

ALLEN COUNTY COUNCIL TAX ABATEMENT POLICY

Section I

The Allen County Council, in accordance with I.C. 6-1.1-12.1 et. seq., shall make available the opportunity to receive real estate and personal property tax abatement to qualifying companies located within unincorporated Allen County whose property is not zoned A-2, A-3, RS, RSP, or MH.

(A) Economic development staff of the Department of Planning Services shall provide a formal application, and Statement of Benefits, to interested parties.

(1) The owner(s) of property located within the jurisdiction of the Allen County Council shall initiate the process by filing a completed and signed application and Statement of Benefits form (SB-1) with economic development staff.

(2) The application shall be accompanied by the established filing fee.

(a) \$500 for real or personal property deduction

(b) \$750 for both real and personal property deduction

(3) Upon receipt of an application, the Economic Development staff shall note the date of filing on the application and review it for completeness.

(B) Applications will be evaluated and the information provided within will be applied toward the point system to determine the recommended length of the abatement. Abatements can be granted for a period of three, five, seven or ten years for both real and personal property.

(C) The owner of an eligible vacant building, as defined in I.C. 6-1.1-12.1-1(17), is entitled to 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:

(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 I.C. 6-1.1-12.1-4.8(h)(i).

(D) Acceptable applications shall be submitted to the Council for formal consideration within sixty (60) days of the filing.

(E) Staff shall also publish notice in the appropriate media per State law stating the date and time at which the Council will consider the application for abatement.

Section II

The Allen County Council shall consider all findings of fact pertaining to an application for tax abatement.

(A) The Allen County Council, in its deliberations, may, pursuant to I.C. 6-1.1-12.1-2, give consideration to the following general standards to determine if:

(1) the proposed use of the real estate for which a deduction is being sought is consistent with the land use policies contained in the Allen County Comprehensive Plan;

(2) the deduction will assist in the inducement of a project that will result in the retention and/or creation of substantial employment opportunities relative to the value of the investment;

(3) the deduction will encourage the use of vacant or under-utilized land or improvement or replacement of a deteriorated or obsolete structure designated as appropriate for industrial or commercial development;

(4) the deduction will encourage the improvement or replacement of deteriorated or obsolete manufacturing equipment;

(5) the deduction will assist in the inducement of a project which would provide long-term benefits to the tax base of Allen County warranting the granting of abatement.

(B) The Allen County Council shall not consider a Statement of Benefits application for abatement, unless a waiver of noncompliance has been granted pursuant to I.C. 6-1.1-12.1-11.3, if prior to the filing of the application

(1) an Improvement Location Permit has been issued for the project by the Allen County Zoning Administrator,

(2) a Building Permit for the subject rehabilitation has been issued by the Allen County Building Department, or

(3) equipment for which a deduction is being sought has been installed (as defined in State Regulation No. 16)

(C) For applicants indicating that there is a retail component to their business, they must also indicate, by percentage of overall business, to what extent.

(1) Anything less than ten percent (10%) shall be considered a de minimus amount while any amount above fifty percent (50%) will make the project ineligible for abatement.

(2) For retail percentages between 10% and 50%, only the non-retail percentage of the total investment shall be included in the abatement deduction amount.

(E) Tax Abatement Development Fund shall be administered by the Council

(1) Companies can voluntarily choose to contribute a portion of their tax savings

(a) 10%

(b) 5%

(2) The company will be awarded points for choosing to contribute

(a) 5 points for 10%

(b) 3 points for 5%

(3) Revenues from the Tax Abatement Development Fund may be used to fund future economic development projects, such as certifying development ready sites and land control or banking

(F) The Council reserves the right to accept and approve applications not meeting the aforementioned criteria in extenuating circumstances.

Section III

This section pertains only to instances in which Economic Development staff receives requests for proposals (RFPs) from organizations outside of Allen County for competitive, mutli-region projects for which tax abatement incentive availability is requested. This section does not apply to companies capable of completing an application for approval of a Statement of Benefits as required for Council's consideration. Because the Council may not convene to consider and render a decision on such short notice and limited information is provided in the RFP prohibiting staff from completing a full analysis of the project, Economic Development staff shall consider on behalf of the Council the following criteria:

- (A) must be a competitive project, meaning that other locations outside of Allen County must be under consideration by the prospect; and
- (B) must involve either:
 - (1) a combined investment of at least \$10 million and the creation of at least 100 new jobs; or
 - (2) a combined investment of at least \$40 million or the creation of at least 200 new jobs
- (C) Proposed projects meeting the criteria may be preliminarily offered a ten year abatement of the proposed investment should the investment occur in Allen County
- (D) A complete application for approval of a Statement of Benefits must be submitted to the Department of Planning Services for official approval by the County Council. Terms of the abatement can be reevaluated once a prospect submits a completed application or if the project differs significantly from the original proposal.

Section IV

The applicant shall provide Economic Development staff with an annual report (Compliance with Statement of Benefits, Form CF-1) showing the extent to which there has been compliance with the Statement of Benefits from as required by I.C. 6-1.1-12.1-5.1(b) and 6-1.1-12.1-5.6(b).

- (A) Economic Development staff shall analyze all CF-1 forms and compile a summary sheet and findings of fact to present to the Council.
- (B) The Council will follow the procedures established by Resolution No. 2003-12-11-3 approving the Allen County Compliance Policy to review the compliance forms.

Section V

In regard to the development of guidelines for granting waivers of noncompliance, the Council should be fair and consistent in providing services to businesses while minimizing the fiscal impact on taxpayers.

(A) Indiana State law I.C. 6-1.1-12.1-9.5 and 6-1.1-12.1-11.3, makes it possible for an applicant to request that the designating body waive noncompliance for the following:

- (1) Failure to submit a statement of benefits prior to a public hearing
- (2) Failure to designate an economic revitalization area (ERA) or submit a statement of benefits prior to construction of a facility and/or installation of equipment
- (3) Failure to make the necessary findings of fact as required in I.C. 6-1.1-12.1-2, 3, 4.5 or 4.8 before designating an area as an ERA or authorizing a deduction for new equipment
- (4) Failure to file a timely and complete deduction application as required by I.C. 6-1.1-12.1-5, 5.3 and 5.4

(B) Waivers of noncompliance should only be considered for those companies in good standing with local and state governmental entities.

- (1) Companies must verify that they are not delinquent on any taxes owed (property, income or sales), their Compliance with Statement of Benefits (CF-1) have been filed on time and are substantially compliant, and there are no outstanding state or federal environmental issues.
- (2) Staff will verify that companies are in good standing.

(C) To begin the waiver process, the applicant must first contact economic development staff in the Department of Planning Services.

- (1) If staff determines that a waiver is needed, a formal request from the company should be made in writing explaining the circumstance(s).
- (2) The company will also need to address the steps needed to correct the problem and the actions the company will take to correct further problems from occurring.

(D) The following procedures shall be followed

- (1) Waiver of noncompliance for failure to file timely Statement of Benefits Application
 - (a) for personal property, waivers will only be considered on equipment installed within one month prior to date application is received
 - (b) for real property, waivers will only be considered on applications where applicant has applied for and received an Improvement Location Permit/Structural Permit and has broken ground for the project within one month prior to date application is received
 - (c) a fine equal to one-tenth of a percent (0.1%) of the proposed investment amount or no less than \$500 will be imposed to defray costs incurred
- (2) Waiver of noncompliance for failure to file timely deduction paperwork
 - (a) Personal Property, waivers will only be considered for failure to file 103 ERA and 103 EL paperwork within the last 12 months or one year

- (b) Real Property, waivers will only be considered for failure to file Form 322 ERA within the last 12 months or one year.
- (c) The Council may not grant waivers for property owners who have failed to file deduction paperwork more than once during the deduction period
- (d) a fine of \$500 will be required to offset the costs incurred
- (3) Waivers of noncompliance for clerical errors
 - (a) Personal Property, waivers will only be considered on clerical errors made by the applicant that affect the proper reporting of project location, project or investment timeframe, and cost of investment.
 - (b) Real Property waivers will only be considered on clerical errors made by the applicant that affect the proper reporting of project location, project or investment timeframe, and cost of investment.
 - (c) a fee of \$500 will be required to offset the costs incurred

Section VI

This section pertains to the applicant’s response to question 14 of the Statement of Benefits application regarding type of industry.

(A) Those indicating that the nature of their business is either “Office” or “Service” must provide the following information:

- (1) Description of service or product provided
- (2) The percentage of customers or clients based in Allen County

(B) Council shall consider applications for those businesses whose customer or client base is primarily located outside of Allen County

Section VII

The Department of Planning Services’ Economic Development Division shall serve as the administrative agency for processing Statement of Benefits applications. The Economic Development Division, in conduction of its responsibilities under this delegation, may undertake the following actions:

- (A) keep abreast of changes in the state enabling legislation and communicate changes to council members;
- (B) develop and implement procedures to address changes in the state enabling legislation;
- (C) maintain an appropriate application form that is consistent with state law and county procedures;

- (D) establish guidelines to evaluate applications in order to determine the length of the abatement period;
- (E) evaluate the Tax Abatement Program on at least a bi-annual basis;
- (F) keep permanent records of all properly submitted applications and approved Statement of Benefits applications;
- (G) act on behalf of the Allen County Council in corresponding with the applicant(s) and other interested persons regarding the status of an application;
- (H) prepare and provide the Allen County Auditor with a final designation packet which shall include information necessary for the review of applications for deduction pursuant to I.C. 6-1.1-12.1-5 and I.C. 6-1.1-12.1-5.5;
- (I) evaluate annual reports (CF-1 forms) submitted by applicants under Section IV of this policy using the guidelines established in the Allen County Compliance Policy and provide a report to the Council within 45 days summarizing compliance of reporting companies;
- (J) administer the Tax Abatement Development Fund, including invoicing and receiving of contributions to the fund