

1 BILL NO. G-13-02-10_ *AS AMENDED*

2
3 GENERAL ORDINANCE NO. G- *3-13*

4
5 **AN ORDINANCE amending Chapter 153:**
6 ***Planning and Development,***
7 ***Designation of Economic Revitalization***
8 ***Areas and the Granting of***
9 ***Tax Abatements, of the City of Fort Wayne,***
10 **Indiana Code of Ordinances**

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

14 **WHEREAS,** It is imperative that oversight of tax abatements be given
15 careful scrutiny in order to keep the balance between attracting new business/encouraging
16 growth while maintaining government revenues; and

17 **WHEREAS,** Fort Wayne Common Council members have worked
18 cooperatively with Allen County Council members to submit reasonable and innovative
19 amendments to the current Chapter 153, governing the area of Granting Tax Abatements to
20 qualifying business applicants; and

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

23 **SECTION 1.** That Chapter 153 entitled DESIGNATION OF ECONOMIC
24 REVITALIZATION AREAS AND THE GRANTING OF TAX ABATEMENTS be amended as
25 follows:

26 **DESIGNATION OF ECONOMIC REVITALIZATION AREAS AND THE GRANTING**
27 **OF TAX PHASE-INS**

28 **SECTION 2.** That Section 153.13 entitled DELEGATION OF
29 RESPONSIBILITY be amended as follows:

30 **§ 153.13 MISSION AND DELEGATION OF RESPONSIBILITY.**

1 Tax phase-in is an economic development incentive to stimulate job growth, payroll and new
2 investment of new and existing businesses in Fort Wayne and Allen County. It is designed
3 to maximize long term tax base and assist these projects where they may otherwise not
4 occur.

5 The Common Council designates the City of Fort Wayne Community Development Division
6 as the entity for the administration and processing of applications for economic revitalization
7 areas. Those procedures deemed necessary for the orderly application, administration and
8 monitoring of economic revitalization areas shall be developed by the Director of the
9 Community Development Division, submitted to the finance committee of the Common
10 Council, and approved by the Common Council of the whole. Any ensuing changes to same
11 administrative procedures shall be approved by similar action of the Council.

12 **SECTION 3.** That Section 153.16 entitled COMMUNITY BENEFIT
13 REVIEW be amended as follows:

14 **§ 153.16 COMMUNITY BENEFIT REVIEW.**

15 In its deliberations regarding designation of an economic revitalization area, the Common
16 Council shall, pursuant to IC 6-1 1-12 1-2(f), find that none of the following standards have
17 been violated:

18 (A) The designation will encourage the use of vacant or under-utilized land or
19 improvement or replacement of a deteriorated or obsolete structure designated as
20 appropriate for industrial or commercial development which is currently zoned
21 appropriately for industrial or commercial use.

22 (B) The proposed use of the real estate for which designation is being requested is
23 consistent with the land use policies of the city.

24 (C) The designation will encourage the improvement or replacement of a deteriorated or
25 obsolete manufacturing equipment, or result in significant conversion of solid waste or
26 hazardous waste into energy or other useful products.

27 (D) The designation will have no negative impact on the preservation of a historically
28 listed structure.

29 (E) The designation will assist in the inducement of a project providing employment
30 opportunities for Fort Wayne area residents.

1 (F) The designation will assist in the inducement of a project which will provide long-
2 term benefits to the tax base of the city. It is the policy of the Common Council, therefore,
3 that the Common Council shall denote in the appropriate space on the Statement of
4 Benefits Form (State Form SB-1) as a precondition to the receipt of economic
5 revitalization area status the following text: "Subject to taxpayer's non-delinquent status
6 on any and all property tax due to taxing jurisdictions within Allen, County, Indiana". In
7 subsequent filings by the taxpayer and/or applicant of Compliance with Statement of
8 Benefits Forms (State Form CF-1), taxpayer/applicant must self-certify its non-delinquent
9 status with all taxing jurisdictions within Allen County, Indiana.

8 (G) For projects located in economic development target areas standards (A) through
9 (F) must be met. In addition to standards (A) through (F), projects located in the
10 downtown economic development target areas must conform to the downtown design
11 guidelines.

12 (H) The applicant requesting the designation has disclosed any and all persons of
13 interest or business entities affiliated with the project.

14 **SECTION 4.** That Section 153.18 entitled DESIGNATION
15 PERIODS be amended as follows:

16 **§ 153.18 DESIGNATION PERIODS.**

17 Designation periods for newly designated economic revitalization areas shall expire on
18 December 31, 2016, unless otherwise automatically extended in five-year increments per
19 I.C. 6-1.1-12.1-9 or specified by the Common Council in its confirming resolution.

20 **SECTION 5.** That Section 153.19 entitled DEDUCTION PERIODS
21 FOR REAL PROPERTY be amended as follows:

22 **§ 153.19 DEDUCTION PERIODS FOR REAL PROPERTY.**

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

25 (A) Limiting the number of years of deduction (abatement) for improvements to real
26 property in areas not designated as an economic development target area to three,
27 five, seven, or ten years, based on the following Review System:
28
29
30

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
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Estimated Percent of Business done outside Allen County

1	Greater than 75%	15
2	50% to 74%	10
3	25% to 49%	5

JOBS (20 points possible)

Total number of permanent jobs retained

5	Over 250	10
6	100 to 249	8
7	50 to 99	6
8	25 to 49	4
9	10 to 24	2
10	1 to 9	1

**Total number of permanent jobs created
(Double Points for start-ups)**

11	Over 100	10
12	50 to 99	8
13	25 to 49	6
14	10 to 24	4
15	1 to 9	2

WAGES (20 points possible)

Median salary of the jobs created and/or retained

17	Over \$45,000	20
18	\$40,000 to \$44,999	16
19	\$35,000 to \$39,999	12
20	\$30,000 to \$34,999	8
21	\$25,000 to \$29,999	4
22	Under \$25,000	0

BENEFITS (10 points possible)

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

SUSTAINABILITY

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

5

TOTALS

3 LENGTH OF ABATEMENT

4 20 to 39 points – 3 year abatement

5 40 to 59 points – 5 year abatement

6 60 to 69 points – 7 year abatement

7 70 to 100 points – 10 year abatement

8 * If Average annual salary of the full-time jobs created by listed occupation is 10% or greater than the
9 average salary for Allen County using current occupational employment statistics and is eligible for a ten or
10 seven year abatement, then the applicant is eligible for an alternate deduction schedule.

11 10 Year

12 Year 1 100%

13 Year 2 100%

14 Year 3 100%

15 Year 4 100%

16 Year 5 100%

17 Year 6 90%

18 Year 7 80%

19 Year 8 65%

20 Year 9 50%

21 Year 10 40%

22 7 Year

23 Year 1 100%

24 Year 2 100%

25 Year 3 100%

26 Year 4 100%

27 Year 5 100%

28 Year 6 71%

29 Year 7 43%

30 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)

1	\$10,000 to \$29,999	4
2	\$5,000 to \$9,999	3
3	\$3,000 to \$4,999	2
3	Less than \$3,000	1

4 ***ECONOMIC BASE (20 points possible)***

5 **Location Quotient in designated Occupation Code**
 6 **(use majority Occupation Code of all created and retained jobs)**

7	Greater than 1 0	5
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8 **Estimated Percent of Business done outside Allen County**

9	Greater than 75%	15
10	50% to 74%	10
11	25% to 49%	5

12 ***JOBS (20 points possible)***

13 **Total number of permanent jobs retained**

14	Over 250	10
15	100 to 249	8
16	50 to 99	6
17	25 to 49	4
18	10 to 24	2
19	1 to 9	1

20 **Total number of permanent jobs created**
 21 **(Double Points for start-ups)**

22	Over 100	10
23	50 to 99	8
24	25 to 49	6
25	10 to 24	4
26	1 to 9	2

27 ***WAGES (20 points possible)***

28 **Median salary of the jobs created and/or retained**

29	Over \$45,000	20
30	\$40,000 to \$44,999	16
31	\$35,000 to \$39,999	12
32	\$30,000 to \$34,999	8
33	\$25,000 to \$29,999	4

1 Under \$25,000 0

2 **BENEFITS (10 points possible)**

3 Major medical plan offered 7

4 Pension, tuition reimbursement, 3
5 life insurance, dental insurance,
and/or disability insurance offered

6 **SUSTAINABILITY**

7 Construction uses green building techniques 5
8 (i.e. LEED Certification)

9 Construction uses techniques to minimize impact
10 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.

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%

1 **SECTION 7.** That Section 153.21 entitled COMPLIANCE WITH
2 STATEMENT OF BENEFITS be amended as follows:

3 **§ 153.21 COMPLIANCE WITH STATEMENT OF BENEFITS.**

4 (A) All deduction applications filed with the Allen County Auditor for projects designated
5 by the Common Council as economic revitalization areas must include a correct and
6 complete Compliance with Statement of Benefits Form (CF-1) as prescribed by the Indiana
7 Department of Local Government Finance. For designations approved after January 1,
8 2012, deduction applications must also include a Public Benefit Annual Update form
9 provided by the city to the applicant and affirmed to its accuracy by the applicant that
10 provides additional employment information by occupation classification for Allen County
11 under current occupational employment statistics. The Compliance with Statement of
12 Benefits Form must be filed with both the Allen County Auditor and the city Community
Development Division according to the filing schedule listed in IC 6-1.1-12.1-5 and IC 6-1.1-
12.1-5.5, as applicable.

13 (B) Compliance with Statement of Benefit Forms filed by an applicant must show the
14 extent to which there has been compliance with the Statement of Benefits Form (SB-1)
15 approved by the Common Council in designating the area an economic revitalization area
16 The Compliance with Statement of Benefits Form must be updated per IC 6-1.1-12 1-1 et
17 seq. The Common Council shall monitor for substantial compliance those projects it
designates as economic revitalization areas.

18 (C) Substantial compliance has been defined by the Common Council as

19 (1) Meeting 75% or more of the numbers of full-time and/or part-time jobs stated
20 to be created or retained as delineated in the original Statement of Benefits Form
21 (SB-1) approved by the Common Council; and

22 (2) Meeting 75% or more of the total payroll stated to be created or retained as
23 delineated in the original Statement of Benefits Form (SB-1) approved by the
24 Common Council, within the time frame projected in the applicant's original
25 approved Statement of Benefits Form.

26 (D) Within 45 days after receipt of a properly filed Compliance with Statement of
27 Benefits Form, the Common Council will determine whether the applicant has
28 substantially complied with the Statement of Benefits Form and, if not, whether the failure
to substantially comply was caused by factors beyond the control of the applicant

1 (E) Property owners that have not substantially complied with the terms of their original
2 Statement of Benefits Form may have the remainder of their tax abatement rescinded by
3 the Common Council

4 (F) An applicant that has received a deduction for real and/or personal property.

5 (1) Ceases operations at the facility for which the deduction was granted, and


6
7 (2) Is found to have intentionally provided false information concerning plans to
8 continue operations at the facility, may be determined by Common Council to be
9 subject to repayment to the Allen County Treasurer of those property taxes that
were deducted per the formula given in IC 6-1.1-12.1-12(e).

10 **SECTION 8.** That Section 153.25 entitled SUNSET PROVISION be
11 amended as follows:

12 **§ 153.25 SUNSET PROVISION.**

13
14 Chapter 153 Sections 153.13 through 153.25 shall be subject to a sunset of its
15 provisions on December 31, 2017 except that such sunset date shall have no effect on any
16 designations made by that date of December 31, 2017.

17 **SECTION 9.** This Ordinance shall be in full force and effect from
18 and after its passage and any and all necessary approval by the Mayor.

19 
20 Mitchell V. Harper, Council Member

21 
22 Russ Jehl, Council Member

23 
24 Geoff Paddock, Council Member

25 **APPROVED AS TO FORM AND LEGALITY**

26
27 
28 Carol Helton, City Attorney
29
30

Admn. Appr.

DIGEST SHEET

TITLE OF ORDINANCE: An Ordinance Amending Chamber 153: Planning and Development, Designation of Economic Revitalization Areas and the Granting of Tax Abatements, of the Fort Wayne Municipal Code of Ordinances

DEPARTMENT REQUESTING ORDINANCE: Community Development Division

SYNOPSIS OF ORDINANCE: This is to approve changes to certain sections of the existing policies for the granting of property tax abatements.

EFFECT OF PASSAGE: Amendments will rename the program from tax abatements to tax phase-ins, establish a mission for the program and make changes to council's tax abatement review system

EFFECT OF NON-PASSAGE: City policies and administrative procedures remain the same

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS): No expenditures of public funds required.

ASSIGNED TO COMMITTEE (CO-CHAIRS): Glynn Hines and Russell Jehl

Public Hearing Date, if applicable

Read the first time in full and on motion by Councilman *S. Lynn Hines*
Read the second time by title and referred to the *Regulations Committee*
Committee. Read the third time in full and on motion by Councilman
Hines, placed on passage by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	9			
BENDER	✓			
CRAWFORD	✓			
DIDIER	✓			
HARPER	✓			
HINES	✓			
JEHL	✓			
PADDOCK	✓			
SHOAFF	✓			
SMITH	✓			

DATED: *2-26-13* *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. *A-3-13* on the *26th* day of
February, 2013

ATTEST:
Sandra E. Kennedy SANDRA E. KENNEDY, CITY CLERK
T. Hines F. Lister PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the *27th* day
of *February*, 2013, at the hour of *2* o'clock *PM.* E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this *1st* day of *MARCH*
2013, at the hour of *2:00* o'clock *PM.* E.S.T.
Thomas C. Henry
THOMAS C. HENRY, MAYOR

BILL NO. G-13-02-10

REPORT OF COMMITTEE ON REGULATIONS

FEBRUARY 26²⁶ 10, 2013

**GLYNN HINES - CHAIR
RUSSELL JEHL - CO-CHAIR
ALL COUNCIL MEMBERS**

*Filed
3 2 10*

WE, YOUR COMMITTEE ON REGULATIONS TO WHOM WAS REFERRED A **GENERAL ORDINANCE** amending Chapter 153: **Planning and Development, Designation of Economic Revitalization Areas and the Granting of Tax Abatements, of the City of Fort Wayne, Indiana Code of Ordinances.** HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE

DO PASS

DO NOT PASS

ABSTAIN

NO REC

[Handwritten signatures and initials, including names like "Honors Fleeter" and "M. B."]

SANDRA E. KENNEDY
CITY CLERK