

## **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 PROPERTY 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 or the equipment will be new to the State of Indiana. 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:

### **6-10 Years**

Manufacturing/Real Estate Improvement

Technology Based/Real Estate Improvement

Enterprise Information Technology Equipment (IC 6-1.1-10-44)

### **3-7 Years**

Manufacturing Equipment (tangible personal property used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property)

Research and Development Equipment (tangible personal property such as laboratory equipment, research and development equipment, computers and computer software, telecommunications equipment, or testing equipment)

Logistical Distribution Equipment (tangible personal property such as racking equipment, scanning or coding equipment, separators, conveyors, fork lifts or lifting equipment, transitional moving equipment, packaging equipment, sorting and picking equipment, or software for technology used in logistical distribution)

Information Technology Equipment (tangible personal property that consists of equipment, including software, used in the fields of information processing, office automation, telecommunication facilities and networks, informatics, network administration, software development and fiber optics)

Office/Real Estate Improvements

Retail/Real Estate Improvements

## 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.*

#### POINTS

- |                                                                               |   |
|-------------------------------------------------------------------------------|---|
| ➤ 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**

**JOB RETENTION:**

**POINTS**

*Only full-time positions qualify (use only the highest scenario) – 5 points possible*

- Job retention 1
- 5-9 retained jobs 1
- 10-19 retained jobs 2
- 20-29 retained jobs 3
- 30-49 retained jobs 4
- 50 or more retained jobs 5

**SCORE**

**NEW JOB CREATION:**

**POINTS**

*Only full-time positions qualify (use only the highest scenario) – 5 points possible*

- Job creation 1
- 5-9 new jobs 1
- 10-19 new jobs 2
- 20-29 new jobs 3
- 30-49 new jobs 4
- 50 or more new jobs 5

**SCORE**

**AVERAGE WAGE:** **POINTS**

*5 points possible – utilizing current minimum wage as benchmark*

- 2 times current minimum wage 1
- 2.5 times current minimum wage 2
- 3 times current minimum wage 3
- 3.5 times current minimum wage 4
- 4 times current minimum wage 5

**SCORE**

**COMMUNITY INVOLVEMENT POINTS:** **POINTS**

*The RDC and the McCordsville Town Council will look favorably on companies that are involved in the McCordsville Community. For projects that do not quite make the 10 or 15 point limit, the RDC and Town Council may consider the past community involvement of an existing company or proposed community involvement of a new company. A borderline project can be awarded one point for voluntary labor involvement in a community project and/or one point for financial support of a community project. Community projects include projects associated with the Town, schools, United Way, seniors, youth center, day care, etc. Involvement in these projects must be documented.*

- Voluntary Labor 1
- Financial Support 1

**SCORE**

**TOTAL PROJECT 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.