

METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

FINAL ECONOMIC REVITALIZATION AREA RESOLUTION

RESOLUTION NO. 2024-A-014

REAL PROPERTY TAX ABATEMENT

Blue Polymers LLC

1010 West Hanna Avenue
a/k/a Hanna Avenue Business Park Lot 2

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, during a preliminary hearing at 1:00 p.m. on Wednesday, February 21, 2024, 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. 2024-A-005**, preliminarily designating the Subject Real Estate as an Economic Revitalization Area for an abatement period of ten (10) years ("Preliminary Resolution"); 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 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 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 ten (10) 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.** 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 approximate 162,000 sq ft manufacturing facility which is 1 of 2 buildings within the 287,000 sq ft Polymers Complex.
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 twelve (12) years. The dates of the initial twelve (12) surveys shall be on or about the following dates: 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035 and 2036.
8. The Subject Real Estate and Project area are approved for an abatement period of **ten (10) years**.
9. The real property tax abatement shall utilize the following abatement schedule:

Blue Polymers LLC
REAL PROPERTY TAX ABATEMENT SCHEDULE

YEAR OF DEDUCTION	PERCENTAGE
1 st	100%
2 nd	95%
3 rd	80%
4 th	65%
5 th	50%
6 th	40%
7 th	30%
8 th	20%
9 th	10%
10 th	5%

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 28th day
of February 2024.

Sheila Kinney *sk*

Sheila Kinney,
Asst. Corporation Council

STAFF ANALYSIS
REAL PROPERTY TAX ABATEMENT

Area Surrounding Subject Real Estate: The site is located in Perry Township just North of Hanna Avenue, South of Sumner Avenue and West of Harding Street. The complex will abut a rail line operated by the Indiana Railroad Company.

Current Zoning: I-3

Qualified New Jobs Created: 60

Qualified Jobs Retained: 0

Estimated Cost of proposed project: \$23,700,000.00

STAFF ANALYSIS

Blue Polymers proposes to construct and operate an approximate but not greater than 162,000 sq ft recycling manufacturing facility that will be located within a 287,000 sq ft, two building Polymers Recycling Complex. The complex will consist of a manufacturing facility (this proposal) and a plastics recycling/office building (Republic Polymers II) and will be located on the south side of Indianapolis. The applicant will invest \$23,700,000.00 towards real property improvements to construct the manufacturing facility.

Blue Polymers goes beyond traditional recycling by incorporating advanced technology to create more sustainable products. Its recycled resins are formulated to meet individual customers' sustainability objectives, catering to a diverse range of applications such as food trays, milk jugs, detergent containers, and more. The company has embraced a commitment to sustainable practices in the plastics industry and local economic growth.

This project commits to create sixty (60) new jobs at an average wage of \$25.00/hr by 2027. The proposed use and the planned real estate investments will result in net benefits for Marion County. The petitioner will be investing five percent of its estimated abatement savings to support Employ Indy's workforce development programs, specifically; the Indy Achieves Completion Grant and a Youth Apprenticeship. The 5% commitment, totaling at least \$252,532.61, includes amounts owed for tax abatements on both real and personal property.

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 ten (10) years real property tax abatement.

TOTALITY OF BENEFITS

PETITIONER: Blue Polymers LLC

INVESTMENT: Staff estimates that the proposed investment of \$23,700,000.00 should result in an increase to the tax base of approximately \$18,450,000.00 of assessed value. Staff estimates that over the ten (10) year real property tax abatement period the petitioner will realize savings of approximately \$2,559,270.53 (a 49.9% savings). During the abatement period, the petitioner is expected to pay an estimated \$2,569,911.69 in real property taxes relative to the new investment. This is in addition to the current taxes being paid on this portion of the property in the amount of approximately \$18,513.00 annually (pay 2024 taxes). After the tax abatement expires, the petitioner can be expected to pay an estimated \$532,264.88 in real property taxes annually on the new improvements, in addition to the annual taxes attributable to the value of the existing improvements and land.

**QUALIFIED
EMPLOYMENT:** The petitioner estimates that this project will create sixty (60) new positions at an average wage of \$25.00/hr. Staff finds these figures to be reasonable for a project of this nature.

OTHER BENEFITS: Staff believes this project is significant for Perry 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: Blue Polymers LLC

Subject Real Estate: 1010 West Hanna Avenue
a/k/a Hanna Avenue Business Park, Lot 2

Perry Township Parcel Numbers: A portion of 5002696, 5003002, and 2003003

Project Description:

Blue Polymers LLC, a collaboration between Republic Services Inc. and Ravago Manufacturing Americas LLC, is planning a \$23,700,000.00 investment in the construction of an approximate 162,000 sq ft recycling manufacturing building. This project will be one of two buildings located within the proposed 287,000 sq ft Polymer Recycling Complex on the south side of the city.

The project aims to recycle post-consumer plastic waste into resin pellets for sale and will supply recycled plastics to consumer-packaged goods for beverage containers, detergent bottles, and other durable/nondurable applications. Blue Polymers is committed to the concept of circularity, with a focus on more than 300 million pounds of plastic entering and re-entering the circular economy annually.

Blue Polymers anticipates opening the Midwest's first Polymer Complex by the 4th quarter of 2024. They are committed to creating sixty (60) new jobs with an average wage of \$25.00/hr. in 2027. This aligns with their commitment to local economic growth and sustainable practices in the plastics industry.

Since the project was initiated prior to the submittal of the Statement of Benefits, a Waiver is required. Staff recommends approval of the Waiver, as we believe Blue Polymers began the project in good faith, and the project was, and is aligned with the City's incentives policy on industrial development.

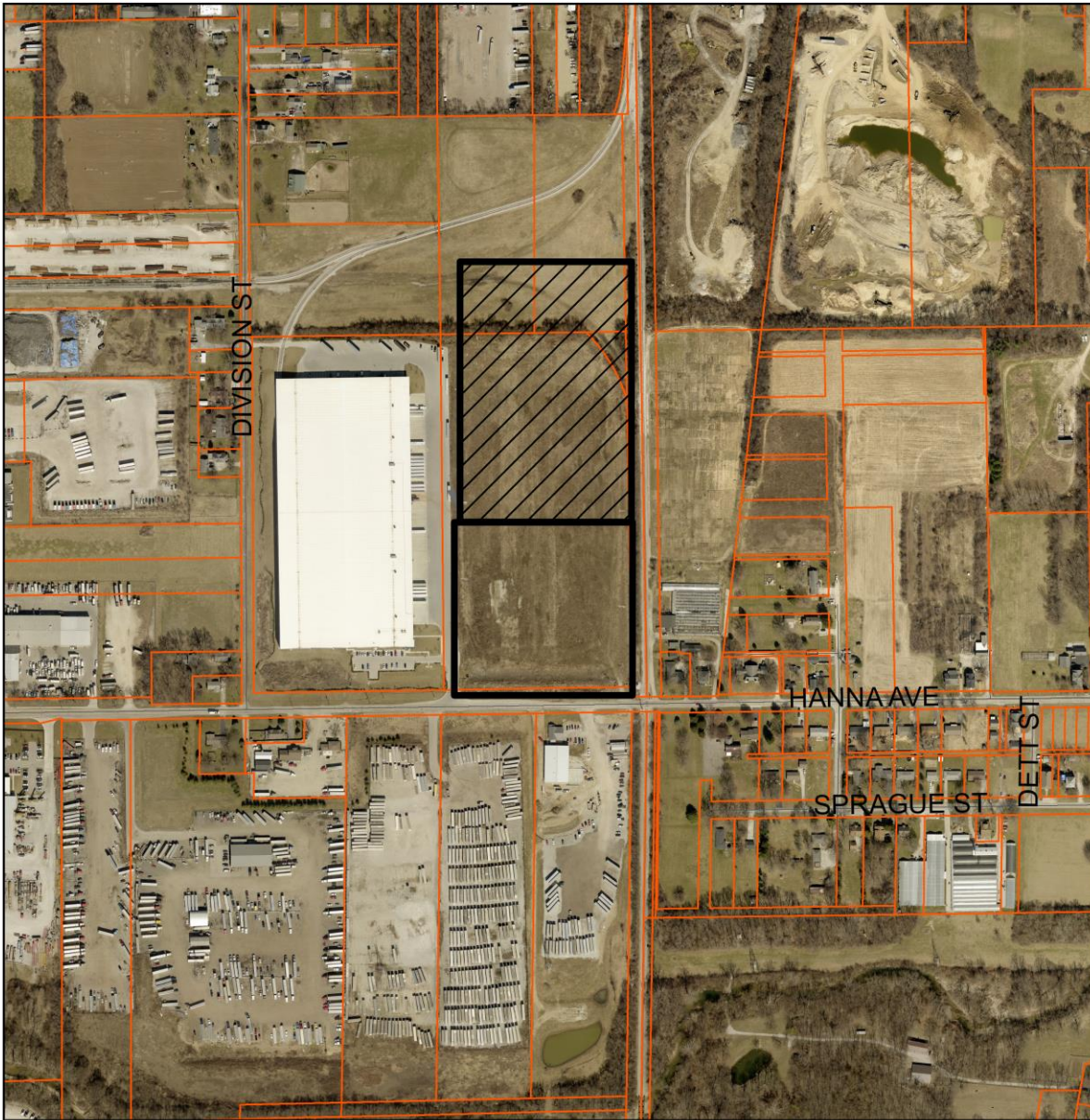
New Jobs Created: 60 at \$25.00/hr.

Jobs Retained: 0

Estimated Cost of Project: \$23,700,000.00

RECOMMENDATION: Staff recommends approval of ten (10) years real property tax abatement.

Blue Polymers LLC
1010 West Hanna Avenue - Hanna Avenue Business Park, Lot 2



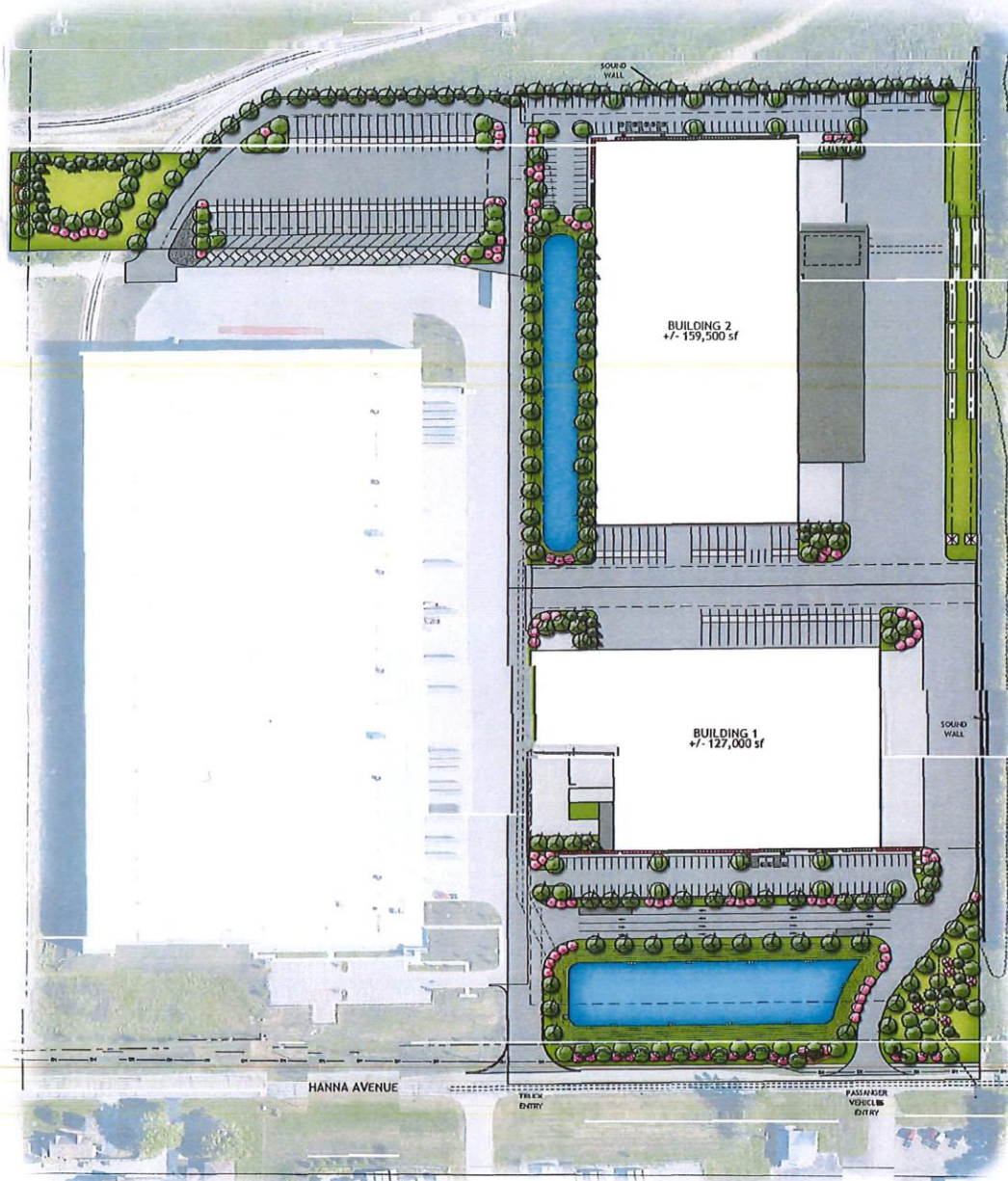
Legend

- IndyGo Transit Routes
- Parcels
- Project Site



Produced by: DMD REED February 28, 2024

Site Plan & Landscape Plans



INDY POLYMER

INDIANAPOLIS, IN | JULY, 2023

Preliminary Plan – Subject to Change

