

METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

PRELIMINARY ECONOMIC REVITALIZATION AREA RESOLUTION

Resolution No. 2023-A-015

REAL PROPERTY TAX ABATEMENT

The Meritex Company and Meritex Decatur, LLC
4925 Decatur Boulevard a/k/a 7000 West Thompson 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 and to limit the dollar amount of the deduction that will be allowed with respect to a Project, 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, April 5, 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 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 two (2) year 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 not 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 a building of up to approximately 81,000 square feet in total area.
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, May 17, 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, Vice Secretary

Date

Approved as to Legal Form
and Adequacy this 29th day
of March, 2023

_____/s/Toae Kim_____
Toae Kim,
Deputy Chief Counsel

ATTACHMENT TO
METROPOLITAN DEVELOPMENT COMMISSION RESOLUTION
REAL PROPERTY TAX ABATEMENT

FACTUAL INFORMATION

Applicant: Meritex Decatur, LLC

Subject Real Estate: 4925 Decatur Boulevard

Decatur Township Parcel Number: 2013233

PROJECT DESCRIPTION

The Meritix Company, founded in 1916 in Minneapolis, Minnesota, is a private, family-owned light industrial real estate development and investment company, with investments in 10 major metropolitan areas across the United States. Meritex Decatur, LLC is a single-purpose entity created by Meritex to construct, own and manage a proposed 80,219-square foot light industrial/flex facility at 4925 Decatur Boulevard, an undeveloped, 6.88-acre parcel in the Ameriplex industrial park. Meritex has committed to invest \$9,642,706 to construct the proposed industrial building.

As part of the development agreement, Meritex has committed to create not less than 16 new full-time positions at a minimum wage of \$18.00 per hour. Meritex 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
MERITEX DECATUR, LLC
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
MERITEX DECATUR, LLC
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 within the Ameriplex industrial park, just south of I-70 and the Indianapolis International Airport.

Current Zoning: C-S

New Jobs Created: 16

Jobs Retained: None.

Estimated Cost of proposed project: \$9,642,706.00

STAFF ANALYSIS

The Meritex Company, through its single-purpose entity, Meritex Decatur, LLC, has proposed to invest \$9,642,706 to develop an approximately 80,219-square foot building for lease to industrial users. Based on the proposed building configuration and size, Meritex anticipates that the building will be occupied by up to four industrial tenants. The addition of such a facility will provide opportunities for smaller regional firms to relocate to, and expand within, Marion County.

Meritex has committed to a minimum of 16 net new jobs in the industrial building, at a minimum wage of \$18.00/hr. Petitioner has agreed to target “Opportunity Industries” as tenants for the project. Opportunity Industries are defined as those business sectors that provide for worker advancement without requiring a bachelor’s degree. If an Opportunity Industry tenant or tenants are secured, two additional years of real property tax abatement would be authorized.

The petitioner’s Inclusivity Plan will dedicate five percent of the estimated abatement value toward eliminating barriers to job access. The Plan includes infrastructure improvements to the general area of the Project Site, which will primarily consist of new public sidewalks on Decatur Boulevard, southwest of the Subject Site. These new sidewalks will facilitate transit use within the industrial park by completing missing sidewalk segments enroute to IndyGo transit service.

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:

Meritex Decatur, LLC

INVESTMENT:

Staff estimates that the proposed investment of \$9,642,706.00 should result in an increase to the tax base of approximately \$7,232,029.50 of assessed value. Staff estimates that over the initial five (5) year real property tax abatement period the petitioner will realize savings of approximately \$672,127.92 (a 56.5% savings). During the abatement period, the petitioner is expected to pay an estimated \$517,179.33 in real property taxes relative to the new investment. This is in addition to the current taxes being paid on the undeveloped property in the amount of \$20,996.98 annually (pay 2022 taxes). After the tax abatement expires, the petitioner can be expected to pay an estimated \$258,858.43 in real property taxes annually on the new improvements, in addition to the annual taxes attributable to the current value of the land.

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 the proposed building to such an industry, then the petitioner will be entitled to an alternate deduction schedule, including two (2) more years of deduction. Staff estimates that if the proposed building qualifies for the enhanced real property tax abatement, the petitioner will realize an additional tax savings of approximately \$217,882.72, in addition to the tax savings realized during the initial abatement term. The petition would also pay an additional \$257,840.18 in real property taxes during the enhanced abatement term.

EMPLOYMENT:

The petitioner estimates that this project will create a minimum of sixteen (16) 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 Decatur 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.

The Meritex Company and Meritex Decatur, LLC
4925 Decatur Boulevard a/k/a 7000 West Thompson Road



Legend

-  Parcels
-  Project Site

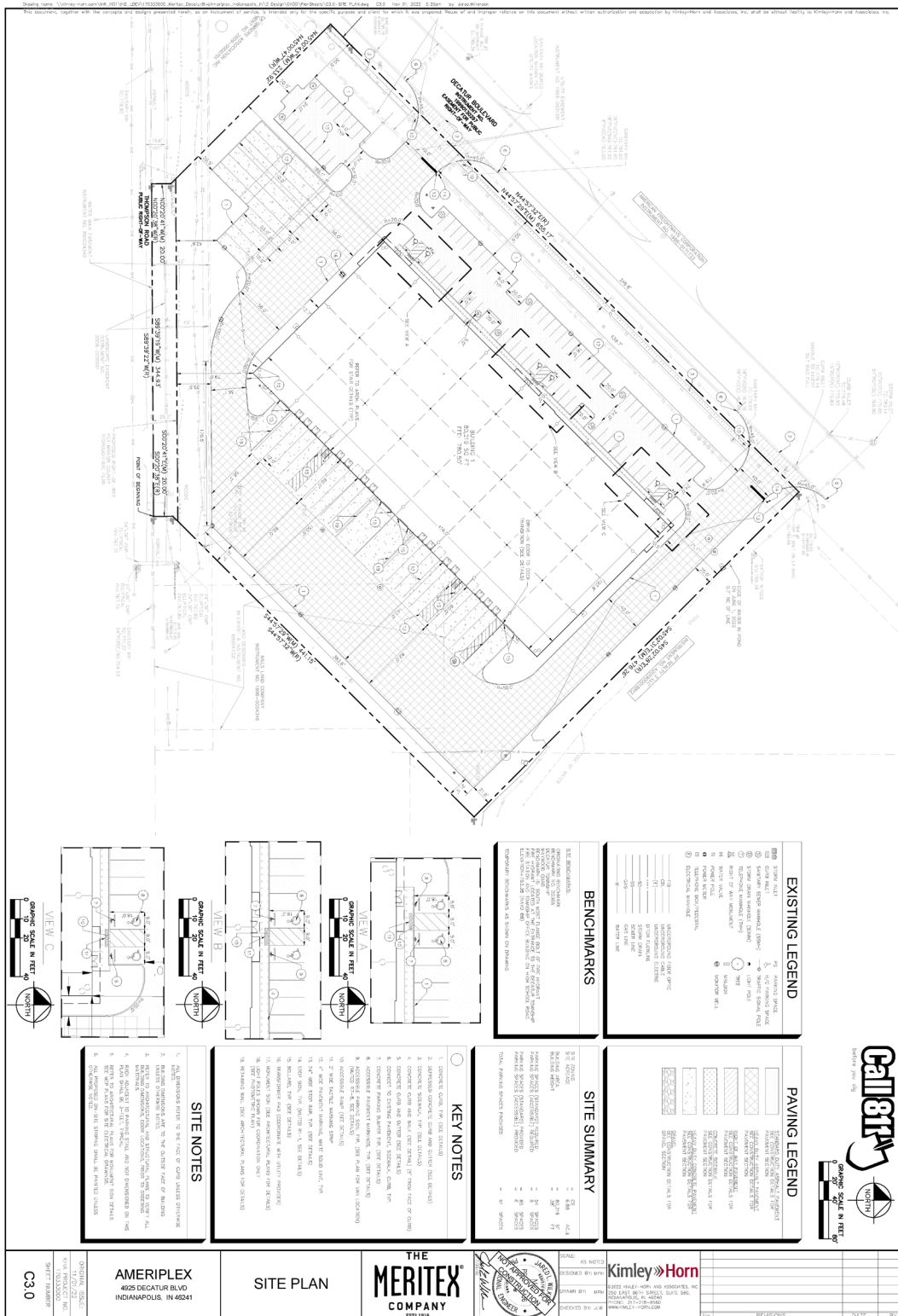


0 462.5 925 1,850 Feet



Produced by: DMD REED March 16, 2023

Site Plan



Conceptual Elevations



Meritex Decatur, LLC – Up to 7 Year Real Property Tax Abatement