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BILL NO. G-11-12-10

GENERAL ORDINANCE NO. G- 1-12

**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.

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

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

7 **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		

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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:**

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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.

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

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

6 **§ 153.20 DEDUCTION PERIODS FOR PERSONAL PROPERTY.**
7

8 In determining whether an applicant is entitled to a deduction for new
9 manufacturing equipment, new research and development equipment, new
10 logistical distribution equipment, or new information technology equipment as
11 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-
12 1(14), the Common Council shall qualify a designation by limiting the number of
13 years of deduction for eligible personal property to three, five, seven or ten years
based on the following Review System:

14 **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	

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**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

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***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

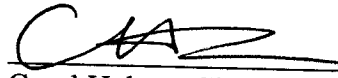
Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	71%
Year 7	43%

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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



Carol Helton, City Attorney

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Read the first time in full and on motion by Didier, and duly adopted, read the second time by title and referred to the Committee on _____ (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Common Council Conference Room 128, City-County Building, Fort Wayne, Indiana, on _____, the _____ day of _____, 2011, at _____ o'clock _____ M., E.S.T.

DATED: 12-13-11

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by Didier, and duly adopted, placed on its passage. PASSED LOST
by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>
<u>TOTAL VOTES</u>	<u>8</u>	_____	<u>1</u>	_____
<u>BENDER</u>	<u>✓</u>	_____	_____	_____
<u>BROWN</u>	<u>✓</u>	_____	_____	_____
<u>DIDIER</u>	<u>✓</u>	_____	_____	_____
<u>GOLDNER</u>	<u>✓</u>	_____	_____	_____
<u>HARPER</u>	_____	_____	<u>✓</u>	_____
<u>HINES</u>	<u>✓</u>	_____	_____	_____
<u>PAPE</u>	<u>✓</u>	_____	_____	_____
<u>SHOAFF</u>	<u>✓</u>	_____	_____	_____
<u>SMITH</u>	<u>✓</u>	_____	_____	_____

DATED: 12-20-11

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as ~~(ANNEXATION)~~ (APPROPRIATION) (GENERAL) (SPECIAL) (ZONING) ORDINANCE (RESOLUTION) NO. B-1-12 on the 20th day of December, 2011

ATTEST:
Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

SEAL
Matthew Henry
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 21st day of December, 2011, at the hour of 3 o'clock P M., E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 22nd day of December, 2011, at the hour of 11:00 o'clock A M., E.S.T.

Thomas C. Henry
THOMAS C. HENRY, MAYOR