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BILL NO. G-13-09-24

GENERAL ORDINANCE NO. G-22-13

**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:

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**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)

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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.

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.

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:

| 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:

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

3 **§ 153.20 DEDUCTION PERIODS AND ABATEMENT SCHEDULES FOR**
4 **PERSONAL PROPERTY.**

5 In determining whether an applicant is entitled to a deduction for new manufacturing
6 equipment, new research and development equipment, new logistical distribution
7 equipment, or new information technology equipment as defined in IC 6-1.1-12.1-1(3), 6-
8 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
9 designation by:

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

13 **TAX ABATEMENT REVIEW SYSTEM—PERSONAL PROPERTY**

| | Points Possible | Points Awarded |
|--|-----------------|----------------|
| <i>INVESTMENT (30 points possible)</i> | | |
| 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 | |

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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

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|----------------------|----|
| 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.

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% |

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

5 TAX ABATEMENT SCHEDULES – PERSONAL PROPERTY

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

8 (1) three (3) year abatement schedule:

9

| Year | Percentage |
|------|------------|
| 1 | 100% |
| 2 | 66% |
| 3 | 33% |

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14 (2) Five (5) year abatement schedule:

15

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

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22 (3) Seven (7) year abatement schedule:

23

| 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

Public Hearing Date, if applicable _____

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

| | <u>AYES</u> | <u>NAYS</u> | <u>ABSTAINED</u> | <u>ABSENT</u> |
|--------------------|-------------|-------------|------------------|---------------|
| <u>TOTAL VOTES</u> | <u>6</u> | _____ | _____ | <u>3</u> |
| BENDER | <u>✓</u> | _____ | _____ | _____ |
| CRAWFORD | <u>✓</u> | _____ | _____ | _____ |
| DIDIER | _____ | _____ | _____ | <u>✓</u> |
| HARPER | _____ | _____ | _____ | <u>✓</u> |
| HINES | <u>✓</u> | _____ | _____ | _____ |
| JEHL | _____ | _____ | _____ | <u>✓</u> |
| PADDOCK | <u>✓</u> | _____ | _____ | _____ |
| SHOAFF | <u>✓</u> | _____ | _____ | _____ |
| SMITH | <u>✓</u> | _____ | _____ | _____ |

DATED: 10-08-13 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. 522-13 on the 8th day of
October, 2013

ATTEST: Sandra E. Kennedy T. Thomas F. Didier
SANDRA E. KENNEDY, PRESIDING OFFICER
CITY CLERK

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 9th day
of October, 2013, at the hour of 11:30 o'clock Am. E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 9th day of October
2013, at the hour of 1:30 o'clock PM. E.S.T.

Thomas C. Henry
THOMAS C. HENRY, MAYOR

REPORT OF COMMITTEE ON REGULATIONS

OCTOBER 8, 2013

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

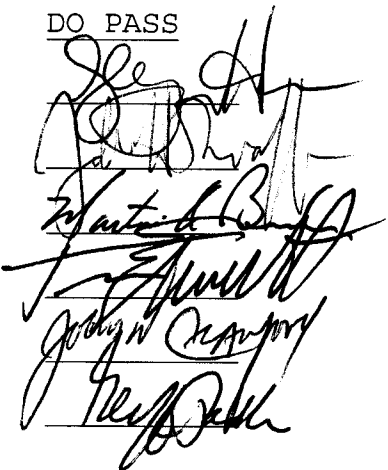
AN ORDINANCE amending Chapter 153: Planning and Development, Designation of Economic Revitalization Areas and the Granting of Tax Phase-Ins, of the Fort Wayne Municipal Code of Ordinances. **COMMITTEE ON REGULATION** have had said Ordinance under consideration and beg leave to report back to the Common Council that said Ordinance

DO PASS

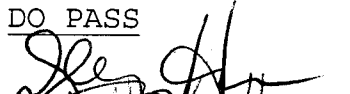
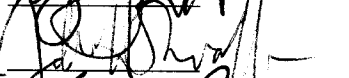
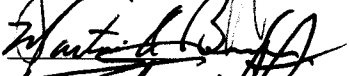



DO NOT PASS

ABSTAIN

NO REC



Handwritten signatures of committee members, including Russell Jehl, Glynn Hines, and others, written over the 'DO PASS' column.

| <u>DO PASS</u> | <u>DO NOT PASS</u> | <u>ABSTAIN</u> | <u>NO REC</u> |
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SANDRA E. KENNEDY
CITY CLERK

BILL NO. G-13-09-24

REPORT OF COMMITTEE ON REGULATIONS

OCTOBER 1, 2013

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

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. **COMMITTEE ON REGULATION** 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

SANDRA E. KENNEDY
CITY CLERK