

**METROPOLITAN DEVELOPMENT COMMISSION OF
MARION COUNTY, INDIANA
FINAL ECONOMIC REVITALIZATION AREA RESOLUTION**

Resolution No. 2023-A-019

PERSONAL PROPERTY TAX ABATEMENT

GeniPhys, Inc.
7750 Zionsville Road

WHEREAS, I.C. 6-1.1-12.1 allows a partial abatement of property taxes attributable to the installation of new 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 and determine the length of the abatement period and annual deduction 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 areas 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 preliminary hearing at 1:00 p.m. on Wednesday, April 19, 2023, the Commission received evidence about whether the Subject Real Estate should be designated as an Economic Revitalization Area and the Commission adopted **Preliminary Resolution No. 2023-A-018 (“Preliminary Resolution”)**, preliminarily designating the Subject Real Estate as an Economic Revitalization Area, and subject to the adoption of a confirming resolution by the Commission and subject to limiting conditions, and it fixed 1:00 p.m. on Wednesday, **May 3, 2023**, in the Public Assembly Room of the City-County Building 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 to allow for the installation of the Specified New Equipment; 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 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 confirms, adopts and approves such Preliminary Resolution and thereby designates, finds and establishes the Subject Real Estate to be an Economic Revitalization Area. This designation is subject to the conditions that designation allows abatement of property taxes only relative to the installation of the Specified New Equipment on the Subject Real Estate. 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 the Specified New Equipment is filed with the County Assessor.
2. **The Economic Revitalization Area designation terminates December 31, 2026. 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 from May 3, 2023, to December 31, 2026.** 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.
3. The partial abatement of property taxes attributable to the installation of the Specified New Equipment is subject to limitations contained in I.C. 6-1.1-12.1-4.5 (c) and (d).
4. 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. 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 \$7,500,000.00.

5. The Commission has determined that the Project can reasonably be expected to yield the benefits identified in the attached personal property statement of benefits (the "Statement of Benefits") and that 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 cost of the Specified New Equipment is reasonable for equipment of that type.
 - 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 installation of the Specified New Equipment.
 - 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 installation of the Specified New Equipment.
 - D. Other benefits about which information was requested are benefits which can reasonably be expected to result from the proposed installation of the Specified New Equipment.
 - 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 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 attached Memorandum of Agreement and/or "Statement of Benefits" or 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 not less than twelve (12) years. The dates of the initial twelve (12) surveys shall be on or about the following dates: 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2024 and 2035.
8. The Statement of Benefits is approved and the Subject Real Estate area and Applicant's Specified New Equipment are approved for an abatement deduction period of **six (6) years**.

9. The six (6) year personal property tax abatement shall utilize the following deduction schedule:

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

10. A copy of this Resolution shall be filed with the Marion County Auditor.

METROPOLITAN DEVELOPMENT COMMISSION

John J. Dillon III, President

Bruce Schumacher, Vice Secretary

Date

Approved as to Legal Form
and Adequacy this 25th day of
April, 2023

/s/Toae Kim

Toae Kim
Deputy Chief Counsel

STAFF COMMENT
PERSONAL PROPERTY TAX ABATEMENT

Street Address:.....7750 Zionsville Road

New Jobs Created43

Jobs Retained:2

Estimated Cost of Equipment: \$7,455,000.00

STAFF ANALYSIS

GeniPhys, Inc is a start-up biosciences business developing its headquarters, research and initial manufacturing facility to commercialize a patented polymerized collagen technology. The company was founded by a Purdue University professor of Biomedical Engineering and a former Eli Lilly and Covance executive.

GeniPhys would lease 8,200 square feet in an existing 80,000-square foot industrial/flex building for this new facility. The company would invest \$7,455,000 in eligible taxable personal property to equip the new facility, including modular labs and related improvements in order to accommodate its headquarters, R&D and manufacturing operations. Additionally, the company would invest \$800,000 in real estate improvements and \$1,565,000 in non-eligible personal property to establish the new GeniPhys facility.

The petitioner will be donating five percent of its estimated abatement savings to workforce development, in form of donations to the IndyAchieves Completion Grant program. Additionally, GeniPhys will partner with Employ Indy's "Talent Bound" initiative, a youth-oriented STEM workforce development program.

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:

GeniPhys, Inc.

INVESTMENT:

Staff estimates that the proposed investment of \$7,455,000.00 should result in an increase to the tax base of approximately \$2,982,000.00 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 \$260,449.73 (a 64.8% savings). During the abatement period, the petitioner is expected to pay an estimated \$141,532.81 in personal property taxes related to the new equipment. After the tax abatement expires, the petitioner can be expected to pay an estimated \$63,439.46 in personal property taxes annually related to the new equipment.

EMPLOYMENT:

The petitioner estimates that this project will retain two (2) jobs at an average wage of \$65.00/hr. and create forty-three (43) jobs at an average wage of \$40.03/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.

PROJECT SUMMARY

Applicant: GeniPhys, Inc.
Subject Real Estate: 7750 Zionsville Road
Pike Township Parcel Number: 6013688

Project Description:

GeniPhys, Inc is a start-up biosciences business developing its headquarters, research and initial manufacturing facility to commercialize a patented polymerized collagen technology. This technology is intended for medical use, to promote human tissue generation while avoiding inflammation and scarring.

GeniPhys would lease 8,200 square feet in an existing 80,000-square foot industrial/flex building for this new facility. The company would invest \$7,455,000 in eligible taxable personal property to equip the new facility, including modular labs and related improvements in order to accommodate its headquarters, R&D and manufacturing operations. Additionally, the company would invest \$800,000 in real estate improvements and \$1,565,000 in non-eligible personal property to establish the new GeniPhys facility.

New Jobs Created: 43 at \$40.03/hr.
Jobs Retained: 2 at \$65.00/hr.
Estimated Cost of Project: \$7,455,000.00

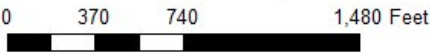
RECOMMENDATION: Staff recommends approval of six (6) years personal property tax abatement.

GeniPhys, Inc.
7750 Zionsville Road



Legend

-  Parcels
-  Project Site



Produced by: DMD REED April 11, 2023