



## CITY OF FRANKLIN

DEPARTMENT OF COMMUNITY DEVELOPMENT

# Staff Report

**To:** Economic Development Commission Members  
**From:** Dana Monson, Community Development Specialist  
**Date:** April 12, 2022  
**Re:** Case EDC 2022-02– Al Neyer

**Case EDC 2022-02– Al Neyer:** A request for a 10-year tax abatement on \$60,000,000 in real property investment for the construction of a speculative building. This building will be marketed to potential companies in the industrial, flex, manufacturing, distribution, and logistics sectors.

**Location:** Paul Hand Road and Graham Road, Franklin, IN. 46131



### Summary:

**1. Characteristics of this location:**

This property is currently used as agricultural and located in the corner of Paul Hand Road and Graham Road. The total acreage is 272 acres in two parcels. This building will be constructed on the southern end of the property, roughly where the orange rectangle is.

**2. Characteristics of this petitioner:**

Al. Neyer is headquartered in Cincinnati, where they began operations in 1894 as a family owned company. They have now expanded into four other markets, with this being the fifth overall and the first in Indiana.

3. Characteristics of this project:

The company plans to construct the first of several buildings, starting tentatively this summer. This building will be on the southern end of the property, with the extension of Essex Drive.

4. Economic Revitalization Area (ERA):

The property is not located in a current ERA and will require this designation as part of the case. The intent is to create one ERA for the entire property.

5. ERA & Tax Abatements Findings (Real Property):

Indiana Code Section 6-1.1-12.1-3 states that the following findings must be made when considering an ERA designation and the granting of a tax abatement for real property:

- a. Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
- b. Whether 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 redevelopment or rehabilitation;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

6. City of Franklin "Tax Abatement Policy" criteria:

The "Tax Abatement Policy" section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and this request follows:

- a. *Diversification of Local Occupations:* This project will provide a flexible building that can accommodate a wide range of tenants, thus potentially increasing the diversity of local businesses in our community.
- b. *Diversification of Local Employment:* The project does not have any jobs connected as this is speculative and no tenant has been identified. There is potential for a variety of skilled labor positions, depending on the end user.
- c. *Increase in Local Salaries:* There are no jobs specifically tied to this project so no wage projections can be made, however, with this size building, there can be a number of skilled positions which would pay at or above the average county wage. This will be completely dependent on the end user.
- d. *Sustainable Land Use:* The petitioner proposes to make this investment on land that is currently undeveloped.

- e. *Future Community Investment*: The applicant should share with the EDC their plans for future community investment. The company is agreeing to a 2% economic development fee.
- f. *Conformance with the Comprehensive Plan*: The Comprehensive Plan - Future Land Use Plan identifies this property as Industrial General. Industrial General zoning permits the following uses: Industrial Uses • agricultural products terminal • dry cleaners (commercial) • food & beverage production • general industrial production • light industrial assembly & distribution • light industrial processing and distribution • power generation facility (commercial) • research and development facility • truck freight terminal • warehouse & distribution facility

7. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:

- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and
- d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

8. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be for the first year taxes are assessed at an increased assessment rate.

**Staff Comments:**

The Mayor's Office has indicated they are supportive of a tax abatement of 10 years for real property for this project based on the investment amount and the potential of a diversification of the employment base.



# CITY OF FRANKLIN

Community Development DEPARTMENT

## Tax Abatement Application

Organization/Corporation	Requesting	Tax	Abatement
Organization/Corporation Name: _____			
Al. Neyer RE, LLC		Primary	Contact
Name: Melissa Johnson			
Contact Address: 302 W. 3rd Street, Suite 800, Cincinnati, OH 45202			
City: _____ State: _____ Zip: _____			
Phone Number: 513-354-1813			
Email: MJohnson@neyer.com			
Three possible dates before the EDC meeting to conduct a site visit: _____			
Name of Owner: _____			
Parent Company (If Applicable): _____			

Primary	Contact	for	Yearly	Compliance	Reports
					Name: _____
Reid Pittard					Title: _____
Senior Analyst					Address: _____
201 N. Illinois St. Suite 1000, Indianapolis, IN 46204					City: _____
					State: _____ Zip: _____
Phone Number: 317.296.6446					
Email: rpittard@mcguireponsel.com					

Description	of	Project
Project Location/Address: _____		
Parcel Number: southern portion of 41-05-35-022-016.000-064		
Brief Description of Project:		
Approximately 1MM SF speculative industrial building. Investment timetable: estimated construction start date is July 2022 with completion in December 2023 (schedule is subject to change).		

### Current Assessed Value (AV) of the Property:

- |              |                           |
|--------------|---------------------------|
| 1. Land      | \$166,600 (entire parcel) |
| 2. Building  | n/a                       |
| 3. Inventory | n/a                       |
| 4. Equipment | n/a                       |

Have building permits been applied for (if applicable): Yes

No

Has equipment been installed (if applicable): Yes

No

### Required Attachments:

- |   |  |
|---|--|
| <input type="checkbox"/> Completed SB-1 Form(s)                     | <input type="checkbox"/> Summary of Benefits (if applicable) |
| <input type="checkbox"/> Legal Description of the Property          | <input type="checkbox"/> Employment Phase-In Schedule        |
| <input type="checkbox"/> Company Financial Statement                | <input type="checkbox"/> Company Investment Timetable        |
| <input type="checkbox"/> Job and Wage Description Information Sheet | <input type="checkbox"/> Compliance Affidavit                |

### Type of Abatement Requested

Real Property ☒

Personal Property ☐

Length of Abatement Requested: 10 Years

Project Size (square feet): approx 1M sq ft Size of Site (acres): \_\_\_\_\_

Type of Building: speculative industrial

Multiple Tenants (leased)      Single Tenant (leased)      Owner Occupied      Corporate Headquarters

#### Capital Investment

1. Real property capital investment only: \$60 million
2. Personal property capital investment only: n/a
3. Total capital investment for proposed project: \$60 million

#### Jobs Created and/or Retained

1. Estimated number of full time jobs created by the proposed project: n/a
2. Estimated number of full time jobs retained as a direct result of the proposed project: n/a
3. Total number of full time jobs upon project completion: n/a

#### Wages Created and Retained

1. Average hourly wage rate for new jobs (w/o benefits) n/a
2. Average hourly wage rate for jobs retained (w/o benefits) n/a

\*\*\*In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.

Within the Indianapolis Region, tax abatement is necessary for industrial properties in order to be competitive in the attraction and retention of businesses. Tax abatement will enable us to compete aggressively in the marketplace to bring additional investments and jobs to the City of Franklin.

### Company Information

How long has the company been in existence? 125+ years

Current address of company headquarters and duration at that address: \_\_\_\_\_

302 W. 3rd Street, Suite 800, Cincinnati, OH 45202

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: n/a

Have you ever received tax abatement at your current location? Yes ☐ No ☒

If yes, when and for what term? \_\_\_\_\_

What specifically has the company done to give back to the community: Conduct annual employee matching donation program.

Al. Neyer's executive leaders sit on the boards or otherwise help guide more than 25 nonprofits

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website ([www.franklin.in.gov](http://www.franklin.in.gov)) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? ☒ Yes ☐ No  
If yes, at what percent(s)? 2% of RP, PP: n/a



Exhibit A  
Legal Description

41-05-34-041-001.000-064

A PART OF THE EAST HALF OF SECTION 34, IN TOWNSHIP 13 NORTH, IN RANGE 4 EAST. COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION; THENCE WEST ON THE NORTH LINE THEREOF, 143 RODS AND 3 LINKS TO THE CENTER OF THE TRACT OF THE PITTSBURGH, CINCINNATI, CHICAGO, & ST. LOUIS RAILWAY COMPANY, FORMERLY JEFFERSONVILLE, MADISON AND INDIANAPOLIS RAILROAD COMPANY, NEE MADISON AND INDIANAPOLIS RAILROAD COMPANY; THENCE SOUTHEASTWARDLY ALONG THE CENTER OF SAID RAILROAD TRACT TO THE SOUTH LINE OF SAID SECTION; THENCE EAST ON SAID SOUTH LINE, 48 RODS AND 13 LINKS, TO THE SOUTHEAST CORNER

OF SAID SECTION; THENCE NORTH ON THE EAST LINE THEREOF, TO THE PLACE OF BEGINNING, EXCEPTING THEREFROM 45 ACRES OFF OF THE SOUTH END OF SAID TRACT, AND CONTAINING IN THE PART HEREIN CONVEYED 151 ACRES, MORE OR LESS.

41-05-35-022-016.001-064

THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION THIRTY-FIVE (35), TOWNSHIP THIRTEEN (13) NORTH, RANGE FOUR (4) EAST, OF THE SECOND PRINCIPAL MERIDIAN, CONTAINING EIGHTY (80) ACRES, MORE OR LESS, ALSO, THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION THIRTY-FIVE (35), TOWNSHIP AND RANGE AFORESAID, CONTAINING FORTY (40) ACRES, MORE OR LESS, ALSO, SIX (6) ACRES BY PARALLEL LINES OFF OF THE ENTIRE NORTH SIDE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION THIRTY-FIVE (35), TOWNSHIP AND RANGE AFORESAID, AND, EXCEPTING THEREFROM THE FOLLOWING DESCRIBED REAL ESTATE: A PART OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 13 NORTH, RANGE 4 EAST OF THE SECONDS PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE EAST LINE OF SAID HALF QUARTER SECTION 1369.35 FEET SOUTH OF THE NORTHEAST CORNER THEREOF; THENCE CONTINUING SOUTH ON SAID EAST LINE 124.00 FEET; THENCE DEFLECTING 89 DEGREES 15 MINUTES RIGHT AND RUNNING WESTERLY 303.00 FEET; THENCE NORTH PARALLEL 303.00 FEET; THENCE NORTH PARALLEL TO THE EAST LINE OF SAID HALF QUARTER SECTION 124.00 FEET; THENCE DEFLECTING 89 DEGREES 15 MINUTES RIGHT AND RUNNING EASTERLY 303.00 FEET TO THE PLACE OF BEGINNING, CONTAINING 0.86 ACRE, MORE OR LESS, SUBJECT TO ALL LEGAL RIGHTS-OF-WAY AND EASEMENTS. CONTAINING ALL OF THE ABOVE DESCRIBED REAL ESTATE, ONE HUNDRED TWENTY-FIVE AND FOURTEEN ONEHUNDREDTHS (125.14) ACRES, MORE OR LESS BUT SUBJECT TO ALL LEGAL HIGHWAYS. ALSO EXCEPT: A PART OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 13 NORTH, RANGE 4 EAST OF THE SECOND PRINCIPAL MERIDIAN, SITUATED IN FRANKLIN TOWNSHIP, JOHNSON COUNTY, INDIANA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER, MARKED BY A RAILROAD SPIKE, PROCEED THENCE NORTH 00 DEGREES

20 MINUTES 20 SECONDS WEST (AN ASSUMED BEARING), ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER AND ALSO BEING ALONG THE EASTERN RIGHT-OF-WAY FOR ESSEX DRIVE 1160.86 FEET TO THE POINT OF BEGINNING. FROM SAID POINT OF BEGINNING, CONTINUE ALONG SAID WEST LINE NORTH 00 DEGREES 20 MINUTES 20 SECONDS WEST 445.09 FEET TO A 5/8" WITH CAP STAMPED "BANNING ENGINEERING FIRM #0060" (HEREIN REFERRED TO AS CAPPED REBAR); THENCE NORTH 88 DEGREES 57 MINUTES 10 SECONDS EAST 400.00 FEET TO A CAPPED REBAR; THENCE SOUTH 00 DEGREES 20 MINUTES 20 SECONDS EAST 445.30 FEET; THENCE SOUTH 88 DEGREES 58 MINUTES 58 SECONDS WEST 400.00 FEET TO THE POINT OF BEGINNING, CONTAINING 4.088 ACRES OF LAND, MORE OR LESS. AND ALSO EXCEPT: A PART OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 13 NORTH, RANGE 4 EAST OF THE SECOND PRINCIPAL MERIDIAN, SITUATED IN FRANKLIN TOWNSHIP, JOHNSON COUNTY, INDIANA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER, MARKED BY A RAILROAD SPIKE, PROCEED THENCE NORTH 00 DEGREES 20 MINUTES 20 SECONDS WEST (AN ASSUMED BEARING) ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER AND ALSO BEING ALONG THE EASTERN RIGHT-OF-WAY FOR ESSEX DRIVE 1155.95 FEET TO THE POINT OF BEGINNING, MARKED BY A MAG NAIL, FROM SAID POINT OF BEGINNING, CONTINUE ALONG SAID WEST LINE NORTH 00 DEGREES 20 MINUTES 20 SECONDS WEST 4.91 FEET; THENCE NORTH 88 DEGREES 58 MINUTES 58 SECONDS EAST 400.00 FEET; THENCE SOUTH 00 DEGREES 20 MINUTES 20 SECONDS EAST 4.70 FEET TO A 5/8" REBAR WITH CAP STAMPED "BANNING ENGINEERING FIRM #0060"; THENCE SOUTH 88 DEGREES 57 MINUTES 10 SECONDS WEST 400.00 FEET TO THE POINT OF BEGINNING, CONTAINING 0.044 ACRES OF LAND, MORE OR LESS.



# STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R2 | 1-07)

Prescribed by the Department of Local Government Finance

20 PAY 20

FORM SB-1 / Real Property

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)  
☐ Eligible vacant building (IC 6-1.1-12.1-4.8)

## INSTRUCTIONS:

- 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. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, BEFORE a deduction may be approved.
- To obtain a deduction, application Form 322 ERA/RE or Form 322 ERA/VBD, Whichever is applicable, must be filed with the County Auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)]
- The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000. The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.

SECTION 1		TAXPAYER INFORMATION	
Name of taxpayer <b>Al. Neyer RE, LLC</b>			
Address of taxpayer (number and street, city, state, and ZIP code) <b>302 W. 3rd Street, Suite 800, Cincinnati, OH 45202</b>			
Name of contact person <b>Melissa Johnson</b>		Telephone number ( ) <b>513-354-1813</b>	E-mail address <b>MJohnson@neyer.com</b>
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT	
Name of designating body <b>City of Franklin, Common Council</b>		Resolution number	
Location of property <b>southern portion of 41-05-35-022-016.000-064</b>		County <b>Johnson</b>	DLGF taxing district number
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) <b>construction of new industrial building, approx. 1 million sq ft</b>		Estimated start date (month, day, year) <b>July 1, 2022 (estimated)</b>	
		Estimated completion date (month, day, year) <b>December 31, 2023 (estimated)</b>	
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT	
Current number n/a: speculative development	Salaries	Number retained	Salaries
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT	
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.		REAL ESTATE IMPROVEMENTS	
		COST	ASSESSED VALUE
Current values			
Plus estimated values of proposed project		<b>\$60,000,000</b>	
Less values of any property being replaced			
Net estimated values upon completion of project			
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROVIDED BY THE TAXPAYER	
Estimated solid waste converted (pounds)		Estimated hazardous waste converted (pounds)	
Other benefits			
SECTION 6		TAXPAYER CERTIFICATION	
I hereby certify that the representations in this statement are true.			
Signature of authorized representative <i>Melissa Johnson</i>		Title <b>VP, Real Estate Development</b>	Date signed (month, day, year) <b>March 25 2022</b>



# **EXHIBIT C**

## **Real Property Schedule**

**121 acres**

**Paul Hand Road**

**Parcel Number:**

**41-05-35-022-016.000-064**

**41-05-34-041-001.000-064**

**Resolution 2022-06**

**Al. Neyer**

<b>Year</b>	<b>Abatement</b>
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%

## Indiana Tax Abatement Results

- Johnson County, Franklin City-Franklin Twp-Mte
- Tax Rate (2021): 2.0974
- Project Name: Neyer

**Real Property: \$60,000,000.00**

		With Abatement			Without Abatement			Estimated Tax Abatement Savings
	Abatement Percentage	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100%	\$ 0.00	\$0.00	\$0.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$1,258,440.00
Year 2	95%	\$ 62,922.00	\$0.00	\$62,922.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$1,195,518.00
Year 3	80%	\$ 251,688.00	\$0.00	\$251,688.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$1,006,752.00
Year 4	65%	\$ 440,454.00	\$0.00	\$440,454.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$817,986.00
Year 5	50%	\$ 629,220.00	\$0.00	\$629,220.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$629,220.00
Year 6	40%	\$ 755,064.00	\$0.00	\$755,064.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$503,376.00
Year 7	30%	\$ 880,908.00	\$0.00	\$880,908.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$377,532.00
Year 8	20%	\$ 1,006,752.00	\$0.00	\$1,006,752.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$251,688.00
Year 9	10%	\$ 1,132,596.00	\$0.00	\$1,132,596.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$125,844.00
Year 10	5%	\$ 1,195,518.00	\$0.00	\$1,195,518.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$62,922.00
Totals		\$6,355,122.00	\$0.00	\$6,355,122.00	\$12,584,400.00	\$0.00	\$12,584,400.00	\$6,229,278.00

### Disclosures

- The abatement calculator is prepared by Baker Tilly Municipal Advisors, LLC, a financial consulting firm, in conjunction with Hoosier Energy, based on current Indiana law. This calculation is intended to provide an ILLUSTRATIVE and PRELIMINARY indication of the level of property taxes and potential property tax savings for a proposed investment based on certain assumptions. Please read the Disclosures carefully. Companies must consult their own tax advisors to determine their actual tax liability and to prepare their annual Indiana filings.
- To be eligible to receive property tax abatements in Indiana, a company must follow a specific application process. Please contact your Hoosier Energy Representative for further guidance.
- Assumes taxes payable 2019 property tax rates, as provided by the Indiana Department of Local Government Finance.
- Real property in Indiana is subject to annual adjustments of assessed value to the market value of the structure based on annual sales data ("Trending").
- All personal property (equipment) is assumed to be new, and is assumed to be depreciated in Pool #2 (5-8 year depreciable life) for property tax purposes. A mixture of new and existing equipment (as well as a mixture of depreciation pools) will produce different tax savings results.
- Assumes a one-time investment in real and personal property. Staggering the investments may have a material effect on the actual value of property tax abatements.
- Includes the calculation of Minimum Value Ratio (MVR) for tax abatement of personal property, which effectively increases the assessed value used in the abatement calculation when the taxpayer is subject to the 30% depreciation floor. The MVR equals the adjusted assessed value at the 30% floor divided by the depreciated assessed value of the equipment.
- It is assumed that the Circuit Breaker Tax Credit, which limits property tax liability to 3.0% of gross assessed value for commercial and industrial properties, is applied.
- Does not account for the application of the Local Income Tax (LIT) Property Tax Replacement Credit (PTRC) in any jurisdictions in which a LIT PTRC is applicable. The application of the LIT PTRC may reduce the property tax liability and the impact of the Circuit Breaker Tax Credit for a commercial/industrial taxpayer.
- The property tax abatement savings value is an ESTIMATE based on preliminary information entered into this calculator. Actual abatement savings may differ materially from the results of this calculator based on the timing of the investment, actual assessment of structures upon completion by the local assessing official, differences in depreciation pools for personal property, annual changes in tax rates, changes to Indiana property tax law or regulations, or changes in assessment methodology.

Hoosier Energy's Tax Abatement Estimator was developed with the assistance of [Baker Tilly Municipal Advisors, LLC](#).

# Indiana Tax Abatement Results

- Johnson County, Franklin City-Franklin Twp-Mte
- Tax Rate (2021): 2.0974
- Project Name: Neyer

## Real Property: \$60,000,000.00

		With Abatement			Without Abatement			Estimated Tax Abatement Savings
	Abatement Percentage	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100%	\$ 0.00	\$0.00	\$0.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$1,258,440.00
Year 2	85%	\$ 188,766.00	\$0.00	\$188,766.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$1,069,674.00
Year 3	71%	\$ 364,948.00	\$0.00	\$364,948.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$893,492.00
Year 4	57%	\$ 541,129.00	\$0.00	\$541,129.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$717,311.00
Year 5	43%	\$ 717,311.00	\$0.00	\$717,311.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$541,129.00
Year 6	29%	\$ 893,492.00	\$0.00	\$893,492.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$364,948.00
Year 7	14%	\$ 1,082,258.00	\$0.00	\$1,082,258.00	\$1,258,440.00	\$0.00	\$1,258,440.00	\$176,182.00
Totals		\$3,787,904.00	\$0.00	\$3,787,904.00	\$8,809,080.00	\$0.00	\$8,809,080.00	\$5,021,176.00

## Disclosures

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- To be eligible to receive property tax abatements in Indiana, a company must follow a specific application process. Please contact your Hoosier Energy Representative for further guidance.
- Assumes taxes payable 2019 property tax rates, as provided by the Indiana Department of Local Government Finance.
- Real property in Indiana is subject to annual adjustments of assessed value to the market value of the structure based on annual sales data ("Trending").
- All personal property (equipment) is assumed to be new, and is assumed to be depreciated in Pool #2 (5-8 year depreciable life) for property tax purposes. A mixture of new and existing equipment (as well as a mixture of depreciation pools) will produce different tax savings results.
- Assumes a one-time investment in real and personal property. Staggering the investments may have a material effect on the actual value of property tax abatements.
- Includes the calculation of Minimum Value Ratio (MVR) for tax abatement of personal property, which effectively increases the assessed value used in the abatement calculation when the taxpayer is subject to the 30% depreciation floor. The MVR equals the adjusted assessed value at the 30% floor divided by the depreciated assessed value of the equipment.
- It is assumed that the Circuit Breaker Tax Credit, which limits property tax liability to 3.0% of gross assessed value for commercial and industrial properties, is applied.
- Does not account for the application of the Local Income Tax (LIT) Property Tax Replacement Credit (PTRC) in any jurisdictions in which a LIT PTRC is applicable. The application of the LIT PTRC may reduce the property tax liability and the impact of the Circuit Breaker Tax Credit for a commercial/industrial taxpayer.
- The property tax abatement savings value is an ESTIMATE based on preliminary information entered into this calculator. Actual abatement savings may differ materially from the results of this calculator based on the timing of the investment, actual assessment of structures upon completion by the local assessing official, differences in depreciation pools for personal property, annual changes in tax rates, changes to Indiana property tax law or regulations, or changes in assessment methodology.

Hoosier Energy's Tax Abatement Estimator was developed with the assistance of [Baker Tilly Municipal Advisors, LLC](#).

**NEVER**

1,000,000 square foot building proposed  
1 parcel of 121 acres

41-05-35-022-016.000-064

	AV	Taxes Due	Abatement %	Taxes Paid	Current Assessed Value (Farmland): \$166,600
2020 Pay 2021	\$166,600	\$3,612.22	0%	\$3,612.22	\$3,612.22
2021 Pay 2022	\$60,000,000	Year 1 \$1,258,440.00	100%	\$0.00	Year 1 \$3,612.22
2022 Pay 2023	\$60,000,000	Year 2 \$1,258,440.00	95%	\$62,922.00	Year 2 \$3,612.22
2023 Pay 2024	\$60,000,000	Year 3 \$1,258,440.00	80%	\$251,688.00	Year 3 \$3,612.22
2024 Pay 2025	\$60,000,000	Year 4 \$1,258,440.00	65%	\$440,454.00	Year 4 \$3,612.22
2025 Pay 2026	\$60,000,000	Year 5 \$1,258,440.00	50%	\$629,220.00	Year 5 \$3,612.22
2026 Pay 2027	\$60,000,000	Year 6 \$1,258,440.00	40%	\$755,064.00	Year 6 \$3,612.22
2027 Pay 2028	\$60,000,000	Year 7 \$1,258,440.00	30%	\$880,908.00	Year 7 \$3,612.22
2028 Pay 2029	\$60,000,000	Year 8 \$1,258,440.00	20%	\$1,006,752.00	Year 8 \$3,612.22
2029 Pay 2030	\$60,000,000	Year 9 \$1,258,440.00	10%	\$1,132,596.00	Year 9 \$3,612.22
2030 Pay 2031	\$60,000,000	Year 10 \$1,258,440.00	5%	\$1,195,518.00	Year 10 \$3,612.22
				<b>\$6,355,122.00</b>	<b>\$32,509.98</b>
Year 11		\$1,258,440.00	0%	\$1,258,440.00	Year 11 \$3,612.22
Year 12		\$1,258,440.00	0%	\$1,258,440.00	Year 12 \$3,612.22
Year 13		\$1,258,440.00	0%	\$1,258,440.00	Year 13 \$3,612.22
Year 14		\$1,258,440.00	0%	\$1,258,440.00	Year 14 \$3,612.22
Year 15		\$1,258,440.00	0%	\$1,258,440.00	Year 15 \$3,612.22
Year 16		\$1,258,440.00	0%	\$1,258,440.00	Year 16 \$3,612.22
Year 17		\$1,258,440.00	0%	\$1,258,440.00	Year 17 \$3,612.22
Year 18		\$1,258,440.00	0%	\$1,258,440.00	Year 18 \$3,612.22
Year 19		\$1,258,440.00	0%	\$1,258,440.00	Year 19 \$3,612.22
Year 20		\$1,258,440.00	0%	\$1,258,440.00	Year 20 \$3,612.22
		Taxes PAID over 20 years:		<b>\$18,939,522.00</b>	<b>\$65,019.96</b> :Taxes PAID over 20 years without any development
				\$18,939,522.00	
				\$65,019.96	
			Difference:	<b>\$18,874,502.04</b>	