



## Metropolitan Development Commission: Hearing Notice

### Meeting Details:

Notice is hereby given of a public hearing to be held in person, on Wednesday, August 17, 2022, at 1:00 p.m. in the Beurt SerVaas Public Assembly Room on the Second Floor of the City-County Building, 200 East Washington Street, Indianapolis, Indiana.

**Date:** August 17, 2022                      **Time:** 1:00 P.M.

### Business and Policy Resolutions:

**Adoption of Meeting Minutes:** August 3, 2022

### ECONOMIC DEVELOPMENT/INCENTIVES:

**RESOLUTION NO. 2022-E-034 (WALK ON)** Authorizes the Director of DMD to amend the Interlocal Cooperation Agreement with IHA to provide additional funds in the amount of one million dollars (\$1,000,000) to help stabilize organization operations while IHA continues implementing the Moving Forward restructuring plan and to explore the use of third-party vendors to undertake tenant recertifications.

**RESOLUTION NO. 2022-A-019 (For Public Hearing)** Authorizes an amendment to the terms of a real property tax abatement with Rolls-Royce Corporation, including extension of the Economic Revitalization Area designation.

**RESOLUTION NO. 2022-A-020 (For Public Hearing)** Authorizes an amendment to the terms of a personal property tax abatement with Rolls-Royce Corporation, including extension of the Economic Revitalization Area designation.

### COMMUNITY INVESTMENTS:

**RESOLUTION NO. 2022-C-008** Authorizes the Department of Metropolitan Development to amend the scope of the Indianapolis Housing Trust Fund agreement with the Coalition for Homelessness Intervention and Prevention of Greater Indianapolis (CHIP) Resolution 2022-C-001 to include all persons with lived experience, and not just youth, that are participating in planning and implementation boards, committees, and work groups to inform Continuum of Care policies and procedures. There will be no additional funding added to the original agreement.

## Zoning Petitions:

See *Staff Report* posted [here](#) on our website.

**RESOLUTION NO. 2022-E-034**

**RESOLUTION AMENDING INTERLOCAL COOPERATION AGREEMENT WITH  
THE INDIANAPOLIS HOUSING AGENCY**

WHEREAS, the Metropolitan Development Commission of Marion County, Indiana (the “Commission”) serves as the Redevelopment Commission of the City of Indianapolis, Indiana (the “City”) under Indiana Code 36-7-15.1 (the “Redevelopment Act”); and

WHEREAS, in that capacity the Commission serves as the governing body of the City of Indianapolis Redevelopment District (the “District”); and

WHEREAS, under the Redevelopment Act, the Commission is empowered to promote the use of land in the manner that best serves the interests of the City and its inhabitants, both from the standpoint of human needs and economic values and to cooperate with departments and agencies of the City and other governmental entities in a manner that best serves the purposes of the Redevelopment Act, for the benefit of the public health, safety, and welfare, and to protect and increase property values in the county and the state; and

WHEREAS, the Indianapolis Housing Agency (the “IHA”) performs the public housing function in Marion County pursuant to Indiana Code 36-7-18 *et seq.* and the Revised Code of the Consolidated City and County section 285-400 *et seq.*; and

WHEREAS, pursuant to Indiana Code 36-7-19 *et seq.*, the Commission is authorized to provide aid to housing authorities operating within Marion County, including the provision of financial assistance of any nature; and

WHEREAS, the Redevelopment Act permits the Commission to designate allocation areas in the District for the purpose of capturing and allocating property taxes commonly known as tax increment finance revenues (“TIF Revenues”); and

WHEREAS, the Commission has previously established the Consolidated Redevelopment Project Area (the “Consolidated Redevelopment Area”), has designated the Consolidated Redevelopment Area as an allocation area (the “Consolidated Redevelopment Allocation Area”) for the purposes of capturing TIF Revenues, has created an allocation fund (the “Consolidated Redevelopment Allocation Area Program Fund”) for the Consolidated Redevelopment Allocation Area into which TIF Revenues are deposited, and has approved the Consolidated Redevelopment Project Area Plan, (the “Consolidated Redevelopment Plan”); and

WHEREAS, under Indiana Code section 36-7-15.1-26(b)(3)(J), allocated tax revenues collected by the Commission may be used to pay the costs of carrying out eligible efficiency projects; and

WHEREAS, under Indiana Code section 36-9-41-1.5, an eligible efficiency project includes a project necessary or useful to carrying out an interlocal cooperation agreement entered into by two or more political subdivisions; and

WHEREAS, under Indiana Code 36-1-7, the Commission and the IHA are authorized to enter into an Interlocal Cooperation Agreement to undertake projects and activities necessary or useful in the furtherance of their respective purposes; and

WHEREAS, the Commission has previously passed Resolution 2022-E-030 authorizing an Interlocal Cooperation Agreement (the “Agreement”) whereby the Commission provided \$250,000 to the IHA for the hiring of temporary maintenance workers to address outstanding work orders; and

WHEREAS, the Commission and IHA wish to amend the Agreement whereby the Commission will provide additional funds of one million dollars (\$1,000,000) from the Consolidated Redevelopment Allocation Area Program Fund to help stabilize organization operations while IHA continues implementing the Moving Forward restructuring plan and to explore the use of third-party vendors to undertake tenant recertifications, creating a new not to exceed amount of one million two hundred and fifty thousand dollars (\$1,250,000); and

WHEREAS, the Commission desires the Agreement to be an agreement satisfying the requirements of Indiana Code sections 36-1-7, 36-7-15.1-26(b)(3)(J), and 36-9-41-1.5 and finds that carrying out this Agreement more efficiently benefits the Allocation Area and furthers the respective purposes of the Commission and the IHA than would be achieved by attempting to do so separately.

NOW, THEREFORE, BE IT RESOLVED by the Metropolitan Development Commission of Marion County, Indiana, acting as the Redevelopment Commission of the City of Indianapolis, Indiana, as follows:

1. The Director of the Department of Metropolitan Development (“DMD”) is hereby authorized to enter amend the Interlocal Cooperation Agreement on behalf of the Commission with the IHA, with such terms and conditions as she deems necessary or advisable, to help stabilize organization operations while IHA continues implementing the Moving Forward restructuring plan and to explore the use of third-party vendors to undertake tenant recertifications.
2. The Commission hereby authorizes the additional expenditure of available funds from the Consolidated Redevelopment Allocation Area Program Fund in an amount of one million dollars (\$1,000,000) to meet the Commission’s commitments under the Agreement. The Commission hereby finds and determines that the work will directly serve and benefit the Consolidated Redevelopment Area.
3. The City Controller is hereby authorized to disburse the moneys from the Consolidated Redevelopment Allocation Area Program Fund for purposes set forth in the Agreement.

4. The Director of DMD is hereby authorized and directed to take such further actions and execute such documents as she deems necessary or advisable to effectuate the authorizations set forth in this Resolution.
5. This Resolution shall take effect immediately upon adoption by the Commission.

Approved as to legal form and adequacy:

Metropolitan Development Commission:

  
\_\_\_\_\_  
Katelyn Campbell, Asst. Corp. Counsel

\_\_\_\_\_  
John J. Dillon III, President

Date: 8/16/22

Date: \_\_\_\_\_

Approved as the Availability of Funding

\_\_\_\_\_  
Ken Clark, Controller

**METROPOLITAN DEVELOPMENT COMMISSION OF  
MARION COUNTY, INDIANA**

**RESOLUTION AUTHORIZING AMENDMENTS TO FINAL ECONOMIC  
REVITALIZATION AREA RESOLUTION 2015-A-070, 2015**

**RESOLUTION NO. 2022-A-019**

**REAL PROPERTY TAX ABATEMENT**

**Rolls-Royce Corporation**

2001 and 2355 South Tibbs Avenue

**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** 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,** pursuant to I.C. 6-1.1-12.1, Rolls-Royce Corporation (hereinafter "Applicant") filed designation applications requesting that the subject real estate at 2001, 2300 and 2355 South Tibbs Avenue (hereinafter "Subject Real Estate") be designated as an Economic Revitalization Area for the purpose of achieving real property tax savings in connection with redevelopment or rehabilitation activities (hereinafter "Project"); 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 had previously requested, 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**, on Wednesday, October 7, 2015, the Commission held a preliminary hearing, wherein the Commission received evidence about whether the Subject Real Estate should be designated as an Economic Revitalization Area and adopted Preliminary Economic Revitalization Area Resolution No. 2015-A-067, 2015 preliminarily designating the Subject Real Estate as an Economic Revitalization Area; and

**WHEREAS**, on Wednesday October 15, 2015, after conducting a public hearing, the Commission adopted Final Economic Revitalization Area Resolution No. 2015-A-070, 2015 (hereinafter “Final Resolution”), designating the Subject Real estate as an Economic Revitalization Area for the purpose of receiving ten (10) years real property tax abatement, and also approved the Waiver (hereinafter “Abatement”); and

**WHEREAS**, the Applicant has requested amendments to the boundaries and term of the prior designation of the Subject Real Estate 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**, pursuant to Commission Resolution No. 01-A-041, 2001, the Applicant and the City have entered into an Amended Memorandum of Agreement which shall be utilized to measure compliance with the proposed Project described in the attachment to this Resolution, as amended; and

**WHEREAS**, proper legal notices were published indicating the adoption of such Preliminary Resolution, the nature of the Waiver request, the nature of the proposed amendments and stating that a final public hearing will be held at 1:00 p.m. on Wednesday, June 15, 2022, in the Public Assembly Room of the City-County Building to hear remonstrances and objections from persons interested in or affected by the Project, as amended, and the Waiver.

**NOW, THEREFORE, IT IS RESOLVED:**

1. The Commission now amends, confirms, adopts and approves such Preliminary and Final Resolutions and thereby finds, establishes and extends 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 is amended to include only those parcels described in this amendment and the ERA termination date is extended to December 31, 2026; 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 less than **ten (10) years**.

3. 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.**
4. 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.
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 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.
6. The Commission directs the Department of Metropolitan Development to survey the Project described in the attachment to this Resolution annually for a minimum of sixteen (16) additional years. The dates of the next sixteen (16) surveys shall be on or about the following dates: 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037 and 2038
7. The Subject Real Estate and Project area are approved for an abatement period of **ten (10) years**.
8. The ten (10) year real property tax abatement shall utilize the following abatement schedule:

YEAR OF DEDUCTION	PERCENTAGE
1 <sup>st</sup>	100%
2 <sup>nd</sup>	90%
3 <sup>rd</sup>	80%
4 <sup>th</sup>	70%
5 <sup>th</sup>	60%
6 <sup>th</sup>	50%
7 <sup>th</sup>	45%
8 <sup>th</sup>	45%
9 <sup>th</sup>	45%
10 <sup>th</sup>	45%

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

METROPOLITAN DEVELOPMENT COMMISSION

\_\_\_\_\_

President

\_\_\_\_\_

Secretary

\_\_\_\_\_

Date

Approved as to Legal Form  
and Adequacy this \_\_\_\_ day  
of August, 2022.

\_\_\_\_\_  
Matt Jeziorski,  
Assistant Corporation Counsel

**STAFF ANALYSIS**  
**REAL PROPERTY TAX ABATEMENT**

Area Surrounding Subject Real Estate: The subject real estate is divided into a 197-acre site on the south side of Raymond Street (comprised of two parcels) and a 126-acre site on the north side of Raymond Street. The area is primarily industrial, with small residential neighborhoods to the north and south of the campus.

Current Zoning:.....I-4

New Jobs Created: .....None

Jobs Retained: .....2,400

Estimated Cost of Proposed Project: \$63,500,000.00 (\$217,600,000 total with personal property)

**STAFF ANALYSIS**

The Rolls-Royce Corporation develops and manufactures power systems for use on land, sea and air. In Indianapolis, Rolls-Royce’s facilities develop, test and manufacture aircraft engines for use in civilian and military applications. The bulk of Rolls-Royce’s local workforce is located at their campus at Tibbs Avenue and Raymond Street, on a campus dating from the 1940s. Since 2015, Rolls-Royce has invested over \$600MM in renovating its older, outdated buildings and replacing them with on-site facilities that meet modern manufacturing requirements.

In order to continue increasing operational efficiency at the main Indianapolis campus, Rolls-Royce has proposed to invest \$63,500,000.00 to modernize their ‘test campus,’ the facility used to test manufactured engines prior to delivery to the customer. New building construction and improvements to existing infrastructure are an integral part of the project, as is the procurement of new machinery and equipment along with new computer and hardware equipment that will support Rolls-Royce’s future growth aspirations. The real estate portion of the project would be completed by 2023. This construction activity will be complemented by a \$154,100,000 investment in personal property at the campus, though 2026. This investment is critical to securing Rolls-Royce’s continued presence and growth in Marion County. Without this investment, the local Rolls-Royce facility will be at a competitive disadvantage in securing new contracts and additional investment in research and manufacturing processes relative to other Rolls-Royce facilities, such as the state-of-the-art operation in Reston, Virginia and other locations outside the United States.

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 ten (10) years real property tax abatement.

## TOTALITY OF BENEFITS

**PETITIONER:**

**Rolls-Royce Corporation**

**INVESTMENT:**

Staff estimates that the proposed investment of \$63,500,000.00 should result in an increase to the tax base of approximately \$47,325,000.00 of assessed value. Staff estimates that over the ten (10) year real property tax abatement period the petitioner will realize savings of approximately \$7,259,418.09 (a 41.5% savings). During the abatement period, the petitioner is expected to pay an estimated \$10,250,831.92 in real property taxes on the proposed improvements. This is in addition to the current taxes being paid on the properties in the amount of \$1,319,494.00 annually. After the tax abatement expires, the petitioner can be expected to pay an estimated \$3,070,519.00 in real property taxes annually on the new improvements in addition to the \$1,319,494.00 in annual taxes currently paid on the subject property (pay 2022 taxes).

**EMPLOYMENT:**

The petitioner estimates that this Project will retain two-thousand, four hundred (2,400) jobs at an average wage of \$43.00/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 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.

## **PROJECT SUMMARY**

**Applicant:** Rolls-Royce Corporation  
**Subject Real Estate:** 2001 and 2355 South Tibbs Avenue  
**Wayne Township Parcel Numbers:** 9000632, 9000572 and 9026591

### **Project Description:**

The project seeks to strengthen Rolls-Royce in Indiana by: (a) retaining skilled manufacturing jobs in Marion County; (b) consolidating and modernizing World War II-era manufacturing facilities and equipment in order to improve efficiencies, reduce overhead costs, and enhance the Company's overall competitive position; (c) retaining and growing highly skilled engineering competencies to design, test, and produce the next-generation Rolls-Royce engine; and (d) winning new engine business, maturing technologies, and strengthening whole engine capability.

Specifically, Rolls-Royce intends to modernize the campus' aging engine test infrastructure which would be a critical enabler to future growth and productivity. In order to complement the significant investments in campus improvements since 2015, it is imperative to Rolls-Royce that a major upgrade and associated capital investment take place to revitalize the test infrastructure to the latest modern standards, commensurate with the recently revitalized manufacturing and assembly operations.

Consistent with the City's current requirements, Rolls-Royce has submitted an Inclusivity Plan that would dedicate over 5% of the company's estimated tax savings into workforce support activities. Rolls-Royce's plan dedicates \$1,000,000 to working training, which will include a partnership with the United Auto Workers (UAW) labor union and the Department of Labor (DoL) to develop a new apprentice trade program. This program will award successful graduates with an industry-recognized DoL Journeyman Card as a Parts Inspector. The program will also utilize third-party training partners.

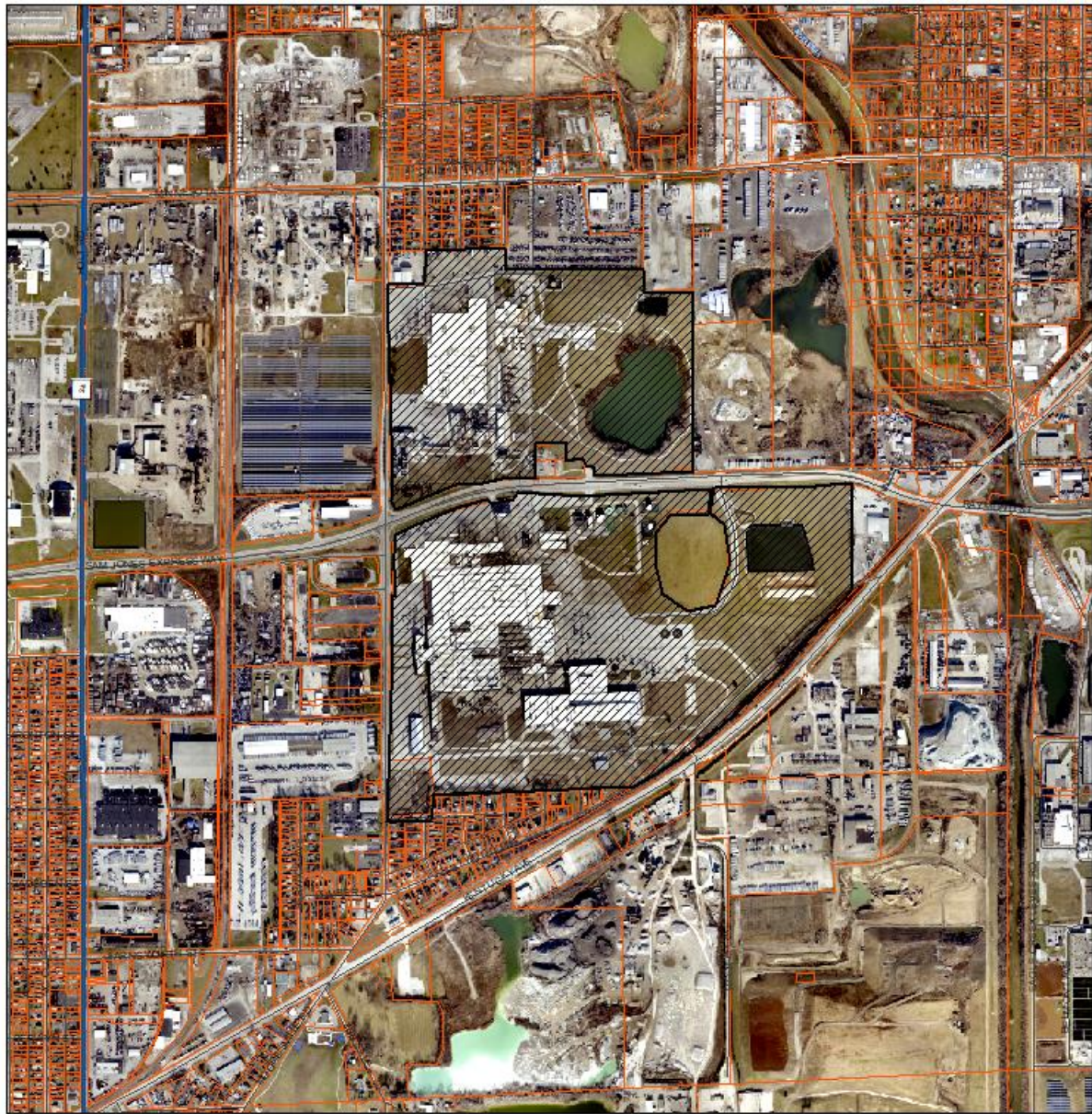
**New Jobs Created:** None

**Jobs Retained:** 2,400 at \$43.00/hr.

**Estimated Cost of Project:** \$63,500,000.00 (\$217,60,0000 total with personal property)

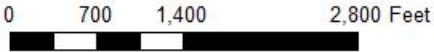
**RECOMMENDATION:** Staff recommends approval of ten (10) years real property tax abatement.

Rolls-Royce Corporation  
2001 and 2355 South Tibbs Avenue



**Legend**

- IndyGo Transit Routes
- Parcels
- Project Site



Produced by: DMD REED May 9, 2022

**METROPOLITAN DEVELOPMENT COMMISSION OF**

**MARION COUNTY, INDIANA**

**RESOLUTION AUTHORIZING AMENDMENTS TO FINAL ECONOMIC REVITALIZATION  
AREA RESOLUTION 2015-A-071, 2015**

**Resolution No. 2022-A-020**

**PERSONAL PROPERTY TAX ABATEMENT**

**Rolls-Royce Corporation**  
2001 and 2355 South Tibbs Avenue

**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** 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,** pursuant to **I.C. 6-1.1-12.1**, Rolls-Royce Corporation (hereinafter "Applicant") filed designation applications requesting that the subject real estate at 2001, 2300 and 2355 South Tibbs Avenue (hereinafter "Subject Real Estate") be designated as an Economic Revitalization Area for the purpose of achieving personal property tax savings in connection with redevelopment or rehabilitation activities (hereinafter "Project"); 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 had previously requested, 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**, on Wednesday, October 7, 2015, the Commission held a preliminary hearing, wherein the Commission received evidence about whether the Subject Real Estate should be designated as an Economic Revitalization Area and adopted Preliminary Economic Revitalization Area Resolution No. 2015-A-068, 2015 preliminarily designating the Subject Real Estate as an Economic Revitalization Area; and

**WHEREAS**, on Wednesday October 15, 2015, after conducting a public hearing, the Commission adopted Final Economic Revitalization Area Resolution No. 2015-A-071, 2015 (hereinafter “Final Resolution”), designating the Subject Real estate as an Economic Revitalization Area for the purpose of receiving ten (10) years personal property tax abatement, and also approved the Waiver (hereinafter “Abatement”); and

**WHEREAS**, the Applicant has requested amendments to the boundaries and term of the prior designation of the Subject Real Estate 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**, pursuant to Commission Resolution No. 01-A-041, 2001, the Applicant and City have entered into an Amended Memorandum of Agreement which shall be utilized to measure compliance with the proposed Project described in the attachment to this Resolution, as amended; and

**WHEREAS**, proper legal notices were published indicating the adoption of such Preliminary Resolution, the nature of the Waiver request, the nature of the proposed amendments and stating that a final public hearing will be held at 1:00 p.m. on Wednesday, August 17, 2022, in the Public Assembly Room of the City-County Building to hear remonstrances and objections from persons interested in or affected by the Project, as amended, and the Waiver, 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 and Final Resolutions and thereby designates, finds, establishes and extends 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 (“ERA”) designation is amended to include only those parcels described in this amendment and the ERA termination date is extended to **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 March 2, 2015, 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 **ten (10) 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.
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 at least sixteen (16) additional years. The dates of the next sixteen (16) surveys shall be on or about the following dates: 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037 and 2038.
8. The Subject Real Estate and Project area are approved for an abatement period of **ten (10) years**.
9. The ten (10) year personal property tax abatement shall utilize the following deduction schedule:

YEAR OF DEDUCTION	PERCENTAGE
1 <sup>st</sup>	100%
2 <sup>nd</sup>	90%
3 <sup>rd</sup>	80%
4 <sup>th</sup>	70%
5 <sup>th</sup>	60%
6 <sup>th</sup>	50%
7 <sup>th</sup>	45%
8 <sup>th</sup>	45%
9 <sup>th</sup>	45%
10 <sup>th</sup>	45%

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

METROPOLITAN DEVELOPMENT COMMISSION

\_\_\_\_\_

President

\_\_\_\_\_

Secretary

\_\_\_\_\_

Date

Approved as to Legal Form  
and Adequacy this \_\_\_ day  
of August, 2022.

\_\_\_\_\_  
Matt Jeziorski,  
Assistant Corporation Counsel

**STAFF COMMENT**  
**PERSONAL PROPERTY TAX ABATEMENT**

Street Address:.....2001 and 2355 South Tibbs Avenue

New Jobs Created:..... None.

Jobs Retained:..... 2,400

Estimated Cost of Equipment: \$154,000,000.00 (\$217,600,000 total with real property)

**STAFF ANALYSIS**

The Rolls-Royce Corporation develops and manufactures power systems for use on land, sea and air. In Indianapolis, Rolls-Royce's facilities develop, test and manufacture aircraft engines for use in civilian and military applications. The bulk of Rolls-Royce's local workforce is located at their campus at Tibbs Avenue and Raymond Street, in several buildings dating from the 1940s. Since 2015, Rolls-Royce has invested over \$600MM in renovating its older, outdated buildings and replacing them with on-site facilities that meet modern manufacturing requirements.

In order to continue increasing operational efficiency at the main Indianapolis campus, Rolls-Royce has proposed to invest \$154,000,000 in new manufacturing equipment through 2026. This investment is critical to securing Rolls-Royce's continued presence in Marion County by modernizing their 'test campus,' the facility used to test manufactured engines prior to delivery to the customer. New manufacturing machinery and equipment along with new computer and hardware equipment to support Rolls-Royce's future growth aspirations will be installed in these refurbished facilities. Without this investment, the local Rolls-Royce facility will be at a competitive disadvantage in securing new contracts and additional investment in research and manufacturing processes relative to other Rolls-Royce facilities, such as the state-of-the-art operation in Reston, Virginia and other locations outside the United States.

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 ten (10) years personal property tax abatement.

## TOTALITY OF BENEFITS

**PETITIONER:**                    **Rolls-Royce Corporation**

**INVESTMENT:**                    Staff estimates that the proposed investment of \$154,000,000.00 should result in an increase to the tax base of approximately \$61,600,000.00 of assessed value upon completion of the investment. Staff estimates that over the ten (10) year personal property tax abatement period the petitioner will realize savings of approximately \$10,768,356.98 (a 54.0% savings). During the abatement period, the petitioner is expected to pay an estimated \$9,174,643.02 in personal property taxes related to the new equipment in addition to \$4,399,286.16 currently paid in annual taxes (pay 2022 taxes). After the tax abatement expires, the petitioner can be expected to pay an estimated \$1,709,400.00 in personal property taxes annually related to the new equipment, in addition to current assessments.

**EMPLOYMENT:**                    The petitioner estimates that this project will retain two-thousand, four hundred (2,400) positions at an average hourly wage of \$43.00/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: Rolls-Royce Corporation

Subject Real Estate: 2001 and 2355 South Tibbs Avenue

Wayne Township Parcel Numbers: 9000632, 9000572 and 9026591

### **Project Description:**

The project seeks to strengthen Rolls-Royce in Indiana by: (a) retaining skilled manufacturing jobs in Marion County; (b) consolidating and modernizing World War II-era manufacturing facilities and equipment in order to improve efficiencies, reduce overhead costs, and enhance the Company's overall competitive position; (c) retaining and growing highly skilled engineering competencies to design, test, and produce the next-generation Rolls-Royce engine; and (d) winning new engine business, maturing technologies, and strengthening whole engine capability.

Specifically, Rolls-Royce intends to modernize the campus' aging engine test infrastructure which would be a critical enabler to future growth and productivity. In order to complement the significant investments in campus improvements since 2015, it is imperative to Rolls-Royce that a major upgrade and associated capital investment take place to revitalize the test infrastructure to the latest modern standards, commensurate with the recently revitalized manufacturing and assembly operations.

Consistent with the City's current requirements, Rolls-Royce has submitted an Inclusivity Plan that would dedicate over 5% of the company's estimated tax savings into workforce support activities. Rolls-Royce's plan dedicates \$1,000,000 to working training, which will include a partnership with the United Auto Workers (UAW) labor union and the Department of Labor (DoL) to develop a new apprentice trade program. This program will award successful graduates with an industry-recognized DoL Journeyman Card as a Parts Inspector. The program will also utilize third-party training partners.

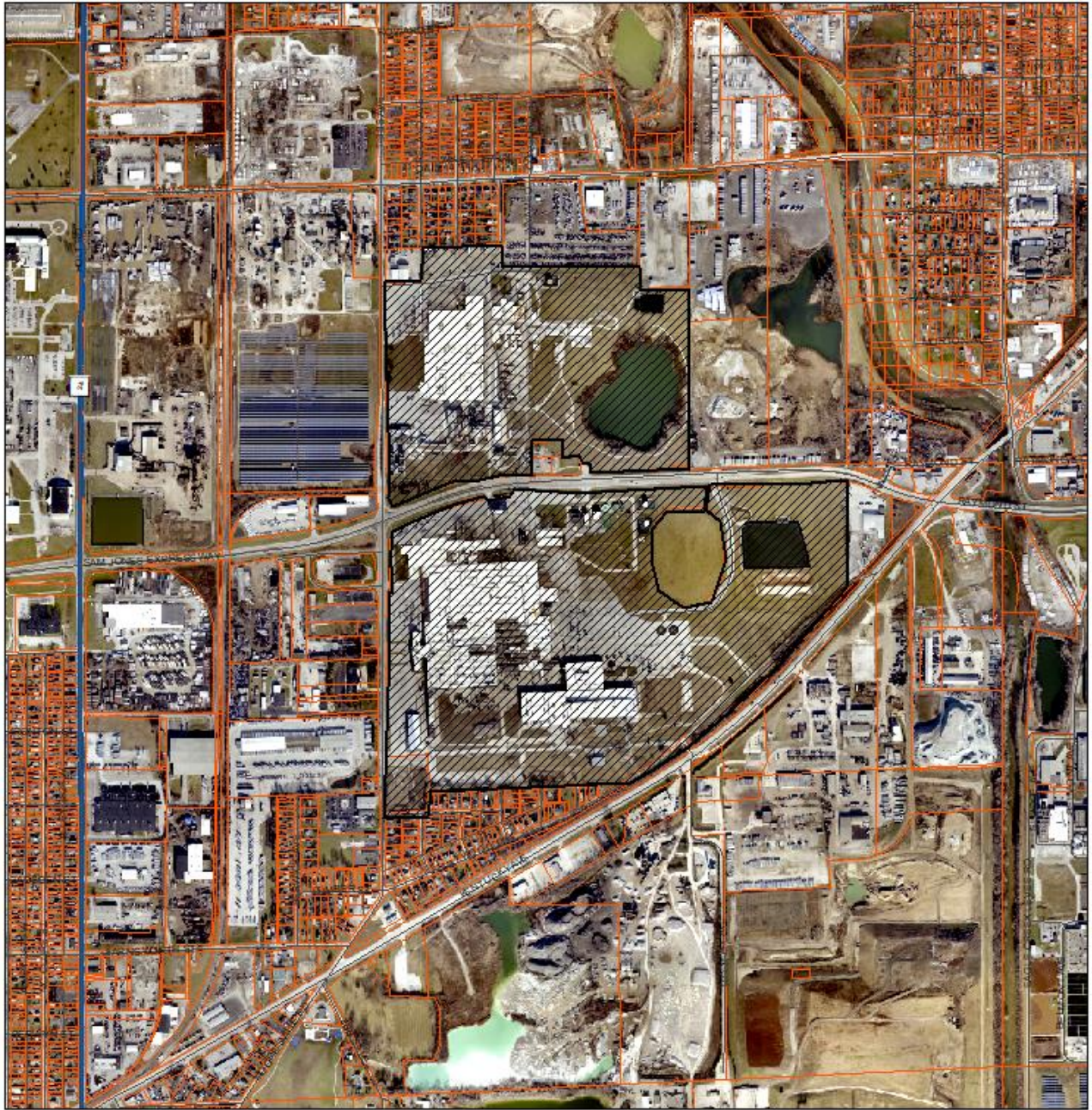
New Jobs Created: None.

Job Retained: 2,400 at \$43.00/hr

Estimated Cost of Project: \$154,000,000.00 (\$217,600,000 total with real property)

**RECOMMENDATION:** Staff recommends approval of ten (10) years personal property tax abatement.

# Rolls-Royce Corporation 2001 and 2355 South Tibbs Avenue




## Legend

-  IndyGo Transit Routes
-  Parcels
-  Project Site



0 700 1,400 2,800 Feet



Produced by: DMD REED May 9, 2022

Community Investments  
Housing Trust Fund  
Housing Services

**METROPOLITAN DEVELOPMENT COMMISSION  
OF  
MARION COUNTY, INDIANA**

**Resolution No. 2022-C-008**

WHEREAS, I.C. 36-7-15.1-35.5 authorizes the Metropolitan Development /commission (“MDC”), acting as the redevelopment commission for the Consolidated City of Indianapolis, to establish a supplemental housing program and a housing trust fund; and

WHEREAS, MDC resolution 02-B-002 establishes the Supplemental Housing Program and the Indianapolis Low Income Housing Trust Fund (“Trust Fund”); and

WHEREAS, I.C. 36-7-15.1-35.5(i) establishes the housing trust fund advisory committee (Committee”); and

WHEREAS, the Department of Metropolitan Development (“DMD”) has funds available in the Indianapolis Low Income Housing Trust Fund; and

WHEREAS, the Housing Trust Fund Advisory Committee recommends amending the scope of the Indianapolis Housing Trust Fund agreement with the Coalition for Homelessness Intervention and Prevention of Greater Indianapolis (CHIP) Resolution 2022-C-001 to include all persons with lived experience, and not just youth, that are participating in planning and implementation boards, committees, and work groups to inform Continuum of Care policies and procedures. There will be no additional funding added to the original agreement; and

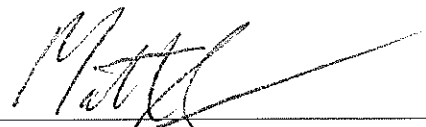
WHEREAS, the DMD and the grantee wish to enter into a new contract;

NOW, THEREFORE, BE IT RESOLVED:

1. The Director of the DMD is hereby authorized by the MDC to amend the scope of the Indianapolis Housing Trust Fund agreement with the Coalition for Homelessness Intervention and Prevention of Greater Indianapolis (CHIP) Resolution 2022-C-001 to include all persons with lived experience, and not just youth, that are participating in planning and implementation boards, committees, and work groups to inform Continuum of Care policies and procedures. There will be no additional funding added to the original agreement.
2. The Director of the Department of Metropolitan Development is hereby authorized to execute the necessary documents in accordance with this Resolution.

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Approved as to legal form and adequacy:

By:   
Matt Jeziorski, Asst. Corp. Counsel

Date: 8/4/2022

Metropolitan Development Commission:

By: \_\_\_\_\_  
John J. Dillon III, President

Date: \_\_\_\_\_