

BILL NO. G-11-12-10

GENERAL ORDINANCE NO. G- _____

**AN ORDINANCE amending Chapter 153:
Planning and Development,
Designation of Economic Revitalization Areas
and the Granting of Tax Abatements, of the Fort
Wayne Municipal Code of Ordinances**

WHEREAS, the Fort Wayne Common Council recognizes the need to continue to induce employment opportunities and to maintain a sound economy within its jurisdiction, especially in those areas most needing investment; and

WHEREAS, tax abatement allows prospective and existing Fort Wayne companies making investments in real or personal property improvements within the City, to phase-in the payment of those new property taxes resulting from their investment; and

WHEREAS, the Fort Wayne Common Council further recognizes that it is still beneficial to designate certain areas within the City of Fort Wayne as Economic Revitalization Areas for tax abatement purposes; and

WHEREAS, The Indiana General Assembly adopted new legislation authorizing local designating bodies to develop alternative methods for determining the duration and amount of property tax abatements; and

WHEREAS, the Fort Wayne Common Council is a local designating body per the Indiana Code; and

WHEREAS, The Fort Wayne Common Council periodically reviews certain policies that affect the fiscal impact of commerce and government, in particular tax abatements (deduction) for businesses, and;

WHEREAS, the City of Fort Wayne wishes to amend certain sections of its policies and procedures for the designation of economic revitalization areas.

**NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF
THE CITY OF FORT WAYNE, INDIANA,**

SECTION 1. That Section 153.19 entitled DEDUCTION PERIODS FOR REAL PROPERTY be amended as follows:

§ 153.19 DEDUCTION PERIODS FOR REAL PROPERTY.

In determining whether an applicant is entitled to a deduction for real property improvement projects, the Fort Wayne Common Council shall qualify a designation by:

- (A) Limiting the number of years of deduction (abatement) for improvements to real property in areas not designated as an economic development target area to three, five, seven, or ten years, based on the following Review System:

TAX ABATEMENT REVIEW SYSTEM—REAL PROPERTY

	Points Possible	Points Awarded
Total New Investment in Real Property (New Structure and/or Rehabilitation)		
Over \$1,000,000	10	
\$500,000 to \$999,999	8	
\$100,000 to \$499,999	6	
Under \$100,000	4	
Total Number of Jobs Created and/or Retained		
Over 150	10	
75 to 149	8	
25 to 74	6	
10 to 24	4	
Under 10	2	
Current # employees will increase 50-99%	6	
Current # employees will increase by 100% or more	8	
Average Annual Salary of Full-Time Jobs Created and/or Retained are % of the Federal		

Minimum Wage *

Greater than 300% of Federal Minimum Wage	10
201% to 300% of Federal Minimum Wage	7
151% to 200% of Federal Minimum Wage	3
150% of Federal Minimum Wage	1

Health Insurance Provided by the Company 5

**Project involves Reinvestment at
Current Location of a Business** 10

Project involves New or Startup Business 5

**Construction Use Green Building Techniques
(ie., LEED Certification)** 5

**Construction Uses Techniques to Minimize
Impact on Combined Sewer Overflows (CSO) beyond
that which is required by regulatory agencies
(ie., rain garden, or other water quality BMP)** 2

Project located in HUBzone 10

TOTALS

7 to 11 points	Three year abatement
12 to 16 points	Five year abatement
17 to 23 points	Seven year abatement
24 to 67 points	Ten 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:**

10 Year

Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	90%
Year 7	80%
Year 8	65%
Year 9	50%
Year 10	40%

7 Year

Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	71%
Year 7	43%

Notwithstanding the foregoing, when a project is located within a designated economic development target area and not defined as ineligible under § 153.15 then such project may receive a ten year deduction (abatement), without adhering to the Review System.

- (B) Allowing the owner of an eligible vacant building, as defined in IC 6-1.1-12.1-1 (17), a deduction from the assessed value of the building if the property owner or tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes. The deduction shall be limited as follows:

- (1) Property owner is entitled to the deduction for no more than two years.

(2) The amount of deduction the property owner is entitled to receive for a particular year is based on the formula set forth in IC 6-1.1-12.1-4.8 (h) and (i)

SECTION 2. That Section 153.20 entitled DEDUCTION PERIODS FOR PERSONAL PROPERTY be amended as follows:

§ 153.20 DEDUCTION PERIODS FOR PERSONAL PROPERTY.

In determining whether an applicant is entitled to a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment as defined in IC 6-1.1-12.1-1(3), 6-1.1-12.1-1(12), 6-1.1-12.1-1(13) or 6-1.1-12.1-1(14), the Common Council shall qualify a designation by limiting the number of years of deduction for eligible personal property to three, five, seven or ten years based on the following Review System:

TAX ABATEMENT REVIEW SYSTEM—PERSONAL PROPERTY

	Points Possible	Points Awarded
Total New Invest in Equipment		
Over \$5,000,000	10	
\$1,000,000 to \$499,999,999	8	
\$500,000 to \$999,999	6	
\$0 to \$499,999	4	
Total Number of Jobs Created and/or Retained		
Over 150	10	
75 to 149	8	
25 to 74	6	
10 to 24	4	
Under 10	2	
Current # employees increases 50-99%	6	

Current # employees	
increases 100% or more	8
Average Annual Salary of Full-Time Jobs Created and/or Retained are % of the Federal Minimum Wage *	
Greater than 300% of Federal Minimum Wage	10
201% to 300% of Federal Minimum Wage	7
151% to 200% of Federal Minimum Wage	3
150% of Federal Minimum Wage	1
Health Insurance Provided by Company	5
Project involves Reinvestment in Current Location of a Business	10
Project involves New or Start-up Business	5
Construction uses Green Building Techniques (ie, LEED Certification)	5
Construction uses Techniques to Minimize Impact on Combined Sewer Overflows (CSO) Beyond that which is required by regulatory Agencies (ie, rain garden, or other water quality BMP)	2
Project is Located in a HUBzone	10
TOTALS	
7 to 11 points	Three year abatement
12 to 16 points	Five year abatement
17 to 23 points	Seven year abatement
24 to 60 points	Ten 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:**

10 Year

Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	90%
Year 7	80%
Year 8	65%
Year 9	50%
Year 10	40%

7 Year

Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	71%
Year 7	43%

SECTION 3. This Ordinance shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.

Council Member

APPROVED AS TO FORM AND LEGALITY

Joseph G. Bonahoom, Council Attorney