

METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

FINAL ECONOMIC REVITALIZATION AREA RESOLUTION

RESOLUTION NO. 2023-A-031

REAL PROPERTY TAX ABATEMENT

Truck Country of Indiana, Inc. d/b/a Stoops Freightliner-Western Star

1631 and 1851 West Thompson Road

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, annual abatement schedule and deduction limit 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 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, August 2, 2023, the Commission received evidence about whether the Subject Real Estate should be designated as an Economic Revitalization Area, considered the Waiver, and recommended the appropriate length of the abatement period for such Area, and the Commission adopted **Preliminary Resolution No. 2023-A-029**, preliminarily designating the Subject Real Estate as an Economic Revitalization Area for an abatement period of seven (7) years ("Preliminary Resolution"); and

Truck Country of Indiana, Inc. d/b/a Stoops Freightliner-Western Star – 7 Year Real Property Tax Abatement

WHEREAS, pursuant to Commission Resolution No. 01-A-041, 2001, the Applicant and the 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, proper legal notices were published indicating the adoption of such Preliminary Resolution and stating when and where such final public hearing would be held.

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 (ERA) designation terminates three (3) years after the date a final resolution is adopted; 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 not less than seven (7) 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 an existing, approximately

87,000-square foot office and industrial building, construction of a new, approximately 215,000-square foot office and industrial building and the construction of a parking garage with approximately 250 parking stalls, as depicted in the site plan attached to this Resolution.

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, Workforce Support Commitments 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.
7. The Commission directs the Department of Metropolitan Development to survey the Project described in the attachment to this Resolution annually for at least 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, 2034 and 2035.
8. The Subject Real Estate and Project area are approved for an abatement period of **seven (7) years**.
9. The real property tax abatement shall utilize the following abatement schedule:

**TRUCK COUNTRY OF INDIANA, INC.
D/B/A STOOPS FREIGHTLINER-WESTERN STAR
REAL PROPERTY TAX ABATEMENT SCHEDULE**

YEAR OF DEDUCTION	PERCENTAGE
1 st	100%
2 nd	85%
3 rd	71%
4 th	57%
5 th	43%
6 th	29%
7 th	14%

10. 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 7th day
of August, 2023.

/s/ Toae Kim
Toae Kim,
Deputy Chief Counsel

STAFF ANALYSIS
REAL PROPERTY TAX ABATEMENT

Area Surrounding Subject Real Estate: The site is located in a legacy industrial area, just south of I-465 and west of new I-69 / old IN-37.

Current Zoning:.....C-7

Qualified New Jobs Created: 50

Qualified Jobs Retained:225

Estimated Cost of proposed project: \$50,000,000.00

STAFF ANALYSIS

Truck Country of Indiana (d/b/a Stoops Freightliner-Western Star) is the Indiana branch of a regional truck retail and service operation, with facilities in six Midwestern states. Truck Country entered the Indiana market in 2014 with the acquisition of Stoops Freightliner-Quality Trailer. Truck Country has expanded from six truck sales and service facilities in Indiana at that time, to eight today.

Truck Country has proposed a significant redevelopment of their 42.18-acre property on Thompson Road, near new I-69. The applicant would invest \$50,000,000 in real property improvements to construct a new 215,000-square foot office and industrial facility, renovate existing offices, and build a new, employee parking garage. The company is also planning a \$5,000,000 investment in roof-top solar panels and microgrid charging stations. The project would result in the retention of 225 existing jobs and would create 50 new jobs by 2025.

The proposed use and the planned real estate investments will result in net benefits for the County. The petitioner will be investing five percent of its estimated abatement savings to support Employ Indy's workforce development programs, specifically the Modern Apprenticeship program. This investment will allow for up to 10 apprenticeship opportunities at Truck Country annually, including diesel mechanic, sales, accounting and human resources positions.

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 seven (7) years real property tax abatement.

TOTALITY OF BENEFITS

<u>PETITIONER:</u>	Truck Country of Indiana, Inc. d/b/a Stoops Freightliner-Western Star
<u>INVESTMENT:</u>	Staff estimates that the proposed investment of \$50,000,000.00 should result in an increase to the tax base of approximately \$37,500,000.00 of assessed value. Staff estimates that over the seven (7) year real property tax abatement period the petitioner will realize savings of approximately \$4,192,941.38 (a 61.9% savings). During the abatement period, the petitioner is expected to pay an estimated \$2,585,468.05 in real property taxes relative to the new investment. This is in addition to the current taxes being paid on the properties in the amount of \$287,112.48 annually (pay 2023 taxes), which represents the taxes on the current facilities and land. After the tax abatement expires, the petitioner can be expected to pay an estimated \$1,465,793.46 in real property taxes annually on the new improvements, in addition to the annual taxes attributable to the value of the existing improvements and land.
<u>EMPLOYMENT:</u>	The petitioner estimates that this project will retain two-hundred and twenty-five (225) positions at an average wage of \$30.00/hr. and will create fifty (50) new positions at an average wage of \$29.00/hr. Staff finds these figures to be reasonable for a project of this nature.
<u>OTHER BENEFITS:</u>	Staff believes this project is significant for Perry 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.
<u>STAFF COMMENT:</u>	Staff believes the "Totality of Benefits" arising from the project are sufficient to justify the granting of the tax abatement.

PROJECT SUMMARY

Applicant: Truck Country of Indiana, Inc. d/b/a Stoops
Freightliner-Western Star

Subject Real Estate: 1631 & 1851 West Thompson Road

Perry Township Parcel Numbers: 5003100, 5023945 and 5033275

Project Description:

Currently headquartered in Dubuque, Iowa, Truck Country of Indiana (d/b/a Stoops Freightliner-Western Star) is the Indiana branch of a regional truck retail and service operation, with facilities in Iowa, Indiana, Illinois, Ohio, Michigan, and Wisconsin. Founded in 1957, Truck Country, has evolved into a major supplier of semi-tractors and trailers, as well as parts and service for such vehicles. Prior to acquisition by Truck Country in 2014, Stoops Freightliner-Quality Trailer (founded in 1988) had operated six truck sales and service facilities in Indiana; Truck Country now operates eight such facilities in the state.

Truck Country has acquired a 22.87-acre industrial property adjacent to their 19.31-acre existing facility at 1851 West Thompson Road, providing for a 42.18-acre redevelopment site. Truck Country has proposed to invest \$50,000,000 in real property improvements to implement the following project: 1) renovate the existing Truck Country/Stoops building at 1851 West Thompson Road, 2) construct a new 215,000-square foot office and industrial facility, and 3) construct a new, approximately 250-space parking garage as well as site upgrades and improvements. The company is also planning a \$5,000,000 investment in roof-top solar panels to decrease reliance of fossil fuels and the electric grid. As a result of this significant investment in both real and personal property, Truck Country would commit to the retention of 225 existing jobs and would create 50 new jobs by 2025.

New Jobs Created: 50 at \$29.00/hr.

Jobs Retained: 225 at \$30.00/hr.

Estimated Cost of Project: \$50,000,000.00

RECOMMENDATION: Staff recommends approval of seven (7) years real property tax abatement.

Truck Country of Indiana, Inc.
1631 and 1851 West Thompson Road



Legend

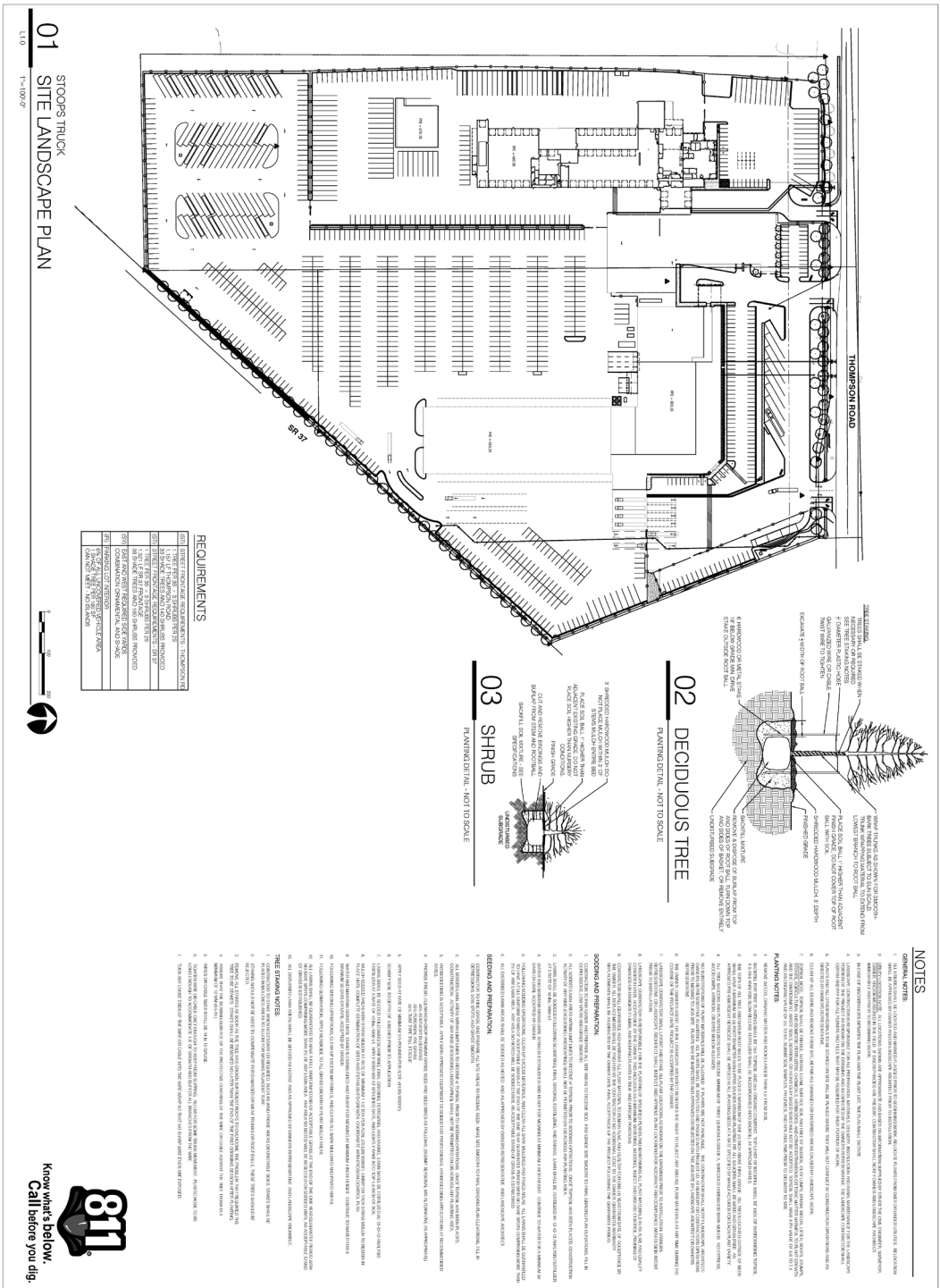
-  Parcels
-  Project Site



0 370 740 1,480 Feet

Produced by: DMD REED June 12, 2023

Site Plan & Elevations



HLA
design group, llc
landscape
architecture
planting
professionals
317.258.5229
www.hla-llc.com

Project Info:
Stoops Freightliner
Indianapolis, IN

Drawings Scope:
OVERALL SITE LANDSCAPE
DESIGN AND 2D ELEVATIONS
DRAWING NO. 110
Date: 02/27/2020
Author: JAC
Project: 02723-0001
Sheet No. 11.0

Seal:
Landscape Architect
Indiana
JAC
02723-0001



Truck Country of Indiana, Inc. d/b/a Stoops Freightliner-Western Star – 7 Year Real Property Tax Abatement