

## PRINCIPLES

### FOR CONSIDERATION OF PROPERTY TAX ABATEMENT IN LAFAYETTE, INDIANA

These principles are used in determining the guidelines and considerations for each category of project, and will also be used in determining the length of an 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.
2. Existing industry will be considered for tax abatement on the same basis as firms being recruited to the community.
3. Preference will be given to firms that diversify and fill gaps in our local economy rather than those that compete for business in the local economy with existing firms.
4. Products that are sold outside our local community and bring value to the local economy will be given a high priority.
5. Abatement will be used to recruit and assist firms that create a technology based product or service or use advanced technology in manufacturing.
6. Location in the downtown, the urban enterprise zone, or declining area designated as an economic development area will be given a higher priority.
7. Projects that involve retail or are primarily office operations will be considered only in the locations described in #6 above unless the office operations are technology related.
8. The number of jobs created per dollar of investment will be an important consideration for the warehouse distribution and manufacturing areas.
9. The level of wages and benefits will be an important consideration for all applications.
10. Housing will be evaluated in terms of percentage of units available to lower income families, mix of income levels, distance from other projects serving a similar clientele, availability of services, potential displacement of existing housing, and compatibility of design.
11. Projects will not be considered that will require variances or special exceptions unless primary review indicates that no problems will be encountered.
12. Adverse environmental impacts will negatively affect the consideration of abatement.
13. Any need for additional public infrastructure or other additional public support in the project will be considered in determining the length of the abatement.
14. Major development projects will be individually evaluated.
15. The time period of depreciation of equipment will be considered in the length of abatement for equipment.
16. Economic Revitalization Areas (ERAs) designated by the Common Council for new manufacturing equipment will include a Memorandum of Understanding that will provide for the repayment to the City of all or a portion of the tax savings realized through the designation in event that the ERA is terminated because the new manufacturing equipment is removed from the City.

## **GUIDELINES**

### **FOR CONSIDERATION OF PROPERTY TAX ABATEMENT IN LAFAYETTE, INDIANA**

Projects will be considered for abatement only if the proposed investment is at least \$500,000 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 and equipment will be considered by the guidelines in the categories below:

#### **6-10 Years**

Real Estate Improvements

Manufacturing

Technology Based

#### **3-6 Years**

Equipment and Machinery

Warehouse/Distribution

Office

Retail

#### **1-3 Years**

Housing

**Redevelopment Commission Guidelines  
For  
Economic Revitalization Area Designation  
City of Lafayette, Indiana**

The Lafayette Redevelopment Commission has formulated guidelines for granting requests for designation of an Economic Revitalization Area. Each category has a threshold of acceptance and a benchmark for the number of years of tax abatements. The number of years of tax abatement may be increased or decreased by the Redevelopment Commission and/or the Common Council with the addition of positive or negative factors cited. Final authority rests with the Common Council.

**Manufacturing/Commercial**

**Threshold:**

1. Development/redevelopment not begun/Equipment not ordered
2. Commercial only eligible in Central TIF
3. More than \$250,000 investment
4. Variances/special exceptions have

**Positive Factors (increase years of abatement):**

1. Located in Central TIF or Urban Enterprise Zone
2. More than one (1) job created/retained per \$100,000 investment
3. Jobs are supported by product/service sales outside the Greater Lafayette area
4. Commitment to hire/train residents of the Greater Lafayette area, including for construction
5. Jobs include benefits
6. Jobs pay more than county average

**Benchmark:**

Six (6) years – real estate  
Five (5) years – equipment

**Negative Factors (decrease years of abatement):**

1. Location in TIF other than Central TIF
2. Jobs retained but no new jobs created
3. Prior tax abatement received

**Retail**

**Threshold:**

1. Project includes more than one (1) tenant
2. Variances/special exceptions have passed initial review
3. Development/redevelopment not begun
4. Investment more than \$250,000

**Factors:**

1. Redevelopment (rehab) rather than new development
2. Vacancies (measured in square footage, number of spaces and length of time)
3. Property taxes paid by tenant
4. Decline in assessed value
5. Impact on surrounding area

**Benchmark:**

Three (3) years

**Multi-family Rental Housing**

**Threshold:**

1. 20% of units dedicated to low and moderate income households
2. Investment of more than \$500,000 or increased assessment of at least \$50,000
3. Development or redevelopment not yet begun
4. Variances/special exceptions have passed initial review

**Positive Factors (increase years of abatement):**

1. Located in Central TIF or Urban Enterprise Zone
2. More than 40% of the units dedicated to low or moderate income households or more than 20% of units dedicated to low income households

**Negative Factors (decrease years of abatement):**

1. Located in TIF other than Central TIF
2. Low or moderate income households displaced
3. No units dedicated for low income households
4. Demolition or incompatible alteration of historic structures

**Benchmark:**

Six (6) years

## SUMMARY OF IMPACT EVALUATIONS

### COMMUNITY IMPACTS

Yes/No/N/A

1. Is the project compatible with Tippecanoe County's current comprehensive plan?
2. Does the applicant own the property of the project?
3. Will any historic structures be demolished?
4. Will any historic structures be redeveloped?
5. Is a change in zoning necessary? From \_\_\_\_\_ to \_\_\_\_\_
6. Are Variances or Special Exceptions needed?
7. Will any negative environmental impacts or pollution result from the project?
8. Are any environmental permits needed?
9. Will any households be displaced?
10. Will the project have a negative effect on the local housing market?
11. Will the project include rehabilitation or redevelopment of existing structures?
12. Will the project have other benefits on the community?
13. Will the project have other negative effects on the community?
14. Has any work begun or any equipment been ordered?
15. Is the project located in Downtown or the LUEZ?
16. Are products primarily sold outside community?

### EMPLOYMENT IMPACTS

17. Will jobs be created or retained? \_\_\_\_ created \_\_\_\_ retained
18. Will wages be equal or be above the county's average?
- See Supplement to SB1 19. Will employees receive health insurance?
- See Supplement to SB1 20. Will employees receive retirement benefits?
- See Supplement to SB1 21. Will employees receive life insurance?
- See Supplement to SB1 22. Will employees receive other benefits? List:
23. What is the ratio of investment to jobs creation:
24. Will construction labor from the local region (Tippecanoe and contiguous counties) be used?
25. Will new employees resulting from the project be hired from the local region (Tippecanoe and contiguous counties)?
26. Does the project include advanced technology or manufacturing processes?

### FISCAL IMPACTS

27. Will the project be in competition with existing local business?
28. Will the project complement existing local businesses?
29. Will new infrastructures, not yet in place, be required for this project?
30. Will the project have other special tax treatments or financing such as grants, low interest loans, etc.
31. Has the applicant ever applied for or benefited from tax abatement in any other project in Lafayette or elsewhere?
32. Has financing for this project been approved?