

METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

PRELIMINARY ECONOMIC REVITALIZATION AREA RESOLUTION

Resolution No. 2023-A-027

REAL PROPERTY TAX ABATEMENT

CTC02, LLC

910 South Post Road

(Proposed Lot 3, Wolters Industrial Commercial Plat)

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, November 15, 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 69,000 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, December 6, 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

Date

Approved as to Legal Form
and Adequacy this day 8th
of November, 2023

/s/ Toae Kim
Toae Kim,
Deputy Chief Counsel

ATTACHMENT TO
METROPOLITAN DEVELOPMENT COMMISSION RESOLUTION
REAL PROPERTY TAX ABATEMENT

FACTUAL INFORMATION

Applicant: CTC02, LLC

Subject Real Estate: 910 South Post Road

Warren Township Parcel Numbers: 7034604 and a portion of 7006155

PROJECT DESCRIPTION

Commercial Team Construction is a limited liability company based in Indianapolis, Indiana that specializes in industrial real estate development. It was founded in 2003 and has a unique approach to development focusing on Team Focused Contracting. This approach aims to provide clients with a single point of contact throughout the building process from design models and site selection methods to overall project management. CTC02 LLC, a single-point purpose entity, was created by Commercial Team Construction LLC to construct and manage a 68,250-square foot speculative industrial facility at 910 South Post Road. CTC02 LLC has committed to invest \$3,284,205 in the construction of this project.

As part of the development agreement, CTC02 LLC has committed to create not less than 14 new full-time positions at a minimum wage of \$18.00 per hour. The developer 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. x is not located in a planned area with a tax abatement policy.
2. x 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. x Current zoning allows project.
- B. Appropriate petition is on file.
- C. Final approval for variance, rezoning or approval petition has been granted.
4. A. x 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. x 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. x 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
CTC02, 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
CTC02, 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 Wolters Industrial Commercial Plat, slightly north of the Pepsi facility on the west side of Post Road between Rawles Ave. and E Prospect St.

Current Zoning: I-2

New Jobs Created: 14

Jobs Retained: None.

Estimated Cost of proposed project: \$3,284,205.00

STAFF ANALYSIS

Commercial Team Construction LLC, through its single-purpose entity, CTC02 LLC, has proposed to invest \$3,284,205 to develop an approximately 69,000-square foot speculative building for lease to one or more industrial users. The addition of such a facility will provide opportunities for smaller regional firms to relocate to, and expand within, Marion County.

CTC02 LLC has committed to a minimum of 14 net new jobs in the industrial building, at a minimum wage of \$18.00/hr. The petitioner's Inclusivity Plan will dedicate five percent of the estimated abatement value toward employment and training through the Apprenticeship program. Petitioner has also agreed through its Inclusivity Plan to provide a youth apprenticeship, partnering with EmployIndy to select a candidate from Warren Central High School's Modern Apprenticeship Program. This program will be a three-year commitment beginning Junior year of high school.

The proposed CTC02 LLC tax abatement includes an enhanced incentive if the project if 51% of the gross leasable area of the facility is occupied by one or more tenants that align with the City's Target & Opportunity Industries. This would help promote industry clustering, job access and opportunities to the surrounding community's workforce.

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:

CTC02, LLC

INVESTMENT:

Staff estimates that the proposed investment of \$3,284,205.00 should result in an increase to the tax base of approximately \$2,475,000.00 of assessed value. Staff estimates that over the initial five (5) year real property tax abatement period the petitioner will realize savings of approximately \$207,380.25 (a 60.7% savings). During the abatement period, the petitioner is expected to pay an estimated \$134,518.89 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 approximate amount of \$18,956.09 annually (pay2023 taxes). After the tax abatement expires, the petitioner can be expected to pay an estimated \$207,380.25 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 \$69,126.75, in addition to the tax savings realized during the initial abatement term. The petition would also pay an additional \$67,632.90 in real property taxes during the enhanced abatement term.

EMPLOYMENT:

The petitioner estimates that this project will create a minimum of fourteen (14) 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.

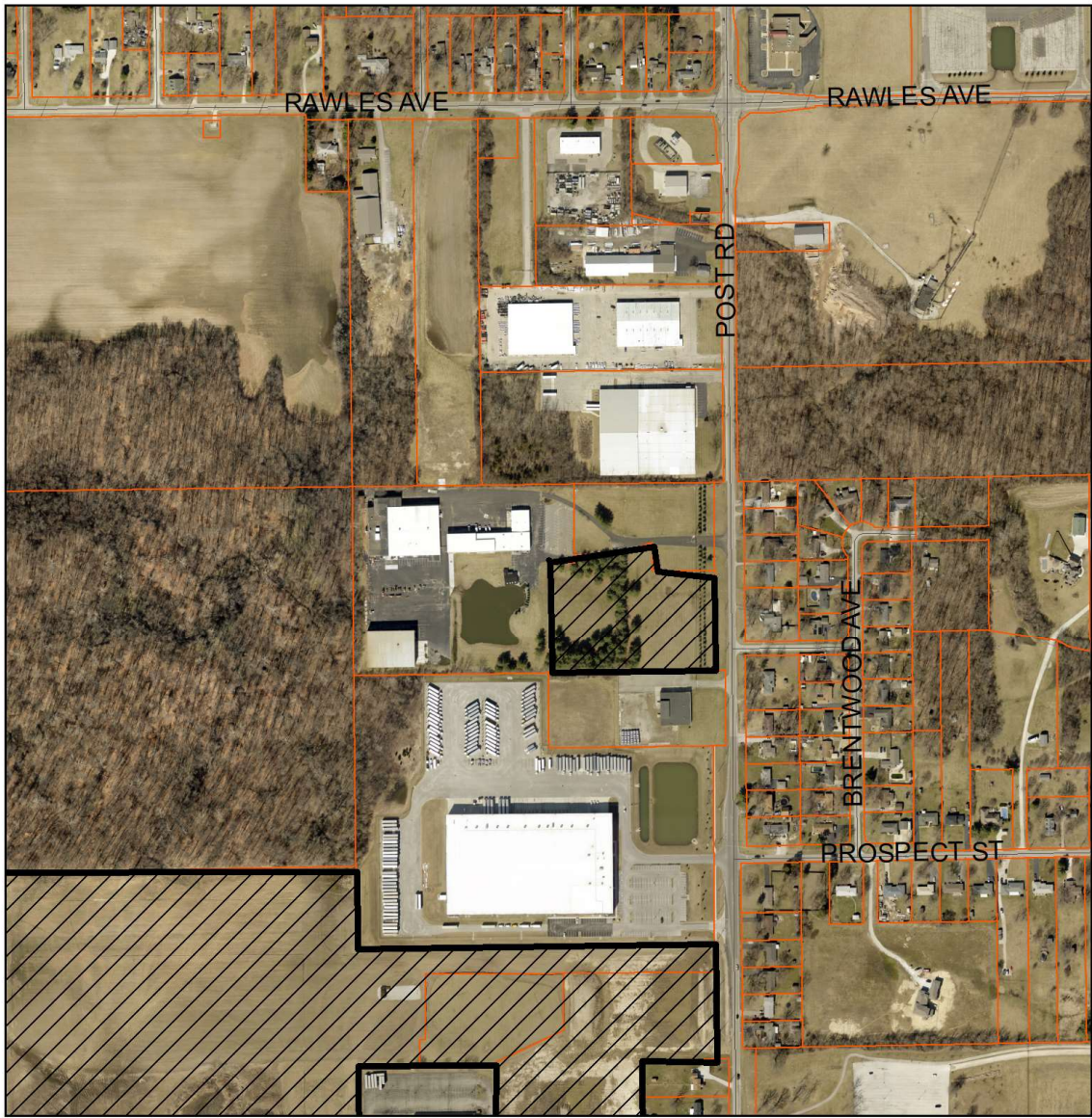
OTHER BENEFITS:

Staff believes this project is significant for Warren 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.

CTC02, LLC
910 South Post Road - Wolters Industrial Commercial Plat, Lot 3



Legend

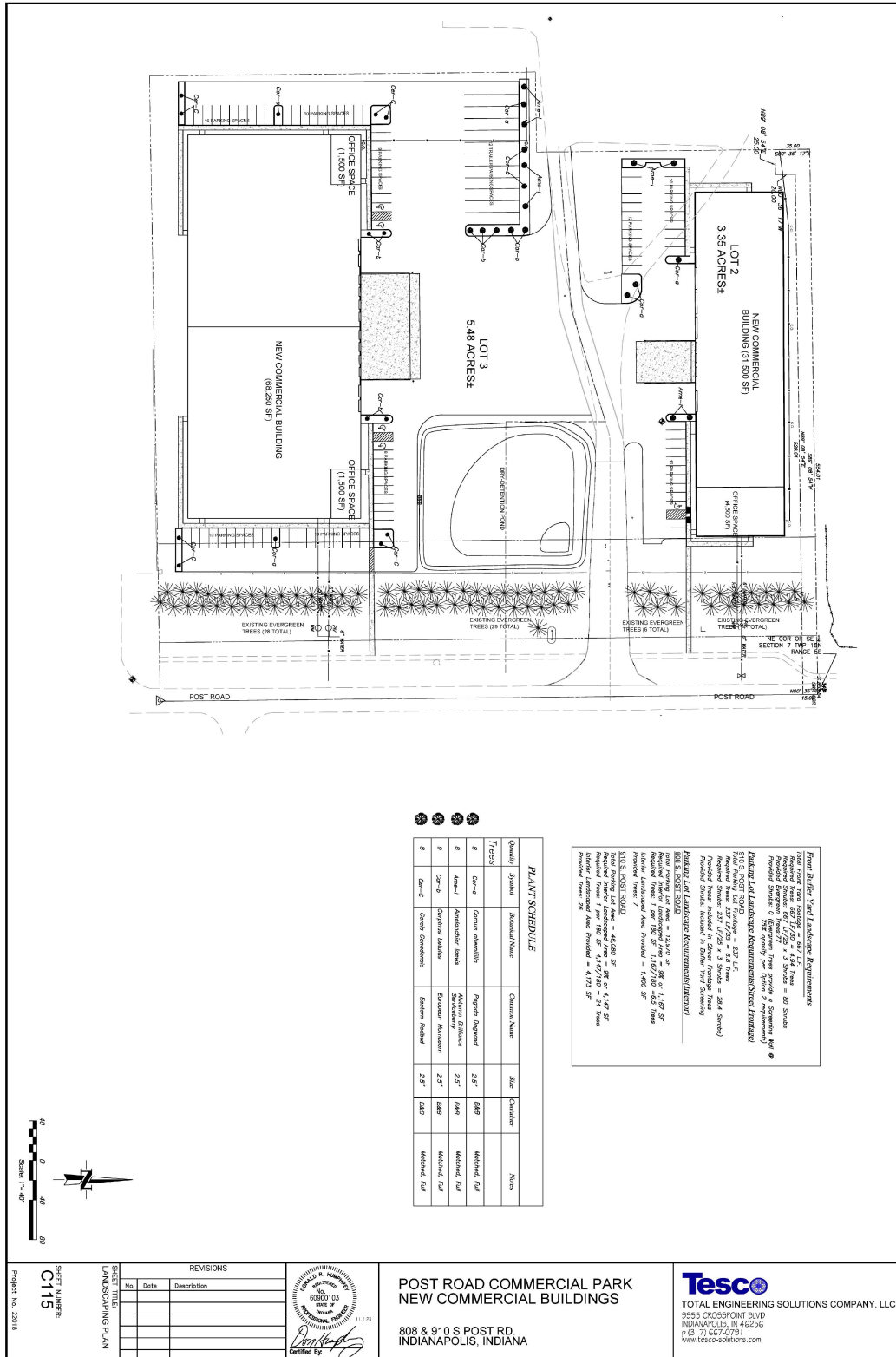
- IndyGo Transit Routes
- Parcels
- Project Site



0 300 600 1,200 Feet

Produced by: DMD REED November 6, 2023

Site Plan



Conceptual

Elevations

