

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2016-16

**A RESOLUTION AUTHORIZING THE APPROVAL OF TAX ABATEMENT
FOR REUSE OF AN ELIGIBLE VACANT BUILDING
(EDC 2016-05: URBAN AIR INDIANA LLC)**

2016-026816
RECORDED ON
11/09/2016
1:51:18 PM
JILL L JACKSON
JOHNSON COUNTY

REC FEE: 21.00
PAGES: 6

WHEREAS, the Indiana General Assembly has enacted a statute, IC 6-1-12-1 (the "Act") authorizing certain tax deductions from the assessed value of Eligible Vacant Buildings (as defined in the Act) for the purpose of encouraging the reuse of vacant buildings within an economic development area; and

WHEREAS, the Act provides that the Common Council may find that an Eligible Vacant Building that is to be occupied and is located in an Economic Revitalization Area; and

WHEREAS, Frankind, LLC (Building Owner) for the benefit of Urban Air Indiana LLC (Lessee) (the "Applicant") has requested the approval of a deduction for the purposes of tax abatement for property commonly known as 1172 N. Main Street, Franklin, Indiana more particularly described in Exhibit A. Said property is located in an Economic Revitalization Area; and the request was accompanied by a Statement of Benefits, attached hereto as Exhibit B; and

WHEREAS, the information submitted by the Applicant was reviewed by the Franklin Economic Development Commission at their regular monthly meeting on October 11th, 2016 and recommends that Frankind, LLC receive a 3 year vacant building tax abatement, and that the percentage amount of the deduction for each year shall be 100%, for the real estate described in Exhibit A and described in the tax abatement request and the Statement of Benefits attached hereto as Exhibit B; and

WHEREAS, the Common Council has given careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-4.8, and specifically including the following findings:

- 1) The estimate of the value of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building; and
- 2) 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 occupation of the eligible vacant building; and
- 3) Other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed occupation of the eligible vacant building; and
- 4) The occupation of the eligible vacant building will increase the tax base and assist in the rehabilitation of the economic revitalization area; and
- 5) The totality of benefits is sufficient to justify the deduction.

NOW, THEREFORE BE IT RESOLVED by the Common Council of the City of Franklin, Indiana:

- 1) The Council finds and determines that the real estate described in Exhibit A is located in an Economic Revitalization Area; and

**Sales Disclosure NOT Required
Johnson County Assessor**



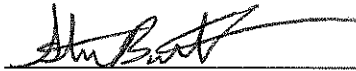
- 2) The Council finds and determines that the building located at 1172 N. Main Street meets the Eligible Vacant Building criteria as outlined in IC 6-1.1-12.1(17) because it is zoned for commercial use, and it has been unoccupied for at least one year before the owner of the building or a tenant of the owner occupies the building.
- 3) The Council limits the allowed deduction for 3 years and the percentage amount of the deduction for each year shall be 100 %.
- 4) This resolution shall be in full force an effect from and after its passage by the Common Council and such publications as may be required by law.
- 5) It is understood that Frankind, LLC is responsible for following all annual state and local filing requirements regarding this abatement to assure receipt of the abatement per the applicable three year schedule.

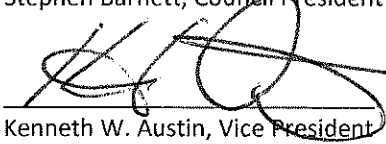
Introduced and Filed on the 7 day of November, 2016.

DULY PASSED on this 7 day of November, 2016, by the Common Council of the City of Franklin, Johnson County, Indiana, having been passed by a vote of 6 in Favor and 0 Opposed.

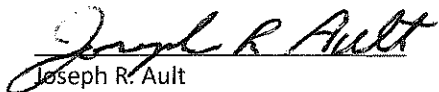
City of Franklin, Indiana, By its Common Council:

Voting Affirmative:

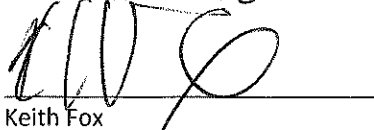

Stephen Barnett, Council President


Kenneth W. Austin, Vice President

Absent.
Joseph P. Abban


Joseph R. Ault


Andrew Eggers


Keith Fox

Voting Opposed:

Stephen Barnett, Council President

Kenneth W. Austin, Vice President

Joseph P. Abban

Joseph R. Ault

Andrew Eggers

Keith Fox

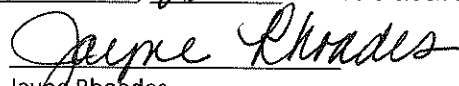

Richard L. Wertz

Richard L. Wertz

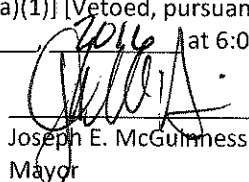
Attest:


Jayne Rhoades
Clerk-Treasurer

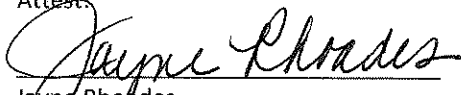
Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this this 7 day of November, 2016 at 6:00 o'clock a.m./p.m.


Jayne Rhoades
Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this this 7 day of November, 2016 at 6:00 o'clock a.m./p.m.


Joseph E. McGuinness
Mayor

Attest:


Jayne Rhoades
Clerk-Treasurer

Prepared by: Krista M. Linke, Director of Community Development

Exhibit A

Legal Description:

John Clark's 2nd Add PT Lot 17 & PT Lot 18





STATEMENT OF BENEFITS VACANT BUILDING DEDUCTION

State Form 55182 (R / 2-14)

Prescribed by the Department of Local Government Finance

EXHIBIT B

20 17 PAY 20 18

FORM SB-1 / VBD

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

This statement is being completed for real property that qualifies as an "eligible vacant building" as defined by IC 6-1.1-12.1-1(17).

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 occupation of the eligible vacant building for which the person wishes to claim a deduction.
2. To obtain a vacant building deduction, a Form 322/VBD must be filed with the county auditor before May 10 in the year in which the property owner or his tenant occupies the vacant building or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. If the property owner misses the May 10 deadline in the initial year of occupation, he can apply between March 1 and May 10 of a subsequent year.
3. A property owner who files the Form 322/VBD must provide the county auditor and the designating body with a Form CF-1/VBD to show compliance with the approved Form SB-1/VBD. The Form CF-1/VBD must also be updated each year in which the deduction is applicable.

SECTION 1 TAXPAYER INFORMATION					
Name of taxpayer Franking, LLC (Building Owner) for the benefit of Urban Air Indiana LLC (Lessee)					
Address of taxpayer (number and street, city, state, and ZIP code) 3111 N. Lahr Dr. -- Martinsville, IN 46151					
Name of contact person Nichole Rains		Telephone number (765) 346-2629		E-mail address ndubrosky@prodigy.net	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body City of Franklin Common Council				Resolution number	
Location of property 97 E. Monroe Street		County Johnson		DLGF taxing district number 41009	
Description of eligible vacant building that the property owner or tenant will occupy (use additional sheets if necessary). See attached.				Estimated occupancy date (month, day, year) November 2016	
				Estimated date placed-in-use (month, day, year) March 2017 (Grand Opening Estimate)	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS A RESULT OF PROPOSED PROJECT					
Current number 0	Salaries 0	Number retained 0	Salaries 0	Number additional 2	Salaries \$110,000
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
REAL ESTATE IMPROVEMENTS					
COST			ASSESSED VALUE		
Current values			\$1,441,900		
Plus estimated values of proposed project \$706,000					
Less values of any property being replaced					
Net estimated values upon completion of project					
SECTION 5 EFFORTS TO SELL OR LEASE VACANT BUILDING					
Described efforts by the owner or previous owner to sell, lease, or rent the building during period of vacancy: The Franklin Development Corporation has partnered with WEB Partnership for the past two years to find a tenant for this property. The first project started and demolition on the interior of the building was mostly completed, but the developer backed out of the project in 2014. The property has sat vacant for 2+ years. The property was put under receivership after Marsh left, and attempts to market the property for sale or lease were unsuccessful.					
Show amount for which the building was offered for sale, lease, or rent during period of vacancy. \$225,000					
List any other benefits resulting from the occupancy of the eligible vacant building. The new owner will invest a large amount of money into the property and the assessed value will be greatly increased. The property's use under its current layout is limited by its grocery design. Urban Air would make significant improvements to make the property more functional. The building would be converted from an eyesore to an attraction.					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative Nichole Rains		Title Owner		Date signed (month, day, year) 10/6/2016	

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 _____ calendar years* (*see below*). The date this designation expires is _____.

B. The amount of the deduction applicable is limited to \$ _____.

C. Other limitations or conditions (*specify*) _____

D. 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

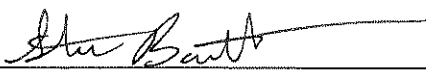
E. For a statement of benefits approved after June 30, 2013, did the designating body adopt an abatement schedule per IC 6-1.1-12.1-17?

☒ Yes ☐ No *100% each year*

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 (<i>signature and title of authorized member of designating body</i>) 	Telephone number (317) 736-3631	Date signed (<i>month, day, year</i>) 11-7-2016
Printed name of authorized member of designating body Stephen Barnett, City Council President	Name of designating body City of Franklin Common Council	
Attested by (<i>signature and title of attester</i>) 	Printed name of attester Krista Linke, Director of Community Development	

* 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.

IC 6-1.1-12.1-1(17) "Eligible vacant building" means a building that:

- (A) is zoned for commercial or industrial purposes; and
- (B) is unoccupied for at least one (1) year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the department of local government finance requires.

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. 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.