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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 cre	eated 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	d 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	

1	Estimated local income taxes generated for	m jobs created
$_2$	(Double points for start-up)	
4		_
3	\$30,000 or more	5 4
4	\$10,000 to \$29,999	3
4	\$5,000 to \$9,999	2
5	\$3,000 to \$4,999 Less than \$3,000	1
	2000 (1141) \$61,000	
6	ECONOMIC BASE (20 points possible)	
7		
_	Location Quotient in designated Occupation	
8	(use majority Occupation Code of all create	d and retained jobs)
9		5
	Greater than 1.0	5
10	Estimated Percent of Business done outsid	e Allen County
11		-
	Greater than 75%	15
12	50% to 74%	10
13	25% to 49%	5
10		
14	JOBS (20 points possible)	
15	Total number of permanent jobs retained	
10	Total number of permanent jobe retained	
16	Over 250	10
17	100 to 249	8
11	50 to 99	6
18	25 to 49	4
10	10 to 24	2
19	1 to 9	1
20	Total number of permanent jobs created	
ดา	Total number of permanent jobs created	
21	Over 100	10
22	50 to 99	8
	25 to 49	6
23	10 to 24	4
24	1 to 9	2
25	WAGES (20 points possible)	
26		
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1	Median salary of the jobs created and/or retain	ned .
2		22
	Over \$45,000	20 16
3	\$40,000 to \$44,999	12
4	\$35,000 to \$39,999 \$30,000 to \$34,999	8
4	\$25,000 to \$29,999	4 .
5	Under \$25,000	0
6	BENEFITS (10 points possible)	
7	Major medical plan offered	7
8	Pension, tuition reimbursement,	3
	life insurance, dental insurance,	
9	and/or disability insurance offered	
10		
11	SUSTAINABILITY	
10	Construction uses green building techniques	5
12	(i.e. LEED Certification)	
13	Construction uses techniques to minimize im	pact
1.4	on Combined Sewer Overflows	5
14	On Complica Cover Cramone	TOTALS
15	LENGTH OF ABATEMENT	
40	20 to 39 points – 3 year abatement	
16	40 to 59 points – 5 year abatement	
17	60 to 69 points – 7 year abatement	
•	70 to 100 points – 10 year abatement	
18		
19		created by listed occupation is 10% or greater than the
19		ccupational employment statistics and is eligible for a ten or
20	seven year abatement, then the applicant is elig	ple for an alternate deduction schedule.
0.1	10 Year	
21	Year 1 100% Year 2 100%	
22	Year 3 100%	
A PARTIE AND A PAR	Year 4 100%	
23	Year 5 100%	
24	Year 6 90%	
44	Year 7 80%	
25	Year 8 65%	
***	Year 9 50%	
26	Year 10 40%	
27	<u>7 Year</u>	
41	Year 1 100%	
28	Year 2 100%	
29		
40		4

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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%

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

(4) Ten (10) year abatement schedule:

Percentage
100%
95%
80%
65%
50%
40%
30%
20%
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:

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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

INVESTMENT (30 points possible)	Points Possible	Points Awarded
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 re	etained)	
\$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	

1	Less than \$5,000	1
2	Estimated local income taxes generated form	jobs created
3	(Double points for start-up)	•
4	\$30,000 or more	5
	\$10,000 to \$29,999	4
5	\$5,000 to \$9,999	3
6	\$3,000 to \$4,999 Less than \$3,000	2 1
	Less trail \$3,000	,
7	ECONOMIC BASE (20 points possible)	
8		
	Location Quotient in designated Occupation C	ode
9	(use majority Occupation Code of all created a	and retained jobs)
10	Greater than 1.0	5
11	Estimated Develop of Dyninger dans systeids	Man County
12	Estimated Percent of Business done outside A	tilen County
1.21	Greater than 75%	15
13	50% to 74%	10
14	25% to 49%	5
15	JOBS (20 points possible)	
16	Total number of permanent jobs retained	
17	Over 250	10
18	100 to 249	8
10	50 to 99	6
19	25 to 49	4
20	10 to 24	2
20	1 to 9	1
21	Total number of permanent jobs created	
22	Over 100	10
23	50 to 99	8
20	25 to 49	6
24	10 to 24	4
25	1 to 9	2
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26	WAGES (20 points possible)	
27	Median salary of the jobs created and/or retain	ned
28		
29		8

1	Over \$45,000	20
	\$40,000 to \$44,999	16
2	\$35,000 to \$39,999	12
3	\$30,000 to \$34,999	8
	\$25,000 to \$29,999	4
4	Under \$25,000	0
5	BENEFITS (10 points possible)	
6	Major medical plan offered	7
7	Pension, tuition reimbursement,	3
	life insurance, dental insurance,	
8	and/or disability insurance offered	
9	SUSTAINABILITY	
10	Construction uses green building techniques	5
	(i.e. LEED Certification)	5
11	(i.e. ELLD Obtainculon)	
12	Construction uses techniques to minimize imp	act
	on Combined Sewer Overflows	5
13		
14		TOTALS
14	LENGTH OF ABATEMENT	
15	20 to 39 points – 3 year abatement	
10	40 to 59 points – 5 year abatement	
16	60 to 69 points – 7 year abatement	
17	70 to 100 points – 10 year abatement	
and the second s	* If Average annual salary of the full-time lobs cr	eated by listed occupation is 10% or greater than the
18	* 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 of	
19	seven year abatement, then the applicant is eligible for an alternate deduction schedule.	
	<u>10 Year</u>	
20	Year 1 100%	
21	Year 2 100%	
	Year 3 100%	
22	Year 4 100%	
0.9	Year 5 100% Year 6 90%	
23	Year 6 90% Year 7 80%	
24	Year 8 65%	
	Year 9 50%	
25	Year 10 40%	
26	7 Year	
	Year 1 100%	
27	Year 2 100%	
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28	Year 3 100%	

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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%

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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