

**METROPOLITAN DEVELOPMENT COMMISSION OF**

**MARION COUNTY, INDIANA**

**FINAL ECONOMIC REVITALIZATION AREA RESOLUTION**

**RESOLUTION NO. 2023-A-038**

**REAL PROPERTY TAX ABATEMENT**

**OnPoint Fort Ben, LLC**

5745 Lawton Loop East Drive

**WHEREAS, I.C. 6-1.1-12.1** allows a partial abatement of property taxes attributable to "redevelopment or rehabilitation" activities (hereinafter "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, annual abatement schedule and deduction limit 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 redevelopment or rehabilitation activities; and

**WHEREAS, I.C. 6-1.1-12.1** empowers the Commission, at the time an Economic Revitalization Area is designated, to limit the dollar amount of the deduction that will be allowed with respect to a project; 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 is incorporated herein by reference, has an ownership interest in the geographical area (hereinafter "Subject Real Estate") described in such attachment; and

**WHEREAS,** the Applicant has requested the Subject Real Estate be designated as an Economic Revitalization Area for the purpose of achieving property tax savings in connection with the Project set forth in the attachment to this Resolution and occurring on the Subject Real Estate; and

**WHEREAS, I.C. 6-1.1-12.1-11.3** empowers the Commission, by resolution and following a public hearing, to waive the requirement that an area be designated as an economic revitalization area before initiation of the redevelopment; and

**WHEREAS**, the Applicant is requesting, pursuant to the provisions of I.C. 6-1.1-12.1-11.3, that the Commission waive the requirement that an area be designated as an economic revitalization area before the initiation of the redevelopment (the "Waiver"); and

**WHEREAS**, during a preliminary hearing at 1:00 p.m. on Wednesday, August 16, 2023, the Commission received evidence about whether the Subject Real Estate should be designated as an Economic Revitalization Area, considered the Waiver, and recommended the appropriate length of the abatement period for such Area, and the Commission adopted **Preliminary Resolution No. 2023-A-033**, preliminarily designating the Subject Real Estate as an Economic Revitalization Area for an abatement period of five (5) years ("Preliminary Resolution"); and

**WHEREAS**, pursuant to IC 6-1.1-12.1-2(k), a statement of benefits for property located within an allocation area, as defined by IC 36-7-15.1-26, may not be approved unless the fiscal body of the unit which established the allocation area, in this case the Common Council of City of Lawrence, Indiana (hereinafter referred to as "Common Council") adopts a resolution approving the Statement of Benefits; and

**WHEREAS**, the Common Council, on October 19, 2023, adopted Resolution No. 13, 2023, approving the Applicant's Statement of Benefits; and

**WHEREAS**, pursuant to Commission Resolution No. 01-A-041, 2001, the Applicant and the City have entered into a Memorandum of Agreement which shall be utilized to measure compliance with the proposed Project described in the attachment to this Resolution; and

**WHEREAS**, proper legal notices were published indicating the adoption of such Preliminary Resolution and Waiver and stating when and where such final public hearing would be held.

**NOW, THEREFORE, IT IS RESOLVED:**

1. The Commission now amends, confirms, adopts and approves such Preliminary Resolution and Waiver thereby finds and establishes the area as an Economic Revitalization Area subject to the conditions that designation as an Economic Revitalization Area allows the abatement of property taxes only relative to the Project and the effectiveness of the designation can be terminated by action of the Commission if:
  - A. The Applicant is unable to secure approval of the necessary variance or rezoning petition to provide for the proposed development.
  - B. Construction on the Subject Real Estate is not in substantial conformance with the Project description contained in the final resolutions as supplemented by information in the application, site plan and elevations; or
  - C. Construction of the Project is not initiated within one (1) year of the date a final resolution designating the Subject Real Estate as an Economic Revitalization Area is adopted.
2. The Economic Revitalization Area (ERA) designation terminates two (2) years after the date a final resolution is adopted; however, relative to redevelopment or rehabilitation completed before the end of the ERA period, this termination does not limit the period of time the Applicant or

successor owner is entitled to receive a partial abatement of property taxes to a period of not less than five (5) years.

3. In the event the investment period, as identified on the Statement of Benefits form, covers more than one assessment cycle, it is the intention of the Commission that Marion County Auditor shall treat each year of partial assessment as the first year of the abatement deduction schedule outlined in this abatement resolution. Each new increment of assessment that occurs during the approved investment period will trigger its own deduction schedule, ensuring that the Applicant is eligible to receive the full, intended abatement savings associated with its forecasted investment, provided that the Applicant timely files with Marion County a separate deduction application (State Forms CF-1 and 322/RE) for each new increment of assessment for which it seeks an abatement deduction.
4. This Economic Revitalization Area designation is limited to allowing the partial abatement of property taxes attributable to redevelopment or rehabilitation activities: **This designation does not allow abatement of property taxes for installation of new manufacturing equipment under I.C. 6-1.1-12.1-4.5.**
5. The Commission has determined that the Project can be reasonably expected to yield the benefits identified in the attached "statement of benefits" and the "statement of benefits" is sufficient to justify the partial abatement of property taxes requested, based on the following findings:
  - A. The estimate of the value of the proposed Project is reasonable for projects of that nature.
  - B. The estimate of the number of individuals who will be employed or whose employment will be retained can reasonably be expected to result from the proposed Project.
  - C. The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to result from the proposed Project.
  - D. Other benefits about which information was requested are benefits which can reasonably be expected to result from the proposed Project.
  - E. The "Totality of Benefits" is sufficient to justify the deduction.
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, Workforce Support Commitments and investment figures contained in the applicant's approved Final Economic Revitalization Area Resolution, the Memorandum of Agreement executed by and between the applicant and the City, and/or the statement of benefits form. The Commission may reduce the dollar amount, or rescind the deduction in its entirety, and/or require repayment of all or a portion of the deductions received by the applicant for failure to achieve the benefits identified in the Memorandum of Agreement and/or "statement of benefits", or for failure to respond to the mandatory survey.
7. The Commission directs the Department of Metropolitan Development to survey the Project described in the attachment to this Resolution annually for at least nine (9) years. The dates of the initial nine (9) surveys shall be on or about the following dates: 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031 and 2032.

8. The Subject Real Estate and Project area are approved for an abatement period of **five (5) years**.
9. The real property tax abatement shall utilize the following abatement schedule:

**ONPOINT FORT BEN, LLC**  
**REAL PROPERTY TAX ABATEMENT SCHEDULE**

YEAR OF DEDUCTION	PERCENTAGE
1 <sup>st</sup>	75%
2 <sup>nd</sup>	65%
3 <sup>rd</sup>	55%
4 <sup>th</sup>	45%
5 <sup>th</sup>	35%

10. A copy of this Resolution shall be filed with the Marion County Auditor.

METROPOLITAN DEVELOPMENT COMMISSION

\_\_\_\_\_  
John J. Dillon III, President

\_\_\_\_\_  
Date

Approved as to Legal Form  
and Adequacy this 22<sup>nd</sup> day  
of October 2023.

/s/ Toae Kim  
Toae Kim,  
Deputy Chief Counsel

**STAFF ANALYSIS**  
**REAL PROPERTY TAX ABATEMENT**

Area Surrounding Subject Real Estate: The site is located within former Fort Benjamin Harrison and within the Fort Harrison Redevelopment Area.

Current Zoning:..... D-P

Qualified New Jobs Created: ..... 11

Qualified Jobs Retained: ..... 21

Estimated Cost of proposed project: \$3,580,000.00

**STAFF ANALYSIS**

OnPoint Fort Ben, LLC has begun the process of redeveloping the historic Fort Benjamin Harrison “PX” building (c. 1908). Phase I of the project consisted of required stabilization of a long-vacant building. \$2.5MM was invested on improvements such as ADA accessibility improvements, new roof as well as truss support system, new elevator, new doors and windows, masonry restoration, new HVAC, new electrical service to the building with distribution panels and the creation of a new asphalt parking lot with sidewalks, curbs and dumpster enclosure.

OnPoint is also proposing ‘Phase II’ of the PX redevelopment, which is a proposed, additional, \$1,080,000 real property investment. This additional investment would be focused on interior finishes and is necessary to convert the ‘white box’ shell into two floors of leasable office space.

OnPoint Fort Ben has identified two tenants to occupy the PX building, an architectural firm and a property management company. Both are local firms that are seeking to expand. The Applicant therefore has committed to at least twenty-one (21) jobs being retain in the completed structure and eleven new jobs being created, at an average wage rate of \$35.00/hr. The Inclusivity Plan will consist of donating 5% of estimated savings to Employ Indy, to support Indy Achieves Completion Grants.

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 five (5) years real property tax abatement.

## **TOTALITY OF BENEFITS**

### **PETITIONER:**

OnPoint Fort Ben, LLC

### **INVESTMENT:**

Staff estimates that the proposed investment of \$3,580,000.00 should result in an increase to the tax base of approximately \$1,131,200.00 of assessed value. Staff estimates that over the five (5) year real property tax abatement period the petitioner will realize savings of approximately \$79,586.71 (a 56% savings). During the abatement period, the petitioner is expected to pay an estimated \$62,607.69 in real property taxes relative to the new investment. Since the property was government owned as-of the 2023 assessment date, the property is currently tax exempt. After the tax abatement expires, the petitioner can be expected to pay an estimated \$35,533.62 in real property taxes annually on the new improvements.

### **EMPLOYMENT:**

The petitioner estimates that this project will retain twenty-one (21) positions at an average wage of \$44.00/hr. and will create at least eleven (11) positions at an average wage of \$35.00/hr. Staff finds these figures to be reasonable for a project of this nature.

### **OTHER BENEFITS:**

Staff believes this project is significant for Lawrence 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 and development 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.

## **PROJECT SUMMARY**

Applicant: OnPoint Fort Ben, LLC

Subject Real Estate: 5745 Lawton Loop East Drive

Lawrence Township Parcel Number: 4038416

### **Project Description:**

OnPoint Fort Ben, LLC is a subsidiary of general contracting firm Meyer-Najam. OnPoint was selected by the Fort Harrison Reuse Authority (FHRA), a statutory redevelopment commission, to redevelop the historic “PX” or Post Exchange building on the grounds of Fort Benjamin Harrison, in 2022. The PX Building was constructed in 1908 to serve the then-active military base, and later converted into a noncommissioned officers club. Since the closure of the base in 1995, the building has fallen into vacancy and deteriorated to the point where demolition was a serious consideration.

Since acquisition, OnPoint has invested \$2.5MM to address aesthetic and structural issues, as well as general modernization of the structure. This ‘Phase I’ stabilization of the PX Building has been completed and is not eligible for tax abatement without the MDC’s grant of a waiver, which has been requested. OnPoint is also proposing ‘Phase II’ of the PX redevelopment, which is a proposed, additional, \$1,080,000 real property investment. This additional investment would be focused on interior finishes and is necessary to convert the ‘white box’ shell into two floors of leasable office space.

OnPoint Fort Ben has identified two tenants to occupy the PX building, an architectural firm and a property management company. Both are local firms that are seeking to expand. The Applicant therefore has committed to at least twenty-one (21) jobs being retain in the completed structure and eleven new jobs being created, at an average wage rate of \$35.00/hr.

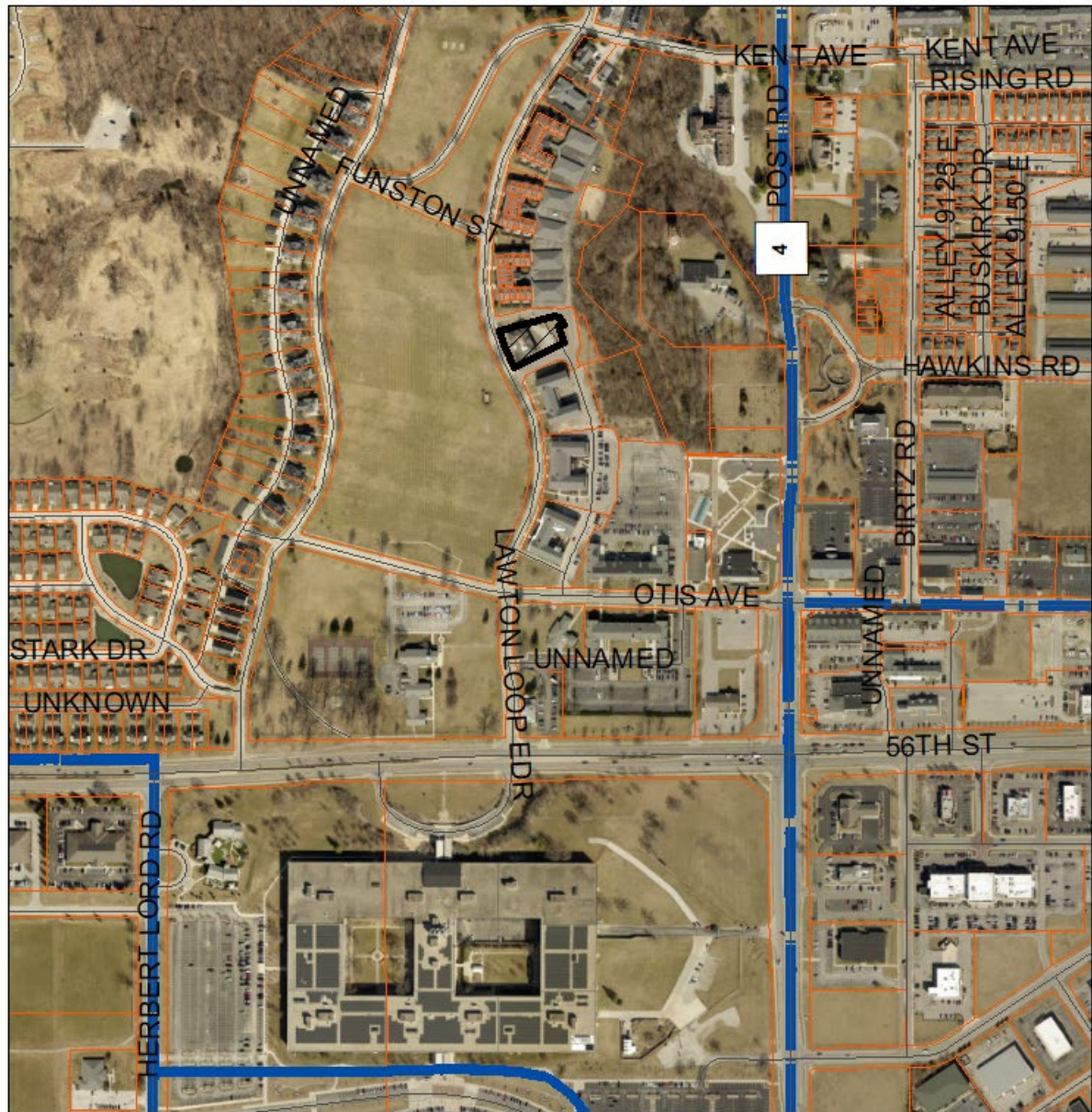
New Jobs Created: 11 at \$35.00/hr.

Jobs Retained: 21 at \$44.00/hr.

Estimated Cost of Project: \$3,580,000.00

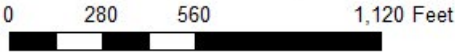
**RECOMMENDATION:** Staff recommends approval of five (5) years real property tax abatement.

OnPoint Fort Ben, LLC  
5745 Lawton Loop East Drive



**Legend**

- IndyGo Transit Routes
- Parcels
- Project Site



Produced by: DMD REED August 8, 2023