCHLABACH	PRESIDENT	12229 MCKAYS POINTE, FORT WAYNE, I	(260) 341-1516

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

NAME	PERCENTAGE
KURT SCHLABACH	100

- ☐ Yes ☒ No Are any elected officials shareholders or holders of any debt obligation of the applicant or operating business? If yes, who? (name/title) _____
- ☒ Yes ☐ No Is the property for which you are requesting ERA designation totally within the corporate limits of the City of Fort Wayne?
- ☐ Yes ☒ No Do you plan to request state or local assistance to finance public improvements?
- ☐ Yes ☒ No Is the property for which you are requesting ERA designation located in an Economic Development Target Area (EDTA)? (see attached map for current areas)
- ☐ Yes ☒ No Does the company's business include a retail component? If yes, answer the following questions:
 What percentage of floor space will be utilized for retail activities? _____
 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? 95

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

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

ELECTRONIC ASSEMBLY OF SATELLITE TV SYSTEMS FOR SENIOR LIVING

Dollar amount of annual sales for the last three years:

Year	Annual Sales
2015	\$ 11,986,000.00
2016	\$ 13,248,000
2017	\$ 15,609,000

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

Customer Name	City/State	Annual Gross Sales

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

Supplier Name	City/State	Annual Gross Purchases
ATT DIRECTV	DALLAS, TX	\$ 7,000,000,000
PERFECT 10	LITTLE ROCK, AR	\$ 2,000,000
NORTH AMERICAN CABLE	CHESTERFIELD, PA	\$ 1,000,000

List the company's top three competitors:

Competitor Name	City/State
SENIOR TV	AKRON, OH
BULK TV	RALEIGH, NC
GROOVE ENTERTAINMENT	SALT LAKE CITY, UT

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

CUSTOM BUILT SATELITE TV SYSTEMS FOR SENIOR LIVING COMMUNITIES NATIONWIDE

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 CURRENTLY UNDEVELOPED LAND. IMPROVEMENTS IMPLEMENTED WILL ADD TO ALLEN COUNTY EMPLOYMENT, REAL ESTATE TAX BASE AND PROVIDE AN INCREASE IN OVERALL LAND VALUE SURROUNDING THE DEVELOPMENT.

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:

10,750 SQUARE FOOT INDUSTRIAL BUILDING WITH 17 PARKING SPACES

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

CLASS A INDUSTRIAL REAL ESTATE DEVELOPED IN 2014

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

10,120 SQUARE FEET ADDITION TO CLIMATE CONTROLLED WAREHOUSE PLUS 1100 SQUARE FOOT INTERIOR ADDITION TO OFFICE SPACE TO INCLUDE ADDING TO EMPLOYEE WORKSTATIONS, RESTROOMS, AND BREAKROOM AREAS.

Projected construction start (month/year): 03/2018

Projected construction completion (month/year): 07/2018

☐ 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 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)

FORK LIFT, RACKING, INDUSTRIAL SCALE, (7) COMPUTERS INCLUDING SOFTWARE, W/MONITORS, ETC.,

☐ 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): 04/2018

Date last piece of equipment will be installed (month/year): 07/2018

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

IMMEDIATE

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

Retained Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
ADMINISTRATIVE	13-1199	13	\$ 600,000
CEO	11-1011	1	██████████
FINANCIAL	11-3031	2	\$ 115,000
SALES	41-4011	4	\$ 200,000
PRODUCTION	51-2022	2	\$ 160,000

Additional Full-Time Employment

Occupation	Occupation Code	Number of Jobs	Total Payroll
SALES	41-4011	4	\$ 200,000
PRODUCTION	51-2022	4	\$ 160,000

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

List any benefits not mentioned above:

401K, DEFINED BENEFIT, CASH BALANCE, PROFIT SHARING

When will you reach the levels of employment shown above? (month/year): 04/2019

REQUIRED ATTACHMENTS

The following must be attached to the application.

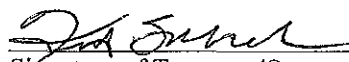
1. **Statement of Benefits Form(s) (first page/front side completed)**
2. **Full legal description of property and a plat map identifying the property boundaries. (Property tax bill legal descriptions are not sufficient.) Should be marked as Exhibit A.**
3. **Check for non-refundable application fee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

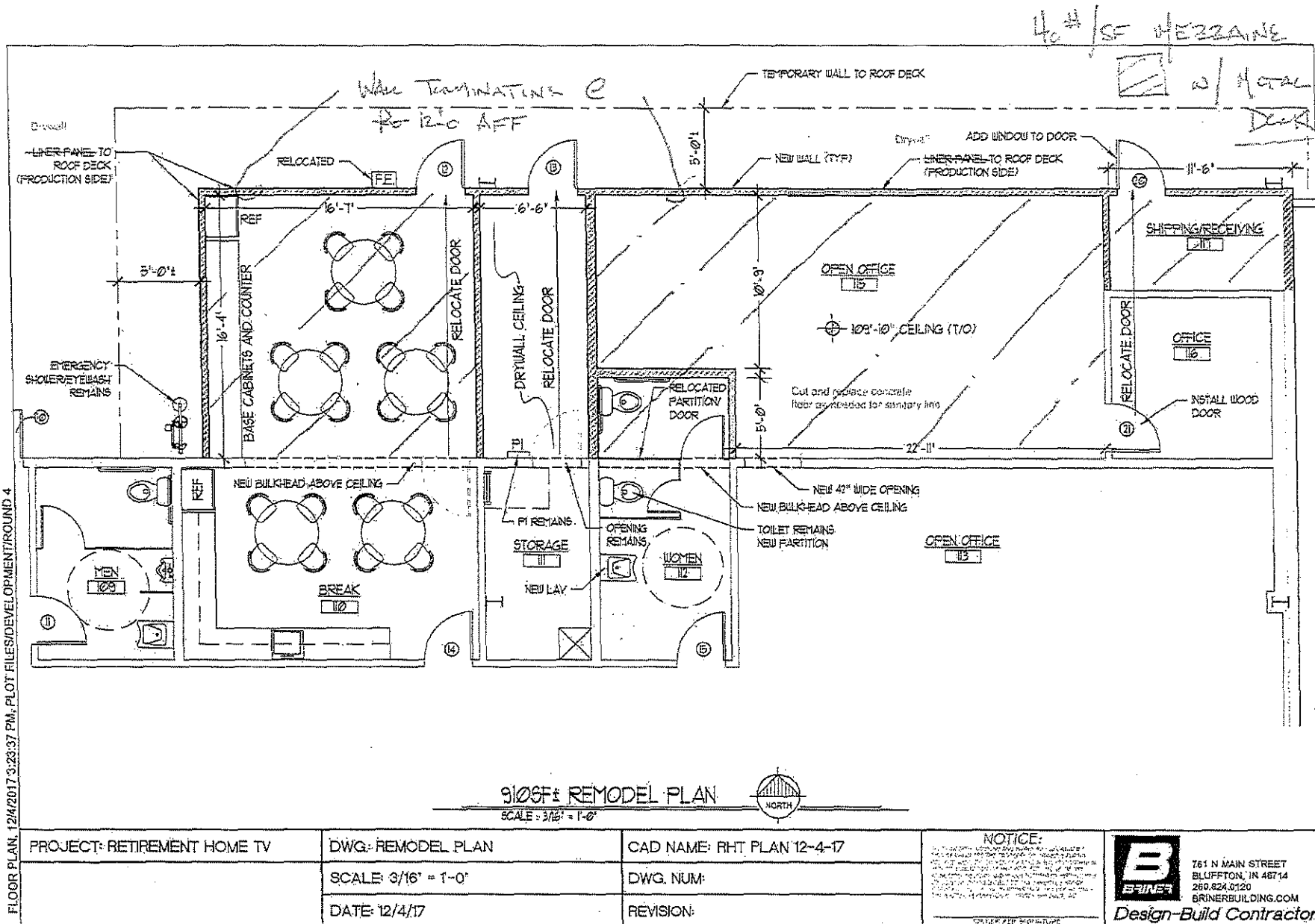
I understand that I must file a correctly completed Compliance with Statement of Benefits Form (CF-1/Real Property for real property improvements, CF-1/PP for personal property improvements, and CF-1/VBD for vacant building deduction) and the Public Benefit Annual Update with the City of Fort Wayne Community 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

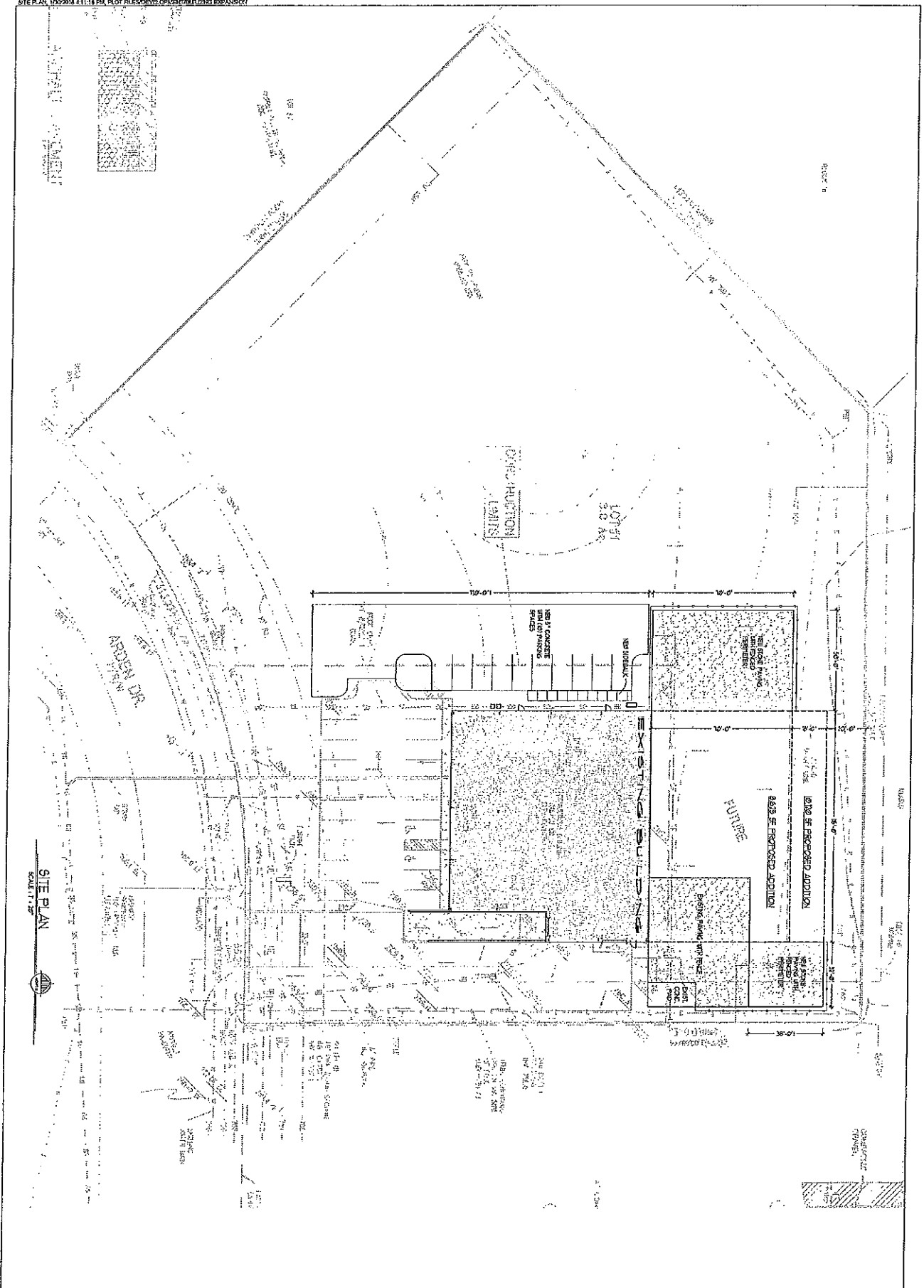
Kurt Schlabsch - President
Printed Name and Title of Applicant

2/12/18
Date

FLOOR PLAN, 12/4/2017 3:23:37 PM, PLOT FILES\DEVELOPMENT\ROUND 4



Plans 2/8/18 Interior Addition



SITE PLAN PROJECT FOR: RETIREMENT HOME TV 4604 ARDEN DR. Fort Wayne, Indiana 46804	Date: _____ No.: _____ Remarks: _____ By: _____		 761 N MAIN STREET BLUFFTON, IN 46714 (260) 824-0120 BRINERBUILDING.COM Design/Build Contractor
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STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R6 / 10-14)

Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

FEB 14 2018

20 PAY 20

FORM SB-1 / Real Property

PRIVACY NOTICE

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

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- ☒ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
☐ Residentially distressed area (IC 6-1.1-12.1-4.1)

COMMUNITY DEVL

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 KDS INVESTMENT PROPERTIES		
Address of taxpayer (number and street, city, state, and ZIP code) 12229 MCKAYS POINTE, FORT WAYNE, IN 46814		
Name of contact person KURT SCHLABACH	Telephone number (260) 341-1516	E-mail address KURT@RETIREMENTHOMETV.COM

SECTION 2

LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body RETIREMENTHOMETV CORPORATION		Resolution number
Location of property 4604 ARDEN DR., FORT WAYNE IN 46804	County ALLEN	DLGF taxing district number
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary)		Estimated start date (month, day, year) 03/01/2018
		Estimated completion date (month, day, year) 07/31/2018

SECTION 3

ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
22.00	\$1,335,000.00	22.00	\$1,335,000.00	8.00	\$360,000.00

SECTION 4

ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	700,000.00	700,000.00
Plus estimated values of proposed project	787,000.00	747,000.00
Less values of any property being replaced		
Net estimated values upon completion of project	1,514,000.00	1,514,000.00

SECTION 5

WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) _____	Estimated hazardous waste converted (pounds) _____
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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) 2/14/18
Printed name of authorized representative Kurt Schlachach	Title President

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

A. The designated area has been limited to a period of time not to exceed _____ calendar years* (see below). The date this designation expires is December 31, 2021.

B. The type of deduction that is allowed in the designated area is limited to:

1. Redevelopment or rehabilitation of real estate improvements ☒ Yes ☐ No
 2. Residentially distressed areas ☐ Yes ☒ No

C. The amount of the deduction applicable is limited to \$ _____.

D. Other limitations or conditions (specify) _____

E. Number of years allowed: ☐ Year 1 ☐ Year 2 ☐ Year 3 ☐ Year 4 ☐ Year 5 (* see below)
☐ Year 6 ☒ Year 7 ☐ Year 8 ☐ Year 9 ☐ Year 10

F. For a statement of benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?

☒ Yes ☐ No

If yes, attach a copy of the abatement schedule to this form.

If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

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

Approved (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by (signature and title of attester)	Printed name of attester	

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

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

IC 6-1.1-12.1-17

Abatement schedules

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

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

2

401 SUNNYVALE CIRCLE
RIDGE WEST, 41004, ALABAMA



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R4 / 11-15)

Prescribed by the Department of Local Government Finance

CITY OF FT WAYNE

FEB 14 2018

COMMUNITY DEV

FORM SB-1 / PP

PRIVACY NOTICE

Any information concerning the post of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-9.1.

INSTRUCTIONS

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

SECTION 1

TAXPAYER INFORMATION

Name of taxpayer KDS INVESTMENT PROPERTIES LLC	Name of contact person KURT SCHLABACH
Address of taxpayer (number and street, city, state, and ZIP code) 12229 MCKAYS POINTE, FORT WAYNE, IN 46814	Telephone number (260) 341-1516

SECTION 2

LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body RETIREMENTHOMETV CORPORATION	Resolution number (s)
Location of property 4604 ARDEN DR., FT. WAYNE, IN 46804	County ALLEN
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) FORK LIFT, RACKING, INDUSTRIAL SCALE, (7) COMPUTERS INCLUDING SOFTWARE, W/MONITORS, ETC.,	DLGF taxing district number
	ESTIMATED
	START DATE COMPLETION DATE
Manufacturing Equipment	
R & D Equipment	
Logist Dist Equipment	04/01/2018 07/31/2018
IT Equipment	04/01/2018 07/31/2018

SECTION 3

ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number 22	Salaries 1335000	Number retained 22	Salaries 1335000	Number additional 8	Salaries 360000
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SECTION 4

ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values	100,000	100,000					250,000	250,000
Plus estimated values of proposed project					5,000	5,000	25,000	25,000
Less values of any property being replaced								
Net estimated values upon completion of project	100,000	100,000			5,000	5,000	275,000	275,000

SECTION 5

WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds)	Estimated hazardous waste converted (pounds)
Other benefits:	

SECTION 6

TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.	
Signature of authorized representative <i>Kurt Schlabach</i>	Date signed (month, day, year) <i>2/12/18</i>
Printed name of authorized representative <i>Kurt Schlabach</i>	Title <i>President</i>

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **KDS Investment Properties, LLC/RetirementHomeTV Corporation is requesting the designation of an Economic Revitalization Area for eligible real property and personal property improvements. KDS Investment Properties, LLC/RetirementHomeTV Corporation will construct a 10,120 square foot addition to their existing warehouse, increase internal office space by 1,100 square feet, and purchase and install new logistical distribution and information technology equipment.**

EFFECT OF PASSAGE: **Investment of \$757,000, eight new full-time jobs and 22 full-time jobs retained with a combined annual payroll of \$1,695,000.**

EFFECT OF NON-PASSAGE: **Potential loss of investment, eight new full-time jobs and 22 full-time jobs retained.**

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: February 22, 2018

RE: Request for designation by KDS Investment Properties, LLC/RetirementHomeTV Corporation as an ERA for real and personal property improvements.

BACKGROUND

PROJECT ADDRESS:	4604 Arden Drive	PROJECT LOCATED WITHIN:	N/A
PROJECT COST:	\$757,000	COUNCILMANIC DISTRICT:	4

COMPANY PRODUCT OR SERVICE:	KDS Investment Properties, LLC/RetirementHomeTV Corporation custom builds satellite TV systems for senior living communities nationwide.
PROJECT DESCRIPTION:	KDS Investment Properties, LLC/RetirementHomeTV Corporation will make real property improvements by constructing a 10,120 square foot addition to their existing warehouse, increase internal office space by 1,100 square feet, and purchased and install new personal property logistical distribution and information technology equipment.

CREATED

RETAINED

JOBS CREATED (FULL-TIME):	8	JOBS RETAINED (FULL-TIME):	22
JOBS CREATED (PART-TIME):	0	JOBS RETAINED (PART-TIME):	0
TOTAL NEW PAYROLL:	\$360,000	TOTAL RETAINED PAYROLL:	\$1,590,000
AVERAGE SALARY (FULL-TIME NEW):	\$45,000	AVERAGE SALARY (FULL-TIME RETAINED):	\$ 44,008

COMMUNITY BENEFIT REVIEW

Yes ☐ No ☐ N/A ☒

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

Yes ☒ No ☐ N/A ☐

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

Explain: Property to be designated is zoned I-2, General Industrial. 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: Real property improvements will be made by constructing a 10,120 square foot addition to their existing warehouse while also increasing internal office space by 1,100 square feet.

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 logistical distribution and information technology equipment improvements will be made.

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: Eight new full-time jobs will be created and 22 full-time jobs will be retained.

Yes ☒ No ☐ N/A ☐

Taxpayer is NOT delinquent on any or all property tax due to any taxing jurisdiction within Allen County.

POLICY

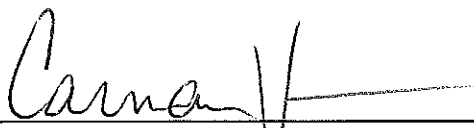
Per the policy of the City of Fort Wayne, the following guidelines apply to this project:

1. The period of deduction for real property is seven years.
2. The period of detection for personal property is five years.

Under Fort Wayne Common Council's tax abatement policies and procedures, KDS Investment Properties, LLC/RetirementHomeTV Corporation is eligible for a seven year deduction on real property improvements and a five year deduction on 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 **KDS Investment Properties/ RetirementHomeTV Corporation**

PERSONAL PROPERTY TAX ABATEMENT - 5 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	\$30,000	40%	\$12,000	\$12,000	100%	0%	\$12,000	\$0	0.035721	\$0	\$429
2	\$30,000	56%	\$16,800	\$16,800	80%	20%	\$13,440	\$3,360	0.035721	\$120	\$480
3	\$30,000	42%	\$12,600	\$12,600	60%	40%	\$7,560	\$5,040	0.035721	\$180	\$270
4	\$30,000	32%	\$9,600	\$9,600	40%	60%	\$3,840	\$5,760	0.035721	\$206	\$137
5	\$30,000	30%	\$9,000	\$9,000	20%	80%	\$1,800	\$7,200	0.035721	\$257	\$64
6	\$30,000	30%	\$9,000	\$9,000	0%	100%	\$0	\$9,000	0.035721	\$321	\$0
TOTAL TAX SAVED									(5 yrs on 5 yr deduction)	<u>\$1,380</u>	
TOTAL TAX PAID									(5 yrs on 5 yr deduction)	<u>\$1,084</u>	

REAL PROPERTY TAX ABATEMENT - 7 yr Schedule

Year	Cash Value	True Tax Value	Assessed Value	Tax Abate %	Tax Paid %	Deduction	Taxable AV	Tax Rate	Tax Paid	Tax Saved
1	\$727,000	\$727,000	\$727,000	100%	0%	\$727,000	\$0	0.035721	\$0	\$25,969
2	\$727,000	\$727,000	\$727,000	85%	15%	\$617,950	\$109,050	0.035721	\$3,895	\$22,074
3	\$727,000	\$727,000	\$727,000	71%	29%	\$516,170	\$210,830	0.035721	\$7,531	\$18,438
4	\$727,000	\$727,000	\$727,000	57%	43%	\$414,390	\$312,610	0.035721	\$11,167	\$14,802
5	\$727,000	\$727,000	\$727,000	43%	57%	\$312,610	\$414,390	0.035721	\$14,802	\$11,167
6	\$727,000	\$727,000	\$727,000	29%	71%	\$210,830	\$516,170	0.035721	\$18,438	\$7,531
7	\$727,000	\$727,000	\$727,000	14%	86%	\$101,780	\$625,220	0.035721	\$22,333	\$3,636
8	\$727,000	\$727,000	\$727,000	0%	100%	\$0	\$727,000	0.035721	\$25,969	\$0

TOTAL TAX SAVED REAL PROPERTY (7 yrs on 7 yr deduction) **\$103,617**
TOTAL TAX PAID REAL PROPERTY (7 yrs on 7 yr deduction) **\$104,136**

TOTAL TAX SAVED PERSONAL & REAL **\$104,997**
TOTAL TAX PAID PERSONAL & REAL **\$105,221**

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

KDS Investment Properties, LLC/RetirementHomeTV Corporation

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	\$727,000	8	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	\$24,233	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		5	
\$30,000 to \$79,999		4	
\$10,000 to \$29,999	\$18,040	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		4	
\$5,000 to \$9,999		3	
\$3,000 to \$4,999	\$4,860	2	2
less than \$3,000		1	

ECONOMIC BASE (20 points possible)

Location Quotient in designated Occupation Code
(use majority Occupation Code of all created and retained jobs)
Greater than 1.0

5

Estimated Percent of Business done outside

Allen County			
Greater than 75%	95%	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		6	
25 to 49		4	
10 to 24	22	2	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		4	
1 to 9	8	2	2

WAGES (20 points possible)

Median salary of the jobs created and/or retained

Over \$47,999		20	
\$43,000 to \$47,999		16	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	66
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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.

Real Property Deduction Schedules	Alternative Deduction Real Property Schedules
10 year	10 Year
Year 1: 100%	Year 1: 100%
Year 2: 95%	Year 2: 100%
Year 3: 80%	Year 3: 100%
Year 4: 65%	Year 4: 100%
Year 5: 50%	Year 5: 100%
Year 6: 40%	Year 6: 90%
Year 7: 30%	Year 7: 80%
Year 8: 20%	Year 8: 65%
Year 9: 10%	Year 9: 50%
Year 10: 5%	Year 10: 40%
Year 11: 0%	
7 year	7 Year
Year 1: 100%	Year 1: 100%
Year 2: 85%	Year 2: 100%
Year 3: 71%	Year 3: 100%
Year 4: 57%	Year 4: 100%
Year 5: 43%	Year 5: 100%
Year 6: 29%	Year 6: 71%
Year 7: 14%	Year 7: 43%
Year 8: 0%	
5 year	
Year 1: 100%	
Year 2: 80%	
Year 3: 60%	
Year 4: 40%	
Year 5: 20%	
Year 6: 0%	
3 year	
Year 1: 100%	
Year 2: 66%	
Year 3: 33%	
Year 4: 0%	

Personal Property Abatements

Tax Abatement Review System

KDS Investment Properties, LLC/RetirementHomeTV Corporation

	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	6	
\$0 to \$499,999	4	4
Investment per employee (both jobs created and retained)		
\$35,000 or more	10	
\$18,500 to \$34,999	8	
\$6,250 to \$18,499	6	
\$1,250 to \$6,249	4	
less than \$1,249	2	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	4	
\$5,000 to \$9,999	3	
\$3,000 to \$4,999	2	
less than \$3,000	1	

ECONOMIC BASE (20 points possible)

Location Quotient in designated Occupation Code (use majority Occupation Code of all created and retained jobs)		
Greater than 1.0	5	
Estimated Percent of Business done outside Allen County		
Greater than 75%	15	15
50% to 74%	10	
25% to 49%	5	

JOBS (20 points possible)

Total number of permanent jobs retained		
Over 250	10	
100 to 249	8	
50 to 99	6	
25 to 49	4	
10 to 24	2	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	4	
1 to 9	2	2

WAGES (20 points possible)

Median salary of the jobs created and/or retained		
Over \$47,999	20	
\$43,000 to \$47,999	16	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	54
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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%	