

ORDINANCE NO. 071310

Filed
7/13/10

**ORDINANCE ESTABLISHING TAX ABATEMENT
GUIDELINES FOR THE TOWN OF McCORDSVILLE, INDIANA**

WHEREAS, local communities may offer real and personal property tax abatement as an incentive to new businesses and/or expanding businesses by granting to local authorities the discretion to determine whether such abatement should occur and if so, the designated period of time over which said abatement should occur with potentially different time frames being allowed for personal property and for real estate; and

WHEREAS, property tax abatement in Indiana is authorized under Indiana Code 6-1.1-12.1 in the form of deductions from assessed valuation and on the condition that the designated property shall be located within an Economic Development Area; and

WHEREAS, the McCordsville Redevelopment Commission has been charged with preparing written guidelines for consideration by the Town Council of the Town of McCordsville, Indiana, to be used upon receipt of a statutorily compliant request for tax abatement; and

WHEREAS, after the study of tax abatement guidelines of various municipalities throughout the State of Indiana, the McCordsville Redevelopment Commission has submitted its Guidelines and Principles for Consideration of Property Tax Abatement in McCordsville, Indiana, as shown on Exhibit A, attached hereto and incorporated by reference herein, and in addition thereto has recommended the adoption of an Industrial Tax Abatement Application Score Sheet, attached hereto and incorporated by reference herein as Exhibit B; and

WHEREAS, the Town Council of the Town of McCordsville, Indiana, believes the adoption of the recommendations of the Redevelopment Commission and the imposition of a filing fee of \$500.00 is in the best interest of the health, safety and welfare of the citizens of McCordsville, Indiana, and the efficient management of the Town.

THEREFORE BE IT ORDAINED by the Town Council of the Town of McCordsville, Indiana that:

SECTION I

Exhibit A and Exhibit B are hereby adopted by the Town Council of the Town of McCordsville, Indiana, as the Guidelines and Principles for Consideration of a statutorily compliant request for tax abatement and an Application Score Sheet.

SECTION II

Contemporaneous with the submission of a statutorily compliant request for tax abatement, a petitioner shall submit to the Clerk-Treasurer of the Town of McCordsville, Indiana, a non-refundable application fee of \$500.00 before any further consideration or processing of the application will take place.

GUIDELINES AND PRINCIPLES FOR CONSIDERATION OF PROPERTY TAX ABATEMENT IN MCCORDSVILLE, INDIANA

These principles are factors and considerations for evaluating application for Economic Revitalization Areas and Tax Abatement and will be used in determining the length of abatement within each category.

1. Firms receiving tax abatement are expected to give local construction firms and local suppliers of goods and services the opportunity to do business whenever possible.
2. Firms that create a technology based product or service or use advanced technology in manufacturing will be given a higher priority.
3. The number of jobs retained and/or created per dollar of investment will be an important consideration.
4. The level of wages and benefits will be an important consideration for all applications.
5. Projects that will require variances or special exceptions will require additional review.
6. Adverse environmental impacts will negatively affect the consideration of abatement.
7. Any need for additional public infrastructure or other additional public support for the project will be considered in determining the length of the abatement. Support of additional infrastructure will be considered as a local incentive to the company applying.
8. The time period of depreciation of equipment will be considered in the length of abatement for equipment.
9. Economic Revitalization Areas (ERAs) designated by the Town Council for Personal Property will include a Memorandum of Understanding that may provide for the repayment to the Town of all or a portion of the tax savings realized through the designation in the event that the ERA is terminated because the property is removed from the Town.
10. A limited tax abatement **may** be considered in a Tax Increment Finance (TIF) District.

GUIDELINES FOR CONSIDERATION OF PROERTY TAX ABATEMENT IN MCCORDSVILLE, INDIANA

Projects will be considered for abatement only if the proposed new investment is at least \$1 million and development has not begun and/or equipment has not been ordered. In addition, if the applicant is not the owner, authorization of the application must be obtained from the owner.

The length of the abatement period for real estate will be considered by the guidelines in the categories below:

Industrial Tax Abatement Application Score Sheet

Company Name:

Application Date:

Project Description:

PROJECT COMPOSITION:

POINTS

3 points possible – use only the applicable scenario with the highest point value

- Personal Property Improvements 1
- Real Property Improvements 2
- Personal Property and Real Property Improvements 3

SCORE

ACTIVITY DETAIL:

5 points possible – if more than one scenario applies, use only the scenario with the Highest point value.

- Existing Industrial Facility – New office addition 1
- Existing Industrial Facility – Expanding or upgrading existing product line 2
- Existing Industrial Facility – Adding new product line 3
- Existing Industrial Facility – Addition of manufacturing space 3
- New Research & Development Facility 4
- New Corporate Regional Office Building 4
- New Industrial Facility 5

SCORE

TOTAL CAPITAL INVESTMENT:

POINTS

5 points possible

- \$1 million - \$4,999,999 3
- \$5 million - \$9,999,999 4
- \$10 million or more 5

SCORE

Projects score 15 or more points are those most beneficial to the Town. These projects will be Considered for abatements up to 7 years on personal property and up to 10 years on real Estate improvements.

Projects scoring 10 points or more provide some benefit to the Town. These projects shall be considered for abatement up to 3 years on personal property and up to 6 years on real estate improvements.

Projects scoring less than 10 points are not eligible for abatement utilizing these criteria and scoring system.

* Before an abatement time period is approved, the applicant must demonstrate that the depreciated life of the improvement is greater than the abatement period. The applicant must also show the eventual realized tax benefit to the community using the current tax rate.