



SENATOR
SUE ERRINGTON
116TH INDIANA GENERAL ASSEMBLY ★ SENATE DISTRICT 26

NEWS RELEASE

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Errington fights for Delaware County economic development credit

Tax credit would help attract business partner to redevelop former BorgWarner site

INDIANAPOLIS—State Senator Sue Errington pushed for a measure today that includes an economic development tool to bring in a new business to make use of the former BorgWarner plant in Muncie. Errington's amendment to House Bill 1086, approved today by the senate will allow for a new Community Revitalization Enhancement District (CRED) in Delaware County specifically for the now vacant BorgWarner plant.

Errington says the former BorgWarner plant has potential to house a new or expanding business, but it is easier to attract investments to an updated greenfield area than to a large, outdated facility. CRED designations encourage redevelopment efforts for facilities like BorgWarner by allowing participating businesses to qualify for a tax credit up to 25 percent of their investment.

"This economic development tool will encourage redevelopment in the now vacant facility, bringing in new business and new jobs to the community," Errington said. "We want to attract a top notch company, but the facility needs to be updated to bring it in line with the needs of modern manufacturing practices."

In 2004 two CREDs were authorized in Delaware County for the former Delphi Battery site and the former Asea Brown Boveri (ABB) facility. If the third CRED district is approved, Delaware County will be limited to apply the benefits to two districts at one time, and local leaders will have the option of applying the designation to the ABB facility or the BorgWarner plant. Errington says she hopes that the General Assembly will approve the application of credits in all three districts soon, because there has been interest in the ABB facility as well as the BorgWarner plant.

"This third option provides the area with more flexibility to make the tax credits available at the location where we see the most business investment interest," Errington said. "This will be a good first step to making East Central Indiana's manufacturing infrastructure a job-producing asset."

The CRED designation at the former Delphi site has been credited with helping to attract MPT-Muncie, known as Magna, to Muncie. Magna has made a \$73 million investment and brought 421 jobs to the area.

"The community revitalization enhancement designation is a great example of public-private partnerships, and it can help boost the economy of the entire East Central Indiana region," Errington added.

In addition to the tax credit, the district's governing body can collect incremental state and local income taxes and sales tax that then can be used to redevelop properties and buildings in the area, improve streets, sidewalks and other infrastructure, improve buildings, and assist with environmental cleanups, beautification and other efforts.

For more information on Senator Errington, her legislative agenda or other State Senate business call 1-800-382-9467 or visit www.senatedemocrats.in.gov.

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