

RESOLUTION NO. LRC-2023-04

LAFAYETTE REDEVELOPMENT COMMISSION

**A RESOLUTION RECOMMENDING APPROVAL OF A DEDUCTION FOR
THE PURPOSE OF TAX ABATEMENT IN AN ECONOMIC REVITALIZATION
AREA FOR
REAL ESTATE**

LB ASSOCIATES, LLC (FUTURE -HAGGERTY POINT FIVE, LLC)

WHEREAS, IC 6-1.1-12.1 allows for a partial abatement of property taxes attributable to the redevelopment/rehabilitation of real property and/or installation of new tangible personal property in an Economic Revitalization Area (ERA); and

WHEREAS, the Common Council of the City of Lafayette, Indiana, has requested that the Lafayette Redevelopment Commission receive all applications for designation of real estate as an Economic Revitalization Area (ERA), for purposes of tax abatement under IC 6-1.1-12.1 and recommend the approval of deductions for the purposes of tax abatement in an Economic Revitalization Area; and

WHEREAS, the Common Council has also requested that the Lafayette Redevelopment Commission investigate such applications to determine the best interest of the City and make recommendations concerning whether the findings required by IC 6-1.1-12.1 can be made in the affirmative; and

WHEREAS, on June 3, 2019, by Confirming Resolution No. 2019-12 the Common Council designated certain real estate and Economic Revitalization Area (ERA) for a period of then (10) years commencing January 1, 2019; and

WHEREAS, LB Associates, LLC filed a Statement of Benefits dated 3/14/2023, and a Supplement to Statement of Benefits, requesting the approval of a deduction for the purposes of Tax Abatement in an Economic Revitalization Area (ERA) on real estate improvements, which Statement of Benefits and Supplement are attached hereto as EXHIBIT "A;" and

WHEREAS, LB Associates, LLC has requested a deduction from the assessed value of such real estate pursuant to the Statement of Benefits over a period of ten (10) years in accordance with the following abatement schedule percentages:

Year	Percentage
1	100
2	90
3	80
4	70
5	60
6	50
7	40
8	30
9	20
10	10

and;

WHEREAS, the Lafayette Redevelopment Commission has considered the Statement of Benefits and Supplement to Statement of Benefits filed by LB Associates, LLC;

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT COMMISSION OF THE CITY OF LAFAYETTE that the following recommendation be made to the Common Council:

1. That the Application for deduction for the purposes of tax abatement meet the criteria for approval of a deduction for the purpose of tax abatement under IC 6-1.1-12.1 and as such that LB Associates, LLC be entitled the opportunity to apply for property tax deductions for a period of ten (10) years for the redevelopment/rehabilitation of real estate in accordance with the following abatement schedule percentages:

Year	Percentage
1	100
2	90
3	80
4	70
5	60
6	50
7	40
8	30
9	20
10	10

ADOPTED AND PASSED by the Lafayette Redevelopment Commission this 23rd day of March, 2023.

LAFAYETTE REDEVELOPMENT COMMISSION

James Foster, President

Frank Donaldson, Vice President

Shelly Henriott, Secretary

Jos Holman, Commissioner

Jim Terry, Commissioner

ATTEST:

Josh Loggins

Dave Moulton

EXHIBIT A



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R7 / 1-21)
Prescribed by the Department of Local Government Finance

20__ PAY 20__
FORM SB-1 / Real Property
PRIVACY NOTICE
Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

This statement is being completed for real property that qualifies under the following Indiana Code (*check one box*):

- Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
 Residentially distressed area (IC 6-1.1-12.1-4.1)

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise, this statement must be submitted to the designating body **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
3. To obtain a deduction, a Form 322/RE must be filed with the county auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between January 1 and May 10 of a subsequent year.
4. A property owner who files for the deduction must provide the county auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5.1(b)
5. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/Real Property that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. IC 6-1.1-12.1-17

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer LB Associates, LLC (Haggerty Point Five LLC (future))		
Address of taxpayer (number and street, city, state, and ZIP code) 3595 Sagamore Pkwy N Ste 1 Lafayette IN 47904		
Name of contact person Jerry Brand	Telephone number (765) 429-0403	E-mail address jerry@inokllc.com

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body City of Lafayette Counsel		Resolution number
Location of property Park East Blvd and Haggerty Ln Lafayette IN	County Tippecanoe	DLGF taxing district number
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) 60,000 SF Warehouse facility		Estimated start date (month, day, year) May 2023
		Estimated completion date (month, day, year) May 2024

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current Number	Salaries	Number Retained	Salaries	Number Additional	Salaries
0.00	\$0.00	0.00	\$0.00	3.00	\$105,000.00

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values		
Plus estimated values of proposed project	2,400,000.00	
Less values of any property being replaced		
Net estimated values upon completion of project	2,400,000.00	

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) _____	Estimated hazardous waste converted (pounds) _____
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Other benefits

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative <i>Jerry A. Brand</i>	Date signed (month, day, year) 03/14/23
Printed name of authorized representative Jerry A Brand	Title Member

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

- A. The designated area has been limited to a period of time not to exceed 10 calendar years* (see below). The date this designation expires is 12/31/28. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.
- B. The type of deduction that is allowed in the designated area is limited to:
 1. Redevelopment or rehabilitation of real estate improvements Yes No
 2. Residentially distressed areas Yes No
- C. The amount of the deduction applicable is limited to \$ _____.
- D. Other limitations or conditions (specify) _____
- E. Number of years allowed: Year 1 Year 2 Year 3 Year 4 Year 5 (* see below)
 Year 6 Year 7 Year 8 Year 9 Year 10
- F. For a statement of benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?
 Yes No
 If yes, attach a copy of the abatement schedule to this form.
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

We have also reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by (signature and title of attester)	Printed name of attester	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4.1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. Except as provided in IC 6-1.1-12.1-18, the deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

**IC 6-1.1-12.1-17
Abatement schedules**

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. Except as provided in IC 6-1.1-12.1-18, an abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

EXHIBIT A (Continued)

SUPPLEMENT TO STATEMENT OF BENEFITS Real Estate LAFAYETTE REDEVELOPMENT COMMISSION

INSTRUCTIONS:

1. This completed SUPPLEMENT and the completed STATEMENT OF BENEFITS, along with all other requested materials, must be submitted to the Lafayette Redevelopment Commission prior to a hearing before the Commission.
2. This SUPPLEMENT TO STATEMENT OF BENEFITS is part of the total application, and the CERTIFICATION in the STATEMENT OF BENEFITS applies to all statements in the APPLICATION.

SECTION I APPLICANT & PURPOSE

Name of Taxpayer LB Associates LLC (Haggerty Point Five LLC future)	
Address of Taxpayer (street and number, city, state & ZIP code) 3595 Sagamore Pkwy N. Suite 1 Lafayette, IN 47904	Telephone: 765-429-0403 FAX: Website:

Name of Applicant if different from Taxpayer Jerry A Brand	
Address of Applicant if different from Taxpayer (street and number, city, state & ZIP code) 3595 Sagamore Pkwy N Suite 1 Lafayette, IN 47909	Telephone No: 765-429-0403 FAX: E-mail: Jerry@inokllc.com
Description of relationship of Applicant to Taxpayer Member	

Contact for this Application Jerry A Brand	
Address of Contact if different from Taxpayer (street and number, city, state & ZIP code) same as above	Telephone: 765-429-0403 FAX: E-mail: jerry@inokllc.com

Name of Parent Company (if any) INOK Investments LLC
--

<p>Purpose of Application: Describe the proposed project. How will the proposed project benefit your company and the City of Lafayette? Provide warehouse and manufacturing options in the Lafayette area. Such improvements will help Lafayette manufacturing presence grow.</p>

SECTION II PROPERTY DESCRIPTION

Location of Real Property (street and number, city, state & ZIP code)
 Corner of Haggerty Lane and Park East Blvd. Lafayette IN 47905

****ATTACH LEGAL DESCRIPTION & PLAT MAP WITH LOCATION****

Assessor's Parcel Key No(s): (existing building: renovation/ expansion) 79-11-01-101-004,000-037
 Real Property 79-11-01-101-008,000-037 79-11-02-226-001,000-037

Does the company currently conduct business at this site? Yes ___ No X
 If "No", how is the site currently used? Bare ground

Current Zoning GB
 Will any changes, special exceptions be required? Yes ___ No X
 Have they been approved? Yes ___ No ___

Real Property Tax Abatement is requested for 10 years

To be completed by RD Staff

Is this area currently designated as an Economic Revitalization Area (ERA)? Yes X No ___
 Has it ever been so designated in the past? Yes ___ No X

Is this property in a Tax Increment Finance (TIF) district (requires RD Commission Approval)? Yes X No ___

SECTION III NATURE OF IMPROVEMENT

Describe any Real Property Improvements:

Size of facility to be constructed and /or renovated
 60,000 SF of warehouse

Rehabilitation of existing structure(s), especially architecturally significant or historic structures
 NA

Demolition of architecturally significant or historic structure(s)
 NA

SECTION IV EMPLOYMENT

How many do you employ today? 0
 How many will you employ after the project is complete? 0
 How many jobs will be created? 3 Full-time ___ Part-time ___
 How many jobs are retained? ___ Full-time ___ Part-time ___
 How many jobs will be eliminated? ___ Full-time ___ Part-time ___
 Will any of the new positions be temporary or filled by contract employees? Yes ___ No ___
 If "Yes," describe the contract:

Will new employees be hired from the Tippecanoe region? Yes ___ No ___

If any positions are to be eliminated, please explain the circumstances and if any of the employees from these positions will be eligible for the new positions.

How many additional employees are:

	Number	Average Wage	Hourly Average
Production			
Administrative			
Management			
Professional/Technical			
Other			
Total/Average Wage			

How many retained employees are:	Number	Average Wage	Hourly Average
Production			
Administrative			
Management			
Professional/Technical			
Other			
Total/Average Wage			

What is the anticipated time frame for reaching full employment and the salary goals, per SB-1, from completion of improvement?

Year	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	> 5 yrs
Employment						
Salary						

* If greater than five years provide detailed timetable:

Year	yrs	yrs	yrs	yrs	yrs	yrs
Employment						
Salary						

Does the company provide benefits to all employees? Yes ___ No ___

If "Yes", explain and list:

Health Insurance _____ % paid

Life insurance _____ % paid

Disability _____ % paid

Childcare _____ % paid

Vacation _____ minimum # of days

Retirement _____ % paid

Other _____ % paid

To be completed by RD Staff.

Is the average wage at or above the Tippecanoe County average? Yes ___ No Average Wage \$16.88

SECTION V IMPACTS & STATUS

Please estimate the % of your products or services sold outside this 8-county economic region? _____ 0%

Will local firms and suppliers receive preference for this project? Yes No ___ N/A ___

Does the applicant supply any local firms? Yes No ___ None ___

If yes, please list:

Do you compete with local firms or businesses? Yes ___ No N/A ___

If yes, please list:

Will local firms be used for the project? Yes No ___

If yes, please list: Local contractors completing the project

Will any additional public utilities, city services or other infrastructure be required by this project? Yes No ___

If "Yes," explain:
water, sewer and gas

Will this project result in any negative impact on the environment? Yes ___ No

If "Yes," explain and describe the measures to be taken to alleviate it:

Will any environmental permits be needed? Yes ___ No

If "Yes," please list and note if they have been obtained:

Has financing for this project been approved? Yes ___ No

Has any construction begun? Yes ___ No

Have all required rezonings, variances or special exceptions been approved for this project? None Needed

If "No," explain: Yes ___ No ___

Have applications been made for any other forms of public assistance (grants or other incentives)? Yes ___

If "Yes," explain: No

SECTION VI

TAX ABATEMENT HISTORY

Has the business previously received Tax Abatement for this or other locations in Tippecanoe County, the City of Lafayette, or the City of West Lafayette?

Yes No

To be completed by RD Staff

How many Tax Abatements have previously been granted to the business?

1

In what calendar years were they granted?

Project not yet completed

For how many years was each Tax Abatement granted?

Example: (2002 - RE Imp - 10 yrs - New Manuf Equip - 7

Will be 10 year RE

Attachments (please list and include)

SECTION VII

AFFIRMATION OF TAX PAYMENTS

I affirm that the applicant is current with all local, state, and federal tax obligations and understand that failure to have paid said taxes in a timely manner may render the applicant, during the course of this tax abatement, noncompliant and, therefore, ineligible for tax abatement.



Signature

Member

Title

03-14-23

Date

PRINCIPLES

FOR CONSIDERATION OF PROPERTY TAX ABATEMENT IN LAFAYETTE, INDIANA

These principles are used in determining the guidelines and considerations for each category of project, and will also be used in determining the length of an abatement within each category.

1. Firms receiving tax abatement are expected to give local construction firms and local suppliers of goods and services the opportunity to do business.
2. Existing industry will be considered for tax abatement on the same basis as firms being recruited to the community.
3. Preference will be given to firms that diversify and fill gaps in our local economy rather than those that compete for business in the local economy with existing firms.
4. Products that are sold outside our local community and bring value to the local economy will be given a high priority.
5. Abatement will be used to recruit and assist firms that create a technology based product or service or use advanced technology in manufacturing.
6. Location in the downtown, the urban enterprise zone, or declining area designated as an economic development area will be given a higher priority.
7. Projects that involve retail or are primarily office operations will be considered only in the locations described in #6 above unless the office operations are technology related.
8. The number of jobs created per dollar of investment will be an important consideration for the warehouse distribution and manufacturing areas.
9. The level of wages and benefits will be an important consideration for all applications.
10. Housing will be evaluated in terms of percentage of units available to lower income families, mix of income levels, distance from other projects serving a similar clientele, availability of services, potential displacement of existing housing, and compatibility of design.
11. Projects will not be considered that will require variances or special exceptions unless primary review indicates that no problems will be encountered.
12. Adverse environmental impacts will negatively affect the consideration of abatement.
13. Any need for additional public infrastructure or other additional public support in the project will be considered in determining the length of the abatement.
14. Major development projects will be individually evaluated.
15. The time period of depreciation of equipment will be considered in the length of abatement for equipment.
16. Economic Revitalization Areas (ERAs) designated by the Common Council for new manufacturing equipment will include a Memorandum of Understanding that will provide for the repayment to the City of all or a portion of the tax savings realized through the designation in event that the ERA is terminated because the new manufacturing equipment is removed from the City.

GUIDELINES

FOR CONSIDERATION OF PROPERTY TAX ABATEMENT IN LAFAYETTE, INDIANA

Projects will be considered for abatement only if the proposed investment is at least \$500,000 and development has not begun and/or equipment has not been ordered. In addition, if the applicant is not the owner, authorization of the application must be obtained from the owner.

The length of the abatement period for real estate and equipment will be considered by the guidelines in the categories below:

6-10 Years

Real Estate Improvements

Manufacturing

Technology Based

3-6 Years

Equipment and Machinery

Warehouse/Distribution

Office

Retail

1-3 Years

Housing

**Redevelopment Commission Guidelines
For
Economic Revitalization Area Designation
City of Lafayette, Indiana**

The Lafayette Redevelopment Commission has formulated guidelines for granting requests for designation of an Economic Revitalization Area. Each category has a threshold of acceptance and a benchmark for the number of years of tax abatements. The number of years of tax abatement may be increased or decreased by the Redevelopment Commission and/or the Common Council with the addition of positive or negative factors cited. Final authority rests with the Common Council.

Manufacturing/Commercial

Threshold:

1. Development/redevelopment not begun/Equipment not ordered
2. Commercial only eligible in Central TIF
3. More than \$250,000 investment
4. Variances/special exceptions have

Benchmark:

Six (6) years – real estate
Five (5) years – equipment

Positive Factors (increase years of abatement):

1. Located in Central TIF or Urban Enterprise Zone
2. More than one (1) job created/retained per \$100,000 investment
3. Jobs are supported by product/service sales outside the Greater Lafayette area
4. Commitment to hire/train residents of the Greater Lafayette area, including for construction
5. Jobs include benefits
6. Jobs pay more than county average

Negative Factors (decrease years of abatement):

1. Location in TIF other than Central TIF
2. Jobs retained but no new jobs created
3. Prior tax abatement received

Retail

Threshold:

1. Project includes more than one (1) tenant
2. Variances/special exceptions have passed initial review
3. Development/redevelopment not begun
4. Investment more than \$250,000

Benchmark:

Three (3) years

Factors:

1. Redevelopment (rehab) rather than new development
2. Vacancies (measured in square footage, number of spaces and length of time)
3. Property taxes paid by tenant
4. Decline in assessed value
5. Impact on surrounding area

Multi-family Rental Housing

Threshold:

1. 20% of units dedicated to low and moderate income households
2. Investment of more than \$250,000 or increased assessment of at least \$50,000
3. Development or redevelopment not yet begun
4. Variances/special exceptions have passed initial review

Benchmark:

Six (6) years

Positive Factors (increase years of abatement):

1. Located in Central TIF or Urban Enterprise Zone
2. More than 40% of the units dedicated to low or moderate income households or more than 20% of units dedicated to low income households

Negative Factors (decrease years of abatement):

1. Located in TIF other than Central TIF
2. Low or moderate income households displaced
3. No units dedicated for low income households
1. Demolition or incompatible alteration of historic structures

SUMMARY OF IMPACT EVALUATIONS

COMMUNITY IMPACTS

Yes/No/N/A

- | | | |
|-----|-----|--|
| Yes | 1. | Is the project compatible with Tippecanoe County's current comprehensive plan? |
| Yes | 2. | Does the applicant own the property of the project? |
| No | 3. | Will any historic structures be demolished? |
| No | 4. | Will any historic structures be redeveloped? |
| No | 5. | Is a change in zoning necessary? From _____ to _____ |
| No | 6. | Are Variances or Special Exceptions needed? |
| No | 7. | Will any negative environmental impacts or pollution result from the project? |
| No | 8. | Are any environmental permits needed? Drainage plan- underground water storage for loading docks |
| No | 9. | Will any households be displaced? |
| No | 10. | Will the project have a negative effect on the local housing market? |
| No | 11. | Will the project include rehabilitation or redevelopment of existing structures? |
| Yes | 12. | Will the project have other benefits on the community? |
| No | 13. | Will the project have other negative effects on the community? |
| No | 14. | Has any work begun or any equipment been ordered? |
| No | 15. | Is the project located in Downtown or the LUEZ? |
| Yes | 16. | Are products primarily sold outside community? |

EMPLOYMENT IMPACTS

- | | | |
|-----|-----|--|
| Yes | 17. | Will jobs be created or retained? <u>3</u> created, <u>0</u> retained |
| Yes | 18. | Will wages be equal or be above the county's average? <u>\$16.83/hr avg – new</u> |
| Yes | 19. | Will employees receive health insurance? <u>N/A paid</u> |
| Yes | 20. | Will employees receive retirement benefits? <u>N/A paid</u> |
| Yes | 21. | Will employees receive life insurance? <u>N/A paid</u> |
| Yes | 22. | Will employees receive other benefits? List: <u>N/A</u> |
| N/A | 23. | What is the ratio of investment to jobs creation: <u>\$800 k;1</u> |
| Yes | 24. | Will construction labor from the local region (Tippecanoe and contiguous counties) be used? |
| Yes | 25. | Will new employees resulting from the project be hired from the local region (Tippecanoe and contiguous counties)? |
| No | 26. | Does the project include advanced technology or manufacturing processes? |

FISCAL IMPACTS

- | | | |
|-----|-----|--|
| No | 27. | Will the project be in competition with existing local business? |
| Yes | 28. | Will the project complement existing local businesses? |
| No | 29. | Will new infrastructures, not yet in place, be required for this project? |
| No | 30. | Will the project have other special tax treatments or financing such as grants, low interest loans, etc. |
| Yes | 31. | Has the applicant ever applied for or benefited from tax abatement in any other project in Lafayette or elsewhere? |
| Yes | 32. | Has financing for this project been approved? |