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RESOLUTION 13-2020

RESOLUTION QUALIFYING REAL ESTATE IMPROVEMENTS FOR PROPERTY TAX PHASE-IN FOR 3:16 REAL ESTATE, LLC

Summary

This Resolution establishes a tax phase-in to be located in an Economic Development Target Area pursuant to Indiana Code Section 6.1-1.1-12.1-7 and grants said tax phase-in pursuant to Ordinance Number 86-22 and Indiana Code I.C. 6-1.1-12.1-1, et al. to **3:16 Real Estate, LLC (“the Company”)** for certain real estate improvements located in the City of Auburn, Indiana.

The attached resolution establishes that certain real estate improvements are to be constructed or located within an Economic Development Target Area and an Economic Revitalization Area as defined by Indiana Code and authorized by this body and enabled by the Ordinances of the City of Auburn, the Common Council, the Auburn Economic Development Commission, and the Committee on Tax Phase-In, which unanimously passed a favorable recommendation for this Resolution. Pursuant to Ordinance 86-22, the Resolution of the Economic Development Commission, and the findings of the Committee on Tax Phase-In it is hereby established that the tax phase-in is enabled and should be granted. This Ordinance makes further findings to support the tax credits to be received by 3:16 Real Estate, LLC (“the Company”) which will allow property taxes to be phased-in over a period of time pursuant to Indiana Code.

Further, the Resolution allows for 3:16 Real Estate, LLC to receive tax phase-in as follows:

Ten (10) years for real estate improvements with a cost of Six Million Six Hundred Thousand and No/100 Dollars (\$6,600,000.00) and an approximate net assessed

value of Seven Million One Hundred Forty Thousand Two Hundred and No/100 Dollars (\$7,140,200.00) upon completion of said project.

The percentages set forth herein represent the percentage of deduction allowed for the increase in assessed valuation of said real estate each year and are subject to the assessment placed by the County of DeKalb on said improvements through the assessment process:

In year one (1) the applicant shall receive tax credit or deduction for real estate improvements in the amount of one hundred percent (100%).

In year two (2) the applicant shall receive tax credit or deduction for real estate improvements in the amount of one hundred percent (100%).

In year three (3) the applicant shall receive tax credit or deduction for real estate improvements in the amount of one hundred percent (100%).

In year four (4) the applicant shall receive tax credit or deduction for real estate improvements in the amount of one hundred percent (100%).

In year five (5) the applicant shall receive tax credit or deduction for real estate improvements in the amount of fifty percent (50%).

In year six (6) the applicant shall receive tax credit or deduction for real estate improvements in the amount of forty percent (40%).

In year seven (7) the applicant shall receive tax credit or deduction for real estate improvements in the amount of thirty percent (30%).

In year eight (8) the applicant shall receive tax credit or deduction for real estate improvements in the amount of twenty percent (20%).

In year nine (9) the applicant shall receive a tax credit or deduction for real estate improvements in the amount of ten percent (10%).

In year ten (10) the applicant shall receive tax credit or deduction for real estate improvements in the amount of five percent (5%).

After year ten (10) no further deductions or credits shall be allowed.

This Resolution also sets forth that the Clerk-Treasurer will file a certified copy of this same Resolution with the County Auditor and /or the County Assessor as may be applicable and to publish the Summary of said Resolution. A Copy of this Resolution is available to the public in booklet form at the Office of the Clerk-Treasurer during regular business hours and can be located at www.ci.auburn.in.us.

<input checked="" type="checkbox"/> Recorder's Office	<input checked="" type="checkbox"/> Publish Public Hearing
<input checked="" type="checkbox"/> Auditor's Office	
<input type="checkbox"/> Clerk's Office	<input checked="" type="checkbox"/> Publish O/R after adoption
<input type="checkbox"/> Other:	_____

RESOLUTION 13-2020

**RESOLUTION QUALIFYING REAL ESTATE IMPROVEMENTS FOR
PROPERTY TAX PHASE-IN FOR 3:16 REAL ESTATE, LLC**

WHEREAS, the Common Council of the City of Auburn, Indiana, has approved of economic revitalization and tax phase-in pursuant to the provisions of Indiana Code I.C. 6-1.1-12.1 et seq. and has enacted Ordinance Number 86-22 to implement economic revitalization and tax phase-in pursuant to this statute;

WHEREAS, 3:16 Real Estate, LLC has filed an application for tax phase-in for real estate improvements pursuant to said statute and ordinance, which application was filed on October 15, 2020;

WHEREAS, said Committee of the Common Council has reviewed said application with a do-pass recommendation and the applicant has paid the required filing fees;

WHEREAS, the Committee of the Common Council recommends and enables the area set forth in this ordinance to be an Economic Revitalization Area. Further, this Resolution designates this area appropriately as an Economic Development Target Area.

WHEREAS, evidence has been received by the Committee and findings have been entered to support the establishment, enabling the recommendation of the Auburn Economic Development Committee to create an economic target area and the tax-phase in as further set forth herein;

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF
THE CITY OF AUBURN, DEKALB COUNTY, INDIANA, THAT:**

1. **AREA INCLUDED IN ECONOMIC REVITALIZATION AREA AND THE
ECONOMIC DEVELOPMENT TARGET AREA:** It is hereby declared that the

following described real estate, situate in DeKalb County, State of Indiana, to-wit:

Tax ID No. 17-06-32-138-002.000-025

A strip of land 60 feet wide East and West off the East end of Lot Numbered One Hundred Sixty-Six (166) in the Original Plat of the Town, now City of Auburn.

Tax ID No. 17-06-32-138-001.000-025

A part of Lot Numbered One Hundred Sixty-Six (166) in the Original Plat of the Town, now City of Auburn, DeKalb County, Indiana, bounded by a line commencing at the Southwest corner of said lot; and running thence North Forty-six (46) feet; thence East on a line parallel with the South line of said Lot Eighty (80) feet and Three (3) inches; thence South to the South boundary line of said Lot; thence West to the place of beginning.

Tax ID Nos. 17-06-29-393-002.000-025 and 17-06-29-393-001.000-025

TRACT 1: A part of Lot Numbered One Hundred Sixty-six (166) in the Original Plat of the Town, now City of Auburn, DeKalb County, Indiana, described as follows: Commencing at the Northwest corner of said Lot; thence East along the North boundary line thereof, Eighty (80) feet; thence South Twenty (20) feet; thence West Eighty (80) feet to the West boundary line of said Lot and thence North Twenty (20) feet to the place of beginning.

TRACT 2: The South Twenty (20) feet of Lot Numbered One Hundred Sixty-five (165) in the Original Plat of the Town, now City of Auburn, DeKalb County, Indiana, except the East 60 feet thereof.

Tax ID No. 17-06-29-393-003.000-025

Sixty (60) feet off of the East end of Lot Number 165 in the Original Plat of the Town, now City of Auburn, DeKalb County, Indiana.

is hereby declared an “Economic Revitalization Area” and “Economic Development Target Area” as those phrases are used and defined by statute and in the ordinance ordinance, in that the subject real estate has been “undesirable for, or impossible of, normal development and occupancy” inasmuch as the land has been underutilized and

void of development, which factors have impaired values and prevented an efficient normal use of the subject property. In the alternative, the area described above is within the corporate limits of the City of Auburn, Indiana, and has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property or the potential for the same exists therein. The term ‘Economic Revitalization Area’ also includes: Any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues.

In addition, it is hereby found that the area is considered to be an “Economic Development Target Area” as defined and allowed by Indiana Code 6-1.1-12.1-7 and that this particular area is within the guidelines of what may be considered an Economic Development Target Area as defined by Indiana Code. Said declaration of an Economic Target Area is made and requested and is established and is confirmed by the Common Council with the passage of this Resolution. It is hereby found that the area herein fully qualifies for tax phase-in as further set forth herein.

The Committee on Tax Phase-In has made findings that enable and recommend this Resolution to be confirmed and passed. The Committee on Tax Phase-In made findings enabling a recommendation of passage by Resolution of the Common Council.

The Common Council of the City of Auburn, Indiana makes the following confirmatory findings as set forth below.

2. **FINDINGS**. It is hereby found:

(A) The estimate of value of the redevelopment or rehabilitation is reasonable for projects of this nature.

(B) The estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

(C) The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

(D) There are other benefits about which information was requested and those benefits can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

(E) The totality of benefits is sufficient to justify the deduction allowed by statute to be made in this Economic Development Target Area and Economic Revitalization Area of the City of Auburn.

3. **REAL ESTATE IMPROVEMENT IS ELIGIBLE**. That the Common Council of the City of Auburn hereby resolves and declares that the real estate improvement described in the Statement of Benefits, Form SB-1, be hereafter eligible for property tax phase-in pursuant to the provisions for the above-referenced statute and ordinance. That the Common Council of the City of Auburn, Indiana finds that the real estate with a project estimated value of **\$6,600,000.00** and a net estimated assessed value of **\$7,140,200.00** upon completion of said improvements as described in the application

is herein dedicated for use of real estate improvements. This area is determined to be within an Economic Development Target Area. It is hereby found and determined by the Common Council of the City of Auburn that the entire area described herein is eligible for tax phase-in as further described herein.

4. **EFFECTIVE DATE.** This resolution shall be effective upon its passage subject to the notice and hearing provisions of Indiana Code 6-1.1-12.1-2.5. The hearing contemplated by said statute was held at the time and the place designated for a regular meeting of the Common Council of the City of Auburn, Indiana, on **December 1, 2020,** at the City of Auburn Common Council Chambers in Auburn, Indiana, at **6:00 p.m.** At such meeting the Common Council took final action in determining whether the qualifications for real estate improvements have been met and the Common Council then confirmed this resolution on the record. Such determination and final action by the Council shall be binding upon all affected parties, subject to the appeal procedures contemplated by I.C. 6-1.1-12.1-1, et al.

5. **PHASE-IN PERIOD.** That the Common Council of the City of Auburn further resolves and declares that the application shall receive tax phase-in on real estate improvements for ten (10) years. The schedule for the deductions is set forth below. The percentages set forth herein represent the percentage of deduction allowed for the increase in assessed valuation of said real estate each year.

In year one (1) the applicant shall receive tax credit or deduction for real estate improvements in the amount of one hundred percent (100%).

In year two (2) the applicant shall receive tax credit or deduction for real estate improvements in the amount of one hundred percent (100%).

In year three (3) the applicant shall receive tax credit or deduction for real estate improvements in the amount of one hundred percent (100%).

In year four (4) the applicant shall receive tax credit or deduction for real estate improvements in the amount of one hundred percent (100%).

In year five (5) the applicant shall receive tax credit or deduction for real estate improvements in the amount of fifty percent (50%).

In year six (6) the applicant shall receive tax credit or deduction for real estate improvements in the amount of forty percent (40%).

In year seven (7) the applicant shall receive tax credit or deduction for real estate improvements in the amount of thirty percent (30%).

In year eight (8) the applicant shall receive tax credit or deduction for real estate improvements in the amount of twenty percent (20%).

In year nine (9) the applicant shall receive a tax credit or deduction for real estate improvements in the amount of ten percent (10%).

In year ten (10) the applicant shall receive tax credit or deduction for real estate improvements in the amount of five percent (5%).

After year ten (10) no further deductions or credits shall be allowed.

6. Should this Auburn real estate no longer be used for the purposes intended herein as a commercial and / or corporate office location and the applicant /owner closes and/or ceases operations during the phase-in period, any phase-in of taxes gained by this resolution shall cease and applicant will immediately pay back any and all taxes abated by this resolution. By accepting tax phase-in, applicant shall agree to be bound by the terms hereof.
7. **ON-SITE INSPECTION.** Upon installation of the new equipment and/or rehabilitation of site that is to receive tax phase-in, the recipient shall notify the Clerk-Treasurer of the City of Auburn of the installation. Thereafter, the recipient shall allow the City to inspect the equipment to ensure compliance on an annual basis throughout the period of phase-in.
8. **FILING WITH DEKALB COUNTY AUTHORITIES.** Upon the adoption of this Resolution, the Clerk-Treasurer of the City of Auburn, Indiana, shall cause a certified

copy of this Resolution to be filed with the DeKalb County Auditor and/or Assessor as may be applicable. Should, for any reason, a portion of this Resolution not be in compliance with applicable procedures or Indiana Code provisions, the remaining portions of said Resolution not affected herein shall remain in full force and effect. The City of Auburn, Indiana, reserves the right to modify and/or amend this Resolution in an effort to comply with any portions that are not in compliance.

**ADOPTED BY THE COMMON COUNCIL OF THE CITY OF AUBURN,
INDIANA, ON THE 1ST DAY OF DECEMBER 2020.**

James Finchum, Council Member

ATTEST:

Patricia Miller, Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this 1st day of December 2020.

PATRICIA MILLER
Clerk-Treasurer

APPROVED AND SIGNED by me this 1st day of December 2020.

MICHAEL D. LEY, Mayor

VOTING

AYE

NAY

James Finchum

Dennis K. Kruse II

Dennis Ketzenberger

Michael Watson

Natalie DeWitt

Kevin Webb

Michael Walter