

RESOLUTION NO. 2023-E-039

**RESOLUTION OF THE METROPOLITAN DEVELOPMENT COMMISSION OF
MARION COUNTY, INDIANA DECLARING AN AREA IN THE CITY OF
INDIANAPOLIS, INDIANA A REDEVELOPMENT PROJECT AREA AND
APPROVING A REDEVELOPMENT PLAN FOR THE
REDEVELOPMENT PROJECT AREA**

WHEREAS, the Metropolitan Development Commission of Marion County, Indiana, acting as the Redevelopment Commission of the City of Indianapolis, Indiana (the “Commission”), has investigated, studied and surveyed those areas within the consolidated city boundaries of the City of Indianapolis, County of Marion, Indiana (the “City”) that may be areas needing redevelopment pursuant to the provisions of Indiana Code 36-7-15.1, as amended (the “Act”); and

WHEREAS, the Commission has determined that there exists in the City an area needing redevelopment (the “Area”) to be redeveloped pursuant to the Act; and

WHEREAS, the Commission finds that normal development and occupancy of the Area is undesirable or impossible because of lack of development, cessation of growth, deterioration of improvements, environmental contamination, character of occupancy, age, obsolescence, substandard buildings, and other factors that impair the values or prevent the normal use or development of the Area; and

WHEREAS, the Commission has prepared a redevelopment plan (the “Plan”) for the Area, which Plan is attached to and incorporated by reference in this resolution; and

WHEREAS, the Commission has caused to be prepared:

(1) Maps and plats showing:

- (A) the boundaries of the area in which property would be acquired for, or otherwise affected by, the establishment of an redevelopment area;
- (B) the location of the various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, remediation, replatting, replanning, rezoning, or redevelopment of the area, and any parcels of property to be excluded from the acquisition or otherwise excluded from the effects of the establishment of the Area;
- (C) the parts of the Area acquired, if any, that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the Plan (as defined herein); and

(2) Lists of the owners of the various parcels of property proposed to be acquired, if any;

(3) An estimate of the cost of acquisition, redevelopment and economic development.

WHEREAS, the Plan and supporting data were reviewed and considered by the Commission at this meeting; and

WHEREAS, Section 26 of the Act permits the creation of “allocation areas” to provide for the allocation and distribution of property taxes for the purposes and in the manner provided in said section; and

WHEREAS, the Area is currently in the Consolidated/Harding Street Redevelopment Project Area (the “Consolidated Area”) and Consolidated Redevelopment Project Allocation Area (Market East Expansion Area) (the “Consolidated Allocation Area”) as established and amended from time to time by the Commission pursuant to its declaratory resolutions and confirmatory resolutions related thereto, as adopted and in effect as of the date of this resolution (such resolutions, collectively, the “Consolidated Area Resolutions”); and

WHEREAS, in connection with the establishment of the Area, the Commission has determined that the territory within the Area to be established pursuant to this resolution should be removed from the Consolidated Area and Consolidated Allocation Area and that the Consolidated Area Resolutions and the Redevelopment Plan for the Consolidated Area, as approved and amended from time to time by the Consolidated Area Resolutions (the “Consolidated Area Plan”), should be amended to reflect such removal;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION THAT:

1. The Commission hereby finds that the Area is an “area needing redevelopment” pursuant to the provisions of the Act. The Commission hereby designates as the “Alabama Street Redevelopment Project Area” (the “Area”), which Area is described in Exhibit A attached hereto and incorporated herein by reference. In connection with the establishment of the Area, the territory within the Area is hereby removed from the Consolidated Area and the Consolidated Allocation Area. The Consolidated Area Resolutions and Consolidated Area Plan are hereby amended to reflect such removal.

2. The Commission finds that the Area is a menace to the social and economic interest of the City and its inhabitants, and that it will be of public utility and benefit to redevelop the Area pursuant to the Act.

3. The Commission finds that the Plan cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to the powers allowed the Commission under Indiana Code 36-7-15.1 because of:

- a. The lack of local public improvement necessary to achieve the level of quality of development described in the Plan;
- b. Existence of improvements or conditions that lower the value of the land below that of nearby land;
- c. Multiple ownership of land; and

- d. Other similar conditions, specifically, challenges resulting from existing private party easements and other land conditions.

4. The Commission finds that the accomplishment of the Plan will be of public utility and benefit as measured by:

- a. The attraction of construction and retention of permanent jobs;
- b. An increase in the property tax base;
- c. Improved diversity of the economic base; and
- d. Other similar benefits that specifically serve as a basis for making future public capital expenditures.

5. The Plan for the Area attached hereto as Exhibit B conforms to other development and redevelopment plans for the City.

6. The Commission estimates that the cost of implementing the Plan will not exceed \$18,000,000.

7. The Commission finds that no residents of the Area will be displaced by any project resulting from the Plan and, therefore, the Commission finds that it does not need to give consideration to transitional and permanent provisions for adequate housing for the residents.

8. In support of the findings and determinations set forth in Section 1 through 7 above, the Commission hereby adopts the specific findings set forth in the Plan.

9. The Commission does not at this time propose to acquire any specific parcel of land or interests in land within the boundaries of the Area. If at any time the Commission proposes to acquire specific parcels of land, the required procedures for amending the Plan under the Act will be followed, including notice by publication and to affected property owners and a public hearing.

10. The entire Area described in Exhibit A is hereby designated as an “allocation area” pursuant to Section 26 of the Act to be known as the “Alabama Street Allocation Area” (herein, the “Alabama Street Allocation Area”) for purposes of the allocation and distribution of property taxes for the purposes and in the manner provided by Section 26 of the Act. Any taxes imposed under Indiana Code 6-1.1 on real property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the Alabama Street Allocation Area shall be allocated and distributed in accordance with Section 26 of the Act as follows:

Except as otherwise provided in Section 26, the proceeds of taxes attributable to the lesser of the assessed value of the property for the assessment date with respect to which the allocation and distribution is made, or the base assessed value, shall be allocated to and when collected paid into the funds of the respective taxing units. Except as otherwise provided in said Section 26, property tax proceeds in excess of those described in the previous sentence shall be

allocated to the redevelopment district and when collected paid into an allocation fund for the Alabama Street Allocation Area hereby designated as the “Alabama Street Allocation Fund” and may be used by the redevelopment district to do one or more of the things specified in Section 26(b)(3) of the Act, as the same may be amended from time to time. Said allocation fund may not be used for operating expenses of this Commission. Except as otherwise provided in the Act, before June 15 of each year, the Commission shall take the actions set forth in Section 26(b)(4) of the Act.

The base assessment date for property in the Alabama Street Allocation Area shall be January 1, 2023.

11. The provisions of this resolution shall be subject in all respects to the Act and any amendments hereto and the allocation provision herein relating to the Alabama Street Allocation Area shall expire on the date that is twenty-five (25) years after the date on which the first obligation is incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues derived in the Alabama Street Allocation Area. The Commission shall notify the Indiana Department of Local Government Finance of the designation of the Area as an allocation area.

12. The Commission shall cause to be prepared a statement disclosing the impact of the Alabama Street Allocation Area, including the following:

A. The estimated economic benefit and costs incurred by the Alabama Street Allocation Area, as measured by increased employment and anticipated growth of real property, personal property and inventory assessed values; and

B. The anticipated impact on tax revenues of each taxing unit that is either wholly or partly located within the Alabama Street Allocation Area. A copy of this statement shall be forwarded to each such taxing unit with a copy of the notice required under Section 10 of the Act at least ten (10) days before the date of the public hearing described in Section 15 of this resolution.

13. The Commission finds that the removal of the territory in the Area from the Consolidated Area and Consolidated Allocation Area for the purpose of enabling the creation of the Area as a separate redevelopment project area and allocation area is in accordance with the Act and is necessary and appropriate to carry out the purposes of this resolution. The Commission, having been advised by its staff and consultants, finds that the removal of the Area from the Consolidated Area and Consolidated Allocation Area will not adversely affect the rights of the holders of any obligations of the City or the redevelopment district thereof payable from a pledge of tax increment revenues derived from the Consolidated Allocation Area.

14. This resolution and the Plan shall be submitted to the City-County Council of the City of Indianapolis and of Marion County, Indiana (the “City-County Council”) for its approval of the establishment of the Area as provided in the Act.

15. The Commission hereby directs the presiding officer of the Commission, after receipt of approval by the City-County Council, to publish notice of the adoption and substance of this resolution in accordance with Indiana Code 5-3-1-4 and to file notice with the office of the Commission, board of zoning appeals, works board, park board, and any other departments, bodies or officers of the City having to do with planning, zoning variances, land use or the issuance of building permits. The notice must state that maps and plats have been prepared and can be inspected at the office of the City's department of redevelopment and must establish a date when the Commission will receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed project and will determine the public utility and benefit of the proposed project.

ADOPTED AND APPROVED at a meeting of the Metropolitan Development Commission of Marion County, Indiana, held on October 4, 2023, at the City-County Building, 2nd floor, Public Assembly Room (Room 230), Indianapolis, Indiana

METROPOLITAN DEVELOPMENT
COMMISSION OF MARION COUNTY,
INDIANA, acting as the Redevelopment
Commission of the City of Indianapolis,
Indiana

John J. Dillon III, Chairperson

EXHIBIT A

DESCRIPTION AND MAP OF ALABAMA STREET REDEVELOPMENT AREA AND ALLOCATION AREA

Description:

The Area is located downtown at 222 North Alabama Street and 202 North Alabama Street and includes local parcel numbers 1029552, 1097670 and 1075317. Currently, the old City Hall and parking lot are located in the Area. The Area is bounded on the north by New York Street, on the east by Alabama Street, on the south by Ohio Street and on the west by Hudson Street.

Parcels:

1029552
1097670
1075317

A map of the Area follows on the next page.

Map of Area



**** The Area is bounded in blue on the map above****

EXHIBIT B

REDEVELOPMENT PLAN FOR THE ALABAMA STREET REDEVELOPMENT PROJECT AREA

Purpose and Introduction

The Metropolitan Development Commission of Marion City, Indiana, acting as the Redevelopment Commission of the City of Indianapolis, Indiana (the “Commission”) proposes to designate and declare an area needing redevelopment area within the City of Indianapolis, Indiana (the “City”) to be known as the “Alabama Street Redevelopment Project Area” (the “Area”). This document is the plan for the Area (the “Plan”), provided that this Plan may be amended in the future as provided in Indiana Code 36-7-15.1, as amended from time to time (the “Act”), and in this Plan.

Pursuant to the Act, the Plan must be approved by the Commission and the City-City Council of the City of Indianapolis and of Marion City, Indiana (the “City-City Council”). Upon such approvals, the Commission will hold a public hearing on the Plan as required under Section 10 of the Act, before confirming (or modifying and confirming) the designation of the Area and the approval of the Plan.

The Commission also proposes that pursuant to the provisions of Section 26 of the Act, the Area shall constitute a tax increment financing “allocation area” for purposes of the Act. Such allocation area shall be designated as the “Alabama Street Allocation Area” (hereinafter referred to as the “Allocation Area”) for purposes of distribution and allocation of taxes on real property in the Allocation Area.

Project Objectives

The purposes of the Plan are, through the redevelopment of the Area, to benefit the public health, safety, morals and welfare of the citizens of the City; increase the economic well-being of the City and the State of Indiana; and serve to protect and increase property values in the City and the State of Indiana. The Commission has identified the Area as an area needing redevelopment pursuant to the Act. The Plan is designed to redevelopment the Area which is in need of redevelopment because of (i) lack of development, (ii) cessation of growth, (iii) deteriorating improvements and (iv) other factors that impair the normal use or development of the Area. The Commission anticipates the Plan will (i) promote significant opportunities for the gainful employment of citizens of the City, (ii) assist in the attraction of major new business enterprises to the City, (iii) provide for local public improvements in the Area, (iv) attract and retain jobs, (v) increase the property tax base, and (vi) improve the diversity of the economic base of the City.

Description of the Area

The Area is located downtown at 222 North Alabama Street and 202 North Alabama Street and includes local parcel numbers 1029552, 1097670 and 1075317. Currently, the old City Hall and parking lot are located in the Area. The Area is bounded on the north by New York Street, on the east by Alabama Street, on the south by Ohio Street and on the west by Hudson Street.

Project Description

The project consists of the acquisition, construction, renovation, installation and equipping of a mixed-use, 32-floor tower that will include (i) approximately 190 new multi-family residential units occupying approximately 13 floors, (ii) a hotel occupying approximately 8 floors with approximately 150 keys that may be inclusive of a curated art venue open to the general public, (iii) approximately 24 condominium units occupying approximately 4 floors, (iv) approximately 8,000 square feet of curated retail and hospitality space occupying the ground floor and (v) structured parking creating approximately 300 spaces and occupying approximately 4 floors. The total investment in the project is estimated to be \$140,900,000 with completion of the project by December 31, 2028.

Acquisition List

In connection with the accomplishment of the Plan, the Commission has no present plans to acquire any interests in real property. In the event the Commission determines to acquire interests in real property in the future, it shall follow procedures set forth in Section 12 of the Act.

Estimate of the Cost of Acquisition and Redevelopment

Because the Commission does not intend to acquire property for the project, the Commission will not incur any costs of acquisition. However, the Commission will incur certain costs in connection with the development of the project. The estimated cost of the project to be supported by the Commission is \$18,000,000 to provide funding for a portion of the costs of the project. The project is expected to result in the following public and community benefits, among others:

- provide density and commercial activity to an underutilized surface parking lot
- strengthen downtown as a livable neighborhood, destination and place for business
- serve as a bridge between Market East and Mass Ave neighborhoods
- potentially activate the currently dormant old City Hall
- support a preliminary estimated 850 temporary full-time construction jobs during the development of the project and a preliminary estimated 16 permanent jobs (note some of these jobs may be shared for certain retail components of the project) upon completion of the project
- incorporate public art, per Public Art for Neighborhoods Ordinance

- include 10 total units of affordable housing at 30% AMI

Disposal of Property

The Commission may dispose of any real property acquired in the future by sale or lease to the public pursuant to procedures set forth in Section 15 of the Act.

Statutory Findings

The Plan for the Area meets the following required findings under the Act:

1. The Plan for the Area promotes significant opportunities for the gainful employment of the citizens of the City, attracts a major new business enterprise to the City, retains or expands a significant business enterprise existing in the City, or meets other purposes of the Act.

Implementing the Plan and constructing the project will have significant benefit to the surrounding community in terms of the redevelopment of the existing site, including aesthetic improvement, and improvements to the surrounding infrastructure that will foster and promote future development. The total investment in the project is estimated to be \$140,900,000 with completion of the project by December 31, 2028. The project will activate an existing parking lot with a mixed-use, 32-floor tower that will include (i) approximately 190 new multi-family residential units occupying approximately 13 floors, (ii) a hotel occupying approximately 8 floors with approximately 150 keys that may be inclusive of a curated art venue open to the general public, (iii) approximately 24 condominium units occupying approximately 4 floors, (iv) approximately 8,000 square feet of curated retail and hospitality space occupying the ground floor and (v) structured parking creating approximately 300 spaces and occupying approximately 4 floors. The project is expected to:

- provide density and commercial activity to an underutilized surface parking lot
- strengthen downtown as a livable neighborhood, destination and place for business
- serve as a bridge between Market East and Mass Ave neighborhoods
- potentially activate the currently dormant old City Hall
- support a preliminary estimated 850 temporary full-time construction jobs during the development of the project and a preliminary estimated 16 permanent jobs (note some of these jobs may be shared for certain retail components of the project) upon completion of the project
- incorporate public art, per Public Art for Neighborhoods Ordinance
- include 10 total units of affordable housing at 30% AMI

Additionally, the project investment creates redevelopment, economic development, job growth, and will increase the property tax base of the City. The estimated assessed value of the project is \$84,633,000 and the estimated annual tax increment revenue is approximately \$1,872,924 based upon the project and financial analysis prepared by Crowe LLP as municipal advisers to the City.

The number of estimated construction jobs and permanent jobs is 850 (construction jobs) and 16, respectively.

2. The Plan for the Area cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to the powers allowed under the Act because of a lack of local public improvements, the existence of improvements or conditions that lower the value of the land below that of nearby land, multiple ownership of land, or other similar conditions.

The use of tax increment financing from the Allocation Area is necessary to construct the local public improvements that comprise the project. The project could not occur without the availability of tax increment revenues.

3. The public health and welfare will be benefited by accomplishment of the Plan for the Area.

Implementing the Plan and constructing the project will attract a major new business enterprise to the City and create redevelopment, economic development, job growth, and will increase the tax base of the City. But for such development, the Area would continue to have a depressed assessed value and provide little opportunity to create economic development and job growth.

4. The accomplishment of the Plan for the Area will be a public utility and benefit as measured by the attraction or retention of permanent jobs, an increase in the property tax base, improved diversity of the economic base, or other similar public benefits.

As noted above, the project will bring new jobs to the City and will increase the tax base of the City. The Plan will improve the diversity of the economic base of the City and spur development in the Area.

5. The Plan for the Area conforms to other development and redevelopment plans for the City.

The Plan conforms to the goals of the other development and redevelopment plans for the City in that it is designed to enhance the economic well-being of the City and its citizens.

Financing of the Project

It will be necessary to issue bonds to raise money for the completion of the project in the Area. The Commission intends to pledge incremental *ad valorem* property taxes allocated under Indiana Code 36-7-15.1-26 to support the issuance of bond anticipation notes or bonds, which may be issued by either the Commission or the Indianapolis Economic Development Commission (the "EDC"). The amount of these bonds may not exceed the total, as estimated by the Commission or the EDC, of all expenses reasonably incurred in connection with the Project, including:

- (1) The total cost of all land, rights-of-way, and other property to be acquired and developed;

(2) All reasonable and necessary architectural, engineering, construction, equipment, legal, financing, accounting, advertising, bond discount and supervisory expenses related to the acquisition and development of the project or the issuance of bonds;

(3) Interest on the bonds (not to exceed five (5) years from the date of issuance) and a debt service reserve for the bonds to the extent that the Commission determines that a reserve is reasonably required; and

(4) Expenses that the Commission is required or permitted to pay under Indiana Code 36-7-15.1.

In the issuance of bonds, the Commission will comply with IC 36-7-15.1.

Amendment of the Plan

This Plan may be amended by following the procedures described in Section 36-7-15.1-8 of the Act.