

## FACT SHEET

### CITY OF LAPORTE ECONOMIC REVITALIZATION AREA

The intent of this document is to briefly summarize various aspects of the Indiana Code on Economic Revitalization Areas that may be of interest to the applicants. This document should in no way be considered as an interpretation of the Indiana Code on Economic Revitalization Areas.

1. ECONOMIC REVITALIZATION AREA is defined as the entire geographic area of the corporate limits of the City of LaPorte, excluding therefrom any areas that at the time an application is made pursuant to either: I.C. 6-1.1-12.1-2.5 or I.C. 6-1.1-12.1-5.5 or are zoned residential unless a special use, variance or exception has been granted for a commercial or industrial use in said residentially zoned area.
2. ELIGIBLE DEDUCTIONS IN THE ECONOMIC REVITALIZATION AREA are as follows:

A. REDEVELOPMENT/REHABILITATION OF REAL PROPERTY INITIATED AFTER JULY 1, 1987.

REDEVELOPMENT MEANS the construction of new structures in economic revitalization areas, either: a) On unimproved real estate; or b) On real estate upon which a prior existing structure is demolished to allow for a new construction.

REHABILITATION MEANS the remodeling, repair or betterment of property in any manner or any enlargement or extension of property.

A deduction for the redevelopment or rehabilitation of real property may not be approved for the following facilities:

1. Private or Commercial Golf Course.
2. Country Club
3. Massage Parlor
4. Tennis Club
5. Skating Facilities (including Roller Skating, Skate-boarding, or Ice Skating)

6. Racket Sports Facilities (including any handball or racketball court).
7. Hot Tub Facility
8. Suntan Facility
9. Racetrack
10. Residential, unless the facility is a multi-family facility that contains at least twenty percent (20%) of the units available for use by low and moderate income individuals while most of the facility is located in an economic development target area as described below.
11. Any facility the primary purpose of which is:
  - a) Retail Food and Beverage service;
  - b) Automobile Sales and Service; or;
  - c) Other Retail; unless the facility is located in an ERA target area established under Section 7 of this chapter.

#### SECTION 7.

- (A) After favorable recommendation by an Economic Development Commission the fiscal body of a city or a town may by ordinance designate as an economics development target area a specific geographic territory that:
- 1) has become undesirable or impossible for a normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, paired values or prevent a normal development or use of property;
  - 2) has been designated as a registered historic district under the National Historic Preservation Act of 1966 or under the jurisdiction of a Preservation Commission organized under I.C. 36-7-11, I.C. 36-7-11.1, or I.C. 14-3-3.2; or
  - 3) encompasses buildings, structures, sites, or other facilities that are:
    - a) listed on the National Register of Historic Places pursuant to the National Historic Preservation Act of 1966;
    - b) listed on the Register of Indiana Historic Sites and Historic Structures established under I.C. 14-3-3.3; or;

- c) determined to be eligible for a listing on the Indiana Register by the Indiana State Historic Preservation Officer.
- (B) the fiscal body of a city or town may designate a maximum of fifteen percent (15%) of the total geographic territory of the city or town to be in an economic development target area.
- (C) notwithstanding the repeal of Indiana Code 36-7-11.9-4 and I.C. 36-7-12-38, an economic development target area established by city or town before July 1, 1987, continues in effect until it is modified or abolished by ordinance of the city or town fiscal body.

THE AMOUNT OF THE DEDUCTION which a property owner is entitled to receive for a particular year equals the product of the increase in the assessed value resulting from the redevelopment/rehabilitation, multiplied by the percentage prescribed in the following table:

- (1) for deductions allowed over a three (3) year period:

<u>YEAR OF DEDUCTION</u>	<u>PERCENTAGE</u>
1 <sup>st</sup>	100%
2 <sup>nd</sup>	66%
3 <sup>rd</sup>	33%

- (2) for deductions allowed over a six (6) year period:

<u>YEAR OF DEDUCTION</u>	<u>PERCENTAGE</u>
1 <sup>st</sup>	100%
2 <sup>nd</sup>	85%
3 <sup>rd</sup>	66%
4 <sup>th</sup>	50%
5 <sup>th</sup>	34%
6 <sup>th</sup>	17%

FACT SHEET

Page 4

(3) for deductions allowed over a three (3) year period:

<u>YEAR OF DEDUCTION</u>	<u>PERCENTAGE</u>
1 <sup>st</sup>	100%
2 <sup>nd</sup>	95%
3 <sup>rd</sup>	80%
4 <sup>th</sup>	65%
5 <sup>th</sup>	50%
6 <sup>th</sup>	40%
7 <sup>th</sup>	30%
8 <sup>th</sup>	20%
9 <sup>th</sup>	10%
10 <sup>th</sup>	5%

A. General reassessment of real property which occurs within a particular period of the deduction does not affect the amount of the deduction.

The term of the deduction is based on the number of new jobs created as a result of the rehabilitation/redevelopment using the following schedule:

<u>New Jobs Created</u>	<u>Deduction Term</u>
0 – 9	3 years
10 - 24	6 years
25 or more	10 years

The Statement of Benefits form and State form number 18379/form 322ERA are only filed with the County Auditor in the year in which the rehabilitation/redevelopment occurs. Local contractors shall be used in the rehabilitation/redevelopment of real property when feasible.

NEW MANUFACTURING PURCHASED AFTER JULY 1, 1987.

NEW MANUFACTURING EQUIPMENT MEANS any tangible personal property which:

1. is used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or refinishing of other tangible personal property; and
2. was acquired by its owner for use as described above, and was never before used by its owner for any purpose in Indiana; and
3. major rebuilds, if the cost is capitalized.

FACT SHEET

Page 5

THE AMOUNT OF A DEDUCTION that an owner is entitled to for a particular year equals the product of the assessed value of the new manufacturing equipment; multiplied by the percentage prescribed in the following table:

<u>YEAR OF DEDUCTION</u>	<u>PERCENTAGE</u>
1 <sup>st</sup>	100%
2 <sup>nd</sup>	95%
3 <sup>rd</sup>	80%
4 <sup>th</sup>	65%
5 <sup>th</sup>	50%
6 <sup>th</sup>	0%

A deduction is not allowed in the first year the deduction is claimed for new manufacturing equipment to the extent that it would cause the assessed value of all personal property of the owner in the taxing district in which the equipment is located to be less than the assessed value of all the personal property of the owner in that taxing district in the immediately preceding year.

The Statement of Benefits form is only filed once. The deduction Application form, State form number 19338/form 322ERA /P must be filed with the County Auditor in the year in which the new manufacturing equipment is installed and in each of the immediately succeeding four (4) years.