

METROPOLITAN DEVELOPMENT COMMISSION OF

MARION COUNTY, INDIANA

PRELIMINARY ECONOMIC REVITALIZATION AREA RESOLUTION

Resolution No. 2024-A-037

PERSONAL PROPERTY TAX ABATEMENT

RayzeBio, Inc.

Amendment to Phase One and Approval of Phase Two

5850 West 80th Street

WHEREAS, I.C. 6-1.1-12.1 allows a partial abatement of property taxes attributable to the installation of 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 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 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 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, in 2022, Applicant had submitted Phase One of the Project for the Commission's consideration; and

WHEREAS, during a hearing at 1:00 p.m. on Wednesday, November 16, 2022, the Commission received information regarding Phase One of the Project, and evidence about whether the Subject Real Estate should be designated as an Economic Revitalization Area and sufficient evidence was provided which tended to establish Assertions 1, 2, 3, 4, 5 and 6 stated on the attachment to Resolution 2022-A-028, and

WHEREAS, in October 2024, Applicant submitted application for Phase Two of the Project for Commission's consideration; and

WHEREAS, during a hearing at 1:00 p.m. on Wednesday, November 20, 2024, the Commission received information regarding Phases One and Two of the Project and additional evidence about whether the Subject Real Estate's designation as an Economic Revitalization Area warrants an extension, in regard to Phase One, and sufficient evidence was provided which tended to establish Assertions 1, 2, 3, 4, 5 and 6 stated on the attachment to this Resolution, in regard to Phase Two.

NOW, THEREFORE, BE IT RESOLVED:

1. The Subject Real Estate's previous designation as an Economic Revitalization Area is preliminary extended for an abatement period of four (4) years for Phase One of the Project, with a proposed abatement schedule as shown on the attachment to Resolution 2022-A-028, and, in regard to Phase Two, for an abatement period of four (4) 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 is adopted in accordance with the governing statute.
2. Designation as an Economic Revitalization Area allows a partial abatement of property taxes only relative to Specified New Equipment. 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 new equipment is filed with the Indiana Department of Local Government Finance.
3. **The Economic Revitalization Area designation terminates December 31, 2027. 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 November 16, 2022 to December 31, 2027.** 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 four (4) years, in regard to Phase One investments, and not less than four (4) years in regard to Phase Two investments. 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 \$53,600,000.00, inclusive of Phases One and Two.
4. The partial abatement of property taxes attributable to the installation of Specified New Equipment is subject to limitations contained in I.C. 6-1.1-12.1-4.5 (c) and (d).

5. 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.
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 statement of benefits form. The annual date of survey shall be contained in a final resolution designating the property as an Economic Revitalization Area.
7. The Commission fixes 1:00 p.m. on Wednesday, January 15, 2025, 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 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 determine whether the Subject Real Estate should be designated as an Economic Revitalization Area and fix the length of the abatement period for the Phase Two Project at four (4) years.
8. A copy of this Resolution shall be filed with the Marion County Assessor.

METROPOLITAN DEVELOPMENT COMMISSION

John J. Dillon III, President

Date

Approved as to Legal Form
and Adequacy this day
of November 2024

Sheila Kinney 11/8/2024

Sheila Kinney, Asst. Corp. Counsel
Office of Corporation Counsel

**ATTACHMENT TO
METROPOLITAN DEVELOPMENT COMMISSION RESOLUTION
PERSONAL PROPERTY TAX ABATEMENT**

FACTUAL INFORMATION

Applicant: RayzeBio, Inc.
Subject Real Estate: 5850 West 80th Street
Decatur Township Parcel Number: 6010158

PROJECT DESCRIPTION

RayzeBio, Inc., a radiopharmaceutical company specializing in delivering radioisotopes to tumors through the bloodstream, has established a major facility on the northwest side of Indianapolis. In 2022 The company converted a 63,000-foot warehouse into a 144,000-foot complex housing office, laboratory, quality control, and manufacturing spaces. Rayzebio is proposing a phase two with an additional investment of \$29,500,000.00 in eligible personal property by Qtr. 4, 2027.

Initial commitments from 2022 included \$20,000,000.00 in real property improvements which the company exceeded and \$24,050,000.00 in personal property investment, that had some supply chain delays from COVID impacting installation timelines by Qtr. 4, 2024. \$2,462,110.00 was installed through 2023 for phase one.

Phase two plans include an additional \$3,700,000.00 in real property improvements and \$29,500,000.00 additional in personal property investment by Qtr. 4, 2027. This will gross a combined commitment in eligible personal property of \$53,550,000.00. Phase one and two combined will produce a minimum of 100 jobs and donate over \$88,000 to workforce initiatives through Indy Achieves Completion Grant.

FACTUAL ASSERTIONS

1. x The application was filed with the Department of Metropolitan Development prior to the New Equipment being installed.
2. x The specified New Equipment meets the definition of "New Manufacturing Equipment", "New Logistical Distribution Equipment", "New Information Technology Equipment", and/or "New Research and Development Equipment" found in I.C. 6-1.1-12.1, as interpreted by the Indiana Department of Local Government Finance.
3. x The specified New Equipment will be installed on the subject real estate in one of the following types of facilities:
 - A. x Existing facility
 - B. Expanded facility

- C. New facility
- D. Vacated or converted facility

4. The facility meets the appropriate requirements:

A. of an existing, expanded or vacated or converted facility:

- 1. The area in which the facility is located has become "undesirable for normal development" (as defined in Metropolitan Development Commission Resolution No. 01-A-041, 2001), or
- 2. The operation in the facility is a distressed business (as defined in Resolution No. 97-A-110, 1997), and
- 3. the specified new equipment is being installed to relieve the conditions causing the business to be distressed, and
- 4. the facility is technologically, economically or energy obsolete, which obsolescence may lead to a decline in employment and tax revenues.

B. of a new facility;

- 1. the area in which the facility is to be located has become "undesirable for normal development" (as defined in Metropolitan Development Commission Resolution No. 97-A-110, 1997), or
- 2. The operation in the facility is a distressed business (as defined in Resolution No. 97-A-110, 1997), and
- 3. the specified new equipment is being installed to relieve the conditions causing the business to be distressed, and
- 4. the facility is technologically, economically or energy obsolete, which obsolescence may lead to a decline in employment and tax revenues.

5. The facility will benefit Marion County by creating or retaining permanent jobs, increasing the property tax base, avoiding environmental harm, securing the attraction, retention or expansion of targeted businesses.

6. The subject real estate on which the facility is, or will be located:

- A. Is outside an Allocation Area as defined in I.C. 36-7-15.1-26, or
- B. inside an Allocation Area, but has been determined by the Commission to be acceptable for personal property tax abatement.

PROPOSED ABATEMENT SCHEDULE
PERSONAL PROPERTY TAX ABATEMENT
PHASE TWO PROJECT

YEAR OF DEDUCTION	PERCENTAGE
1 st	100%
2 nd	75%
3 rd	50%
4 th	25%

STAFF COMMENT
PERSONAL PROPERTY TAX ABATEMENT

Street Address:.....5850 West 80th Street

New Jobs Created:..... 69

Jobs Retained:..... 31

Estimated Cost of Equipment: \$29,500,000.00 (phase two) and \$24,050,000.00 (phase one)

STAFF ANALYSIS

RayzeBio, Inc. is a radiopharmaceutical company that develops products to deliver radioisotopes directly to tumors via the bloodstream, as opposed to using external radiation treatments. Headquartered in San Diego, CA, the company converted a 63,000-square-foot warehouse on the northwest side of Indianapolis into a 144,000-square-foot office, warehouse, laboratory, quality control, and pharmaceutical-grade manufacturing facility.

Initial 2022 commitments included \$20,000,000 in real property improvements and \$24,050,000 in eligible personal property to equip the facility. RayzeBio exceeded its real property investment by \$763,199.59 and plans an additional \$3,700,000 in real property improvements for phase two. The initial personal property investment experienced supply chain issues due to the COVID pandemic, resulting in delays. As of 2023, \$2,462,110 in personal property has been installed. The company is now on target to complete the remaining phase one investment of \$21,587,890 and an additional phase two investment of \$29,500,000 by December 2027, bringing the total combined investment for phases one and two to \$53,550,000 in eligible personal property.

These additional investments will retain the company's 31 current employees, create 39 new jobs from phase one, and add 30 additional jobs in phase two, resulting in a total of 100 jobs by December 31, 2027. RayzeBio will contribute \$50,000 for phase one workforce support by December 31, 2026, and an additional 5% (or \$38,192.13) for phase two by December 31, 2028.

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 four (4) years personal property tax abatement for the Phase Two Project.

TOTALITY OF BENEFITS

PETITIONER: **RayzeBio, Inc.**

PHASE II INVESTMENT: Staff estimates that the proposed investment of \$29,500,000.00 should result in an increase to the tax base of approximately \$11,800,000.00 of assessed value in the first year of operation. Staff estimates that over the four (4) year personal property tax abatement period the petitioner will realize savings of approximately \$763,842.62 (a 65.3% savings). During the abatement period, the petitioner is expected to pay an estimated \$406,006.44 in personal property taxes related to the new equipment. After the tax abatement expires, the petitioner can be expected to pay an estimated \$220,206.88 in personal property taxes annually related to the new equipment.

EMPLOYMENT: The petitioner estimates that this project will retain thirty-one (31) jobs at a minimum wage of \$47.15/hr. and will create sixty-nine (69) jobs at a minimum wage of \$47.15/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.

RayzeBio, Inc. and PLDAB LLC
5850 West 80th Street



Legend

-  Parcels
-  Project Site



0 250 500 1,000 Feet



Produced by: DMD Economic Incentives October 10, 2022