

METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

PRELIMINARY ECONOMIC REVITALIZATION AREA RESOLUTION

Resolution No. 2024-A-028

PERSONAL PROPERTY TAX ABATEMENT

OMR North America, Inc.

4655 Gilman Street

WHEREAS, I.C. 6-1.1-12.1 allows a partial abatement of property taxes attributable to the installation of Equipment (hereinafter the "Project") in Economic Revitalization Areas; and

WHEREAS, I.C. 6-1.1-12.1 empowers the Metropolitan Development Commission (hereinafter "Commission") to designate Economic Revitalization Areas and determine the length of the abatement period and annual abatement schedule during the term of the abatement for such property by following a procedure involving adoption of a preliminary resolution, provision of public notice, conducting of a public hearing, and adoption of a resolution confirming the preliminary resolution or a modified version of the preliminary resolution; and

WHEREAS, the Commission has established in Resolution No. 01-A-041, 2001, certain standards and procedures for the designation of Economic Revitalization Areas for the partial abatement of property taxes attributable to the installation of new equipment; and

WHEREAS, I.C. 6-1.1-12.1 requires an applicant for Economic Revitalization Area designation to provide a statement of benefits and requires the Commission, before it makes a decision to designate such an area as an Economic Revitalization Area, to determine that the Project can be reasonably expected to yield the benefits identified in the statement of benefits and determine that the totality of benefits arising from the Project is sufficient to justify Economic Revitalization Area designation; and

WHEREAS, a business (hereinafter "Applicant") named in the attachment to this Resolution, which attachment is hereby incorporated by reference, has an ownership interest in the geographical area (hereinafter "Subject Real Estate") described in such attachment; and

WHEREAS, the Applicant has requested that the Subject Real Estate be designated as an Economic Revitalization Area for the purpose of achieving property tax savings in connection with the installation on the Subject Real Estate of certain new manufacturing, logistical distribution, information technology, and/or research and development equipment (hereinafter "Specified New Equipment"); and

WHEREAS, during a hearing at 1:00 p.m. on Wednesday, August 21, 2024, the Commission received evidence about whether the Subject Real Estate should be designated as an Economic Revitalization Area

and sufficient evidence was provided which tended to establish Assertions 1, 2, 3, 4, 5 and 6 stated on the attachment to this Resolution.

NOW, THEREFORE, BE IT RESOLVED:

1. The Subject Real Estate is preliminarily designated as an Economic Revitalization Area for an abatement period of six (6) years with a proposed abatement schedule as shown on the attachment to this Preliminary Resolution. Final designation as an Economic Revitalization Area does not occur unless a resolution confirming this Preliminary Resolution is adopted in accordance with the governing statute.
2. Designation as an Economic Revitalization Area allows a partial abatement of property taxes only relative to Specified New Equipment. However, on the written request of the Applicant, the Director of the Department of Metropolitan Development is allowed to authorize in writing, substitutions, modifications, and additions which are not substantial in nature to the specified New Equipment, prior to March 1 of the year in which the initial certified deduction application for new equipment is filed with the Indiana Department of Local Government Finance.
3. **The Economic Revitalization Area designation terminates December 31, 2026. Accordingly, partial abatement of property taxes is allowed relative to Specified New Equipment installed and in operation on the Subject Real Estate during the period September 18, 2024, to December 31, 2026.** However, termination of this designation does not limit the time the Applicant or successor owner is entitled to receive a partial abatement of property taxes, relative to Specified New Equipment installed on the subject real estate before termination of such designation, to a period of less than six (6) years.
4. The partial abatement of property taxes attributable to the installation of Specified New Equipment is subject to limitations contained in I.C. 6-1.1-12.1-4.5 (c) and (d).
5. This Economic Revitalization Area designation is limited to allowing partial abatement of property taxes attributable to the installation of the Specified New Equipment on the Subject Real Estate and does not allow the abatement of real property taxes attributable to redevelopment or rehabilitation activities under I.C. 6-1.1-12.1-3.
6. Under the authority of I.C. 6-1.1-12.1, the Commission directs the Department of Metropolitan Development to survey projects receiving Economic Revitalization Area designation for compliance with job creation/retention figures, salaries associated with these figures and investment figures contained in the applicant's approved statement of benefits form. The annual date of survey shall be contained in a final resolution designating the property as an Economic Revitalization Area.
7. The Commission fixes 1:00 p.m. on Wednesday, **September 18, 2024**, in the Public Assembly Room of the City-County Building for the public hearing of remonstrances and objections from persons interested in the Project and directs the publication of notice of public hearing in accordance with the governing statute. At this hearing, the Commission will take action relative to this Preliminary Resolution and determine whether the Subject Real Estate should be designated as an Economic Revitalization Area, fix the length of the abatement period at six (6) years, and establish an abatement schedule.
8. A copy of this Resolution shall be filed with the Marion County Assessor.

METROPOLITAN DEVELOPMENT COMMISSION

John J. Dillion III, President

Date

Approved as to Legal Form
and Adequacy this 13th day
of August 2024



Ethan L. Hudson,
Assistant Corporation Counsel

**ATTACHMENT TO
METROPOLITAN DEVELOPMENT COMMISSION RESOLUTION
PERSONAL PROPERTY TAX ABATEMENT**

FACTUAL INFORMATION

Applicant: OMR North America, Inc.
Subject Real Estate: 4655 Gilman Street
Wayne Township Parcel Number: 9002138

PROJECT DESCRIPTION

OMR North America, Inc., established in 2017, currently serves as the only North American division of the renowned Italian firm Officine Meccaniche Rezzatesi. OMR specializes in manufacturing critical automotive components, including those used in engines, suspensions, gears, braking systems, and chassis, catering to a diverse range of automotive needs with high precision and quality.

OMR has proposed an expansion to add an oil pump line to its existing facility at the North American headquarters in Speedway, Indiana. This expansion project is significant as it requires an investment of at least \$10,000,000 in new equipment, enhancing the production capabilities and supporting the company's growth in the region. The facility is located within a redevelopment area and TIF District established by the Town of Speedway.

As a result of this project, OMR will retain its current workforce of 95 employees, who earn an average wage of \$24.73/hr. providing job security and stability to its existing team. The expansion is expected to create 45 new full-time permanent jobs, with an average wage of \$25.50/hr. In addition to job creation, OMR is committed to workforce development and training. The company has pledged to donate \$30,000 to a Youth Apprenticeship Program in partnership with a third-party trainer to be determined.

FACTUAL ASSERTIONS

1. x The application was filed with the Department of Metropolitan Development prior to the New Equipment being installed.
2. x The specified New Equipment meets the definition of "New Manufacturing Equipment", "New Logistical Distribution Equipment", "New Information Technology Equipment", and/or "New Research and Development Equipment" found in I.C. 6-1.1-12.1, as interpreted by the Indiana Department of Local Government Finance.
3. x The specified New Equipment will be installed on the subject real estate in one of the following types of facilities:
 - A. x Existing facility
 - B. Expanded facility
 - C. New facility

D. ___ Vacated or converted facility

4. The facility meets the appropriate requirements:

A. x of an existing, expanded or vacated or converted facility:

1. ___ The area in which the facility is located has become "undesirable for normal development" (as defined in Metropolitan Development Commission Resolution No. 01-A-041, 2001), or
2. ___ The operation in the facility is a distressed business (as defined in Resolution No. 97-A-110, 1997), and
3. x the specified new equipment is being installed to relieve the conditions causing the business to be distressed, and
4. ___ the facility is technologically, economically or energy obsolete, which obsolescence may lead to a decline in employment and tax revenues.

B. ___ of a new facility;

1. ___ the area in which the facility is to be located has become "undesirable for normal development" (as defined in Metropolitan Development Commission Resolution No. 97-A-110, 1997), or
2. ___ The operation in the facility is a distressed business (as defined in Resolution No. 97-A-110, 1997), and
3. ___ the specified new equipment is being installed to relieve the conditions causing the business to be distressed, and
4. ___ the facility is technologically, economically or energy obsolete, which obsolescence may lead to a decline in employment and tax revenues.

5. x The facility will benefit Marion County by creating or retaining permanent jobs, increasing the property tax base, avoiding environmental harm, securing the attraction, retention, or expansion of targeted businesses.

6. The subject real estate on which the facility is, or will be located:

A. ___ Is outside an Allocation Area as defined in I.C. 36-7-15.1-26, or

B. x Is inside an Allocation Area, but Applicant's statement of benefits has been submitted to the legislative body for its approval as required by I.C.6-1.1-12.1-2(k)

PROPOSED ABATEMENT SCHEDULE
PERSONAL PROPERTY TAX ABATEMENT

YEAR OF DEDUCTION	PERCENTAGE
1 st	100%
2 nd	100%
3 rd	100%
4 th	75%
5 th	50%
6 th	25%

STAFF COMMENT
PERSONAL PROPERTY TAX ABATEMENT

Street Address:4755 Gilman Street

New Jobs Created:45

Jobs Retained:95

Estimated Cost of Equipment: \$10,000,000.00

STAFF ANALYSIS

OMR North America, Inc. is the North American division of Italian firm Officine Meccaniche Rezzatesi, a leading manufacturing of automotive components for use in engines, suspensions, gears, braking systems and chassis. In 2017 OMR establish a North American headquarters and production facility on a five-acre vacant site owned by the Town of Speedway.

The proposed OMR project would require an investment of at least \$10,000,000.00 in new equipment in an expansion of its existing 44,000-square foot facility built for production for the company's North American operations. As a result of the project, OMR would retain 95 jobs with an average wage of \$24.73/hr. and create 45 new full-time permanent jobs at an average wage of \$25.50/hr. Notably, 67% of the retained workforce are current residents of Marion County.

In addition to job creation, OMR is committed to workforce development and training. The company has pledged to donate \$30,000 to a Youth Apprenticeship Program in partnership with a third-party trainer to be determined. This program aims to provide certifications in essential employment areas such as Welding, Quality Control, Maintenance Technology, Safety, and Specialized Administrative roles. This investment in the future workforce, demonstrates OMR's dedication to fostering skill development and ensuring a pipeline of qualified professionals to support the automotive industry's evolving needs within Marion County.

The Town of Speedway and the Speedway Redevelopment Commission (SRC) have negotiated the proposed incentives with OMR. The proposed tax abatements would eliminate OMR's property tax obligations on eligible investments for a six-year period. Staff supports the incentive offer, as any incremental taxes generated by this project would otherwise be collected by the underlying TIF District, which is controlled by the Town and the SRC, rather than the MDC and City-County Council.

The applicant is requesting tax abatement to assist in off-setting the high costs of investment associated with this proposed project. The granting of property tax abatement will assist the petitioner in making this project more economically feasible by phasing in the increased tax liability resulting from the investments. In staff's opinion, a project such as this would not be economically feasible without the tax abatement incentive. Staff believes that the use of tax abatement is an appropriate tool to assist with this project and support continued development within Marion County. For these reasons, staff believes tax abatement to be an appropriate tool for development.

Staff believes this project does comply with the requirements of Metropolitan Development Commission Resolution No. 01-A-041, 2001 concerning the granting of property tax abatement.

RECOMMENDATION: Staff recommends approval of six (6) years personal property tax abatement.

TOTALITY OF BENEFITS

PETITIONER: **OMR North America, Inc.**

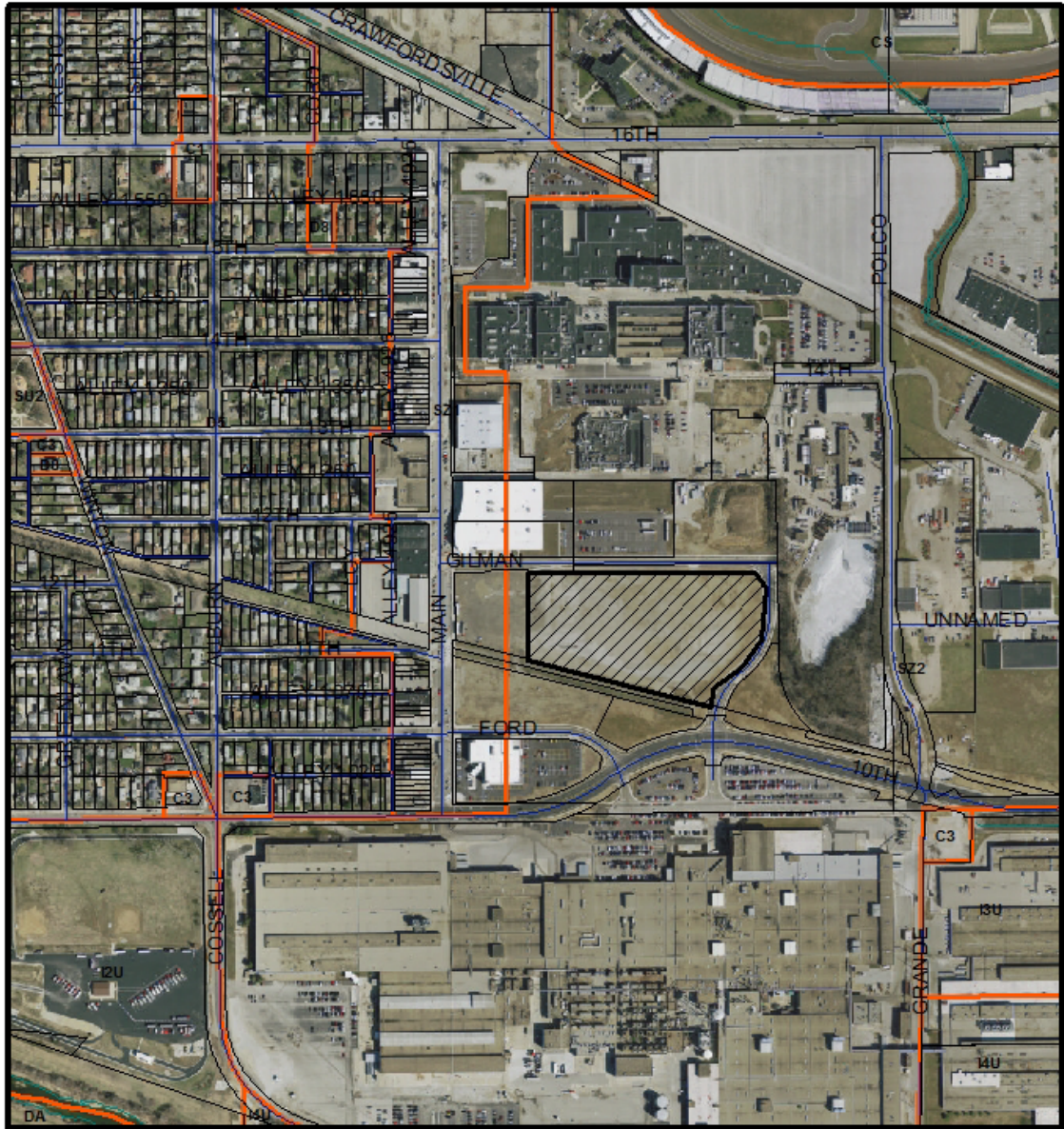
INVESTMENT: Staff estimates that the proposed investment of \$10,000,000.00 should result in an increase to the tax base of approximately \$4,000,000.00 of assessed value in the first year of operation. Staff estimates that over the six (6) year personal property tax abatement period the petitioner will realize savings of approximately \$509,822.00 (a 76.7% savings). During the abatement period, the petitioner is expected to pay an estimated \$155,246.00 in personal property taxes related to the new equipment. After the tax abatement expires, the petitioner can be expected to pay an estimated \$86,748.00 in personal property taxes annually related to the new equipment.

EMPLOYMENT: The petitioner estimates that this project will create forty-five (45) positions at an average wage of \$25.50/hr. Staff finds these figures to be reasonable for a project of this nature.

OTHER BENEFITS: Staff believes this project is significant for Wayne Township in terms of new taxes and potential job creation and retention. Furthermore, staff believes the petitioner's project will lead to continued future investment in Marion County.

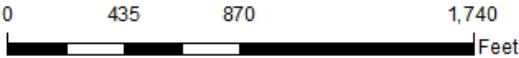
STAFF COMMENT: Staff believes the "Totality of Benefits" arising from the project are sufficient to justify the granting of the tax abatement.

OMR North America, Inc.
4755 Gilman Street



Legend

- Parcels
- Centerlines
- Zoning
- Project Location



Produced by DMD/CED, March 16, 2015