

METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

PRELIMINARY ECONOMIC REVITALIZATION AREA RESOLUTION

Resolution No. 2024-A-035

PERSONAL PROPERTY TAX ABATEMENT

Olson Custom Designs LLC

4825 West 79th Street

WHEREAS, I.C. 6-1.1-12.1 allows a partial abatement of property taxes attributable to the installation of Equipment (hereinafter the "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, 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 the installation of new equipment; 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 attachment is hereby incorporated by reference, has a leasehold interest in the geographical area (hereinafter "Subject Real Estate") described in such attachment; and

WHEREAS, the Applicant has requested that the Subject Real Estate be designated as an Economic Revitalization Area for the purpose of achieving property tax savings in connection with the installation on the Subject Real Estate of certain new manufacturing, logistical distribution, information technology, and/or research and development equipment (hereinafter "Specified New Equipment"); and

WHEREAS, during a hearing at 1:00 p.m. on Wednesday, November 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 tended to establish Assertions 1, 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 a partial abatement of property taxes only relative to Specified New Equipment. However, on the written request of the Applicant, the Director of the Department of Metropolitan Development is allowed to authorize in writing, substitutions, modifications and additions which are not substantial in nature to the specified New Equipment, prior to March 1 of the year in which the initial certified deduction application for new equipment is filed with the Indiana Department of Local Government Finance.
3. **The Economic Revitalization Area designation terminates December 31, 2029. Accordingly, partial abatement of property taxes is allowed relative to Specified New Equipment installed and in operation on the Subject Real Estate during the period December 4, 2024, to December 31, 2029.** However, termination of this designation does not limit the time the Applicant or successor owner is entitled to receive a partial abatement of property taxes, relative to Specified New Equipment installed on the subject real estate before termination of such designation, to a period of less than five (5) years. 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 installation of specified new equipment in the ERA, to those respective tax savings attributable to an equipment investment of not greater than \$5,050,000.00.
4. The partial abatement of property taxes attributable to the installation of Specified New Equipment is subject to limitations contained in I.C. 6-1.1-12.1-4.5 (c) and (d).
5. This Economic Revitalization Area designation is limited to allowing partial abatement of property taxes attributable to the installation of the Specified New Equipment on the Subject Real Estate and does not allow the abatement of real property taxes attributable to redevelopment or rehabilitation activities under I.C. 6-1.1-12.1-3.
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 November 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 and fix the length of the abatement period at five (5) years.
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 ~~28th~~^{28th}
of October, 2024

Sheila Kinney

Sheila Kinney
Asst Corporation Counsel

ATTACHMENT TO
METROPOLITAN DEVELOPMENT COMMISSION RESOLUTION
PERSONAL PROPERTY TAX ABATEMENT

FACTUAL INFORMATION

Applicant: Olson Custom Design LLC

Subject Real Estate: 4825 West 79th Street

Pike Township Parcel Number: 6002575

PROJECT DESCRIPTION

Olson Custom Designs, LLC, a precision CNC (Computer Numerical Control) manufacturer located at 4825 West 79th Street in Indianapolis, Indiana, is a reputable custom design and construction company that was founded in 2014. Initially a small, family-owned business, the company has since grown into a trusted name in custom residential and commercial design, known for high-quality craftsmanship, attention to detail, and personalized service.

After being awarded new contracts in the medical, defense, and aerospace fields, Olson proposes to expand its current headquarters and manufacturing facility to include a \$5,000,000.00 investment in personal property to include CNC, Robotics, and IT equipment. This project will retain fifty-six (56) current jobs at \$28.00/hr. and create thirty (30) new jobs at \$28.00/hr. over the 5-year period. Olson will donate 5% of its savings toward a youth apprenticeship program in partnership with Pike High School.

FACTUAL ASSERTIONS

1. The application was filed with the Department of Metropolitan Development prior to the New Equipment being installed.
2. The specified New Equipment meets the definition of "New Manufacturing Equipment", "New Logistical Distribution Equipment", "New Information Technology Equipment", and/or "New Research and Development Equipment" found in I.C. 6-1.1-12.1, as interpreted by the Indiana Department of Local Government Finance.
3. The specified New Equipment will be installed on the Subject Real Estate in one of the following types of facilities:
 - Existing facility
 - Expanded facility
 - New facility
 - Vacated or converted facility

4. The facility meets the appropriate requirements:
- A. of an existing, expanded, or vacated or converted facility, and
- the area in which the facility is located has become "undesirable for normal development" (as defined in Metropolitan Development Commission Resolution No. 01-A-041, 2001), or
 - the operation in the facility is a distressed business (as defined in Resolution No. 97-A-110, 1997), and
 - the specified new equipment is being installed to relieve the conditions causing the business to be distressed, and
 - the facility is technologically, economically, or energy obsolete, continued obsolescence of which may lead to a decline in employment and tax revenues.
- B. of a new facility, and
- the area in which the facility is located has become "undesirable for normal development" (as defined in Metropolitan Development Commission Resolution No. 01-A-041, 2001), or
 - the operation in the facility is a distressed business (as defined in Resolution No. 97-A-110, 1997), and
 - the specified new equipment is being installed to relieve the conditions causing the business to be distressed, and
 - the facility is technologically, economically, or energy obsolete, continued obsolescence of which may lead to a decline in employment and tax revenues.
5. The facility will benefit Marion County by creating or retaining permanent jobs, increasing the property tax base, avoiding environmental harm, securing the attraction, retention, or expansion of targeted businesses.
6. The Subject Real Estate on which the facility is or will be located
- outside an Allocation Area as defined in I.C. 36-7-15.1-26; or
 - inside an Allocation Area but has been determined by the Commission to be acceptable for personal property tax abatement.

PROPOSED ABATEMENT SCHEDULE
PERSONAL PROPERTY TAX ABATEMENT

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

STAFF COMMENT
PERSONAL PROPERTY TAX ABATEMENT

Street Address:..... 4825 West 79th Street

New Jobs Created..... 30

Jobs Retained: 56

Estimated Cost of Equipment: \$5,000,000.00

STAFF ANALYSIS

Olson Custom Designs, LLC, located at 4825 West 79th Street in Indianapolis, Indiana, is a reputable and precision CNC (Computer Numerical Control) manufacturer, providing contract manufacturing solutions for the aerospace, medical, and defense industries. The company was founded in 2014. Initially a small, family-owned business, the company has since grown into a trusted name in custom residential and commercial design, known for high-quality craftsmanship, attention to detail, and personalized service.

Olson offers a wide range of services, including architectural planning, interior design, custom cabinetry, and project management, specializing in tailored projects that reflect the unique vision of each client. Olson Custom Designs is recognized for using the finest materials and innovative techniques to exceed client expectations.

After being awarded new contracts in the medical, defense, and aerospace fields, Olson would like to expand its current headquarters and manufacturing facility to include a \$5,000,000.00 investment in personal property to include CNC, Robotics, and IT equipment. This project will retain 56 current jobs at \$28.00/hr. and create 30 new jobs at \$28.00/hr., over the 5-year period. Olson will donate 5% of its savings toward a youth apprenticeship program in partnership with Pike High School. The project is estimated to begin 1st quarter 2025 and be completed by 4th quarter 2029.

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.

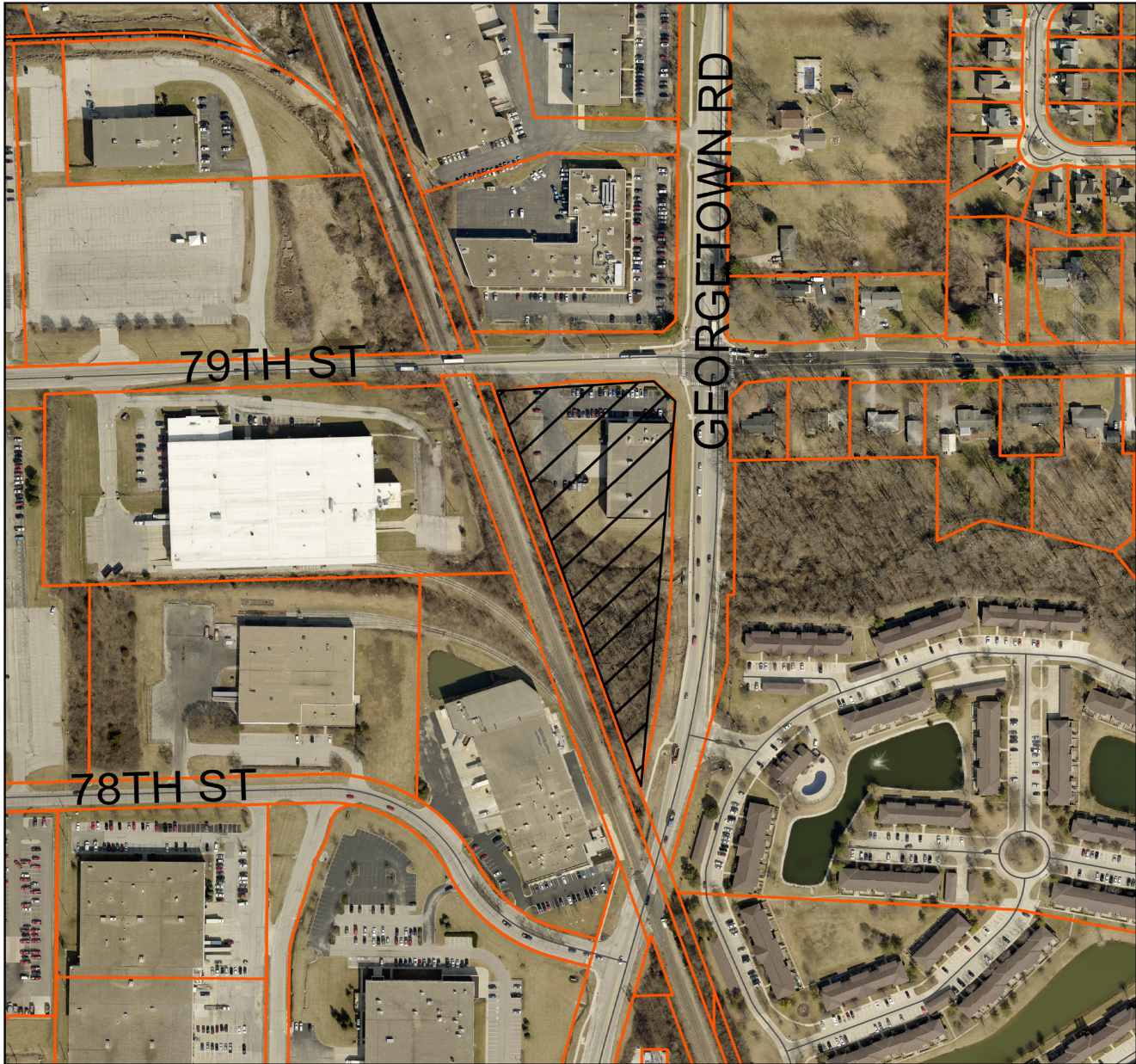
Staff believes this project does comply with the requirements of Metropolitan Development Commission Resolution No. 01-A-041, 2001 concerning the granting of property tax abatement.

RECOMMENDATION: Staff recommends approval of five (5) years personal property tax abatement.

TOTALITY OF BENEFITS

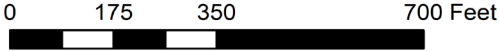
- PETITIONER:** Olson Custom Designs LLC
- INVESTMENT:** Staff estimates that the proposed investment of \$5,000,000.00 should result in an increase to the tax base of approximately \$2,000,000.00 of assessed value in the first year of operation. Staff estimates that over the five (5) year personal property tax abatement period the petitioner will realize savings of approximately \$150,225.88 (a 64.4% savings). During the abatement period, the petitioner is expected to pay an estimated \$83,044.12 in personal property taxes related to the new equipment. After the tax abatement expires, the petitioner can be expected to pay an estimated \$34,990.50 in personal property taxes annually related to the new equipment.
- EMPLOYMENT:** The petitioner estimates that this project will retain fifty-six (56) current positions at an average hourly wage of \$28.00/hr and will create thirty (30) new positions at an average wage of \$28.00/hr. Staff finds these figures to be reasonable for a project of this nature.
- OTHER BENEFITS:** Staff believes this project is significant for Pike 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 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.

Olson Custom Designs LLC
4825 West 79th Street



Legend

-  Parcels
-  Project Site



Produced by: DMD - BATTLE 10/22/2024