

APPLICATION FOR PROPERTY TAX PHASE-IN

This application is to be completed and signed by the owner of the property where property redevelopment or rehabilitation and/or the installation of new equipment is to occur. The designating body reviews this application for designation as an Economic Revitalization Area in accordance with its responsibility under Public Law 69, enacted by the Indiana General Assembly in 1977, and all subsequent amendments made thereafter. The designating body makes no representation as to the effect of a designation granted by it for purposes of any further applications or approvals required under I.C. 6-1.1-12.1, and makes no representation to an applicant concerning the validity of any benefit conferred, also under I.C. 6-1.1-12.1. This document is a public record and may be inspected and copied under I.C. 5-14-3-3.

APPLICATION IS FOR: (check either or both)

- Real Estate Improvements (New Building, Addition, and/or Modification)
 New Equipment (Manufacturing, Research and Development, Logistical Distribution, and/or Information Technology)

There is a non-refundable filing fee of \$500 for either of the categories above or \$750 for both. A fee may also be assessed if the applicant requests a waiver of non-compliance for failure to apply prior to obtaining building permits and/or installing equipment. The filing fee will be used to defray the costs incurred by the Town of Avon in processing the application pursuant to I.C. 6-1.1-12.1-2(h). Please make the check payable to the Clerk-Treasurer and include it with the application, complete the **on-line SB-1 Form, include a printed copy of the completed SB-1, and other Required Attachments set forth on page 7 of this Application.** Please send check, application, and applicable state forms to:

Town of Avon
Attn: *Mr. John Taylor, Director of Economic Development*
6570 E. U.S. Hwy. 36
Avon, IN 46123

CONTACT INFORMATION

1. Taxpayer name for REAL Improvements: Distribution Realty Group, LLC
Taxpayer name for PERSONAL Improvements: N/A
(Please make sure these names match the SB-1 State forms for tax purposes.)
2. Contact person/representative: KSM Location Advisors, Chad Miller
3. Telephone number: 317-580-2058 Fax number: _____
4. Mailing address of contact person: _____
800 E 96th Street
Suite 500
Indianapolis, IN 46240
5. E-mail address: cmmiller@ksmcpa.com
6. Contact Person for Annual Compliance Survey: Curran Darling, Partner
(Telephone & Email): 913-579-7008 cdarling@distributionrealty.com

JOB CREATION AND RETENTION

Please be specific on job descriptions by choosing an "Occupation Code" provided in the Occupational Employment Statistics Profiles at http://www.bls.gov/oes/current/oes_stru.htm

Click on the Occupation Group name and find the specific occupation that is being created and/or retained. List your company's wage information.

7. Current **full-time** employment (*Top row is provided as an example only*):

<i>Occupation</i>	<i>Occupation Code</i>	<i>Number of Jobs</i>	<i>Average Salary</i>	<i>Salary Range</i>
Management	11-1021	8	\$72,000	\$57,000 - \$85,000
N/A				

8. **Full-Time** jobs to be created as a result of this project (*Top row is provided as an example only*):

<i>Occupation</i>	<i>Occupation Code</i>	<i>Number of Jobs</i>	<i>Average Salary</i>	<i>Salary Range</i>
Quality Control	51-9061	3	\$38,356	\$30,000 - \$40,000
TBD				

9. Other employment

a. Please note any **temporary** positions:

<i>Occupation; Current or Created?</i>	<i>Occupation Code</i>	<i>Number of Jobs</i>	<i>Average Salary</i>	<i>Salary Range</i>
TBD				

b. Please note any **part-time** positions:

<i>Occupation; Current or Created?</i>	<i>Occupation Code</i>	<i>Number of Jobs</i>	<i>Average Salary</i>	<i>Salary Range</i>
TBD				

10. Summation of Questions 7, 8, & 9:

<i>Total Current Employees</i>	<i>Total Current Payroll (\$)</i>	<i>Proposed Total Employees</i>	<i>Proposed Total Payroll (\$)</i>	<i>Total No. of Employees Living in County</i>
		TBD		

11. Provide schedule for when new employee positions are expected to be filled: Project is being completed on a speculative basis. The number of employees and date will be dependent upon the user of the facility.

12. Check all of the benefits listed below that the company provides to workers who have been employed for 6 months. The company must pay at least 70% of the benefit cost: TBD

- | | | |
|---|---|--|
| <input type="checkbox"/> Paid Vacation | <input type="checkbox"/> Health Insurance | <input type="checkbox"/> Uniforms |
| <input type="checkbox"/> Sick Leave | <input type="checkbox"/> Life Insurance | <input type="checkbox"/> Employee Training |
| <input type="checkbox"/> Paid Holidays | <input type="checkbox"/> Dental Insurance | <input type="checkbox"/> Tuition Reimbursement |
| <input type="checkbox"/> 401k/Pension/SEP/Keogh | <input type="checkbox"/> Vision Insurance | <input type="checkbox"/> ESOP/Profit Sharing |
| <input type="checkbox"/> Daycare | <input type="checkbox"/> Other (Please list): | |

INVESTMENT

13. Please provide the amount invested for each category:

- a. Total cost of real estate improvements: \$18,020,880 for the building
- b. Total cost of manufacturing equipment: N/A
- c. Total cost of research and development equipment: N/A
- d. Total cost of logistical distribution equipment: N/A
- e. Total cost of information technology equipment: N/A
- f. Total cost of improvements and equipment: \$18,020,880 for the building

BACKGROUND INFORMATION

14. What year was the company founded? 2013 (date development company was formed)

15. What is the company's NAICS code? User is TBD

16. Indicate the company's business, in general: Distribution Realty Group is a development company

a. Other: _____

17. Description of product or service to be offered at the project site: Speculative Industrial Building

18. For "Office" and "Service" businesses, please indicate the percentage of clients/customers that are located within the Town: User is TBD

19. Dollar amount of annual sales for each of the last three years: User is TBD
20. List the three largest customers, their locations, and amount of annual gross sales:

<i>Customer</i>	<i>City / State</i>	<i>Annual Gross Sales</i>
User is TBD		

21. List the three largest material suppliers, their locations, and amount of annual purchases:

<i>Supplier</i>	<i>City / State</i>	<i>Annual Gross Purchases</i>
User is TBD		

22. Does the company's business include a retail component, meaning that goods or items are sold to the ultimate consumer for the consumer's use or consumption and not to a person for resale? TBD (If yes, continue below. If no, then skip to question 20)

- a. What percentage of floor space will be utilized for retail activities? _____
- b. What percentage of sales are made to the ultimate consumer as defined above? _____
- c. Provide the amount of sales tax collected in each of the last three years:

- d. What percentage of business is from service calls? _____

23. Impact on existing businesses:

- a. Will this project be in competition with existing local businesses? User is TBD
- b. Will this project complement existing local business? User is TBD
- c. Provide the names of who you consider to be your top three competitors:
User is TBD

24. On a separate page, please give a detailed description of what the impact on your business will be if the proposed real property improvement **is not** constructed (e.g. loss jobs, contract cancellations, loss of production, change in location, etc.).

GENERAL INFORMATION

25. Property owner(s): Distribution Realty Group, LLC
26. Address of property: 10160 BRADFORD RD, AVON, IN 46123
27. Township: Washington Parcel number: 32-09-17-377-002.000-031, 32-09-17-377-001.000-031, 32-09-17-300-021.000-031, 32-09-17-300-031.000-031, 32-09-17-300-030.000-031,

and 32-09-17-300-018.000-031 _____

Legal description of property is attached: Yes No

28. Current zoning designation: I-3 _____

29. In order to be considered an Economic Revitalization Area (ERA), State Law (I.C. 6-1.1- 12.1-1) requires that the subject property be located in an area "which has become undesirable for, or impossible of, normal development and occupancy because of age, 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." It 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."

REAL ESTATE TAX PHASE-IN

Complete this section only if you are requesting a deduction from assessed value for real estate improvements.

30. Will the current property be reutilized, deconstructed, or demolished? The property will be re-utilized by the construction of a speculative industrial building

31. Current use of the property:

a. How is the real estate presently used? Residential/Vacant _____

b. What structures are on the property? Residential/Vacant _____

c. What is (are) the general condition of structure(s)? Unknown _____

32. Current assessed value of the real estate:

a. Land: \$260,500 b. Improvements: \$968,000

33. Total real property taxes owed during the immediate past year: \$27,144.04

34. Describe the proposed improvements to the subject property: _____

Development of a 250,290 square foot modern Class A speculative warehouse/distribution facility

35. Have building permits been filed for this project? Yes No

36. Will additional public infrastructure/facilities be required? Yes No If Yes, please explain in detail costs/funding source and schedule for construction: _____

37. Projected Construction timeframe:
a. Construction start date: 4/1/2023
b. Construction completion date: 12/31/2024

38. Will this project require approval of a rezoning, plat, development plan, annexation, variance, special exception, building permit, or contingent use prior to the issuance of an Improvement Location Permit? Yes No If yes, list: The property has been re-zoned, The developer is currently working through the plat and the development plan

39. Is the Company current on all property, income, and withholding taxes? Yes No
If No, list: _____

40. Will local suppliers and contractors be used in the construction/operation of the proposed project? Yes No If Yes, list: The developer will do their best to hire and utilize local suppliers and contractors

41. Does the proposed project take advantage of any "green" technology to reduce adverse environmental impact? Yes No If Yes, please explain: _____

PERSONAL PROPERTY TAX PHASE-IN

Complete this section only if you are requesting a deduction from the assessed value of new manufacturing, research and development, logistical distribution, or information technology equipment.

42. Current Assessed Value of existing equipment at the project site: N/A

43. Total Personal Property taxes owed during the immediate past year: N/A

44. Description of proposed equipment at the project site:
N/A

45. Please provide a list of the equipment for which you are applying for a personal property abatement along with the expected life of the asset for purposes of depreciation (**attach a separate sheet if necessary**): N/A

<u>Proposed Equipment (list individually)</u>	<u>Expected Life of Asset for Purpose of Depreciation</u>
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46. Will any of the equipment listed above be classified as special tooling (as defined by regulation No. 16 and reported on Form 103-T) for property tax purposes? Yes No
- a. If yes, please indicate the total cost of special tooling: N/A
47. Has any of the equipment for which you are seeking a designation been installed? N/A
48. Has any of the proposed equipment ever been used for any purpose in Indiana? N/A
49. Development time frame
- a. Equipment purchase date: N/A
- b. Equipment installation date: N/A

COMMUNITY BENEFITS

50. How will the proposed designation further the economic development objectives of the Town? (Please answer Yes or No, and provide an explanation if the answer is Yes).
- a. Will the designation improve the utilization of vacant or under-utilized land?
- Yes, the current property is either vacant or underutilized. This abatement approval will allow the land to be developed to its highest and best use. This development will generate additional tax revenue for the Town of Avon.
- b. Will the designation encourage the improvement of a deteriorated structure or the replacement of an obsolete structure? No, it will mainly replace vacant land.
- c. Will the designation encourage the improvement or replacement of obsolete manufacturing, research and development, logistical distribution, or information technology equipment? No
- d. Will the designation assist in the inducement of a project providing substantial employment opportunities relative to the value of the improvements to be made and/or the equipment to be installed? Yes, once a user is obtained there will be significant employment opportunities. The land being vacant does not currently allow for any employment opportunities
- e. Will the designation assist in the inducement of a project which would provide long-term benefits to the tax base of the Town warranting the granting of the annually

decreasing percentage of property tax abatement as provided in I.C. 6-1.1-12.1? Yes, the development of the speculative industrial building will generate substantial new property tax revenue for the Town of Avon.

TAX ABATEMENT REQUEST & HISTORY

51. For the proposed project, is the applicant requesting other incentives from the Town (e.g., tax increment financing, economic development revenue bond financing)? If so, please explain:

No

52. Has applicant previously been approved for economic development incentives from the Town (e.g., tax abatement, tax increment financing, economic development revenue bond financing)? If so, please explain and include information with respect to applicant’s compliance with project representations made to the Town at the time the incentives were approved: Yes, the developer has been approved for tax abatement on a separate development in the past. That development is currently under construction.

53. What is the term of the tax abatement requested (maximum 10 years)? 10 years

54. Attach a schedule of the proposed tax abatement percentages in each year (note: if the proposed tax abatement schedule is other than a traditional tax abatement schedule, the Town might impose additional fees for consideration). Example of traditional 10 year tax abatement schedule:

Year	% of Assessed Value Exempt From Real Property Taxes
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%

55. Complete the following schedule concerning the proposed property taxes to be abated and include on a separate page the worksheets for calculating the figures provided below:

a. Projected Current Conditions Without Abatement:

- i. Current Annual Property Taxes: \$27,144.04
- ii. Projected 10-Year Total: \$271,440.40
- b. Projected Conditions With Abatement:
 - i. Projected 10-Year Real Property Taxes: \$2,947,700
 - ii. Projected 10-Year Abatement: \$2,598,200
- c. Projected Total (Assumes Abatement Granted):
 - i. Total Amount Abated: \$2,598,200
 - ii. Total Taxes to be Paid: \$2,947,700

REQUIRED ATTACHMENTS

This application will not be considered complete unless the items listed below are attached. Once the application is determined to be complete, then this project will be placed on the agenda of the appropriate designating body.

- 1) Application Fee (Make check payable to "Avon Clerk-Treasurer")
- 2) Statement of Benefits (SB-1) Form (complete online at <http://www.in.gov/dlgf/8516.htm>)
- 3) Legal description of property (if applicable)
- 4) Owner's Certificate (if applicant is not the owner of the property)

CERTIFICATION

Filing this application constitutes a request for Economic Revitalization Area designation only and does not constitute an automatic deduction of property taxes. I understand it is the responsibility of the property owner to file the appropriate abatement forms with the Clerk-Treasurer if the designation is approved.

I hereby certify the information and representations of this application are true and complete and that neither an Improvement Location Permit nor a Structural Permit have been filed for construction of improvements, nor has any manufacturing, research and development, logistical distribution, or information technology equipment which is a part of this application been purchased and installed as of the date of the filing of this application.

I understand that I must file a correctly completed Compliance With Statement of Benefits form (CF-1) demonstrating compliance with the community benefits described on the Statement of Benefits form (SB-1) and that failure to demonstrate compliance on an annual basis may result in the termination of the tax abatement benefits allowed by the Economic Revitalization Area designation.

Signature of owner or authorized representative

Date _____

Printed name and title

TAX ABATEMENT ANALYSIS & SUMMARY

COMPANY: Distribution Realty Group
PROJECT ADDRESS: 10160 Bradford Rd, Avon

Date: **5-May-22**
COUNTY: Hendricks

	<u>Total</u>	<u>Abated</u>	<u>Non Abated</u>
INVESTMENT (real):	\$19,040,880	\$ 18,020,880	\$ 1,020,000.00

TOWN/TOWNSHIP: Town Of Avon

INVESTMENT (personal):	\$0	\$ -	\$ -
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DISTRICT #: 32031

TAX RATE: 0.029126

Referendum Rate: 0.002500
 (not subject to Cap)

Year	TAXES PAID AND ABATED						TOTAL	
	<u>Abated</u>	<u>Real</u>	<u>Paid</u>	<u>Abated</u>	<u>Personal</u>	<u>Paid</u>	<u>Abated</u>	<u>Paid</u>
Yr 1	\$ 524,880	\$ 29,710	\$ -	\$ -	\$ -	\$ 524,880	\$ 29,710	
Yr 2	\$ 498,640	\$ 55,950	\$ -	\$ -	\$ -	\$ 498,640	\$ 55,950	
Yr 3	\$ 419,910	\$ 134,680	\$ -	\$ -	\$ -	\$ 419,910	\$ 134,680	
Yr 4	\$ 341,180	\$ 213,410	\$ -	\$ -	\$ -	\$ 341,180	\$ 213,410	
Yr 5	\$ 262,440	\$ 292,150	\$ -	\$ -	\$ -	\$ 262,440	\$ 292,150	
Yr 6	\$ 209,960	\$ 344,630	\$ -	\$ -	\$ -	\$ 209,960	\$ 344,630	
Yr 7	\$ 157,470	\$ 397,120	\$ -	\$ -	\$ -	\$ 157,470	\$ 397,120	
Yr 8	\$ 104,980	\$ 449,610	\$ -	\$ -	\$ -	\$ 104,980	\$ 449,610	
Yr 9	\$ 52,490	\$ 502,100	\$ -	\$ -	\$ -	\$ 52,490	\$ 502,100	
Yr 10	\$ 26,250	\$ 528,340	\$ -	\$ -	\$ -	\$ 26,250	\$ 528,340	
Yr 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Yr 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Yr 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Yr 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Yr 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Yr 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Yr 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Yr 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Yr 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTALS	\$ 2,598,200	\$ 2,947,700	\$ -	\$ -	\$ -	\$ 2,598,200	\$ 2,947,700	

Tax Abatement Model Estimates

Assumptions

- 1) Assessed value is estimated to be assessed at construction costs.
- 2) Assessment is an estimate only and will be subject to change based upon the County Assessor's valuation
- 3) Assumes 17 acres of primary land attributed to building
- 4) This model assumes no changes in assessed value of Real Estate over the term of the abatement