

**AN ORDINANCE AMENDING CHAPTER 153 OF THE
CITY OF FORT WAYNE, INDIANA, CODE OF ORDINANCES:
“PLANNING AND DEVELOPMENT”**

WHEREAS, Ind. Code § 6-1.1-12.1-2 permits a local unit to declare certain areas within its jurisdiction economic revitalization areas; and

WHEREAS, if an area is designated as an economic revitalization area, property owners may apply to receive a tax phase in (deduction) on any increase in assessed value to the property that results from the rehabilitation or redevelopment of real property or the installation of certain types of new equipment; and

WHEREAS, in addition to the tax phase ins that are described above, a property owner may also receive a tax phase in for occupation of an eligible vacant building if the building is located within an area that has been designated as an economic revitalization area;

WHEREAS, Ind. Code § 6-1.1-12.1-2(g) gives local units the authority to establish the general standards to be used by the unit in finding an area to be an economic revitalization area, provided the standards have a reasonable relationship to the development objectives of the area within the unit's jurisdiction; and

WHEREAS, the Common Council of the City of Fort Wayne (“Common Council”) desires to implement policies that will encourage economic development in the City and promote job and wage growth; and

WHEREAS, Common Council must temper its economic development incentives with fiscal responsibility by implementing policies that will result in the greatest return on investment; and

WHEREAS, Common Council believes it is in the best interest of the City to amend its ordinance on tax phase ins in an effort to accomplish the foregoing objectives.

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

SECTION 1. That Chapter 153 of the Fort Wayne Code of Ordinances titled “PLANNING AND DEVELOPMENT” is amended as follows:

§ 153.15 is amended as follows:

The current subsection (B) is moved to subsection (C) and a new subsection (B) is inserted to read:

(B) For project types that are not ineligible for designation as an economic revitalization area under subsection (A), the applicant shall be eligible to apply to have property designated as an economic revitalization area and to receive a property tax phase in provided the applicant and/or project meets one of the following criteria:

(1) More than twenty-five percent (25%) of the applicant's customer base is located outside of Allen County, Indiana OR more than twenty-five percent (25%) of the applicant's annual gross revenue is generated by customers located outside Allen County;

(2) The cost of the project for which the economic revitalization area designation is sought is Five Million Dollars (\$5,000,000.00) or more; or

(3) The project site is located in an Economic Development Target Area.

SECTION 2. That Chapter 153 of the Fort Wayne Code of Ordinances titled "PLANNING AND DEVELOPMENT" is further amended as follows:

§ 153.19 is deleted 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

	<i>Points Possible</i>	<i>Points Awarded</i>
INVESTMENT (30 points possible)		
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	
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 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	
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 \$47,999	20	
\$43,000 to \$47,999	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 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 10 or 7 year abatement, 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.

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TAX ABATEMENT SCHEDULES—REAL PROPERTY

<i>Year</i>	<i>Percentage</i>
(1) Three Year Abatement Schedule	
1	100%
2	66%
3	33%
(2) Five Year Abatement Schedule	
1	100%
2	80%
3	60%
4	40%
5	20%
(3) Seven Year Abatement Schedule	
1	100%
2	85%
3	71%
4	57%
5	43%
6	29%
7	14%
(4) Ten Year Abatement Schedule	
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 a deduction from the assessed value of the building in accordance with the following terms and conditions:

(1) If the vacant building is fifty (50) years old or older, the owner of the building shall be entitled to a deduction as long as the building has been vacant for at least one (1) year.

(2) If the vacant building is less than fifty (50) years old, the owner of the building shall be entitled to a deduction as long as the building has been vacant for at least two (2) years.

(3) If the vacant building is located in an Economic Development Target Area, the owner shall be entitled to a deduction as long as the building has been vacant for at least one (1) year and the property is zoned for commercial or industrial use.

The maximum period of a deduction awarded under this section is two (2) years. For deductions approved for one (1) year, the amount of the deduction shall be one hundred percent (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. For deductions approved for two (2) years, the amount of the deduction shall be one hundred percent (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 in the first year and fifty percent (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.

(C) Projects involving the redevelopment or rehabilitation of a speculative building may receive a ten-year phased deduction (abatement) without adhering to the city's review system. For purposes of this division, a **SPECULATIVE BUILDING** is any building development, construction, or rehabilitation of at least 50,000 square feet that is reasonably likely to create new jobs when the developer has no formal commitment from a buyer or tenant to purchase or lease the end product, whether the end product is a fully completed, move-in ready building or a partially completed shell suitable for build-out improvements by the future owner or tenant. Additional incentives for the final build out and personal property (equipment) may be considered upon the identification of the end user. Any additional incentives will adhere to the city's review system for real and personal property abatement at the time of submittal.

SECTION 3. That Chapter 153 of the Fort Wayne Code of Ordinances titled "PLANNING AND DEVELOPMENT" is further amended as follows:

§ 153.20 is deleted 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 limiting the number of years of deduction for eligible personal property to three, five, seven or ten years based on the following Review System and corresponding abatement schedules:

	<i>Points Possible</i>	<i>Points Awarded</i>
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 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	
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 \$47,999	20	
\$43,000 to \$47,999	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 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 10 or 7 year abatement, 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%	

TAX ABATEMENT SCHEDULES—PERSONAL PROPERTY

<i>Year</i>	<i>Percentage</i>
(1) Three Year Abatement Schedule	
1	100%
2	66%
3	33%
(2) Five Year Abatement Schedule	
1	100%
2	80%
3	60%
4	40%
5	20%
(3) Seven Year Abatement Schedule	
1	100%
2	85%
3	71%
4	57%
5	43%
6	29%
7	14%
(4) Ten Year Abatement Schedule	
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%

SECTION 4. That the City is directed to take all action necessary and proper for the implementation of this Ordinance.

SECTION 5. That this Ordinance shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.

Russ Jehl, Council Member

APPROVED AS TO FORM AND LEGALITY

Joseph G. Bonahoom, City Council Attorney