

METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

FINAL ECONOMIC REVITALIZATION AREA RESOLUTION

Resolution No. 2024-A-029

PERSONAL PROPERTY TAX ABATEMENT

OMR North America, Inc.

4755 Gilman Street

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 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 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 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, during a preliminary hearing at 1:00 p.m. on Wednesday, August 21, 2024, 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. 2024-A-028 (“Preliminary Resolution”)**, preliminarily designating the Subject Real Estate as an Economic Revitalization Area 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, **September 18, 2024** 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 IC 6-1.1-12.1-2(k), a Statement of Benefits for property located within an allocation area, as defined by IC 36-7-15.1-26, may not be approved unless the Town Council of the Town of Speedway, Indiana, (hereinafter referred to as “Speedway Council”) adopts a resolution approving the Statement of Benefits; and

WHEREAS, the Speedway Council adopted a Resolution approving the Applicant’s Statement of Benefits associated with the Project on August 26, 2024; 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 Assertions 1 through 6 stated on the attachment to the Preliminary Resolution, (along with all written remonstrances and objections previously filed) were considered by the Commission.

NOW, THEREFORE, IT IS RESOLVED:

1. The Commission now amends, confirms, adopts, and approves such Preliminary Resolution and thereby designates, finds, and establishes the Subject Real Estate as 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 September 18, 2024, 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 I.C. 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 Economic Revitalization Area, to those respective tax savings attributable to an equipment investment of not greater than \$10,000,000.00.
5. The Commission has determined that the Project can reasonably be expected to yield the benefits identified in the attached 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 twelve (8) years. The dates of the eight (8) surveys shall be on or about the following dates: 2024, 2025, 2026, 2027, 2028, 2029, 2030, and 2031.
8. The Subject Real Estate and Project area are approved for an abatement 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	100%
3 rd	100%
4 th	75%
5 th	50%
6 th	25%

10. The tax abatement deductions enabled by this Resolution and Resolution 2024-A-028, shall be limited in accordance terms of the Memorandum of Agreement executed between the Commission and the Applicant. The Department of Metropolitan Development shall certify to the Marion County Auditor and Marion County Assessor when the deduction limit has been realized, and further abatement deductions under this Resolution and Resolution 2024-A-028 shall be disallowed without need for further Commission action.
11. A copy of this Resolution shall be filed with the Marion County Auditor.

METROPOLITAN DEVELOPMENT
COMMISSION

John J. Dillion III, President

Date

Approved as to Legal Form
and Adequacy this 5th day
of September 2024.

Ethan L. Hudson,
Assistant Corporation Counsel

STAFF COMMENT
PERSONAL PROPERTY TAX ABATEMENT

Street Address:.....4755 Gilman Street

New Jobs Created: 45

Jobs Retained: 95

Estimated Cost of Equipment:.....\$10,000,000.00

STAFF ANALYSIS

OMR North America, Inc. is the North American division of Italian firm Officine Meccaniche Rezzatesi, a leading manufacturing of automotive components for use in engines, suspensions, gears, braking systems and chassis. In 2017 OMR establish a North American headquarters and production facility on a five-acre vacant site owned by the Town of Speedway.

The proposed OMR project would require an investment of at least \$10,000,000.00 in new equipment in an expansion of its existing 44,000-square foot facility built for production for the company’s North American operations. As a result of the project, OMR would retain 95 jobs with an average wage of \$24.73/hr. and create 45 new full-time permanent jobs at an average wage of \$25.50/hr. Notably, 67% of the retained workforce are current residents of Marion County.

In addition to job creation, OMR is committed to workforce development and training. The company has pledged to donate \$30,000 to a Youth Apprenticeship Program in partnership with a third-party trainer to be determined. This program aims to provide certifications in essential employment areas such as Welding, Quality Control, Maintenance Technology, Safety, and Specialized Administrative roles. This investment in the future workforce, demonstrates OMR’s dedication to fostering skill development and ensuring a pipeline of qualified professionals to support the automotive industry’s evolving needs within Marion County.

The Town of Speedway and the Speedway Redevelopment Commission (SRC) have negotiated the proposed incentives with OMR. The proposed tax abatements would eliminate OMR’s property tax obligations on eligible investments for a six-year period. Staff supports the incentive offer, as any incremental taxes generated by this project would otherwise be collected by the underlying TIF District, which is controlled by the Town and the SRC, rather than the MDC and City-County Council.

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: **OMR North America, Inc.**

INVESTMENT: Staff estimates that the proposed investment of \$10,000,000.00 should result in an increase to the tax base of approximately \$4,000,000.00 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 \$509,822.00 (a 76.7% savings). During the abatement period, the petitioner is expected to pay an estimated \$155,246.00 in personal property taxes related to the new equipment. After the tax abatement expires, the petitioner can be expected to pay an estimated \$86,748.00 in personal property taxes annually related to the new equipment.

EMPLOYMENT: The petitioner estimates that this project will create forty-five (45) jobs at an average wage of \$25.50/hr. Staff finds these figures to be reasonable for a project of this nature.

OTHER BENEFITS: Staff believes this project is significant for Wayne 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: OMR North America, Inc.

Subject Real Estate: 4655 Gilman Street aka

Wayne Township Parcel Number: 9002138

Project Description:

OMR North America, Inc., established in 2017, currently serves as the only North American division of the renowned Italian firm Officine Meccaniche Rezzatesi. OMR specializes in manufacturing critical automotive components, including those used in engines, suspensions, gears, braking systems, and chassis, catering to a diverse range of automotive needs with high precision and quality.

OMR has proposed an expansion to add an oil pump line to its existing facility at the North American headquarters in Speedway, Indiana. This expansion project is significant as it requires an investment of at least \$10,000,000 in new equipment, enhancing the production capabilities and supporting the company's growth in the region. The facility is located within a redevelopment area and TIF District established by the Town of Speedway.

As a result of this project, OMR will retain its current workforce of 95 employees, who earn an average wage of \$24.73/hr. providing job security and stability to its existing team. The expansion is expected to create 45 new full-time permanent jobs, with an average wage of \$25.50/hr. In addition to job creation, OMR is committed to workforce development and training. The company has pledged to donate \$30,000 to a Youth Apprenticeship Program in partnership with a third-party trainer to be determined.

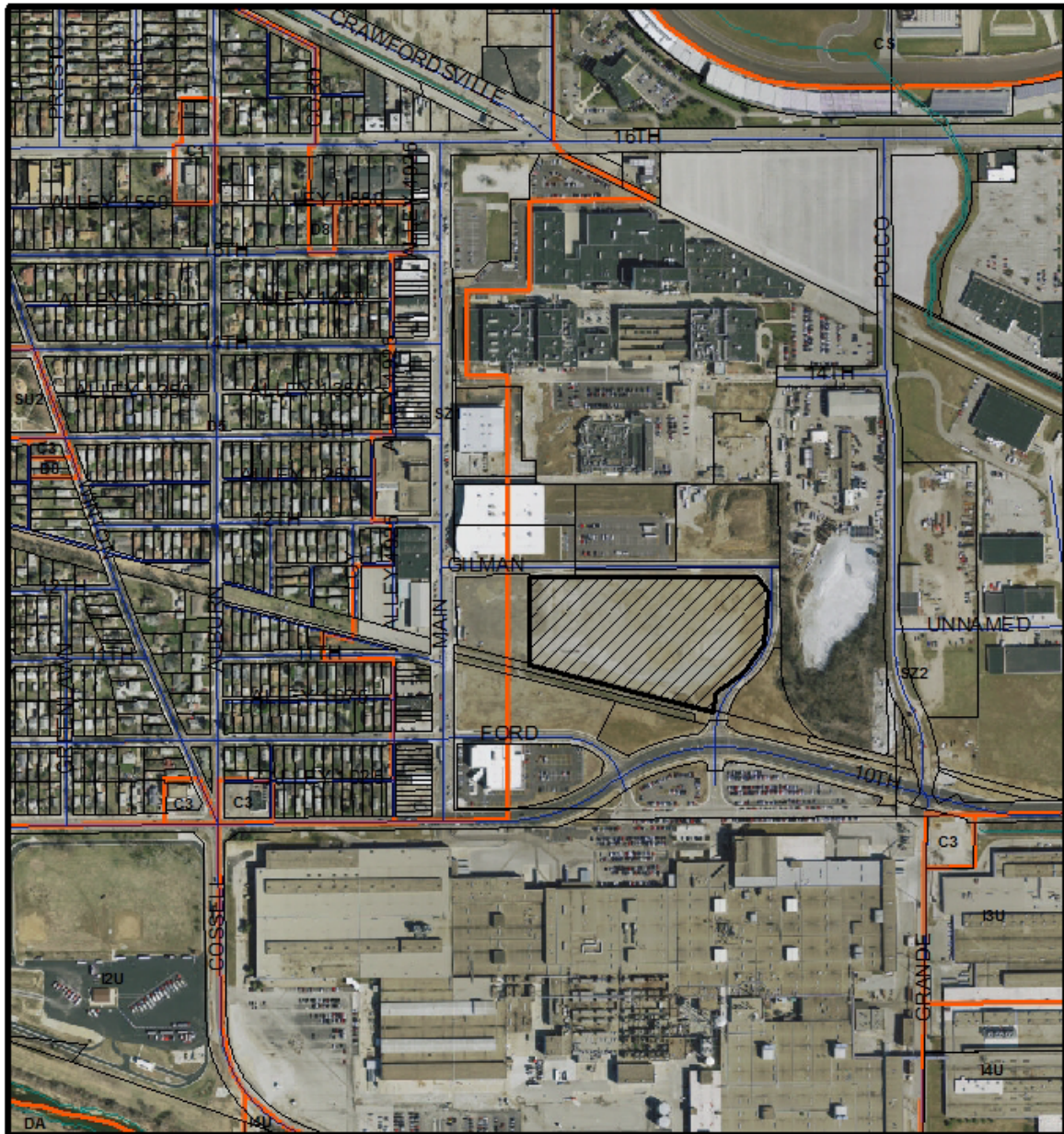
New Jobs Created: 45 at \$25.50/hr.

Job Retained: 95 at \$24.73/hr.

Estimated Cost of Project: \$10,000,000.00

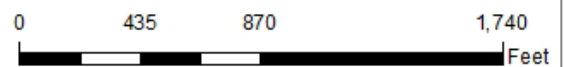
RECOMMENDATION: Staff recommends approval of six (6) years personal property tax abatement.

OMR North America, Inc.
4755 Gilman Street



Legend

- Parcels
- Centerlines
- Zoning
- Project Location



Produced by DMD/CED, March 16, 2015