

METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

PRELIMINARY ECONOMIC REVITALIZATION AREA RESOLUTION

Resolution No. 2023-A-022

REAL PROPERTY TAX ABATEMENT

GP-CM County Line Partners, LLC

8615, 8640, 8721, 8814, 8816, 8840, 8914 & 8950 South Arlington Avenue and
5600 (aka 5624), 5740 & 6000 East County Line Road

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 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 redevelopment or rehabilitation activities; 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, during a hearing at 1:00 p.m. on Wednesday, June 21, 2023, the Commission received evidence about whether the Subject Real Estate should be designated as an Economic Revitalization Area, and sufficient evidence was provided which established Assertion 1 and some evidence was provided which tended to establish Assertions 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 up to seven (7) 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 abatement of property taxes, for the period indicated, only relative to the Project and **the effectiveness of the designation can be terminated by action of the Commission if:**
 - A. Construction on the Subject Real Estate is not in substantial conformance with the Project description contained in a final resolution as supplemented by information in the application, site plans, and elevations; or
 - B. 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.
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. The Economic Revitalization Area (ERA) designation terminates December 31, 2030; 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 an abatement of property taxes to a period of less than five (5) and up to seven (7) years.
5. This Economic Revitalization Area designation is limited to allowing the abatement of property taxes attributable to redevelopment or rehabilitation activities: **This designation does not allow abatement of property taxes for new manufacturing equipment pursuant to I.C. 6-1.1-12.1-4.5.** Pursuant to IC 6-1.1-12.1-2 (i), the Commission hereby limits the dollar amount of the deduction that will be allowed, with respect to redevelopment in the ERA, to those respective tax savings attributable to the development of an industrial park of up to 1,900,000 gross square feet of leasable area. The designation does not allow for abatement of property taxes attributable to non-industrial uses on the Subject Real Estate, with the exception of accessory retail uses within primarily industrial buildings, which shall be eligible for abatement.
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, July 5, 2023, 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 up to seven (7) 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. Dillon III, President

Bruce Schumacher, Acting Secretary

Date

Approved as to Legal Form
and Adequacy this 14th day
of June, 2023

/s/Toae Kim
Toae Kim,
Deputy Chief Counsel

ATTACHMENT TO
METROPOLITAN DEVELOPMENT COMMISSION RESOLUTION
REAL PROPERTY TAX ABATEMENT

FACTUAL INFORMATION

Applicant: GP-CM County Line Partners, LLC

Subject Real Estate: 8615, 8640, 8721, 8814, 8816, 8840, 8914 &
8950 South Arlington Avenue and 5600 (aka
5624), 5740 and 6000 East County Line Road

Franklin Township Parcel Numbers: 3006603, 3027790, 3005440, 3001148,
3005015, 3008410, 3004675, 3004674,
3001702, 3024587 and 3001775

PROJECT DESCRIPTION

GP-CM County Line Partners, LLC (“GP-CM”) is a real estate development partnership between local development firms Gershman Partners and CitiMark Inc. GP-CM is proposing to develop approximately 170 acres of primarily agricultural land at the northeast and northwest corners of the intersection of Arlington Avenue and County Line Road into a modern industrial park. GP-CM has proposed that the park will be developed in phases, with the final phase being completed by 2030. The completed park would be comprised of approximately 1,900,000 square feet across five freestanding industrial buildings. The five proposed buildings would be the following approximate sizes: Building 1 - 344,100 sqft; Building 2 - 324,00 sqft.; Building 3 - 573,192 sqft.; Building 4 - 101,640 sqft.; and Building 5 - 553,660 sqft., each of which will be leased in whole or likely demised for lease to smaller tenants. The Park would also include 6.4 acres at the northeast corner of County Line Road and Arlington Avenue that would be reserved for commercial use, and not subject to the proposed tax abatement. The total real estate investment by GP-CM in the proposed industrial facilities is estimated at \$126,360,000.00, in addition to aquation costs, park and area infrastructure and the proposed retail corner.

As part of the development agreement and based on the size and nature of the proposed buildings, GP-CM has committed to creating at least 369 new full-time positions at a minimum wage of \$18.00 per hour. GP-CM has also agreed to target identified Opportunity Industries as tenants for the project. Opportunity Industries are defined as those business sector that provide opportunities for worker advancement without requiring a bachelor’s degree. For each building, if the effort to attract an Opportunity Industry tenant is success, two additional years of real property tax abatement would be authorized.

FACTUAL ASSERTIONS

1. The Subject Real Estate:
 - A. ☐ Is in a planned area which has a tax abatement policy as a part of its plan, or
 - B. ☐ is in a planned area which has a tax abatement policy as part of its plan, but such plan does not contain a recommendation for Economic Revitalization Area designation and the recommended length of abatement, or
 - C. ☒ is not located in a planned area with a tax abatement policy.
2. ☒ The Subject Real Estate and the surrounding area are undesirable for normal development.
3. The project is allowed by zoning restrictions applicable to the subject real estate, or the necessary variance, rezoning or approval petitions are on file at the time of this application, and have final approval prior to a final hearing on this resolution.
 - A. ☒ Current zoning allows project.
 - B. ☐ Appropriate petition is on file.
 - C. ☐ Final approval for variance, rezoning or approval petition has been granted.
4.
 - A. ☒ The application for Economic Revitalization Area designation was filed before a building permit was obtained or construction work was initiated on the property, or
 - B. ☐ substantial evidence has been provided supporting that work was started under the following appropriate exception:
5.
 - A. ☒ The subject real estate is governed by Metropolitan Development Commission Resolution No. 01-A-041, 2001 Real Property Tax Abatement Policy for Commercial Projects, which allows up to ten years of abatement for qualifying development, or
 - B. ☐ The project is eligible to receive ten (10) years tax abatement due to the following recognized exceptional circumstances which justify the longer deduction period:
6. The Subject Real Estate is:
 - A. ☒ Located outside of a previously established allocation area as defined in I.C. 36-7-15.1-26, or
 - B. ☐ Located in an allocation area, but has been determined by the Commission to be acceptable for real property tax abatement.

PROPOSED ABATEMENT SCHEDULE
(I-65 & COUNTY LINE ROAD INDUSTRIAL PARK)
REAL PROPERTY TAX ABATEMENT

YEAR OF DEDUCTION	PERCENTAGE
1 st	100%
2 nd	80%
3 rd	60%
4 th	40%
5 th	20%

PROPOSED ABATEMENT SCHEDULE
(I-65 & COUNTY LINE ROAD INDUSTRIAL PARK)
REAL PROPERTY OPPORTUNITY BUSINESS EXTENDED TAX ABATEMENT
(Must be invoked by third year of deduction)

YEAR OF DEDUCTION	PERCENTAGE
1 st	100%
2 nd	80%
3 rd	60%
4 th	55%
5 th	45%
6 th	35%
7 th	25%

STAFF ANALYSIS
REAL PROPERTY TAX ABATEMENT

Area Surrounding Subject Real Estate: The site is located at the northeast and west corners of Arlington Avenue and County Line Road. The area is primarily agricultural or developed with low-density housing, in transition to commercial and industrial re-use.

Current Zoning: C-S

New Jobs Created:..... 369

Jobs Retained:..... None.

Estimated Cost of proposed project: \$126,360,000.00

STAFF ANALYSIS

GP-CM County Line Partners, LLC has proposed to invest \$126.36MM to develop an approximately 1,900,000-square foot industrial park, to be comprised of five individual buildings. GP-CM has committed to a minimum of 369 net new jobs in the industrial park, at a minimum wage of \$18.00/hr. If GP-CM is able to secure “Opportunity Industry” tenants for the project, the proposed abatement would provide for two additional years of real property tax deductions for each building so occupied.

The petitioner’s Inclusivity Plan will dedicate five percent of the estimated abatement value toward eliminating barriers to job access. The Plan includes a multi-modal trail along County Line Road that would connect to a robust pedestrian network within the industrial park. Additionally, the park will feature a signalized, pedestrian crosswalk on Arlington Avenue, and GP-CM will construct missing sidewalk segments along Arlington Avenue.

The City is also considering the designation of the area as an Economic Development Area and Allocation Area. This would allow the City to capture the unabated portion of the increased property taxes resulting from this project to finance needed public infrastructure improvements, such as widening portions of Arlington Avenue and improving the Arlington & County Line Road intersection to facilitate increased industrial and pedestrian traffic.

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 up to seven (7) years real property tax abatement.

TOTALITY OF BENEFITS

PETITIONER:

GP-CM County Line Partners, LLC

INVESTMENT:

Staff estimates that the proposed investment of \$126,360,000.00 should result in an increase to the tax base of approximately \$79,377,529.00 of assessed value. Staff estimates that over the five (5) year real property tax abatement period the petitioner will realize savings of approximately \$7,461,666.73 (a 62.1% savings). During the abatement period, the petitioner is expected to pay an estimated \$4,556,244.32 in real property taxes relative to the new investment. This is in addition to the current taxes being paid on the properties in the amount of \$29,764.36 annually (pay 2023 taxes), which represents the taxes on agricultural ground. After the tax abatement expires, the petitioner can be expected to pay an estimated \$2,458,356.21 in real property taxes annually on the new improvements, in addition to current taxes.

OPPORTUNITY INDUSTRY INCENTIVE:

The petitioner has agreed to target Opportunity Industries in their marketing effort to lease or sell the developed property. If petitioner successful in leasing at least 51% of the gross leasable area of any building to such an industry, then the petitioner will be entitled to an alternate deduction schedule, including two (2) more years of deduction on the building(s) thus occupied. Staff estimates that if all buildings qualify for the enhanced real property tax abatement, the petitioner will realize an additional tax savings of approximately \$1,935,457.23, in addition to the tax savings realized during the initial abatement term. The petition would also pay an additional \$2,871,707.19 in real property taxes during the enhanced abatement term.

EMPLOYMENT:

The petitioner estimates that this project will create a minimum of three-hundred and sixty-nine (369) positions at a minimum wage of not less than \$18.00/hr. Staff finds these figures to be reasonable for a project of this nature.

OTHER BENEFITS:

Staff believes this project is significant for Franklin 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.

GP-CM County Line Partners, LLC
8615 - 8950 South Arlington Avenue and 5600 - 6000 East County Line Road



Legend

-  Parcels
-  Project Site

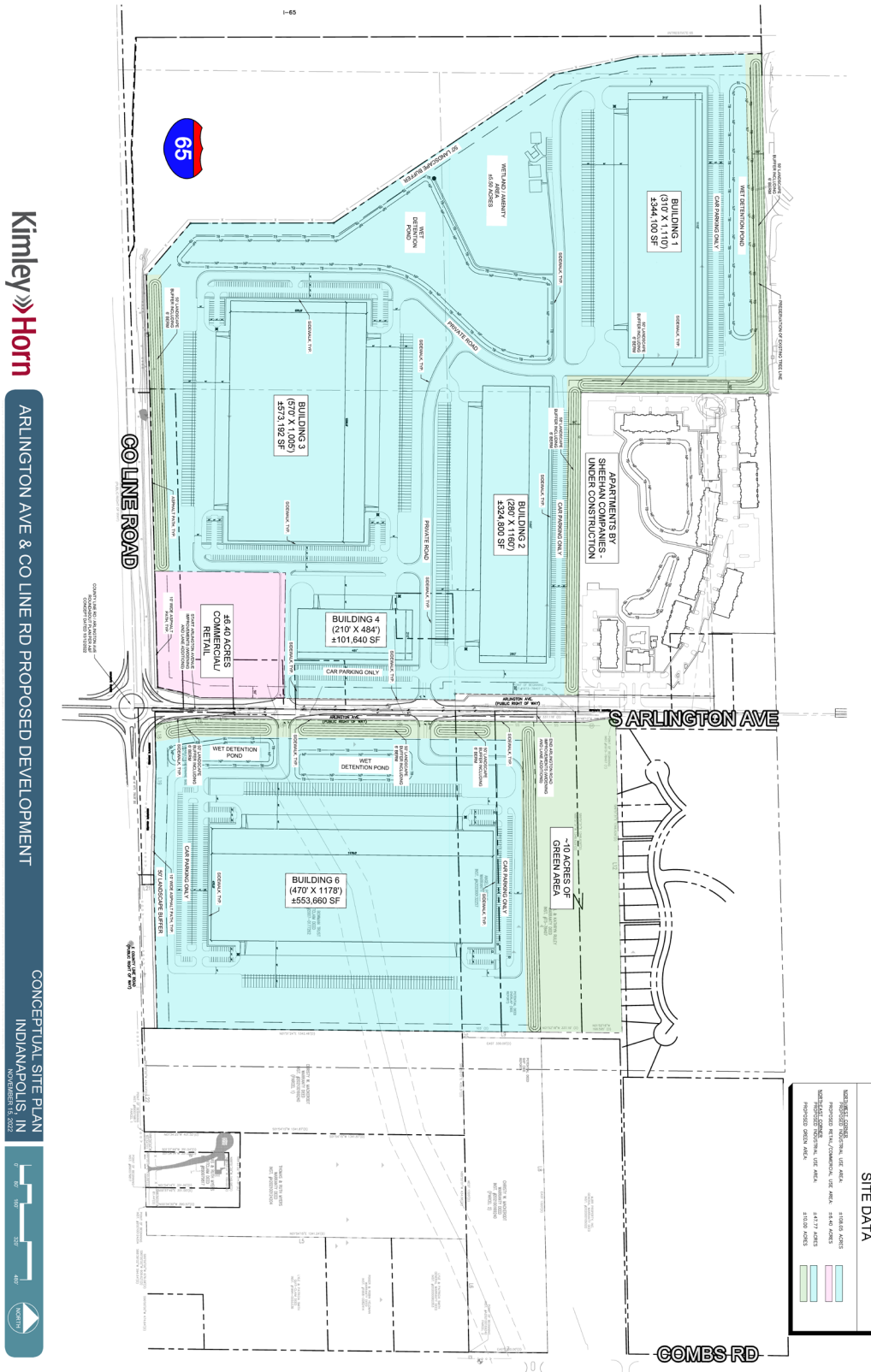


0 462.5 925 1,850 Feet



Produced by: DMD REED June 12, 2023

Conceptual Site Plan



I-65 & County Line Road Industrial Park – Up to 7 Year Real Property Tax Abatement