METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

PRELIMINARY ECONOMIC REVITALIZATION AREA RESOLUTION

Resolution No. 2026-A-056

PERSONAL PROPERTY TAX ABATEMENT
Multi-Phase Expansion; Phase Three and Amending and Restating Phase One & Two

Novartis Manufacturing, LLC
8520 Challenger Drive

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 an ownership 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, in 2020, the Commission adopted Resolution 2020-A-044 on December 16, 2020, approving a ten (10) year personal property tax abatement with a personal property investment amount of $22,220,000 for Phase One of a multi-phase expansion; and

WHEREAS, in 2024, the Commission adopted Resolution 2024-A-024 amending the Phase One personal property investment from $22,220,000 to $108,400,000, and approving an additional Phase Two investment in personal

property in the amount of $56,600,000 in consideration of an additional six (6) year personal property tax abatement; and

WHEREAS, during a hearing held at 1:00 p.m. on Wednesday, May 1, 2024, the Commission received information regarding Phase One and Phase Two of the Project, as well as evidence concerning whether the Subject Real Estate's designation as an Economic Revitalization Area warrants an extension for Phase One and Phase Two, and sufficient evidence was presented establishing Assertion 1 and tending to establish Assertions 1, 2, 3, 4, 5, and 6 listed in the attachment to this Resolution for Phase Two; and

WHEREAS, the Applicant now seeks to invest an additional $95,000,000 in personal property at its existing facility to support continued growth, constituting Phase Three of the multi-phase project, for the Commission's consideration; and

WHEREAS, during a hearing held at 1:00 p.m. on November 18, 2026, the Commission received information regarding Phase One, Phase Two, and Phase Three of the Project, as well as additional evidence concerning whether the Subject Real Estate's designation as an Economic Revitalization Area warrants an extension for all Phases, and sufficient evidence was provided tending to establish Assertions 1, 2, 3, 4, 5, and 6 stated in the attachment to this Resolution in regard to Phase Three.

NOW, THEREFORE, BE RESOLVED:

1. The Subject Real Estate is preliminarily designated as an Economic Revitalization Area for an abatement period of **six (6)** 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, 2030. 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 16, 2020, to December 31, 2030**. 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 **six (6) 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 a combined equipment investment total of not greater than **$260,000,000.00.**

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 **December 16, 2026**, 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 **six (6) years.**

8**.** All other terms of resolutions #2020-A-044 and #2024-A-024; not in conflict with this Resolution remain the same.

9. 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 30th day
of October 2026.

Sheila Kinney

Sheila Kinney
Asst Corporation Counsel

ATTACHMENT TO

METROPOLITAN DEVELOPMENT COMMISSION RESOLUTION

PERSONAL PROPERTY TAX ABATEMENT

FACTUAL INFORMATION

Applicant: Novartis Manufacturing, LLC

Subject Real Estate: 8520 Challenger Drive

Decatur Township Parcel Number: #2014725

PROJECT DESCRIPTION

The Applicant proposes a Phase Three investment consisting of approximately $95,000,000 in new personal property to support continued growth at its Indianapolis radiopharmaceutical manufacturing campus. This phase includes the design and installation of a state-of-the-art radioligand therapy (RLT) production line, along with enhancements to existing equipment and capabilities in its existing building. The new production assets are intended to increase radiopharmaceutical output and expand RLT manufacturing capacity in response to growing customer demand.

This Phase Three investment builds on prior phases of development at the site. In 2020, the Novartis company-initiated Phase One, investing $108,000,000 in personal property to equip a 73,000-square-foot advanced manufacturing and laboratory facility on 16.64 acres in the Purdue Research Park at the Ameriplex Certified Technology Park (CTP). In 2024, Phase Two followed, involving construction of a new 79,000-square-foot radiopharmaceutical manufacturing and distribution facility and an additional $56,600,000 in new personal property.

Together, Phases One, Two, and Three represent a coordinated, multi-phase expansion of Novartis's Indianapolis operations. This resolution will consolidate all phases under a single, unified compliance schedule, simplifying annual reporting and improving long-term oversight of project commitments.

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, 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, 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

Novartis Manufacturing, LLC

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	25%

STAFF COMMENT
PERSONAL PROPERTY TAX ABATEMENT

Street Address:…… 8520 Challenger Drive

New Jobs Created: ..... 24 at an average wage of $48/hr.

Jobs Retained:…….264 at an average wage of $48/hr.

Estimated Cost of Equipment: Phase Three - $95,000,000 / Restating Phase One & Two - $165,000,000

STAFF ANALYSIS

Novartis Manufacturing, LLC is an international pharmaceutical company specializing in medications, advanced therapy platforms, and data-driven medical technologies. Its subsidiary, Advanced Accelerator Applications USA, Inc., focuses on nuclear medicine theragnostics integrating advanced diagnostic imaging with targeted therapeutic applications. The Indianapolis campus is a key manufacturing center for the company's radioligand therapy (RLT) products.

Phase One, initiated in 2020, resulted in construction of the initial advanced manufacturing facility and installation of $108,000,000 significant new equipment to support radiopharmaceutical production. This phase exceeded expectations, including the creation of 170 new jobs well above original commitments made to the City. Phase Two, approved in 2024, added a second major production building and eligible new equipment totaling $56,600,000. Phase Two is projected to generate 55 additional jobs by 2026.

The company now seeks approval of Phase Three, reflecting continued growth in global demand for RLT products. The proposed $95,000,000 personal property investment will expand production capacity, increase manufacturing throughput, and introduce enhanced technologies into the existing facility. Phase Three is expected to create 24 new high-wage jobs, averaging $48 per hour, and will retain 264 existing positions at the same wage level.

Given the scale of the multi-phase project and the overlapping timelines of prior abatement approvals, staff recommends consolidating the outstanding commitments of Phases One and Two with the proposed commitments of Phase Three. Restating and combining all phases into a single compliance schedule will streamline CF-1 reporting, reduce administrative burden for both the Applicant and the City, and support consistent monitoring of job creation and investment obligations.

The Applicant has met or exceeded all commitments associated with Phase One and Phase Two and is on track to meet future obligations. Staff finds that the proposed Phase Three investment continues the company's demonstrated pattern of strong performance and ongoing economic contribution to Indianapolis. Accordingly, staff concludes that the evidence supports consideration of the requested amendment and restatement of the prior resolutions to incorporate Phase Three and unify compliance requirements for all phases.

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 **six (6)** years personal property tax abatement.

TOTALITY OF BENEFITS

PETITIONER: **Novartis Manufacturing, LLC**

INVESTMENT: Staff estimates that the proposed ***phase three*** investment of **$95,000,000.00** should result in an increase to the tax base of approximately $38,000,000.00 of assessed value in the first year of operation. Staff estimates that over the six (6) year personal property tax abatement period the petitioner will realize savings of approximately $3,931,906.63 (a 50.26% savings). During the abatement period, the petitioner is expected to pay an estimated $3,892,582.10 in personal property taxes related to the new equipment. After the tax abatement expires, the petitioner can be expected to pay an estimated $491,556.60 in personal property taxes annually related to the new equipment.

(To be combined into one 6-year schedule running concurrently with phase three)

Staff estimates that the proposed ***phase two*** investment of **$56,600,000.00** should result in an increase to the tax base of approximately $22,640,000.00 of assessed value in the first year of operation. Staff estimates that over the six (6) year personal property tax abatement period the petitioner will realize savings of approximately $2,342,588.58 (a 67.93% savings). During the abatement period, the petitioner is expected to pay an estimated $1,106,701.45 in personal property taxes related to the new equipment. After the tax abatement expires, the petitioner can be expected to pay an estimated $292,864.25 in personal property taxes annually related to the new equipment.

Staff estimates that the proposed ***phase one*** 10-year investment, currently in year 4 of a **$108,000,000.00** investment has resulted in an increase to the tax base of approximately $34,688,000.00 of assessed value in the current year of operation. Staff estimates that over the six (6) year personal property tax abatement period the petitioner will realize savings of approximately $2,512,484.34 (a 50.26% savings). During the abatement period, the petitioner is expected to pay an estimated $1,195,634.68 in personal property taxes related to the new equipment. After the tax abatement expires, the petitioner can be expected to pay an estimated $467,409.96 in personal property taxes annually related to the new equipment.

EMPLOYMENT: The petitioner estimates that this project will create **twenty-four (24)** new positions at an average wage of **$48.00/hr**. Staff finds these figures to be reasonable for a project of this nature.

OTHER BENEFITS: Staff believes this project is significant for Decatur 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 a tax abatement.

Novartis Manufacturing, LLC
8520 Challenger Drive

