

METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

PRELIMINARY ECONOMIC REVITALIZATION AREA RESOLUTION

Resolution No. 2024-A-001

REAL PROPERTY TAX ABATEMENT

**E Solutions, LLC, Edwards Electrical & Mechanical, Inc.
and Southern Avenue Partnership, LLC**
3233 North Post 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, March 6, 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 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 five (5) 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. The Economic Revitalization Area designation terminates three (3) years after the date a final resolution is adopted; however, relative to redevelopment or rehabilitation completed before the end of the three (3) 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 less than five (5) years.
4. This Economic Revitalization Area (ERA) 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 and rehabilitation activities occurring in the ERA, to those respective tax savings attributable to the redevelopment of an industrial building not greater than 82,744 square feet of leasable area.
5. 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.
6. The Commission fixes 1:00 p.m. on Wednesday, March 20, 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 five (5) years and establish an abatement schedule.

7. 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 28th day
of February, 2024

Sheila Kinney *sek* 2/28/2024
Asst. Corp. Counsel
Office of Corporation Counsel

ATTACHMENT TO
METROPOLITAN DEVELOPMENT COMMISSION RESOLUTION
REAL PROPERTY TAX ABATEMENT

FACTUAL INFORMATION

Applicant: E Solutions, LLC, Edwards Electrical & Mechanical, Inc.
and Southern Avenue Partnership, LLC

Subject Real Estate: 3233 North Post Road

Warren Township Parcel Number: 7042427

PROJECT DESCRIPTION

Founded in 1968 in Indianapolis, Edwards Electrical & Mechanical, Inc. has grown to become one of the largest electrical/mechanical contracting firms in the Midwest, offering both new system installation and also servicing of existing systems. The company was locally-owned from 1968-1998, and was re-acquired by local management in 2006. E Solutions is a division of Edwards that is focused on environmentally sustainable projects. E Solutions specializes in installing and integrating many kinds of industrial systems to provide highly capable, cost-efficient, and easy-to-use controls for customers, such as aircraft de-icing, nuclear medicine, clean rooms, and security, as well as providing preventative maintenance and alert monitoring services.

Edwards and E Solutions have outgrown their existing east side facility on Shadeland Avenue and have need to expand. The companies have identified a building for lease near East 30th Street and Post Road that will accommodate these needed. In order to prepare the building for occupancy and grown by the companies, a collective real property investment of not less than \$2,500,000 has been proposed. Additionally, the companies would make a collective \$3,130,000 investment in eligible personal property (equipment). As a result of the project, Edwards and E Solutions would commit to the retention and relocation of their existing 401 jobs to the new facility, as well as the creation of 250 net new jobs by 2028.

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
E SOLUTIONS, LLC, EDWARDS ELECTRICAL & MECHANICAL, INC.
AND SOUTHERN AVENUE PARTNERSHIP, LLC
REAL PROPERTY TAX ABATEMENT

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

STAFF ANALYSIS
REAL PROPERTY TAX ABATEMENT

Area Surrounding Subject Real Estate: The site is located in a heavy industrial area near the northeast corner of East 30th Street and North Post Road.

Current Zoning:I-4

Qualified New Jobs Created:.....250

Qualified Jobs Retained:.....401

Estimated Cost of proposed project: \$2,500,000.00

STAFF ANALYSIS

Edwards Electrical & Mechanical, Inc. is an Indianapolis-based electrical/mechanical contracting firm, offering new system installation and service for clients throughout the Midwest. E Solutions is a division of Edwards that is focused on environmentally sustainable projects. E Solutions specializes in installing and integrating many kinds of industrial systems to provide highly capable, cost-efficient, and easy-to-use controls for customers, such as aircraft de-icing, nuclear medicine, clean rooms, and security, as well as providing preventative maintenance and alert monitoring services.

The companies plan to relocate operations to a leased facility at 3233 North Post Road. The leased building is an 82,744-square foot industrial building, owned by Southern Avenue Partnership, LLC. For the first three years, the firms would lease and occupy 81% of the total building, with an expansion to occupy 100% of the building by 2027. The proposed project will require a real property investment of \$2,500,000 and a collective \$3,130,000 investment in eligible personal property (equipment). As a result of the project, Edwards and E Solutions would commit to the retention and relocation of their existing 401 jobs to the new facility, as well as the creation of 250 net new jobs by 2028.

The proposed use and the planned real estate investments will result in net benefits for the area and the County. The petitioner will be donating five percent of its estimated abatement savings to support workforce development projects through Employ Indy.

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:

E Solutions, LLC, Edwards Electrical & Mechanical, Inc.
and Southern Avenue Partnership, LLC

INVESTMENT:

Staff estimates that the proposed investment of \$2,500,000.00 should result in an increase to the tax base of approximately \$1,250,000.00 of assessed value. Staff estimates that over the five (5) year real property tax abatement period the petitioner will realize savings of approximately \$104,748.75 (a 71.5% savings). During the abatement period, the petitioner is expected to pay an estimated \$41,838.77 in real property taxes relative to the new investment. This is in addition to the current taxes being paid on this property in the amount of \$77,961.00 annually (pay 2023 taxes). After the tax abatement expires, the petitioner can be expected to pay an estimated \$112,877.25 in real property taxes annually on the new improvements, in addition to the current taxes.

EMPLOYMENT:

The petitioner estimates that this project will retain four hundred and one (401) positions at an average wage of \$33.00/hr. and will create two hundred and fifty (250) positions at an average wage of \$37.00/hr. Staff finds these figures to be reasonable for a project of this nature.

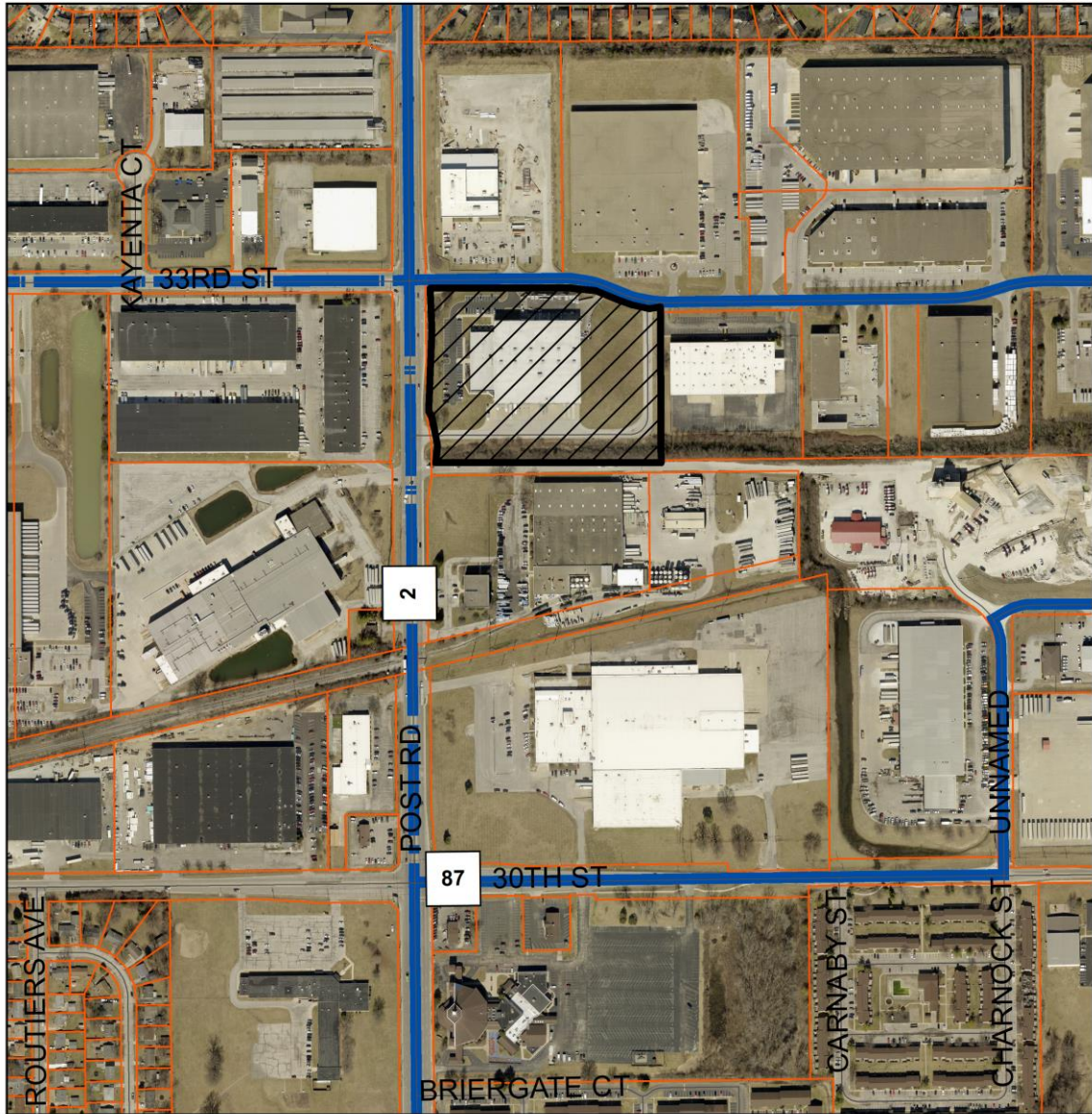
OTHER BENEFITS:

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:

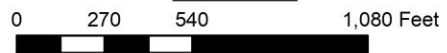
Staff believes the "Totality of Benefits" arising from the project are sufficient to justify the granting of the tax abatement.

E Solutions, LLC and Edwards Electrical & Mechanical, Inc.
3233 North Post Road



Legend

-  IndyGo Transit Routes
-  Parcels
-  Project Site



Produced by: DMD REED January 23, 2024