

Opportunity Zone Prospectus

Fort Wayne, Indiana

Produced in Partnership by



**GREATER
FORT WAYNE INC.**

METRO CHAMBER ALLIANCE

fwcommunitydevelopment.org

GFWgo.com

Disclaimer: The City of Fort Wayne and Greater Fort Wayne Inc. developed this as a marketing tool to showcase completed projects and potential future development within Allen County, Indiana's Opportunity Zones. This prospectus is meant to highlight what may occur in the future and its intent is not to endorse any specific opportunity.

Nationally Recognized: Fort Wayne, Indiana

Downtowns are being revitalized, urban neighborhoods are being restored, and waterfronts are being rediscovered across the country. What sets Fort Wayne apart from others? It is our unmatched sense of collaboration, cooperation, and determination. Developers entering the market are impressed by our innate ability to work across organizations and overcome challenges in pursuit of common civic goals. We are all rowing in the same direction, which is no small feat for a city of a quarter-million people in a region of more than 750,000.

As one of WalletHub's "Best-Run Cities in the Country," we are fiscally responsible, but we know a good investment when we see it. Public-private partnerships such as the \$55 million Parkview Field (2009) and the \$113 million Ash Brokerage/Skyline Tower (2018) highlight a long list of collaborative projects that, collectively, have transformed our downtown from a "place to leave" into a "place to live," and have propelled the Summit City to new heights.

In just over 10 years, more than \$700 million has been committed to downtown public-private partnerships. Hundreds of new apartments and condominiums have hit the downtown market over the past three years, and more are planned or under construction. The demand for downtown housing confirms the findings of a 2014 study which indicated that approximately 1,500 new housing units could be absorbed downtown over the next 5-7 years. Across Allen County, more than \$1 billion in building permits were issued in 2017, a record that was broken in 2018.

And the rest of the country is taking notice. In recent years, the city has received headlines in The Wall Street Journal, Bloomberg, U.S. News & World Report, and more. With momentum—and national recognition—at an all-time high, there's never been a better time to invest in Fort Wayne.





Fort Wayne is becoming flat-out cool.

*Food & Wine Magazine,
October 2017*

***#1 Place
to Raise a
Family***

smartasset.com, 2017

***#2 Hottest
Housing
Market***

realtor.com, 2018

***#4 Upcoming
Hipster
Market***

yelp, realtor.com, 2017

***#1 Affordable
Place to
Live***

niche.com, 2019

Opportunity within a High-Performing Economy

Fort Wayne is the second-largest city in Indiana (77th nationally) and the economic engine for 1.5 million people who live within a 60-mile radius. With seven major cities within a 200-mile radius (Chicago, Indianapolis, Cincinnati, Detroit, Cleveland, Columbus, Louisville), Fort Wayne is the heart of the Midwest economy.

And, Fort Wayne is growing—faster than peer communities like Cincinnati, Omaha, and Louisville. Our Qualified Opportunity Zones provide investment potential, all within a thriving economy.



	Population Change 2010-2018	Population	Net Domestic Migration 2018	Unemployment Rate 2018	Median Household Income 2017	Poverty Rate 2017
Grand Rapids	6.5%	200,217	(763)	4.0%	\$44,369	23%
Chattanooga	5.9%	180,557	2,231	3.7%	\$41,911	21%
Des Moines	5.8%	216,853	1,718	3.0%	\$49,999	18%
Fort Wayne	5.3%	267,633	691	3.3%	\$45,853	18%
Spokane	4.6%	219,190	6,516	5.4%	\$44,768	19%
Louisville	4.0%	620,118	(4,044)	4.1%	\$49,439	17%
Omaha	3.9%	468,262	57	3.1%	\$54,789	15%
Tulsa	2.1%	400,669	(2,627)	3.6%	\$44,577	20%
Cincinnati	1.9%	302,605	(2,620)	4.5%	\$36,429	29%
Green Bay	0.9%	104,879	(314)	3.0%	\$45,473	17%
South Bend	0.7%	101,860	(752)	4.0%	\$37,441	25%
Birmingham	-0.9%	209,880	(1,783)	4.6%	\$33,770	28%
Pittsburgh	-1.4%	301,048	(4,204)	4.2%	\$44,092	22%
Cleveland	-3.1%	383,793	(8,971)	6.5%	\$27,854	35%
St. Louis	-5.2%	302,838	(3,562)	3.8%	\$38,664	25%

Fort Wayne and Allen County have momentum. Between 2014 and June 2019, 145 economic development projects have resulted in more than 8,500 new jobs, \$369 million in new annual payroll, and \$2.5 billion in private investment. National attraction projects, local business expansions, and flourishing startups are all among the diverse players choosing to invest here. Growing industries include health care, specialty insurance, medical devices and technology, vehicles, design and craftsmanship, logistics and e-commerce, food and beverage, and advanced materials.

Major Employers in Fort Wayne



Recent Investment Announcements

Aardvark Paper Straws



205 New Jobs
\$9.1 Million Investment
2018

Rural Sourcing



130 New Jobs
\$3.4 Million Investment
2018

Brotherhood Mutual



100 New Jobs
\$25.5 Million Investment
2019

Sweetwater Sound



1,009 New Jobs
\$76.4 Million Investment
2018

About Opportunity Zones

The Tax Cuts and Jobs Act of 2017 established the Opportunity Zones (OZ) program, an economic development tool aimed at catalyzing new, long-term investments and development in economically challenged urban and rural communities across the country.

Opportunity Zones provide investors with a chance to infuse capital gains into projects within zones, in exchange for reducing or eliminating the taxes they would otherwise pay. Each state's governor, utilizing multiple socio-economic data points and input from local communities, nominated and submitted census tracts to the U.S. Treasury for certification as Opportunity Zones. Once certified, they were then added to the tax code.

All investments must be made through a Qualified Opportunity Fund. To become a Qualified Opportunity Fund, an eligible corporation or partnership must self-certify by filing Form 8996, Qualified Opportunity Fund, with its federal income tax return. Investments can be made in business property, partnership interests, or equity/stock.

There are three tax incentives available by investing in Opportunity Zones through a Qualified Opportunity Fund:



Temporary Deferral: An investor can defer capital gains taxes until December 31, 2026 by rolling their gains directly over into a Qualified Opportunity Fund.



Tax Liability Reduction: Deferred capital gains tax liability is reduced by 10% if the investment in the Qualified Opportunity Fund is held for five years. It is reduced by an additional 5% if held for seven years. To receive the full 15%, investments must be made by December 31, 2019.



If the investment is held for at least 10 years, capital gains made through Qualified Opportunity Funds accrue tax-free.

There are three types of eligible Opportunity Zone investments:

Equity: Investing in a qualified business located within an Opportunity Zone, in exchange for stock.*

Partnership: Taking a partnership interest in a qualified Opportunity Zone partnership.*

Property: Business property used within qualified Opportunity Zones, meeting thresholds for substantial improvement.*

Source: U.S. Department of Treasury, Economic Innovation Group

*See regulations from Treasury for more information.



City of Fort Wayne: Economic Development Finance Assistance

Local incentives may be eligible to be used in conjunction with the Federal OZ program.

New Markets Tax Credits:

- Fort Wayne New Markets Revitalization Fund, LLC is a successful City-sponsored Community Development Entity (CDE) managing \$103 million in NMTC assets.
- As an underserved state for NMTC purposes, Indiana has the potential to attract additional allocations from national and regional CDEs to complement allocations available locally.

Tax Increment Financing:

- The Fort Wayne Redevelopment Commission may be able to fund public infrastructure needed to support projects through funding sourced by TIF.
- Nine of the 10 OZ census tracts are already fully or partially within a designated TIF district.

Tax Phase-In (Abatement):

- As an alternative to Tax Increment Financing, the City offers eligible projects the opportunity to phase-in increased taxes associated with the investment's assessed value.
- The phase-in will typically amount to a 50% savings on taxes due in the 10 years following the increased assessment from the project.

Summit City Entrepreneur and Enterprise District (SEED):

- The SEED Property Tax Investment Deduction applies to the increased value of a SEED business property due to investment in real and personal property by the business.
- Property tax phase-in may be up to 100% savings during the first 10 years following the investment in the project within the SEED.
- Additional state-funded incentives associated with entrepreneurship are available for projects located within the SEED.

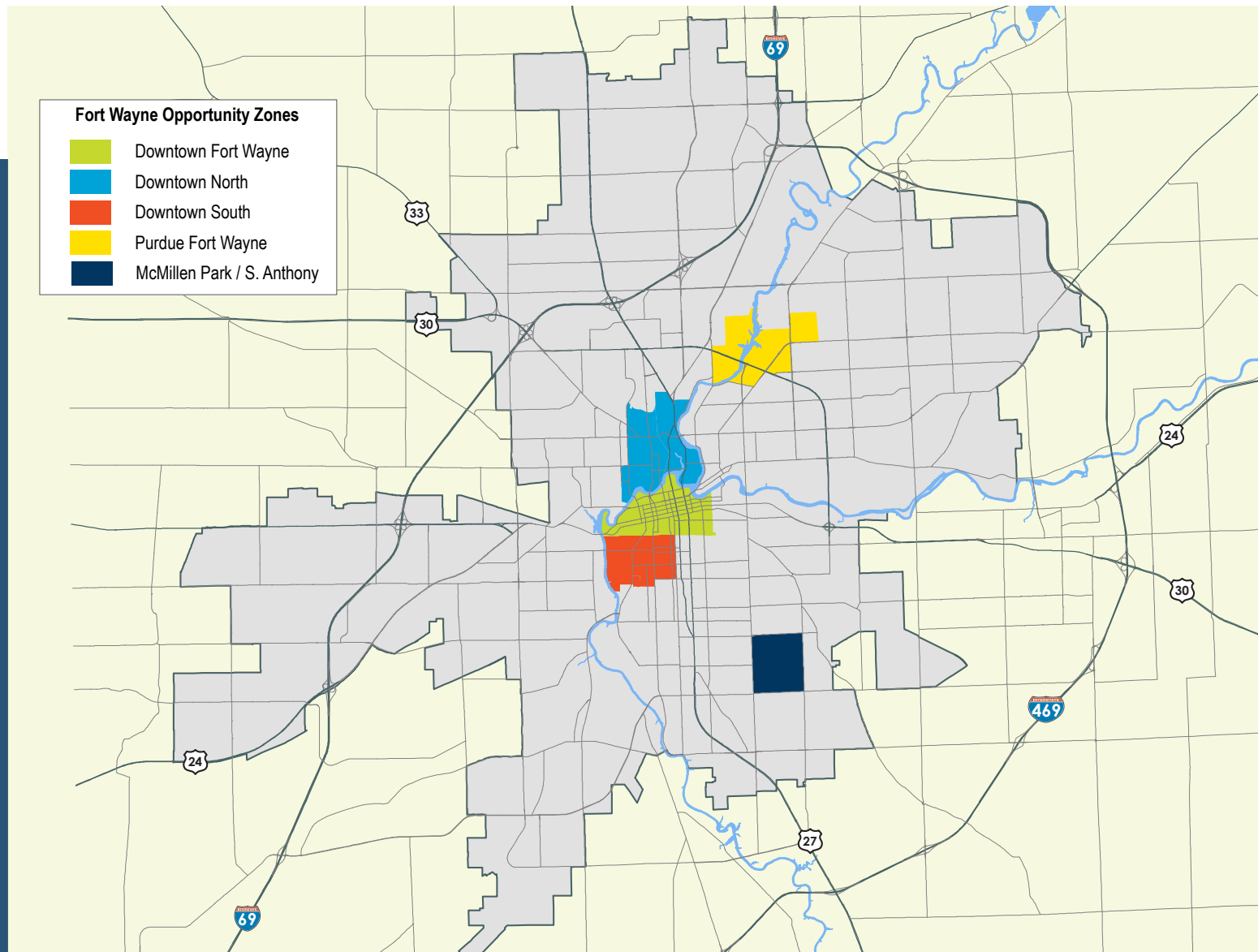
Community Development Corporation (CDC):

- The Community Development Corporation (CDC) of Northeast Indiana is a City of Fort Wayne-sponsored 501(c)(6) nonprofit business development organization, providing alternative financing options to new and existing small business owners.
- The CDC is an Indiana Certified Development Company authorized by the U.S. Small Business Administration (SBA) to administer the 504 Loan program.

The Indiana Economic Development Corporation is a valued partner in local economic development efforts. Opportunity Zone investments may also be eligible for assistance from the State of Indiana, including additional Redevelopment Tax Credits.

Fort Wayne's Opportunity Zones

There are 10 federally designated Opportunity Zone census tracts within Allen County; all fall entirely within the City of Fort Wayne. For the purposes of this prospectus, those 10 tracts have been combined into five districts: Downtown Fort Wayne, Downtown North, Downtown South, Purdue Fort Wayne, and McMillen Park / S. Anthony Corridor.



Purdue Fort Wayne

Coliseum Boulevard is one of the busiest and most visible commercial corridors in Fort Wayne, with an average daily traffic volume of 47,000 vehicles. This Opportunity Zone is home to branch campuses of Purdue University, Indiana University, and Ivy Tech Community College. Together, these schools enroll more than 25,000 college students. Phase III of Waterfield Campus Student Housing, serving Purdue Fort Wayne and Indiana University Fort Wayne, was completed in 2010. Private development followed, bringing additional restaurants and services around campus. Purdue Fort Wayne is planning for future growth on campus, including additional student housing in the near future.

Located adjacent to Purdue Fort Wayne, the Northeast Indiana Innovation Center (The NIIC) is a 55-acre State of Indiana Certified Technology Park. The NIIC provides entrepreneurial and innovation services and diverse office spaces to support and accelerate all stages of startup, emerging growth, and growing companies. Recognized by Entrepreneur Magazine as one of the top four “under the radar” business incubators, The NIIC currently hosts more than 40 companies on its campus. Some of these innovative, high-growth companies have secured outside angel and institutional investments. Examples include:

- TrustBearer, LLC, an identity and authentication company (sold to Verisign in 2010), raised approximately \$1.5 million in capital.
- BioPoly, LLC and BioDuct, LLC, both orthobiologics companies associated with Schwartz Biomedical, have raised more than \$19.3 million for the two entities to date. BioDuct, LLC was sold to Stryker Corporation in 2007.
- Allied Payment Network, actively operating as an online bill payment company with a suite of eight innovative financial products, has raised \$12.3 million to date.

Higher Education in the Zone



Memorial Coliseum



The NIIC



PLANS & STUDIES

- Greater North Anthony Neighborhood Improvement Plan (2016)
- Purdue University Fort Wayne Strategic Plan (2019)
- Purdue University Fort Wayne Campus Master Plan (anticipated delivery 2020)

RECENT PROJECTS

- Memorial Coliseum addition (\$16 million)
- Parker Cole Crossing pedestrian bridge (\$3.9 million)
- NIIC Indiana Connected Health IoT Lab (\$1.5 million)
- NIIC Emerging Growth Center (\$6.5 million)
- Holiday Inn – PFW & Coliseum (\$20 million)

Highlighted sites represent a sampling of the current mix of investment potential that exists within each zone and is not meant to be a full census of sites nor an endorsement of any site or project.