BILL NO. R-18-11-18

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 4701 W. Washington Center Road, Fort Wayne, Indiana 46825 (AALCO Distributing Company, Inc.)**

**WHEREAS,** Petitioner has duly filed its petition dated October 22, 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 retain 79 full-time, permanent jobs and 15 part-time jobs for a total current annual payroll of $4,579,268, with the average current, annual job salary being $48,715 and ; and

**WHEREAS,** the total estimated project cost is $1,108,286; 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 personal property for new logistical distribution and information technology equipment improvements to be made between November 1, 2018 and May 31, 2019.

**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 new manufacturing equipment, all contained in Petitioner's Statement of Benefits, are reasonable and are benefits that can be reasonably expected to result from the proposed described installation of new logistical distribution and information technology equipment.

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

(a) If the proposed new logistical distribution and information technology equipment is not installed, the approximate current year tax rates for this site would be $3.4092/$100.

(b) If the proposed new logistical distribution and information technology equipment is installed and no deduction is granted, the approximate current year tax rate for the site would be $3.4092/$100 (the change would be negligible).

(c) If the proposed new logistical distribution and information technology equipment is installed and a deduction percentage of eighty percent (80%) is assumed, the approximate current year tax rate for the site would be $3.4092/$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 new logistical distribution and information technology equipment shall be for a period of five years.

**SECTION 8.** The deduction schedule from the assessed value of new logistical distribution and information technology equipment 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% |

**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 said 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 22 2018

COMMUNITY DEVL.

03/2013

# ECONOMIC REVITALIZATION AREA APPLICATION
# CITY OF FORT WAYNE, INDIANA

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

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

**Total cost of real estate improvements:** ____________
**Total cost of manufacturing equipment improvements:** ____________
**Total cost of research and development equipment improvements:** ____________
**Total cost of logistical distribution equipment improvements:** $830,918
**Total cost of information technology equipment improvements:** $277,368

**TOTAL OF ABOVE IMPROVEMENTS:** $1,108,286

## GENERAL INFORMATION

Real property taxpayer's name: AALCO Distributing Company, Inc.

Personal property taxpayer's name: AALCO Distributing Company, Inc.

Telephone number: 260-422-9417

Address listed on tax bill: 909 Grant Avenue, Fort Wayne, IN 46803

Name of company to be designated, if applicable: N/A

Year company was established: Late 1940s

Address of property to be designated: 4701 W. Washington Center Road, Fort Wayne, IN 46825

Real estate property identification number: 02-07-20-100-005.000-073

Contact person name: Greg Dahm

Contact person telephone number: (260) 422-9417 Contact person Email: gdahm@aalcodist.com

Contact person address: 909 Grant Avenue, Fort Wayne, IN 46803

List company officer and/or principal operating personnel

| NAME | TITLE | ADDRESS | PHONE NUMBER |
|---|---|---|---|
| Gregory Dahm | President | 909 Grant Avenue, Fort Wayne, IN 46803 | (260) 422-9417 |
| Debra Niezer | Chief Operating Officer | 909 Grant Avenue, Fort Wayne, IN 46803 | (260) 422-9417 |
| Michael Smith | CFO / Controller | 909 Grant Avenue, Fort Wayne, IN 46803 | (260) 422-9417 |
| Nicole Arivett | V.P. Administration | 909 Grant Avenue, Fort Wayne, IN 46803 | (260) 422-9417 |
| | | | |

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

| NAME | PERCENTAGE |
|---|---|
| See attached | |
| | |
| | |
| | |
| | |

☐ 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? 50%

What is the company's primary North American Industrial Classification Code (NAICs)? 424810

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

Beer wholesaling and distribution to Allen and nine (9) other surrounding Counties.

Dollar amount of annual sales for the last three years:

| Year | Annual Sales |
|---|---|
| 2017 | $ 50,307,545 |
| 2016 | $ 51,737,726 |
| 2015 | $ 50,480,244 |

AALCO Distributing Co., Inc.
Ownership Table
As of June 30, 2018

| | % Ownership |
|---|---|
| Greg Dahm | 38.93% |
| John Dahm | 1.14% |
| William Dahm | 1.14% |
| Gunnar Dahm | 1.14% |
| Deb Niezer | 39.61% |
| Laura Niezer | 1.14% |
| Katie Niezer | 1.14% |
| Molly McGinn | 13.51% |
| L. Joseph McGinn | 1.14% |
| Patrick McGinn | 1.14% |
| | 100.00% |

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

| Customer Name | City/State | Annual Gross Sales |
|---|---|---|
| Belmont | Fort Wayne, IN | $ 4,940,750 |
| Walmart | Allen and surrounding Counties | $ 4,461,646 |
| Krogers | Allen and surrounding Counties | $ 4,446,276 |

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

| Supplier Name | City/State | Annual Gross Purchases |
|---|---|---|
| Anheuser Busch | St. Louis, MO | $ 34,605,879 |
| Constellation Brands | Chicago, IL | $ 3,658,501 |
| Diageo Beer Co-USA | Bridgeport, CT | $ 626,235 |

List the company's top three competitors: N/A

| Competitor Name | City/State |
|---|---|
| Five Star Distributing | Columbia City, IN |
| | |
| | |

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

Beer wholesaling and distribution to Allen and nine (9) other surrounding Counties.

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?

See attached.

AALCO Distributing Company, Inc.
Economic Revitalization Area Application
Personal Property Improvements

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

The property is zoned industrial I-2 and comprises approximately 26 acres of land. The entire property lies within the corporate limits of the City of Fort Wayne. The property was purchased by AALCO Distributing Company, Inc. in 2008. The surrounding area consists of residential to the north and to the west, and commercial to the east and to the south. AALCO Distributing Company, Inc. is developing and constructing its new distribution center on the property. The primary reason for AALCO Distributing Company, Inc. relocating is due to being in six different warehouses at its existing Grant Avenue location. This makes for significant operational inefficiencies as AALCO Distributing Company, Inc. continues to grow. Also, the new location puts AALCO Distributing Company, Inc. on three major transportation corridors (I-69, US 30 and US 33). AALCO Distributing Company, Inc. will be extending utilities throughout the entire property and participate in the construction of certain necessary public stormwater drainage facilities and highway improvements, which when completed will be accepted by the City of Fort Wayne into its public utility and street systems. In addition, AALCO Distributing Company, Inc. will be moving a drainage ditch and building two retention ponds. This area has suffered from a lack of investment and development opportunities. However, given its planned investment, AALCO Distributing Company, Inc. believes this area can become a technology, industrial, and logistical core area for development. For the foregoing reasons, the property does meet the definition of an ERA.

## REAL PROPERTY INFORMATION

Complete this section of the application if you are requesting a deduction from assessed value for real property improvements.

N/A

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

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

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

Projected construction start (month/year): ____________________

Projected construction completion (month/year): ____________________

☐ 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)

See attached list.

☐ 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): 11/2018

Date last piece of equipment will be installed (month/year): First 03/2019 Last 04/2019

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

See attached.

AALCO Distributing Co., Inc.
New Warehouse - 2018
Major Equipment/Personal Property List

| AREA | Equipment | UoM | Cost per | Qty | Total Cost | Depreciable Lives |
|---|---|---|---|---|---|---|
| ***Racking*** | | | | | | |
| POS | Select Rack | Bay | $640 | 31 | $19,840 | 10 yrs |
| Canopy | Select Rack | Bay | $480 | 14 | $6,720 | 10 yrs |
| Cooler | Select Rack | Bay | $700 | 30 | $21,000 | 10 yrs |
| Cooler | Keg Flow | Lane | $100 | 144 | $14,400 | 10 yrs |
| AMB | Select Rack | Bay | $640 | 31 | $19,840 | 10 yrs |
| CEW | Select Rack | Bay | $640 | 100 | $64,000 | 10 yrs |
| CEW | Split Beams | Bay | $80 | 33 | $2,640 | 10 yrs |
| CEW | Carton Flow | Lane | $90 | 224 | $20,160 | 10 yrs |
| DOCK | Over Rack | Bay | $720 | 17 | $12,240 | 10 yrs |
| | | *Rack Subtotal:* | | | *$180,840* | |

| | | | | | | |
|---|---|---|---|---|---|---|
| ***New Forklifts and Pallet Jacks*** | | | | | | |
| Equip | Layer Picker | Unit | $80,000 | 1 | $80,000 | 7 yrs |
| Equip | SW/DW Fork | Unit | $55,000 | 2 | $110,000 | 7 yrs |
| Equip | Dbl Plt Jack | Unit | $15,000 | 2 | $30,000 | 5 yrs |
| | | *Forklift/Pallet Jack Subtotal:* | | | *$220,000* | |

| | | |
|---|---|---|
| ***Refrigeration/Cooling and other Equip*** | | |
| Refrigeration Equipment | $41,824 | 10 yrs |
| Temperature Monitoring Equipment | $16,210 | 10 yrs |
| Office Cooling (Rooftop Units) | $48,432 | 10 yrs |
| CEW Warehouse Cooling (Rooftop Units) | $69,712 | 10 yrs |
| Insulated Metal Panels @ Draught Cooler | $68,329 | 10 yrs |
| Insulated Metal Panels @ Remaining | $127,271 | 10 yrs |
| High Speed Doors | $58,300 | 10 yrs |
| *Refrig/Cooling Subtotal:* | *$430,078* | |

| | | |
|---|---|---|
| ***Other Phone & IT Equipment*** | | |
| Communication Server, Phone System and Paging | $32,064 | 5 yrs |
| MDF/IDF/PC Equip - Hardware for Network and Servers | $161,184 | 5 yrs |
| Cabling for above | $75,432 | 7 yrs |
| Security/Access Control | $8,688 | 10 yrs |
| *Other Phone & IT Equip Subtotal:* | *$277,368* | |

| | |
|---|---|
| *Grand Total* | *$1,108,286* |

## 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

N/A

☐ 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)

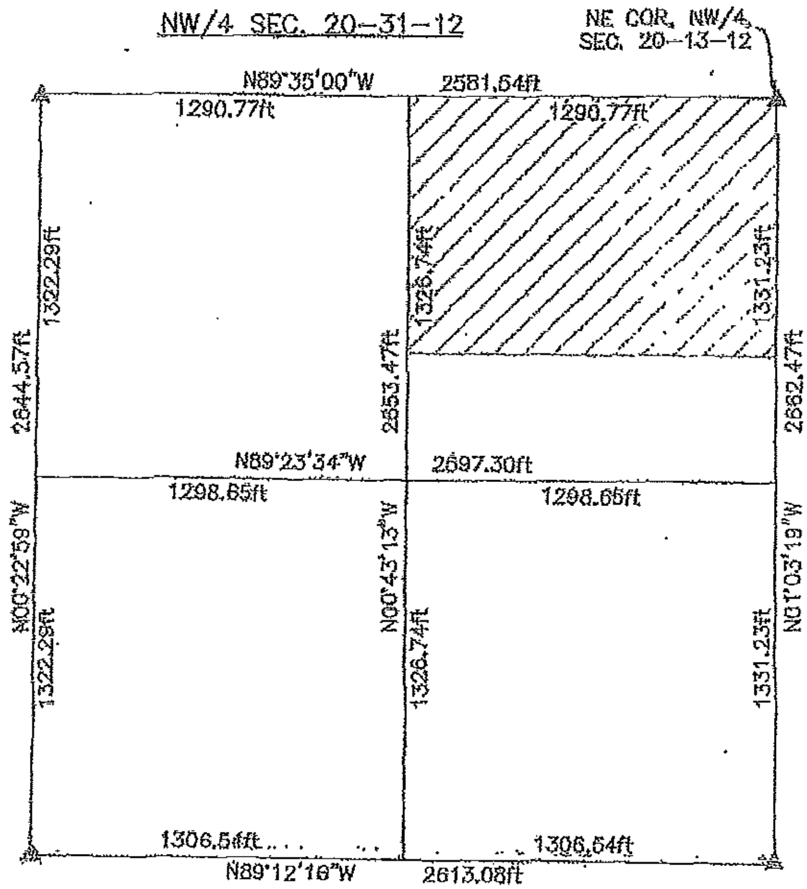
Describe any structure(s) that is/are currently on the property:

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.

Exhibit A




## LEGAL DESCRIPTION

A tract of land deeded as the North 27 acres of the East Half of the Northwest Quarter of Section 20, Township 31 North, Range 12 East, Allen County, Indiana, more particularly described as follows, to-wit:

Beginning at the Northeast corner of said Northwest Quarter; thence West on and along the North line of said Northwest Quarter, being within the right of way of Washington Center Road (formerly U.S. #30) a distance of 1291.7 feet to the Northwest corner of the East Half of said Northwest Quarter; thence Southerly by an interior angle of 89 degrees 17 minutes on and along the West line of said East Half, a distance of 884.4 feet to a survey pipe found at the Southwest corner of said North 27 acres; thence Easterly by an interior angle of 91 degrees 07 minutes on and along the South line of said North 27 acres, a distance of 1301.9 feet to a survey pipe found on the East line of said Northwest Quarter at the Southeast corner of said North 27 acres, thence Northerly by an interior angle of 88 degrees 14 minutes 30 seconds on and along the East line of said Northwest Quarter, a distance of 893.7 feet to the point of beginning, containing 24.461 acres of land.

## * 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 |
|---|---|---|---|
| Driver/Sales | 53-3031 | 49 | $2,318,382.07 |
| Industrial Truck Operators | 53-7051 | 10 | $391,054.54 |
| Chief Executives | 11-1011 | 2 | $527,651.98 |
| Customer Service | 43-4051 | 2 | $67,938.79 |
| Supervisor | 53-1031 | 2 | $133,601.75 |

See next page for additional current full-time employment

**Retained Full-Time Employment**

| Occupation | Occupation Code | Number of Jobs | Total Payroll |
|---|---|---|---|
| Driver/Sales | 53-3031 | 49 | $2,318,382.07 |
| Industrial Truck Operators | 53-7051 | 10 | $391,054.54 |
| Chief Executives | 11-1011 | 2 | $527,651.98 |
| Customer Service | 43-4051 | 2 | $67,938.79 |
| Supervisor | 53-1031 | 2 | $133,601.75 |

see next page for additional retained full-time employment

**Additional Full-Time Employment**

| Occupation | Occupation Code | Number of Jobs | Total Payroll |
|---|---|---|---|
| None | | | |
| | | | |
| | | | |
| | | | |
| | | | |

**Add-ons from prior page**:

Current Full-Time Employment

| Occupation | Occupation Code | Number of Jobs | Total Payroll |
|---|---|---|---|
| Sales Manager | 11-2022 | 5 | $459,323.66 |
| Financial Managers | 11-3031 | 1 | [redacted] |
| HR Manager | 11-3121 | 1 | [redacted] |
| Purchasing Agent | 13-1023 | 2 | $113,973.96 |
| Graphic Designer | 27-1024 | 1 | [redacted] |
| Admin Support | 43-9199 | 4 | $194,660.82 |

Retained Full-Time Employment

| Occupation | Occupation Code | Number of Jobs | Total Payroll |
|---|---|---|---|
| Sales Manager | 11-2022 | 5 | $459,323.66 |
| Financial Managers | 11-3031 | 1 | [redacted] |
| HR Manager | 11-3121 | 1 | [redacted] |
| Purchasing Agent | 13-1023 | 2 | $113,973.96 |
| Graphic Designer | 27-1024 | 1 | [redacted] |
| Admin Support | 43-9199 | 4 | $194,660.82 |

# PUBLIC BENEFIT INFORMATION

**Current Part-Time or Temporary Jobs**

| Occupation | Occupation Code | Number of Jobs | Total Payroll |
|---|---|---|---|
| Cleaners | 53-7061 | 5 | $59,569.50 |
| Janitors | 37-2011 | 4 | $59,381.53 |
| Summer Help | | 6 | $45,624.23 |
| | | | |
| | | | |

**Retained Part-Time or Temporary Jobs**

| Occupation | Occupation Code | Number of Jobs | Total Payroll |
|---|---|---|---|
| Cleaners | 53-7061 | 5 | $59,569.50 |
| Janitors | 37-2011 | 4 | $59,381.53 |
| Summer Help | | 6 | $45,624.23 |
| | | | |
| | | | |

**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
- ☐ Disability Insurance
- ☑ Tuition Reimbursement
- ☑ Life Insurance
- ☐ Dental Insurance

List any benefits not mentioned above:

401K plan

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

## 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. <u>(Property tax bill legal descriptions are not sufficient.)</u> Should be marked as Exhibit A.** See attached.

3. **Check for non-refundable application fee made payable to the <u>City of Fort Wayne</u>.**

| | |
|---|---|
| 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.

AALCO Distributing Company, Inc.

By: [signature]

Signature of Taxpayer/Owner

GREG DAHM

Printed Name and Title of Applicant

10/19/18

Date

CITY OF FT WAYNE
OCT 23 2018
COMMUNITY DEVL.

# STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R4 / 11-15)
Prescribed by the Department of Local Government Finance

**FORM SB-1 / PP**

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

*INSTRUCTIONS*

1. *This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.*
2. *The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.*
3. *To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between 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: AALCO Distributing Company, Inc. | Name of contact person: Greg Dahm |
| Address of taxpayer (number and street, city, state, and ZIP code): 909 Grant Avenue, Fort Wayne, Indiana 46803 | Telephone number: ( 260 ) 422-9417 |

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

| | | |
|---|---|---|
| Name of designating body: Fort Wayne Common Council | | Resolution number (s): |
| Location of property: 4701 W. Washington Center Road, Fort Wayne, Indiana 46825 | County: Allen | DLGF taxing district number: 073 |

| Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. *(Use additional sheets if necessary.)* | | ESTIMATED START DATE | ESTIMATED COMPLETION DATE |
|---|---|---|---|
| New logistical distribution and information technology equipment in connection with its development of a new distribution facility as described in the attached Exhibit "A". | Manufacturing Equipment | | |
| | R & D Equipment | | |
| | Logist Dist Equipment | 03/2019 | 03/2019 |
| | IT Equipment | 04/2019 | 04/2019 |

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

| Current number | Salaries | Number retained | Salaries | Number additional | Salaries |
|---|---|---|---|---|---|
| 94 | 4,579,268.95 | 94 | 4,579,268.95 | 0 | 0 |

**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 COST | MANUFACTURING EQUIPMENT ASSESSED VALUE | R & D EQUIPMENT COST | R & D EQUIPMENT ASSESSED VALUE | LOGIST DIST EQUIPMENT COST | LOGIST DIST EQUIPMENT ASSESSED VALUE | IT EQUIPMENT COST | IT EQUIPMENT ASSESSED VALUE |
|---|---|---|---|---|---|---|---|---|
| Current values | | | | | 0 | 0 | 0 | 0 |
| Plus estimated values of proposed project | | | | | 830,918 | TBD | 277,368 | TBD |
| Less values of any property being replaced | | | | | 0 | 0 | 0 | 0 |
| Net estimated values upon completion of project | | | | | 830,918 | TBD | 277,368 | TBD |

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

Estimated solid waste converted *(pounds)* None — Estimated hazardous waste converted *(pounds)* None

Other benefits:
None

**SECTION 6 — TAXPAYER CERTIFICATION**

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

| | |
|---|---|
| Signature of authorized representative: Greg Dahm | Date signed (month, day, year): 10/23/18 |
| Printed name of authorized representative: GREG DAHM | Title: President |

Admn. Appr.______________

DIGEST SHEET

TITLE OF ORDINANCE: **Declaratory Resolution**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **AALCO Distributing Company, Inc. is requesting the designation of an Economic Revitalization Area for eligible personal property improvements in the amount of $1,108,286. AALCO Distributing Company, Inc. will purchase and install logistical distribution and information technology equipment.**

EFFECT OF PASSAGE: **Investment of $1,108,286 and retention of 79 full-time jobs with an annual payroll of $4,414,693 and 15 part-time jobs with an annual payroll of $1,645,575.**

EFFECT OF NON-PASSAGE: **Potential loss of investment and retention of 79 full-time and 15 part-time jobs with an annual payroll of $1,645,575.**

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

ASSIGNED TO COMMITTEE (PRESIDENT): **John Crawford and Jason Arp**

# MEMORANDUM

**TO:** City Council

**FROM:** Carman Young, Economic Development Specialist

**DATE:** November 6, 2018

**RE:** Request for designation by AALCO Distributing Company, Inc. as an ERA for personal property improvements.

## BACKGROUND

| | | | |
|---|---|---|---|
| PROJECT ADDRESS: | **4701 W. Washington Center Road** | PROJECT LOCATED WITHIN: | **N/A** |
| PROJECT COST: | **$1,108,286** | COUNCILMANIC DISTRICT: | **3** |

| | |
|---|---|
| COMPANY PRODUCT OR SERVICE: | **AALCO Distributing Company, Inc. is a beer wholesaler and distributor to Allen and nine surrounding Counties.** |
| PROJECT DESCRIPTION: | **AALCO Distributing Company, Inc. is building a new facility and will purchase and install new logistical distribution and information technology equipment.** |

| CREATED | | RETAINED | |
|---|---|---|---|
| JOBS CREATED (FULL-TIME): | **0** | JOBS RETAINED (FULL-TIME): | **65** |
| JOBS CREATED (PART-TIME): | **0** | JOBS RETAINED (PART-TIME): | **15** |
| TOTAL NEW PAYROLL: | **0** | TOTAL RETAINED PAYROLL: | **$4,579,268** |
| AVERAGE SALARY (FULL-TIME NEW): | **0** | AVERAGE SALARY (FULL-TIME RETAINED): | **$55,882** |

## COMMUNITY BENEFIT REVIEW

**Yes** ☒ **No** ☐ **N/A** ☐

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

**Explain: A new distribution facility will be built on vacant land. Per IC 6-1.1-12.1-3(e)(12) real property improvements do not qualify as the applicant is required to operate under a license issued under IC 7.1**

**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 C-1, Professional Office and Personal Services. Use of this 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?

| | |
|---|---|
| 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?<br>**Explain: New logistical distribution and information technology equipment will be purchased and installed. These improvements are now eligible for phase-in per Fort Wayne Code 153. 15(A)2** |
| 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?<br>**Explain: 79 full-time jobs with an annual payroll of $4,414,693 and 15 part-time jobs with an annual payroll of $1,645,575 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 personal property improvements is seven years.

Under Fort Wayne Common Council's tax abatement policies and procedures, AALCO Distributing Company, Inc. is eligible for a recommended seven year deduction on personal property improvements. Attached is a calculation of property taxes saved/paid with the deduction.

## COMMENTS

**Signed and Reviewed:** Carman Y

**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

## AALCO Distributing Company, Inc.

PERSONAL PROPERTY TAX ABATEMENT - 7 yr Schedule

| Year | True Cash Value | "Pool 2" | True Tax Value | Assessed Value | Tax Abatement % | Tax Paid % | Deduction | Taxable A V | Tax Rate | Tax Paid | Tax Saved |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | $1,108,286 | 40% | $443,314 | $443,314 | 100% | 0% | $443,314 | $0 | 0.035045 | $0 | $15,536 |
| 2 | $1,108,286 | 56% | $620,640 | $620,640 | 85% | 15% | $527,544 | $93,096 | 0.035045 | $3,263 | $18,488 |
| 3 | $1,108,286 | 42% | $465,480 | $465,480 | 71% | 29% | $330,491 | $134,989 | 0.035045 | $4,731 | $11,582 |
| 4 | $1,108,286 | 32% | $354,652 | $354,652 | 57% | 43% | $202,151 | $152,500 | 0.035045 | $5,344 | $7,084 |
| 5 | $1,108,286 | 30% | $332,486 | $332,486 | 43% | 57% | $142,969 | $189,517 | 0.035045 | $6,642 | $5,010 |
| 6 | $1,108,286 | 30% | $332,486 | $332,486 | 29% | 71% | $96,421 | $236,065 | 0.035045 | $8,273 | $3,379 |
| 7 | $1,108,286 | 30% | $332,486 | $332,486 | 14% | 86% | $46,548 | $285,938 | 0.035045 | $10,021 | $1,631 |
| 8 | $1,108,286 | 30% | $332,486 | $332,486 | 0% | 100% | $0 | $332,486 | 0.035045 | $11,652 | $0 |
| | | | | | | | TOTAL TAX SAVED | | ( 7 yr deduction) | | $62,711 |
| | | | | | | | TOTAL TAX PAID | | ( 7 yr deduction) | | $49,925 |

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

## Personal Property Abatements

Tax Abatement Review System

**AALCO Distributing Company, Inc.**

| | | Points Possible | Points Awarded |
|---|---|---|---|
| ***INVESTMENT (30 points possible)*** | | | |
| **Total new investment in equipment** | | | |
| Over $5,000,000 | | 10 | |
| $1,000,000 to $4,999,999 | $1,108,286 | 8 | 8 |
| $500,000 to $999,999 | | 6 | |
| $0 to $499,999 | | 4 | |
| **Investment per employee (both jobs created and retained)** | | | |
| $35,000 or more | | 10 | |
| $18,500 to $34,999 | | 8 | |
| $6,250 to $18,499 | $11,7ℓ | 6 | 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 | $67,773 | 4 | 4 |
| $10,000 to $29,999 | | 3 | |
| $5,000 to $9,999 | | 2 | |
| less than $5,000 | | 1 | |
| **Estimated local income taxes generated from jobs created (Double points for start-up)** | | | |
| $30,000 or more | | 5 | |
| $10,000 to $29,999 | | 4 | |
| $5,000 to $9,999 | | 3 | |
| $3,000 to $4,999 | | 2 | |
| less than $3,000 | | 1 | |
| ***ECONOMIC BASE (20 points possible)*** | | | |
| **Location Quotient in designated Occupation Code (use majority Occupation Code of all created and retained jobs)** | | | |
| Greater than 1.0 | | 5 | 5 |
| **Estimated Percent of Business done outside Allen County** | | | |
| Greater than 75% | | 15 | |
| 50% to 74% | | 10 | 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 | 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 | | 4 | |
| 1 to 9 | | 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 | 65 |
|---|---|

| 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 current average salary for Allen County and is eligible for a 7 or 10 year abatement, 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% | |