BILL NO. G-13-09-24

GENERALORDINANCE NO. G-__________

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

WHEREAS, The Fort Wayne Common Council periodically reviews certain policies that affect the fiscal impact of commerce and government, in particular property tax phase-ins for businesses; and

WHEREAS, property tax phase-ins are given careful scrutiny in order to keep the balance between attracting new business/encouraging growth while maintaining government revenues; and

WHEREAS, the City of Fort Wayne has codified those procedures deemed necessary for the orderly application, administration and monitoring of economic revitalization areas and the related tax phase-ins in Chapter 153 of the Code of Fort Wayne.

WHEREAS, significant portions of Ind. Code 6-1.1-12.1 *et. al.* were adopted in the current version of Chapter 153 of the Code of Fort Wayne and, effective July 1, 2013, certain adopted portions of I.C. 6-1.1-12.1 *et. al.* were amended by the State Legislators; and

WHEREAS, the State's amendments to I.C. 6-1.1-12.1 *et. al.* permit the Fort Wayne Common Council to determine an abatement schedule for the tax phase-ins allowed in economic revitalization areas; and

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

SECTION 1. Section 153.19 currently entitled "Deduction Periods for Real Property" shall be deleted in its entirety and replaced with the following:

§ 153.19 DEDUCTION PERIODS AND ABATEMENT SCHEDULES 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 and corresponding abatement schedules:

TAX ABATEMENT REVIEW SYSTEM—REAL PROPERTY

	Points Possible	Points Awarded
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	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	8	
$6,250 to $18,499	6	
$1,250 to $6,249	4	
Less than $1,249	2	
Estimated local income taxes generated from jobs retained		
$80,000 or more	5	
$30,000 to $79,999	4	
$10,000 to $29,999	3	
$5,000 to $9,999	2	
Less than $5,000	1	

Estimated local income taxes generated form 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
50% to 74%	10
25% to 49%	5

JOBS (20 points possible)

Total number of permanent jobs retained

Over 250	10
100 to 249	8
50 to 99	6
25 to 49	4
10 to 24	2
1 to 9	1

Total number of permanent jobs created

Over 100	10
50 to 99	8
25 to 49	6
10 to 24	4
1 to 9	2

WAGES (20 points possible)

Median salary of the jobs created and/or retained

Over $45,000	20
$40,000 to $44,999	16
$35,000 to $39,999	12
$30,000 to $34,999	8
$25,000 to $29,999	4
Under $25,000	0

BENEFITS (10 points possible)

Major medical plan offered	7
Pension, tuition reimbursement, life insurance, dental insurance, and/or disability insurance offered	3

SUSTAINABILITY

Construction uses green building techniques (i.e. LEED Certification)	5
Construction uses techniques to minimize impact on Combined Sewer Overflows	5

TOTALS

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 and is eligible for a ten or seven year abatement, then the applicant is eligible for an alternate deduction schedule.**

<u>10 Year</u>

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%

<u>7 Year</u>

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.

TAX ABATEMENT SCHEDULES – REAL PROPERTY

The percentage deducted for each year of a 3, 5, 7 or 10 year abatement under this Section shall be in accordance with the following schedules:

(1) Three (3) year abatement schedule:

Year	Percentage
1	100%
2	66%
3	33%

(2) Five (5) year abatement schedule:

Year	Percentage
1	100%
2	80%
3	60%
4	40%
5	20%

(3) Seven (7) year abatement schedule:

Year	Percentage
1	100%
2	85%

3	71%
4	57%
5	43%
6	29%
7	14%

(4) Ten (10) year abatement schedule:

Year	Percentage
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%

(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. Under this Section the property owner is entitled to the deduction for no more than two years. Except as provided in I.C. 6-1.1-12.1-2(i)(5), (1) if the deduction is for one (1) year then the amount of the deduction shall be 100% of the assessed value of the building or part of the building that is occupied by the property owner or tenant of the property owner; (2) if the deduction is for two (2) years then the amount of the deduction shall be 100% of the assessed value of the building or part of the building that is occupied by the property or a tenant of the property owner in the first year, and 50% of the assessed value of the building or part of the building that is occupied by the property owner or tenant of the property owner in the second year:

SECTION 2. Section 153.20 currently entitled "Deduction Periods for Personal Property" is deleted in its entirety and replaced with the following:

§ 153.20 DEDUCTION PERIODS AND ABATEMENT SCHEDULES 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:

(A) Limiting the number of years of deductions for eligible personal property to three (3), five (5), seven (7) or ten (10) years based on the following Review System and corresponding abatement schedules:

TAX ABATEMENT REVIEW SYSTEM—PERSONAL PROPERTY

	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	
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	
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	
$5,000 to $9,999	2	

Less than $5,000	1

Estimated local income taxes generated form 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)

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Estimated Percent of Business done outside Allen County

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1 to 9	1

Total number of permanent jobs created

Over 100	10
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25 to 49	6
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WAGES (20 points possible)

Median salary of the jobs created and/or retained

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Under $25,000	0

BENEFITS (10 points possible)

Major medical plan offered	7
Pension, tuition reimbursement, life insurance, dental insurance, and/or disability insurance offered	3

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Construction uses green building techniques (i.e. LEED Certification)	5
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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 and is eligible for a ten or seven year abatement, then the applicant is eligible for an alternate deduction schedule.

<u>10 Year</u>

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%

<u>7 Year</u>

Year 1	100%
Year 2	100%
Year 3	100%

Year 4	**100%**
Year 5	**100%**
Year 6	**71%**
Year 7	**43%**

TAX ABATEMENT SCHEDULES – PERSONAL PROPERTY

The percentage deducted for each year of a 3, 5, 7 or 10 year abatement under this Section shall be in accordance with the following schedules:.

(1) three (3) year abatement schedule:

Year	Percentage
1	100%
2	66%
3	33%

(2) Five (5) year abatement schedule:

Year	Percentage
1	100%
2	80%
3	60%
4	40%
5	20%

(3) Seven (7) year abatement schedule:

Year	Percentage
1	100%
2	85%
3	71%
4	57%
5	43%

6	29%
7	14%

(4) Ten (10) year abatement schedule:

Year	Percentage
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%

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

Council Member

APPROVED AS TO FORM AND LEGALITY

Joseph G. Bonahoom, City Council Attorney