

METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

PRELIMINARY ECONOMIC REVITALIZATION AREA RESOLUTION

Resolution No. 2023-A-033

REAL PROPERTY TAX ABATEMENT

Onpoint Fort Ben, LLC
5745 Lawton Loop East Drive

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 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 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, I.C. 6-1.1-12.1-11.3 empowers the Commission, by resolution and following a public hearing, to waive the requirement that an area be designated as an economic revitalization area before initiation of the redevelopment; and

WHEREAS, the Applicant is requesting, pursuant to the provisions of I.C. 6-1.1-12.1-11.3, that the Commission waive the requirement that an area be designated as an economic revitalization area before the initiation of the redevelopment (the "Waiver"); and

WHEREAS, a public hearing upon the Waiver is fixed for Wednesday, October 4, 2023, in the Public Assembly Room of the City-County Building for the receiving of remonstrances and objections from persons interested in or affected by the Waiver; and

WHEREAS, during a hearing at 1:00 p.m. on Wednesday, August 16, 2023, the Commission received evidence about whether the Subject Real Estate should be designated as an Economic Revitalization Area, and sufficient evidence was provided which established Assertion 1 and some evidence was provided which tended to establish Assertions 2, 3, 4, 5, and 6 stated on the attachment to this Resolution.

NOW, THEREFORE, BE IT RESOLVED:

1. The Subject Real Estate is preliminarily designated as an Economic Revitalization Area for an abatement period of five (5) 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 and Waiver is adopted in accordance with the governing statute.
2. Designation as an Economic Revitalization Area allows abatement of property taxes, for the period indicated, only relative to the Project, and **the effectiveness of the designation can be terminated by action of the Commission if:**
 - A. Construction on the Subject Real Estate is not in substantial conformance with the Project description contained in a final resolution as supplemented by information in the application, site plans, and elevations; or
 - B. 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.
3. The Economic Revitalization Area designation terminates two (2) years after the date a final resolution is adopted; however, relative to redevelopment or rehabilitation completed before the end of the two (2) year period, this termination does not limit the period of time the Applicant or successor owner is entitled to receive an abatement of property taxes to a period of not less than five (5) years.
4. This Economic Revitalization Area designation is limited to allowing the abatement of property taxes attributable to redevelopment or rehabilitation activities: **This designation does not allow abatement of property taxes for new manufacturing equipment pursuant to I.C. 6-1.1-12.1-4.5.**
5. 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.

6. The Commission fixes 1:00 p.m. on Wednesday, October 4, 2023, 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 Waiver 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 Waiver and determine whether the Subject Real Estate should be designated as an Economic Revitalization Area, fix the length of the abatement period at five (5) years and establish an abatement schedule.
7. A copy of this Resolution shall be filed with the Marion County Assessor.

METROPOLITAN DEVELOPMENT COMMISSION

John Dillon, III President

Date

Approved as to Legal Form
and Adequacy August 8, 2023.

Toae Kim,
Deputy Chief Counsel

ATTACHMENT TO
METROPOLITAN DEVELOPMENT COMMISSION RESOLUTION
REAL PROPERTY TAX ABATEMENT

FACTUAL INFORMATION

Applicant: OnPoint Fort Ben, LLC

Subject Real Estate: 5745 Lawton Loop East Drive

Lawrence Township Parcel Number: 4038416

PROJECT DESCRIPTION

OnPoint Fort Ben LLC, subsidiary of general contracting firm Meyer-Najam. OnPoint was selected by the Fort Harrison Reuse Authority (FHRA), a statutory redevelopment commission, to redevelop the historic “PX” or Post Exchange building on the grounds of Fort Benjamin Harrison, in 2022. The PX Building was constructed in 1908 to serve the then-active military base, and later converted into a noncommissioned officers club. Since the closure of the base in 1995, the building has fallen into vacancy and deteriorated to the point where demolition was a serious consideration.

Since acquisition, OnPoint has invested \$2.5MM to address aesthetic and structural issues, as well as general modernization of the structure. This ‘Phase I’ stabilization of the PX Building has been completed and is not eligible for tax abatement without the MDC’s grant of a waiver, which has been requested. OnPoint is also proposing ‘Phase II’ of the PX redevelopment, which is a proposed, additional, \$1,080,000 real property investment. This additional investment would be focused on interior finishes and is necessary to convert the ‘white box’ shell into two floors of leasable office space.

OnPoint Fort Ben has identified two tenants to occupy the PX building, an architectural firm and a property management company. Both are local firms that are seeking to expand. The Applicant therefore has committed to at least twenty-one (21) jobs being retain in the completed structure and eleven new jobs being created, at an average wage rate of \$35.00/hr.

FACTUAL ASSERTIONS

1. The Subject Real Estate:

- A. ☐ Is in a planned area which has a tax abatement policy as a part of its plan, or

- B. ☐ is in a planned area which has a tax abatement policy as part of its plan, but such plan does not contain a recommendation for Economic Revitalization Area designation and the recommended length of abatement, or
 - C. ☒ is not located in a planned area with a tax abatement policy.
2. ☒ The Subject Real Estate and the surrounding area are undesirable for normal development.
3. The project is allowed by zoning restrictions applicable to the subject real estate, or the necessary variance, rezoning or approval petitions are on file at the time of this application, and have final approval prior to a final hearing on this resolution.
- A. ☒ Current zoning allows project.
 - B. ☐ Appropriate petitions are on file.
 - C. ☒ Final approval for variance, rezoning or approval petition has been granted.
4. A. ☒ The application for Economic Revitalization Area designation was filed before a building permit was obtained or construction work was initiated on the property, or
- B. ☐ substantial evidence has been provided supporting that work was started under the following appropriate exception:
5. A. ☒ The subject real estate is governed by Metropolitan Development Commission Resolution No. 01-A-041, 2001 Real Property Tax Abatement Policy for Commercial Projects, which allows up to ten years of abatement for qualifying development, or
- B. ☐ The project is eligible to receive ten (10) years tax abatement due to the following recognized exceptional circumstances which justify the longer deduction period:
6. The Subject Real Estate is:
- A. ☐ Located outside of a previously established allocation area as defined in I.C. 36-7-15.1-26, or
 - B. ☒ Located in an allocation area, but Applicant's statement of benefits has been submitted to the legislative body for its approval as required by I.C.6-1.1-12.1-2(k)

PROPOSED ABATEMENT SCHEDULE
REAL PROPERTY TAX ABATEMENT
ONPOINT FORT BEN, LLC

YEAR OF DEDUCTION	PERCENTAGE
1 st	75%
2 nd	65%
3 rd	55%
4 th	45%
5 th	35%

STAFF ANALYSIS
REAL PROPERTY TAX ABATEMENT

Area Surrounding Subject Real Estate: The site is located within former Fort Benjamin Harrison and within the Fort Harrison Redevelopment Area.

Current Zoning: D-P

New Jobs Created:..... 11

Jobs Retained:..... 21

Estimated Cost of proposed project: \$3,580,000.00

STAFF ANALYSIS

OnPoint Fort Ben. LLC has begun the process of redeveloping the historic Fort Benjamin Harrison “PX” building (c. 1908). Phase I of the project consisted of required stabilization of a long-vacant building. \$2.5MM was invested on improvements such as ADA accessibility improvements, new roof as well as truss support system, new elevator, new doors and windows, masonry restoration, new HVAC, new electrical service to the building with distribution panels and the creation of a new asphalt parking lot with sidewalks, curbs and dumpster enclosure.

OnPoint is also proposing ‘Phase II’ of the PX redevelopment, which is a proposed, additional, \$1,080,000 real property investment. This additional investment would be focused on interior finishes and is necessary to convert the ‘white box’ shell into two floors of leasable office space.

OnPoint Fort Ben has identified two tenants to occupy the PX building, an architectural firm and a property management company. Both are local firms that are seeking to expand. The Applicant therefore has committed to at least twenty-one (21) jobs being retain in the completed structure and eleven new jobs being created, at an average wage rate of \$35.00/hr. The Inclusivity Plan will consist of donating 5% of estimated savings to Employ Indy, to support Indy Achieves Completion Grants.

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 five (5) years real property tax abatement.

TOTALITY OF BENEFITS

PETITIONER:

OnPoint Fort Ben, LLC

INVESTMENT:

Staff estimates that the proposed total Phase I & Phase II investment of \$3,580,000.00 should result in an increase to the tax base of approximately \$1,131,200.00 of assessed value. Staff estimates that over the five (5) year real property tax abatement period the petitioner will realize savings of up to \$79,586.71 (a 56.0% savings). During the abatement period, the petitioner is expected to pay an estimated \$62,607.69 in real property taxes on the project. Since the property was government owned as-of the 2023 assessment date, the property is currently tax exempt. After the tax abatement expires, the petitioner can be expected to pay an estimated \$35,533.62 in real property taxes annually on the new improvements.

EMPLOYMENT:

The petitioner estimates that this project will retain twenty-one (21) positions at an average wage of \$44.00/hr and will create at least eleven (11) positions at an average wage of \$35.00/hr. Staff finds these figures to be reasonable for a project of this nature.

OTHER BENEFITS:

Staff believes this project is significant for Lawrence 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.

OnPoint Fort Ben, LLC
5745 Lawton Loop East Drive



Legend

- IndyGo Transit Routes
- Parcels
- ▨ Project Site



0 280 560 1,120 Feet

Produced by: DMD REED August 8, 2023