

METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

FINAL ECONOMIC REVITALIZATION AREA RESOLUTION

RESOLUTION NO. 2023-A-041

REAL PROPERTY TAX ABATEMENT

DJ BCG Monon 22, LLC

1011 East 22nd Street

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 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, November 15, 2023, the Commission received evidence about whether the Subject Real Estate should be designated as an Economic Revitalization Area and recommended the appropriate length of the abatement period for such Area, and the Commission adopted **Preliminary Resolution No. 2023-A-039**, preliminarily designating the Subject Real Estate as an Economic Revitalization Area for an abatement period of ten (10) years

("Preliminary Resolution"); and it fixed 1:00 p.m. on Wednesday, **December 6, 2023**, for the public hearing of remonstrances and objections from persons interested in whether the Subject Real Estate should be designated as an Economic Revitalization Area; and

WHEREAS, a copy of such Preliminary Resolution was properly filed with the Marion County Assessor and proper legal notices were published indicating the adoption and substance of such Preliminary Resolution and stating when and where such final hearing would be held; and

WHEREAS, pursuant to Commission Resolution No. 01-A-041, 2001, the Applicant and 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, at the Commission meeting on December 6, 2023, the Applicant and Staff had requested the final hearing on the Economic Revitalization Area designation and approval of the tax abatement be delayed until December 20, 2023; and

WHEREAS, the Commission granted the request to continue the hearing until December 20, 2023, without additional publication of legal notice.

WHEREAS, at such final Hearing, evidence and testimony, and Factual Assertions 1 through 6 stated on the attachment to the Preliminary Resolution were considered by the Commission.

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 designation terminates (hereinafter the "ERA") designation terminates December 31, 2025; 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 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 redevelopment of the Subject Real Estate, as described in this Resolution and as depicted in the Site Plan and Conceptual Elevations attached hereto, and the Memorandum of Agreement, incorporated herein by reference.
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, the committed rents, 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.
6. The Commission directs the Department of Metropolitan Development to survey the Project described in the attachment to this Resolution annually for at least twenty-two (22) years. The dates of the initial twenty-two (22) surveys shall be on or about the following dates: 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044 and 2045.
7. The Subject Real Estate and Project area are approved for an abatement period of **ten (10) years**.

8. The real property tax abatement shall utilize the following abatement schedule:

REAL PROPERTY TAX ABATEMENT

YEAR OF DEDUCTION	PERCENTAGE
1 st	85%
2 nd	85%
3 rd	85%
4 th	85%
5 th	85%
6 th	85%
7 th	85%
8 th	85%
9 th	85%
10 th	85%

9. 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 21st day
of November, 2023.

/s/ Toae Kim
Toae Kim,
Deputy Chief Counsel

STAFF ANALYSIS
REAL PROPERTY TAX ABATEMENT

Area Surrounding Subject Real Estate: The site is located at the southwest corner of 22nd Street and the Monon Trail, in an urban neighborhood comprise of low and mid-density housing and legacy industrial uses.

Current Zoning:.....D-P

New Jobs Created:2

Jobs Retained:None.

Estimated Cost of proposed project: \$17,780,144.00

STAFF ANALYSIS

DJ BGC Monon 22, LLC has proposed redevelopment of the former Habitat for Humanity ReStore, an architectural salvage and building supply facility. The proposed Project includes the demolition of existing industrial buildings and the construction multi-family residential development, consisting of three, three-story apartment buildings that would be comprised of 111 residential units, 57 units of which reserved for households earning less than Area Median Income (AMI). Construction of the Project is scheduled to commence in Q1 2024, with delivery of the units by Q1 2025.

For the Workforce Support Commitments for the Project, the applicant will be required to set aside 51% of units with rental restrictions. These units shall be provided in the following proportions: 57 units must be affordable at an 80% AMI level (workforce housing). In addition, 29 of these 80% AMI units must maintain this affordability level for 20 years, while 28 must remain affordable for 10 years.

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:

DJ BCG MONON 22, LLC

INVESTMENT:

Staff estimates that the proposed investment of \$17,780,144.00 should result in an increase to the tax base of approximately \$14,375,100.00 of assessed value. Staff estimates that over the ten (10) year real property tax abatement period the petitioner will realize savings of up to \$2,768,552.02 (an 82.7% savings). During the abatement period, the petitioner is expected to pay an estimated \$577,250.61 in real property taxes on the project. This is in addition to the current taxes being paid on the property in the amount of \$17,157.84 annually (pay 2023 taxes). After the tax abatement expires, the petitioner can be expected to pay an estimated \$353,965.84 in real property taxes annually on the new improvements, in addition to the annual taxes attributable to the current value of the property.

EMPLOYMENT:

The petitioner estimates that this project will create at least two (2) positions at a minimum wage of not less than \$27.00/hr. Staff finds these figures to be reasonable for a project of this nature.

OTHER BENEFITS:

Staff believes this project is significant for Center 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: DJ BCG Monon 22, LLC

Subject Real Estate: 1011 East 22nd Street

Center Township Parcel Number: 1027413

Project Description:

DJ BCG Monon 22, LLC is a redevelopment partnership formed by two local real estate development companies, Chase Development and Brown Capital Group. The proposed development would consist of the demolition of existing warehouse structures and construction three new three-story multi-family residential buildings, comprising 111 residential units, 57 units of which reserved for households earning less than Area Median Income (AMI). Construction of the Project is scheduled to commence in Q1 2024, with delivery of the units by Q1 2025. The development will create two new full-time permanent positions at or over \$27.00 per hour by the end of 2025.

New Jobs Created: 2 at \$27.00/hr.

Jobs Retained: None.

Estimated Cost of Project: \$17,780,144.00

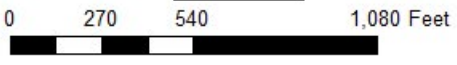
RECOMMENDATION: Staff recommends approval of ten (10) years real property tax abatement.

DJ BCG Monon 22, LLC
22nd & Monon Apartments - 1011 East 22nd Street



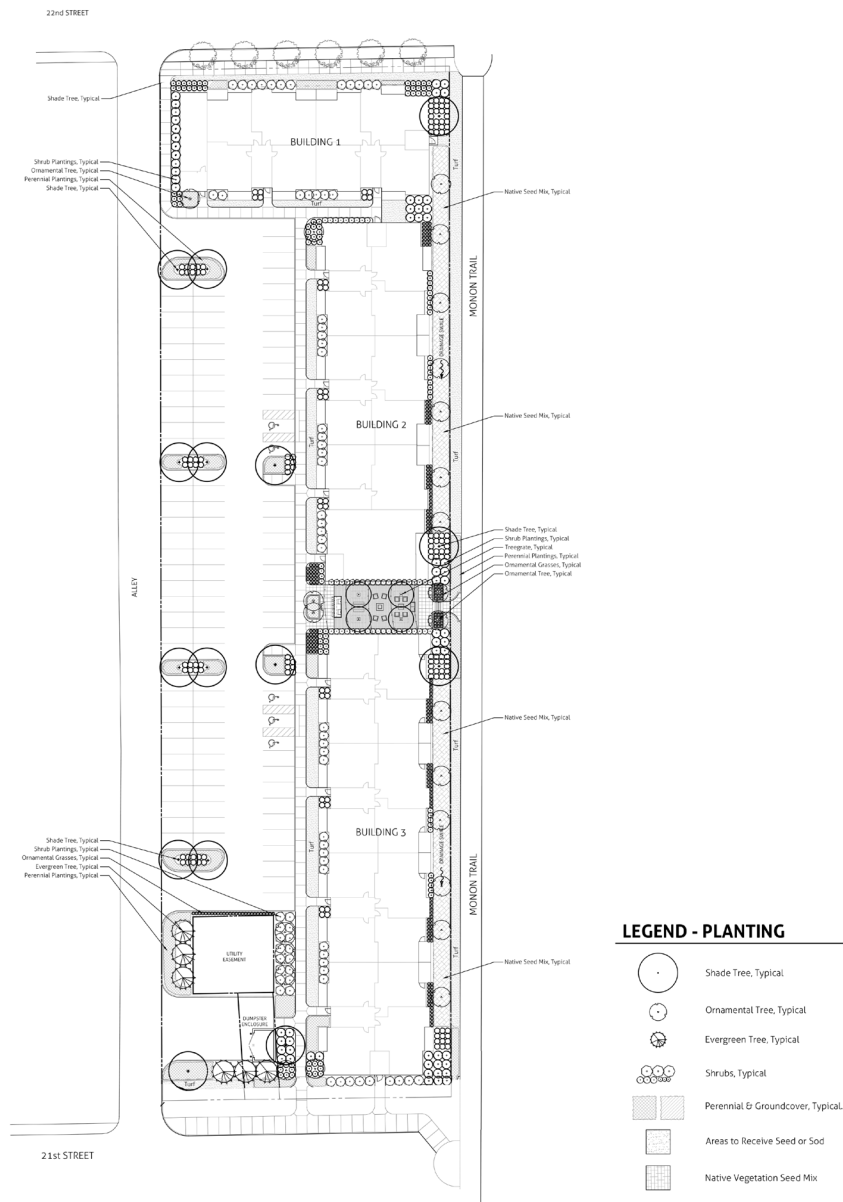
Legend

- IndyGo Transit Routes
- Parcels
- Project Site



Produced by: DMD REED October 24, 2023

Site Plan



1054 Virginia Ave, Suite 210
Indianapolis, Indiana 46203
www.andersonbohlander.com

PREPARED FOR
Brown Development Group

PROJECT
22nd & MONON
DEVELOPMENT

Indianapolis, Indiana








CONSULTANTS

ISSUED FOR ZONING REVIEW
August 16, 2023

DRAWN BY:
CAR
CHECKED BY:
JBB

REVISIONS	
No.	Date Issue

LEGEND - PLANTING

- | | |
|---|----------------------------------|
|  | Shade Tree, Typical |
|  | Ornamental Tree, Typical |
|  | Evergreen Tree, Typical |
|  | Shrubs, Typical |
|  | Perennial & Groundcover, Typical |
|  | Areas to Receive Seed or Sod |
|  | Native Vegetation Seed Mix |

SHEET TITLE
**PRELIMINARY PLANTING
PLAN**

NORTH SCALE: 1" = 30'-0"

SHEET NUMBER
L2.00

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Conceptual Elevations

