

RESOLUTION NO. 2023- 06

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF HOBART, INDIANA, DESIGNATING A CERTAIN AREA WITHIN THE CITY AS AN ECONOMIC REVITALIZATION AREA FOR PURPOSES OF REAL AND PERSONAL PROPERTY TAX ABATEMENTS**

**WHEREAS**, an application for real and personal property tax abatements has been filed with the City of Hobart for consideration by the Common Council of the City of Hobart, said application requesting that the area depicted and outlined in red on **Exhibit A**, which is adjacent to the eastern boundary of the applicant's property at 2201 Northwind Parkway, Hobart, Lake County, Indiana, and which is more particularly described in **Exhibit B** attached, be designated as an Economic Revitalization Area under the provisions of Indiana Code 6-1.1-12.1-1 et seq.;

**WHEREAS**, the Act provides that an Economic Revitalization Area is an area within the City which has:

"become undesirable for, or impossible of, normal development and occupancy because of 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," I.C. 6-1.1-12.1-1(a)(1);

**WHEREAS**, LINEAGE LOGISTICS, LLC, has a vested property interest in the real estate commonly known as: 2201 Northwind Parkway, Hobart, Lake County, Indiana;

**WHEREAS**, LINEAGE LOGISTICS, LLC, has requested that the real estate be designated as an Economic Revitalization Area for the purpose of achieving real and personal property tax abatements in connection with the following project on the real estate:

PROJECT: New construction of an industrial warehouse/office building, which will consist of 185,000 SF at the cost of approximately ninety-three million dollars (\$93,000,000); and the purchase and installation of new equipment including "new logistical distribution equipment" and "new information technology equipment" (as defined in Ind. Code §6-1.1-12.1-1(13) and (16), respectively), which will consist of cold storage / racking equipment and related IT equipment (as more fully described on **Exhibit C, Equipment List**) at the cost of approximately forty million dollars (\$40,000,000); and

**WHEREAS**, the Common Council of the City of Hobart has concluded an investigation and believes that it has information sufficient for the Common Council to determine that the area qualifies as an Economic Revitalization Area under Indiana Code 6-1.1-12.1-1 et seq. Further, the Common Council has access to maps and plats showing the boundaries and such other information regarding the area in question as required by law.

**NOW, THEREFORE, BE IT RESOLVED** by the Common Council of the City of Hobart, as follows:

**Section 1:** The Common Council of the City of Hobart hereby determines and finds that the application for real and personal property tax abatements and the respective Statement of Benefits Forms (see Exhibits D & E attached hereto) completed by the applicant meet the requirements of Indiana Code 6-1.1-12.1-1 et seq. for purposes of the requested tax abatements.

**Section 2:** The Common Council of the City of Hobart hereby determines and finds the following:

- a. That the estimates of the value of the redevelopment and the cost of the new equipment are reasonable for projects of this nature and equipment of this type.
- b. That the estimate of the number of individuals who will be employed or whose employment will be retained can reasonably be expected to result from the proposed redevelopment and installation of new equipment.
- c. That the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be expected to result from the proposed redevelopment and installation of new equipment.
- d. That the other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment and installation of new equipment.
- e. That the totality of benefits is sufficient to justify the deductions, all of which satisfies the requirements of Ind. Code 6-1.1-12.1-3 and -4.5 and can be reasonably expected to result from the redevelopment and installation of new equipment.

**Section 3:** The Common Council of the City of Hobart hereby determines and finds that the proposed redevelopment and installation of new equipment can be reasonably expected to yield the benefits identified in the respective Statement of Benefits, attached hereto as Exhibits D & E, such forms being prescribed by the Department of Local Government Finance, and that such are sufficient to justify the deduction granted under Ind. Code 6-1.1-12.1-3 and -4.5.

**Section 4:** The Common Council of the City of Hobart hereby designates the area herein described as an Economic Revitalization Area for the purpose of real and personal property tax abatements.

**Section 5:** The Common Council of the City of Hobart determines that such designation is for real and personal property tax abatements for projects to be

initiated within twelve (12) months from the date of the adoption of a resolution confirming this resolution by the Common Council and completed and installed within twenty-five (25) months from the date of such adoption.

**Section 6:** The Common Council of the City of Hobart hereby determines that the property owner is qualified for and is granted property tax deduction for a period of ten (10) years for the real property. Such deduction shall be as follows:

*Year One: 100%, Year Two: 95%, Year Three: 80%, Year Four: 65%, Year Five: 50%, Year Six: 40%, Year Seven: 30%, Year Eight: 20%, Year Nine: 10%, Year Ten: 5%*

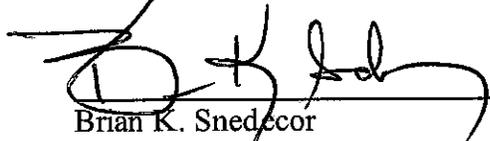
**Section 7:** The Common Council of the City of Hobart hereby determines that the property owner is qualified for and is granted property tax deduction for a period of ten (10) years for the personal property. Such deduction shall be as follows:

*Year One: 100%, Year Two: 90%, Year Three: 80%, Year Four: 70%, Year Five: 60%, Year Six: 50%, Year Seven: 40%, Year Eight: 30%, Year Nine: 20%, Year Ten: 10%*

**Section 8:** The Common Council of the City of Hobart directs the Clerk to cause notice of the adoption and substance of this resolution for real and personal property tax abatements to be published in accordance with Ind. Code 5-3-1 and 6-1.1-12.1-2.5(c), each as amended, said publication providing notice of the public hearing before the Common Council on the proposed confirmation of said declaration, and to file a copy of this resolution with the County Assessor, and to file the information required by Ind. Code 6-1.1-12.1-2.5(c) with the officers of each taxing unit that has authority to levy property taxes in the geographic area where the Economic Revitalization Area is located.

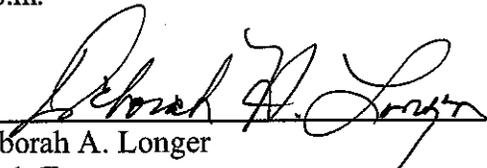
**Section 9:** This resolution shall be in full force and effect from and after its adoption by the Common Council.

**PASSED AND ADOPTED** by the Common Council of the City of Hobart, Lake County, Indiana on the 7<sup>th</sup> day of NOV, 2023, by a vote of 5 in favor and 0 opposed.

  
\_\_\_\_\_  
Brian K. Snedecor  
Presiding Officer

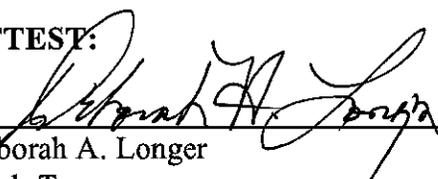
**ATTEST:**  
  
\_\_\_\_\_  
Deborah A. Longer, Clerk-Treasurer

**PRESENTED** by me to the Mayor of the City of Hobart, Indiana, on the 7<sup>th</sup> day of JUNE, 2023 at 10:45 ~~am~~/p.m.

  
Deborah A. Longer  
Clerk-Treasurer

**APPROVED, SIGNED AND RETURNED** by me to the Common Council of the City of Hobart, Lake County, Indiana this 7<sup>th</sup> day of JUNE, 2023.

  
Brian K. Snedecor, Mayor

**ATTEST:**  
  
Deborah A. Longer  
Clerk-Treasurer

**Exhibit A**

Parcel: 45-12-11-400-007.000 1 of 7 X

☆ Parcel: 45-12-11-400-007.000-046

**Owner:**  
*Lineage Logistics LLC & Hanson Cold Storage Co. of Indiana*

**Mailing Address:**  
46500 Humboldt DR Novi MI 48377

**Site Address:**  
2201 North Wind PKWY Hobart IN 46342

[View Additional Details](#) [Add to Results](#)

251-002  
176-003 North Wind Crossings Unit 2 Replat #2 20.00  
177-005 North Wind Crossings Unit 2 Replat #2  
WIND CROSSINGS RESUB OF LOTS C & D  
North Wind Crossings Replat #5  
Lineage Addition Sub 400-007-43100  
Lineage Addition Sub  
NORTH WIND CROSSINGS  
North Wind Crossings Replat #7  
North Wind Crossings Replat #6  
400-009 North Wind Crossings Replat #6  
MEADOWS THE (HOBART)  
MEADOWS THE (HOBART)  
502-007

**Exhibit B**

ALL THAT PART OF THE NORTH HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 35 NORTH, RANGE 8 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN LAKE COUNTY, INDIANA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SAID SOUTHEAST QUARTER; THENCE SOUTH 89 DEGREES 28 MINUTES 07 SECONDS EAST ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 579.59 FEET; THENCE SOUTH 16 DEGREES 33 MINUTES 51 SECONDS EAST INTO SAID SOUTHEAST QUARTER, A DISTANCE OF 346.90 FEET; THENCE SOUTH 89 DEGREES 43 MINUTES 56 SECONDS EAST, A DISTANCE OF 127.97 FEET; THENCE SOUTH 09 DEGREES 50 MINUTES 39 SECONDS EAST, A DISTANCE 1004.69 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE WEST HALF OF THE SAID SOUTHEAST QUARTER; THENCE NORTH 89 DEGREES 30 MINUTES 24 SECONDS WEST ALONG THE SAID SOUTH LINE, A DISTANCE OF 977.78 FEET TO THE SOUTHWEST CORNER OF THE NORTH HALF OF THE WEST HALF OF THE SAID SOUTHEAST QUARTER; THENCE NORTH 00 DEGREES 01 MINUTES 11 SECONDS WEST ALONG THE WEST LINE OF THE SAID SOUTHEAST QUARTER, A DISTANCE OF 1319.96 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS APPROXIMATELY 1,090,025 SQUARE FEET, 25.02 ACRES.

### Exhibit C

#### New Logistical Distribution Equipment

<b>Asset Description</b>	<b>Acquisition Cost</b>	<b>Useful Life</b>	<b>Assessed Value</b>
Conveyor system and associated equipment supporting conveyors	\$ 9,000,000	5-8 years	\$3,600,000
Cranes and crane system (i.e. electrical wiring, control system, etc.)	\$ 15,000,000	5-8 years	\$6,000,000
Layer pick gantry systems	\$ 7,000,000	5-8 years	\$2,800,000
Mobile equipment - Rail guided vehicle (and track system), maintenance vehicles	\$ 3,000,000	5-8 years	\$1,200,000
Scanners and Labelers	\$ 500,000	1-4 years	\$200,000
Warehouse management and control systems	\$ 600,000	5-8 years	\$240,000
Material Handling Equipment	\$ 2,000,000	5-8 years	\$800,000
Office Furniture/Fixtures	\$ 900,000	5-8 years	\$360,000

#### New IT Equipment

IT equipment and associated infrastructure system	\$ 2,000,000	1-4 years	\$800,000
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**STATEMENT OF BENEFITS  
REAL ESTATE IMPROVEMENTS**

Exhibit D

State Form 51767 (R7 / 1-21)

Prescribed by the Department of Local Government Finance

20 23 PAY 20 24

FORM SB-1 / Real Property

**PRIVACY NOTICE**

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

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)
- Residentially distressed area (IC 6-1.1-12.1-4.1)

**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 redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
3. To obtain a deduction, a Form 322/RE must be filed with the county auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between January 1 and May 10 of a subsequent year.
4. A property owner who files for the deduction must provide the county auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5.1(b)
5. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/Real Property that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. IC 6-1.1-12.1-17

**SECTION 1 TAXPAYER INFORMATION**

Name of taxpayer <b>Lineage Logistics, LLC</b>		
Address of taxpayer (number and street, city, state, and ZIP code) <b>46500 Humboldt Drive, Novi, MI 48377</b>		
Name of contact person <b>Bridget Green</b>	Telephone number <b>(248) 863-4326</b>	E-mail address <b>brgreen@lineagelogistics.com</b>

**SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT**

Name of designating body <b>City of Hobart</b>	Resolution number
Location of property <b>2201 Northwind Parkway, Hobart, IN 46342</b>	County <b>Lake</b>
DLGF taxing district number <b>046</b>	Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) <b>The company's proposed expansion totals \$133 million of which \$93 million pertains to a new building and \$40 million would be related to cold storage equipment and other warehouse equipment.</b>
Estimated start date (month, day, year) <b>7/15/2023</b>	Estimated completion date (month, day, year) <b>7/31/2025</b>

**SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT**

Current Number	Salaries	Number Retained	Salaries	Number Additional	Salaries
<b>104.00</b>	<b>\$5,300,000.00</b>	<b>104.00</b>	<b>\$5,300,000.00</b>	<b>90.00</b>	<b>\$4,590,000.00</b>

**SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT**

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	<b>32,440,000.00</b>	<b>22,874,600.00</b>
Plus estimated values of proposed project	<b>93,000,000.00</b>	<b>23,250,000.00</b>
Less values of any property being replaced		
Net estimated values upon completion of project	<b>125,440,000.00</b>	<b>46,124,600.00</b>

**SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER**

Estimated solid waste converted (pounds) <b>0.00</b>	Estimated hazardous waste converted (pounds) <b>0.00</b>
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Other benefits

**SECTION 6 TAXPAYER CERTIFICATION**

I hereby certify that the representations in this statement are true.

Signature of authorized representative 	Date signed (month, day, year) <b>5/30/23</b>
Printed name of authorized representative <b>Bridget Green</b>	Title <b>Senior Manager, Indirect Tax</b>

**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 N/A calendar years\* (see below). The date this designation expires is N/A. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.
- B. The type of deduction that is allowed in the designated area is limited to:  
 1. Redevelopment or rehabilitation of real estate improvements  Yes  No  
 2. Residentially distressed areas  Yes  No
- C. The amount of the deduction applicable is limited to \$                     .
- D. Other limitations or conditions (specify) Refer to Resolution + Development Agreement
- E. 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
- F. For a statement of benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?  
 Yes  No  
 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.

*See attached Resolution + DA.*

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 (signature and title of authorized member of designating body) <i>Matthew Claussen</i>	Telephone number <i>(219) 942-1940</i>	Date signed (month, day, year) <i>7/5/23</i>
Printed name of authorized member of designating body <b>MATTHEW CLAUSSEN</b>	Name of designating body <i>Common Council</i>	
Attested by (signature and title of attester) <i>Deborah Ledger</i> Clerk-Treasurer	Printed name of attester <b>DEBORAH LEDGER</b>	

\* 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.

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4.1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. Except as provided in IC 6-1.1-12.1-18, the deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

**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. Except as provided in IC 6-1.1-12.1-18, 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.



**STATEMENT OF BENEFITS  
PERSONAL PROPERTY**

State Form 51764 (R4 / 11-15)  
Prescribed by the Department of Local Government Finance

**FORM SB-1 / PP**

**PRIVACY NOTICE**

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

**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** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between January 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between January 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1 TAXPAYER INFORMATION									
Name of taxpayer <b>Lineage Logistics, LLC / Lineage Logistics Services, LLC</b>			Name of contact person <b>Bridget Green</b>						
Address of taxpayer (number and street, city, state, and ZIP code) <b>46500 Humboldt Drive, Novi, MI 48377</b>				Telephone number <b>( 248 ) 863-4326</b>					
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT									
Name of designating body <b>City of Hobart</b>				Resolution number (s)					
Location of property <b>2201 Northwind Parkway, Hobart, IN 46342</b>			County <b>Lake</b>	DLGF taxing district number <b>046</b>					
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) <b>The company's proposed expansion totals \$133 million of which \$93 million pertains to a new building and \$40 million would be related to cold storage equipment and other warehouse equipment.</b>			ESTIMATED						
			START DATE		COMPLETION DATE				
			Manufacturing Equipment						
			R & D Equipment						
			Logist Dist Equipment	<b>07/15/2023</b>	<b>07/31/2025</b>				
IT Equipment	<b>07/15/2023</b>	<b>07/31/2025</b>							
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT									
Current number <b>104</b>	Salaries <b>\$5,300,000</b>	Number retained <b>104</b>	Salaries <b>\$5,300,000</b>	Number additional <b>90</b>	Salaries <b>\$4,590,000</b>				
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT									
<b>NOTE:</b> Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the <b>COST</b> of the property is confidential.		MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values						<b>12,864,905</b>	<b>3,942,760</b>		
Plus estimated values of proposed project						<b>38,000,000</b>	<b>15,200,000</b>	<b>2,000,000</b>	<b>800,000</b>
Less values of any property being replaced									
Net estimated values upon completion of project						<b>50,864,905</b>	<b>19,142,760</b>	<b>2,000,000</b>	<b>800,000</b>
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER									
Estimated solid waste converted (pounds) <b>0</b>			Estimated hazardous waste converted (pounds) <b>0</b>						
Other benefits:									
SECTION 6 TAXPAYER CERTIFICATION									
I hereby certify that the representations in this statement are true.									
Signature of authorized representative 				Date signed (month, day, year) <b>5/30/2023</b>					
Printed name of authorized representative <b>Bridget Green</b>			Title <b>Senior Manager, Indirect Tax</b>						

**FOR USE OF THE DESIGNATING BODY**

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed N/A calendar years \* (see below). The date this designation expires is N/A. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.

B. The type of deduction that is allowed in the designated area is limited to:

1. Installation of new manufacturing equipment;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 Check box if an enhanced abatement was approved for one or more of these types.
2. Installation of new research and development equipment;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
3. Installation of new logistical distribution equipment.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
4. Installation of new information technology equipment;	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_. (One or both lines may be filled out to establish a limit, if desired.)

D. The amount of deduction applicable to new research and development equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_. (One or both lines may be filled out to establish a limit, if desired.)

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_. (One or both lines may be filled out to establish a limit, if desired.)

F. The amount of deduction applicable to new information technology equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_. (One or both lines may be filled out to establish a limit, if desired.)

G. Other limitations or conditions (specify) See attached Resolution & Development agreement.

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

<input checked="" type="checkbox"/> Year 1	<input checked="" type="checkbox"/> Year 2	<input checked="" type="checkbox"/> Year 3	<input checked="" type="checkbox"/> Year 4	<input checked="" type="checkbox"/> Year 5	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 Number of years approved: _____ (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)
<input checked="" type="checkbox"/> Year 6	<input checked="" type="checkbox"/> Year 7	<input checked="" type="checkbox"/> Year 8	<input checked="" type="checkbox"/> Year 9	<input checked="" type="checkbox"/> Year 10	

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?  Yes  No  
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.

See attached resolution & DA.

Also we have 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 by: (signature and title of authorized member of designating body) <u>Mark Cle</u>	Telephone number <u>(219) 942-1940</u>	Date signed (month, day, year) <u>7/8/13</u>
Printed name of authorized member of designating body <u>MATTHEW CLAUSSEN</u>	Name of designating body <u>Common Council</u>	
Attested by: (signature and title of attester) <u>Deborah Langer, Clerk-Treasurer</u>	Printed name of attester <u>DEBORAH LANGER</u>	
* 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 6-1.1-12.1-17**

**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.

APPLICATION FOR TAX ABATEMENT - COMMON COUNCIL

Form CCAP revised 7/21/16

PETITIONER'S NAME: Bridget Green PHONE: (248) 886-4326

ADDRESS: 2201 Northwind Parkway FAX: \_\_\_\_\_

CITY, STATE, ZIP CODE: Hobart, IN 46342

COMMON LOCATION OF PROPERTY: \_\_\_\_\_

(Also attach 1. Legal description and 2. Project description for real property improvements proposed.)

IF ABATEMENT ON EQUIPMENT IS SOUGHT, ATTACH A LIST WITH DESCRIPTION, COST, AND DATE OF INSTALLATION FOR ALL EQUIPMENT.

ARE ANY PROPOSED BUILDINGS MANUFACTURED OFF SITE? No WHERE? \_\_\_\_\_

NUMBER OF UNITS: 1

PROPOSED STARTING DATE FOR BUILDING CONSTRUCTION: 06/01/2023

(Must be within 12 months of approval date of confirmatory resolution)

PROPOSED COMPLETION DATE OF FIRST BUILDING UNIT: 06/01/2025

WHAT HOBART BUSINESSES WILL BE INVOLVED IN THE PROJECT? N/A

\*NUMBER OF JOBS THE PROJECT WILL RETAIN AND THE PROJECTED PAYROLL FOR THE RETAINED JOBS:

(Show construction jobs separate from business jobs. Show as current & retained on SB-1)

CONSTRUCTION #: 150 \$ 8,385,000

BUSINESS #: 104 \$ 5,300,000

\*NUMBER OF JOBS THE PROJECT WILL CREATE AND THE PROJECTED PAYROLL FOR THE JOBS CREATED:

(These jobs do not currently exist and are to be listed on SB-1 as additional)

BUSINESS #: 90 \$ 5,490,000

WINDOW OF OPPORTUNITY PERIOD REQUESTED: 2023, 2024, and 2025

TAX ABATEMENT PERIOD OF DEDUCTION REQUESTED: 10 years

ARE YOU SEEKING A LOCAL ECONOMIC INCENTIVE IN ANOTHER INDIANA COMMUNITY? No

If so, explain what incentive, value, term and status of approval: \_\_\_\_\_

I affirm that the information contained in this application is true to the best of my knowledge. I agree to update this information if changes occur. I understand that the intent is to encourage the use of Hobart businesses and residents in the project. I agree to adhere to the City's requirements for annual written reports (CF-1 Form) on the project. I agree to adhere to all City code requirements. I agree to adhere to the policies and regulations associated with the City's tax abatement program. I have paid the required application fee and public and posted notice fees.

SIGNATURE OF PETITIONER: Bridget Green DATE: 3-14-23

\*Construction jobs and the wages paid during the construction of the project may be counted as retained jobs in addition to existing Hobart jobs and salaries retained by the business. Created jobs and salaries are those applicable to the business that are new and not relocated from another non-Hobart location. Relocated jobs are to be listed as retained jobs.



**Lineage Logistics, LLC**  
**Hobart, Indiana Expansion – Project Summary**

---

Lineage Logistics, LLC (“Lineage” or the “Company”) is an industry leader in end-to-end logistics solutions for the world’s food supply chain. The Company currently operates across 5 continents and employs over 17,000 team members. Lineage’s vast network of cold storage facilities offers various food storage, transportation, and preparation services.

Since its founding, Lineage has achieved sustained growth through new organic growth as well as acquisitions throughout the United States and globally. Lineage’s continuous investment is part of its overall strategy to grow and maintain the largest temperature-controlled distribution network in the world.

Lineage currently owns and operates five facilities across the state of Indiana. The Company is looking to expand its existing operations in Hobart, Indiana (added to its portfolio through the acquisition of Hanson Logistics) by constructing an additional facility, on adjacent land, to support general growth and increased business opportunities in the region (the “Project”). Lineage operates in a highly competitive market and is continually looking for ways to reduce operating costs and increase business efficiencies. Expanding in Hobart would ensure the Company remains competitive both from an internal and external perspective.

The Project includes a capital investment of approximately \$133,000,000 which includes \$93,000,000 of new building construction and \$40,000,000 associated cold storage equipment. The Project is estimated to create 90 net new jobs for Indiana residents created in 2023 and 2024 with an average hourly wage of \$24.50, progressively increasing to an average hourly wage of \$28.50 by 2026. Construction of the new facility is expected to start by the end of 2023 and be completed in 2024.

The Company kindly requests that the Economic Development Commission and Hobart City Council contemplate incentivizing the Project through a property tax abatement. The Project may not be financially feasible without this support. Additional incentive support will help offset the costs and improve the viability of the Project.





April 6, 2023

Ms. Beth Jacobson, Director of Development  
City of Hobart  
414 Main Street  
Hobart, Indiana 46324

Baker Tilly Municipal Advisors, LLC  
8365 Keystone Crossing, Ste 300  
Indianapolis, IN 46240  
United States of America

T: +1 (317) 465 1500  
F: +1 (317) 465 1550  
bakertilly.com

Re: Proposed Lineage Logistics, LLC Expansion

Dear Ms. Jacobson:

Per your request, we have prepared this illustrative property tax abatement analysis to assist you in the discussion and consideration of incentives for the personal property component of the proposed Project Lineage Logistics, LLC Expansion. The attached schedules (listed below) present unaudited and limited information. The use of these schedules should be restricted to this purpose, for internal use only, as the information is subject to future revision and final report.

<u>Page</u>	
2	Assumptions
3	Estimated Property Tax Liability for the Proposed Investment in Real Property
4	Estimated Property Tax Liability for the Proposed Investment in Personal Property
5	Estimated Annual Combined Property Tax Abatement Savings

In the preparation of these schedules, certain assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion thereon nor do we have a responsibility to prepare subsequent reports.

We would appreciate your questions or comments on this information and would provide additional information upon request.

Very truly yours,

BAKER TILLY MUNICIPAL ADVISORS, LLC



Matthew R. Eckerle, Principal

**CITY OF HOBART, INDIANA**

**Proposed Lineage Logistics, LLC Expansion**

**ASSUMPTIONS**

**The following investment assumptions are based on information provided by company representatives**

	<u>Estimated Cost</u>
<b>Real Property:</b>	
New Building Construction (1)	
- First assessed January 1, 2026 for taxes payable in 2027	\$93,000,000
<b>Depreciable Personal Property:</b>	
Proposed Investment (1)	
Pool #1 (2)	
- First assessed January 1, 2026 for taxes payable in 2027	\$2,500,000
Pool #2 (3)	
- First assessed January 1, 2026 for taxes payable in 2027	<u>37,500,000</u>
Subtotal	<u>40,000,000</u>
<b>Total Investment</b>	<u><u>\$133,000,000</u></u>

- (1) Per investment information provided by Company representatives.
- (2) For the purposes of this analysis, it has been assumed that the proposed equipment will be purchased as new and be depreciated in Pool # 1 (1 - 4 year useful life) for property tax purposes. Once installed, the Company may report the depreciation in a different pool, which may have a material effect on the resulting tax increment calculations. No assumption has been made for future equipment retirement/replacement.
- (3) For the purposes of this analysis, it has been assumed that the proposed equipment will be purchased as new and be depreciated in Pool # 2 (5 - 8 year useful life) for property tax purposes. Once installed, the Company may report the depreciation in a different pool, which may have a material effect on the resulting tax increment calculations. No assumption has been made for future equipment retirement/replacement.

<b>Property Tax Rates</b>	
Certified Pay 2023 Tax Rate	
- Hobart-Ross Township Taxing District	\$3.0434

Note: Indiana Code 6-1.1-20.6 provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property (the "Circuit Breaker Tax Credit"). For commercial and industrial property, the Circuit Breaker Tax Credit reduces a taxpayer's tax liability to 3% of their property's gross assessed value. The Indiana property tax caps, in combination with other potential future changes, such as increases in budgets and tax rates of overlapping taxing units, a loss of a major taxpayer, the adoption of local option income tax for property tax relief purposes, or future changes in Indiana property tax law and regulations, could affect the actual assessed value of the proposed development and the applicable property tax rates, and cause the actual property tax liability to differ significantly from the estimates shown in these schedules.

(Subject to the attached letter dated April 6, 2023)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

CITY OF HOBART, INDIANA

Proposed Lineage Logistics, LLC Expansion

**ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN REAL PROPERTY**  
*Assumes a 10-year real property tax abatement*

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)		Net Tax Rate (3)	Estimated Property Tax Liability				Estimated Abatement Savings		
	With Abatement (2)	Without Abatement		With Proposed Abatement		Without Proposed Abatement				
				Gross Taxes	Circuit Breaker Tax Credit (4)	Net Taxes	Gross Taxes		Circuit Breaker Tax Credit (4)	Net Taxes
2027	\$0	\$14,800,000	\$2.5982	\$0	\$0	\$0	\$384,530	\$384,530	\$384,530	
2028	740,000	14,800,000	2.5982	19,230	0	19,230	384,530	0	384,530	365,300
2029	2,960,000	14,800,000	2.5982	76,910	0	76,910	384,530	0	384,530	307,620
2030	5,180,000	14,800,000	2.5982	134,590	0	134,590	384,530	0	384,530	249,940
2031	7,400,000	14,800,000	2.5982	192,270	0	192,270	384,530	0	384,530	192,260
2032	8,880,000	14,800,000	2.5982	230,720	0	230,720	384,530	0	384,530	153,810
2033	10,360,000	14,800,000	2.5982	269,170	0	269,170	384,530	0	384,530	115,360
2034	11,840,000	14,800,000	2.5982	307,630	0	307,630	384,530	0	384,530	76,900
2035	13,320,000	14,800,000	2.5982	346,080	0	346,080	384,530	0	384,530	38,450
2036	14,060,000	14,800,000	2.5982	365,310	0	365,310	384,530	0	384,530	19,220
Totals				\$1,941,910	\$0	\$1,941,910	\$3,845,300	\$0	\$3,845,300	\$1,903,390

- (1) Assumes a 185,000 square foot building per local economic development officials. Assumes the proposed building will be assessed at \$80 per square foot based upon the company's existing facility located in Hobart, Indiana. The actual assessed value will be determined by the Lake County Assessor upon completion, and the actual value may vary materially from the value assumed in this estimate.
- (2) Assumes a 10-year real property tax abatement for the proposed investment with the following deduction percentages: 100%, 95%, 80%, 65%, 50%, 40%, 30%, 20%, 10%, and 5%.
- (3) Represents the certified pay 2023 tax rate for the Hobart Corp.-Ross Twp. taxing district of \$3.0434. Accounts for the application of the pay 2023 LIT PTRC of 14.6280%.
- (4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for a commercial or industrial parcel, is applied. Accounts for the pay 2023 LIT PTRC of 14.6280%

Note: The above contains no assumption for land value or the value of existing real estate improvements. Changes to the assumptions outlined above and on page 2 may have a material effect on the property tax liability estimates contained in this analysis.

(Subject to the attached letter dated April 6, 2023)  
 (Preliminary - Subject to Change)  
 (For Internal Use Only)

CITY OF HOBART, INDIANA

Proposed Lineage Logistics, LLC Expansion

**ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN PERSONAL PROPERTY**  
*Assumes a 10-year personal property tax abatement*

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)		Net Tax Rate (3)	Estimated Property Tax Liability			Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement		With Proposed Abatement	Without Proposed Abatement	Net Taxes	
				Gross Taxes	Circuit Breaker Tax Credit (4)	Net Taxes	
2027	\$360,000	\$16,625,000	\$2.5982	\$9,350	\$0	\$9,350	\$422,600
2028	2,678,600	22,250,000	2.5982	69,600	0	69,600	508,500
2029	3,627,400	16,625,000	2.5982	94,250	0	94,250	337,700
2030	3,951,600	12,500,000	2.5982	102,670	0	102,670	222,110
2031	4,877,185	12,000,000	2.5982	126,720	0	126,720	185,060
2032	6,102,110	12,000,000	2.5982	158,550	0	158,550	153,230
2033	7,304,870	12,000,000	2.5982	189,800	0	189,800	121,980
2034	8,478,652	12,000,000	2.5982	220,290	0	220,290	91,490
2035	9,652,435	12,000,000	2.5982	250,790	0	250,790	60,990
2036	10,826,217	12,000,000	2.5982	281,290	0	281,290	30,490
Totals				\$1,503,310	\$0	\$1,503,310	\$2,134,150

- (1) See page 2. Assumes the investment is reported under the Lineage Logistics Services, LLC taxpayer name, per company representatives. Accounts for the impact of the existing personal property investment of Lineage Logistics Services, LLC.
- (2) Assumes a 10-year personal property tax abatement for the proposed investment with the following deduction percentages: 100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, and 10%. Assumes the Office Furniture/Fixtures are not eligible for a personal property tax abatement.
- (3) Represents the certified pay 2023 tax rate for the Hobart Corp.-Ross Twp. taxing district of \$3.0434. Accounts for the application of the pay 2023 LIT PTRC of 14.6280%.
- (4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for a commercial or industrial parcel, is applied. Accounts for the pay 2023 LIT PTRC of 14.6280%

Note: Changes to the assumptions outlined above and on page 2 may have a material effect on the property tax liability estimates contained in this analysis.

(Subject to the attached letter dated April 6, 2023)  
 (Preliminary - Subject to Change)  
 (For Internal Use Only)

**CITY OF HOBART, INDIANA**

***Proposed Lineage Logistics, LLC Expansion***

**ESTIMATED ANNUAL COMBINED PROPERTY TAX ABATEMENT SAVINGS**

***Assumes 10-year real property personal property tax abatements***

Taxes Payable Year	Estimated Abatement Savings		
	Real Property	Personal Property	Total
	(1)	(2)	
2027	\$384,530	\$422,600	\$807,130
2028	365,300	508,500	873,800
2029	307,620	337,700	645,320
2030	249,940	222,110	472,050
2031	192,260	185,060	377,320
2032	153,810	153,230	307,040
2033	115,360	121,980	237,340
2034	76,900	91,490	168,390
2035	38,450	60,990	99,440
2036	19,220	30,490	49,710
Totals	<u>\$1,903,390</u>	<u>\$2,134,150</u>	<u>\$4,037,540</u>

(1) See page 3

(2) See page 4

(Subject to the attached letter dated April 6, 2023)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

**RETURN THIS ACKNOWLEDGEMENT FORM WITH YOUR APPLICATION**

**READ CAREFULLY THE FOLLOWING DOCUMENTS:**

Resolution 99-79 (including October 16, 2002 amendment to Section 3)  
Resolution 2007-10  
Resolution 2007-39  
Resolution 2008-04  
Resolution 2008-15  
Resolution 2008-16  
Resolution 2014-03  
Resolution 2014-26  
Resolution 2018-03  
Resolution 2018-04  
Resolution 2018-05  
Resolution 2019-36

Ordinance 98-28  
Ordinance 2000-23  
Ordinance 2001-49  
Ordinance 2003-22  
Ordinance 2006-43 (as amended)  
Ordinance 2007-05

Ordinance 2007-06  
Ordinance 2008-16 (as amended)  
Ordinance 2008-34 (as amended)  
Ordinance 2010-18  
Ordinance 2011-38  
Ordinance 2013-25  
Ordinance 2013-39  
Ordinance 2016-11  
Ordinance 2017-10  
Ordinance 2017-28  
Ordinance 2017-32  
Ordinance 2018-06  
Ordinance 2018-09  
Ordinance 2018-12  
Ordinance 2018-13  
Ordinance 2018-34  
Ordinance 2020-06

Most Current Fee Schedule

Checklist for supporting documentation required for evaluation of compliance with Statement of Benefits

May 21, 2008 City Council Directive to Staff re: initial compliance submission

October 22, 2008 Waiver of City Council Directive to Staff re: initial compliance submission

Responsible Bidder Requirements – Please reference Ordinance 2015-28, Ordinance 2016-06, and Ordinance 2022-02 on City website: [www.cityofhobart.org/Archive.aspx?AMID=36](http://www.cityofhobart.org/Archive.aspx?AMID=36)

.....  
*You have been provided a copy of the current City of Hobart policies and fees (contained in the above referenced documents) which apply to the tax abatement program. Your signature below indicates that by receiving this information you agree to comply with all provisions and will execute the Statement in Regard to Appeals.*

*Your signature below also indicates that the City may retrieve the sign and frame from your property if a request for a refund and return of frame is not done within ten (10) days from the date of the public hearing, resulting in the forfeiture of the sign frame deposit.*



\_\_\_\_\_  
Name

5-30-23

\_\_\_\_\_  
Date

## Statement in Regard to Appeals

The undersigned company official affirms that there are NO appeals currently pending or anticipated to be filed within the next eighteen (18) months by the company or affiliated companies for any property owned by the company or affiliated companies within the City of Hobart since the undersigned company is currently seeking or intends to seek financial incentives from the City of Hobart. If any appeals are filed within the next ten (10) years of the date noted below, the undersigned company will provide a written explanation as to why the appeal was filed to the Mayor and/or Director of Development along with a full copy of the filed appeal.

If the undersigned company official cannot affirm the above statement, a copy of any pending or anticipated appeal must be submitted to the Mayor and/or Director of Development along with a written explanation as part of the current application for financial incentives. This information will be provided to the City Council as part of the incentive application filed.

Bridget Green

Printed Name

Senior Manager, Indirect Tax

Title

  
Signature

Lineage Logistics, LLC

Company Name

2.15.2022  
Date

**DEVELOPMENT AGREEMENT  
FOR REAL AND PERSONAL PROPERTY TAX ABATEMENT**

**by and among**

**THE CITY OF HOBART, INDIANA,  
THE CITY OF HOBART BOARD OF  
PUBLIC WORKS AND SAFETY**

**And**

**LINEAGE LOGISTICS, LLC  
a Delaware limited liability company**

**May 30, 2023**

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**SCHEDULE OF EXHIBITS**

- Exhibit A:** Legal Description of Subject Property
- Exhibit B:** Equipment List
- Exhibit C:** Illustrative Property Tax Abatement Analysis by Baker Tilly Municipal Advisors, LLC – April 6, 2023

## DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2023 by and between **LINEAGE LOGISTICS, LLC**, together with its affiliates, including, without limitation, Lineage Logistics Services, LLC, a Delaware limited liability company with principal offices located at 46500 Humboldt Dr., Suite A, Novi, MI 48377 (the "**Company**"), and the **CITY OF HOBART, INDIANA**, a municipal corporation organized and existing under the laws of the State of Indiana with principal offices at 414 Main Street, Hobart, Indiana 46342 (the "**City**"), and the **BOARD OF PUBLIC WORKS AND SAFETY OF THE CITY OF HOBART**, an instrumentality of the City, with offices at the same address ("**Board**"). The City and the Board together are referred to as the "**City Parties**." The Company and the City Parties are collectively referred to as the "**Parties**".

### RECITALS

WHEREAS, Company is in the business of providing cold storage, logistics, and supply chain services, and the Company owns undeveloped real estate in the City of Hobart adjacent to its current facility at 2201 Northwind Parkway;

WHEREAS, the real estate that Company will develop, which is referred to in this Development Agreement ("**DA**") as the "**Subject Property**," consists of a 25.02 acre parcel zoned M-1 and is depicted on the plat recorded with the Lake County Recorder as instrument number 2022-547558. The Subject Property is more fully described in **Exhibit A**.

WHEREAS, Company expects to construct a 185,000 square foot industrial warehouse/office building on the Subject Property, and to purchase and install "new logistical distribution equipment" and "new information technology equipment" (as defined in Ind. Code §6-1.1-12.1-1(13) and (16), respectively), which will consist of cold storage / racking equipment and related IT equipment (as more fully described on **Exhibit B, Equipment List**) (collectively, the "**Project**");

WHEREAS, Company estimates its total cost of construction for the Project to be approximately ninety-three million dollars (\$93,000,000) (the "**Cost of Construction**");

WHEREAS, Company estimates its total cost of new equipment for the Project to be approximately forty million dollars (\$40,000,000) (the "**Cost of Equipment**");

WHEREAS, Company estimates that its Project will cause the retention of 104 business jobs with salaries totaling five million three hundred thousand (\$5,300,000) and 150 construction jobs with salaries totaling eight million three hundred eighty-five thousand (\$8,385,000);

WHEREAS, Company estimates that its Project will create 90 new full-time jobs with salaries totaling four million five hundred ninety thousand (\$4,590,000);

WHEREAS, Company estimates the real property assessed value of the Project will be fourteen million eight hundred thousand dollars (\$14,800,000);

WHEREAS, Company estimates the personal property assessed value of the Project in tax payable year 2027 will be sixteen million six hundred twenty-five thousand dollars (\$16,625,000);

WHEREAS, the Company intends to begin construction in June 2023 and conclude construction and installation of equipment by July 31, 2025 (the "**Construction Period**");

WHEREAS, the City is an Indiana municipality of approximately 30,000 persons, strategically situated in Lake County along U.S. 30 on the south, I-65 on the west near its junction with Interstate Highways 80, 90, 94, and several rail lines; and the Board is an instrumentality of the City empowered to issue and approve City contracts and to supervise the City's Public Works and emergency services departments;

WHEREAS, Company will construct all aspects of the Project in conformity with the Site Plan approved by the City's Plan Commission;

WHEREAS, in connection with the construction of the Project, the Company has applied to the City for the grant of real estate and personal property tax abatements under Ind. Code §6-1.1-12.1;

WHEREAS, the City and Company reached agreement as to the promises, terms, and conditions upon which the City is willing to grant the requested tax abatements to Company, which abatements are important to Company in assuring the economic viability of the Project, and the City is willing to grant the requested real and personal property tax abatements upon approval by the City of Hobart Common Council in its Resolution Nos. 2023-\_\_ and 2023-\_\_, the latter of which is to be considered at the Council's meeting on \_\_\_\_\_;

WHEREAS, Company, the City, and the Board intend to execute this DA stating the promises, terms, and conditions under which Company would receive the City's economic incentive through real and personal property tax abatements, and Company would deliver the promised benefits of the Project, upon the adoption and approval of the DA by action of the Common Council through its Resolution No. 2023-\_\_ on \_\_\_\_\_, 2023 and by the Board on the same date through the Board's Resolution No. 2023-\_\_; and

WHEREAS, this DA shall take effect when executed by the Board, and approved by the Common Council;

THEREFORE, IN CONSIDERATION of the mutual promises, terms, and conditions hereinafter set forth and intending themselves to be legally bound, the Parties agree as follows:

1. **Duties of the Company.** Company agrees to undertake and perform the following duties:

a. Cause the timely and workmanlike construction of its Project in Hobart, Indiana in substantial conformance to the tax abatement application and statement of benefits (with all attachments thereto) as approved by the Common Council, and the plans and specifications submitted to, and as approved by, the City;

b. Comply with all applicable requirements of the Hobart Municipal Code ("HMC"), including the City's Zoning Ordinance, Building Codes, all other land usage ordinances, and the orders and actions of the City, including its Plan Commission, Board of Zoning Appeals, Board of Works, and Common Council;

c. Comply with the requirements of the City's Responsible Bidding Practices Ordinance (HMC §§33.200 through 207), as amended, as to any contractor and subcontractor engaged by the Company, unless the application of such Ordinance is waived by the Common Council of the City;

d. Pay In full, when required, all City fees prescribed by ordinance in connection with the construction of its Project and the tax deduction and abatement process, including, but not limited to, building permit fees, abatement application and exaction fees, financial impact and analysis fees, and compliance review fees. Company shall pay to the City the exaction fees required by City Council Resolution No. 2008-16 in the amount of one percent of the total value of the improvements and equipment, which exaction fee is presently estimated to be \$930,000 for the real property tax abatement and \$400,000 for the personal property tax abatement based on Company's tax abatement applications and respective SB-1 (statement of benefits) forms, but the actual amount of the fee shall be determined as stated in Section 1 of Resolution No. 2008-16;

i. As to the payment of the exaction fees, the City agrees that Company may pay the respective fees over a three (3) year period as follows:

1. Company shall pay at least one-third of the exaction fee for the real property tax abatement upon issuance of the building permit; and Company shall make additional payments of at least one-third of the fee on each of the subsequent two anniversaries of the issuance of the building permit until the fee is paid in full;
2. Company shall pay at least one-third of the exaction fee for the personal property tax abatement upon issuance of an invoice from the City's Clerk-Treasurer and, in any event, within thirty (30) days after approval of the tax abatement by the Common Council; and Company shall make additional payments of at least one-third of the fee on each of the subsequent two anniversaries of the approval of the tax abatement until the fee is paid in full;

e. Make or cause to be made all filings of applications and forms SB-1 (statement of benefits), 322/RE (application for deduction from assessed valuation), 103 (as to personal property assessment and deduction), and CF-1 (compliance with statement of benefits) when due under Ind. Code §6-1.1-12.1 or any other Indiana law;

f. Pay or cause to be paid when due all property taxes levied upon the real and personal property of the Company in connection with the Subject Property and the Project;

g. Ensure that the equipment to be purchased and installed as part of the Project qualifies for the personal property tax deduction provided for in Ind. Code §6-1-1.1-12.1 as "new logistical distribution equipment" and "new information technology

equipment" (as defined in Ind. Code §6-1.1-12.1-1(13) and (16), respectively), including, if needed, by working with the township assessor to obtain confirmation of the same, and be solely responsible for the consequences if the assessor denies or alters the amount of the deduction under Ind. Code §6-1.1-12.1-5.4(e), including any appeals of such a decision under -5.4(h);

h. Within 30 days of the effective date of this DA, sign and deliver to the City an affidavit pursuant to Ind. Code §22-5-1.7-11 that affirms that the Company has enrolled and is participating in the E-Verify program, provides documentation to the City that the Company is participating in the E-Verify program (for the duration of the Project work if the E-Verify program remains in existence during that period of time), and signs an affidavit affirming that the Company does not knowingly employ an unauthorized alien;

i. Refrain from any discrimination in employment on account of race, religion, gender, color, national origin, sexual orientation, disability, pregnancy, or age under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Pregnancy Discrimination Act, and any other federal law, similar state law, or local ordinance applicable to the Company's construction of the Project;

j. Comply with all applicable laws of the City, the State of Indiana, and the United States in the construction of the Project; and

k. Comply with all provisions of this DA.

2. **Duties of the City.** The City, the Board, and their officials and employees agree to undertake and perform the following duties:

a. Approve the designation of the Subject Property as an Economic Revitalization Area pursuant to Ind. Code §6-1.1-12.1 for the purpose of qualifying the Project for the grant of real and personal property tax abatements. The parties agree that the abatement to be granted by the City will conform to the following terms. These tax years are based upon information provided by Company. Company agrees to notify the City in writing if completion of the Project is delayed or accelerated, which may affect the tax years in the following tables:

Real Property:

Estimated Cost:	\$93,000,000.00
Estimated Assessed Value:	\$14,800,000.00
Deduction Period:	Ten years
Deduction Schedule:	Year one 100%
	Year two 95%
	Year three 80%
	Year four 65%
	Year five 50%
	Year six 40%
	Year seven 30%

Year eight	20%
Year nine	10%
Year ten	5%

The foregoing deduction schedule will be included in Common Council Resolution No. 2023-\_\_ as set forth on page 3 of the Baker-Tilly analysis dated April 6, 2023.

Personal Property:

Estimated Cost:	\$40,000,000.00	
Estimated Assessed Value:	\$16,625,000.00 (in pay 2027; variable thereafter)	
Deduction Period:	Ten years	
Deduction Schedule:	Year one	100%
	Year two	90%
	Year three	80%
	Year four	70%
	Year five	60%
	Year six	50%
	Year seven	40%
	Year eight	30%
	Year nine	20%
	Year ten	10%

The foregoing deduction schedule will be included in Common Council Resolution No. 2023-\_\_ as set forth on page 4 of the Baker-Tilly analysis dated April 6, 2023.

b. Provide assistance, advice, and guidance to Company at its request concerning any of the matters discussed in this DA; provided, however, the City shall have no responsibility to Company as to any determination whether the equipment to be purchased and installed as part of the Project qualifies for the personal property tax deduction provided for in Ind. Code §6-1-1.1-12.1, such being solely Company's responsibility. The City will provided its assistance and guidance to Company at no cost unless the City's staff determines that it does not have the capability to respond to Company's request and would be required to consult persons not employed by the City in assisting Company; in such event, the City will notify Company in writing and will not engage any expert consultant to the City at Company's expense without Company's written authorization to do so. Company shall also pay the reasonable cost of the City's employee time in consulting with others.

c. Provide all City services customarily provided by the City to businesses similar to the Company located in Ross Township including, but not limited to, police, fire prevention and suppression, storm water management, and street and infrastructure management of City thoroughfares. Company understands that:

i. Wastewater collection, treatment, and disposal is not the responsibility of the City, but of the Merrillville Conservancy District. And water

service is the responsibility of Indiana American Water Company, a privately-owned public utility;

ii. The assessment of real property is the responsibility of the Ross Township Assessor and the application of the deduction to the Company's assessed value is the responsibility of the Lake County Auditor; and

d. Record this fully-executed and approved DA in the office of the Lake County Recorder, Crown Point, IN, and deliver a copy of the recorded DA to Company.

3. **Additional Covenants and Representations of the Company.** In addition to the duties of the Company specified in Section 1 above, Company agrees to adhere to and carry out the following commitments and representations:

a. Employment. Company represents and agrees that (i) the Project will result in the retention of not less than one hundred four (104) current jobs and the creation of not less than ninety (90) new and additional full-time jobs during the period of the tax abatement incentives granted by the City under this DA, and (ii) the total payroll of the current jobs will be five million three hundred thousand dollars (\$5,300,000.00) and the total payroll of the new and additional jobs will be not less than four million five hundred ninety thousand dollars (\$4,590,000.00). New and additional employees of the Company, and of any other entity, who work exclusively or primarily at the Project site will be included in the job count. Company also represents that during the Construction Period the Project will result in the creation or retention of one hundred fifty (150) full-time construction jobs with a labor cost of no less than eight million three hundred eighty-five thousand dollars (\$8,385,000.00). Compliance with the above employment commitment shall be determined as described below in Section 4.a. ("**Full-time job**" shall mean an individual employee working at least forty (40) hours per week.)

b. Local Contractors. Company further represents and agrees that during the period the tax abatement incentives granted by the City under this DA are in effect (the "**Abatement Period**"), any contractors, subcontractors, or suppliers based in the City of Hobart, Indiana with competitive bids shall be preferred for all work contracted by the Company for the Project or for other work pertaining to the Subject Property.

c. Subcontractors Compliant with Ordinance. Company will ensure that all subcontractors employed in the construction of the Project meet the requirements of the City's Responsible Bidding Practices Ordinance (HMC §§33.200 through 207).

d. Tax Payments and Appeals. Company shall pay, or cause to be paid, when due, all real and personal property taxes assessed on the Subject Property and the Project. Property tax appeals shall be governed by the following requirements:

i. No Real Property Tax Appeals as to the Project. Company agrees, for itself and all affiliates, to refrain from filing or otherwise pursuing any real property tax appeal regarding the Project for any year during the Abatement Period, if such appeal would have the effect of reducing the minimum net real property

taxes payable for the Project for any of the years stated in the following table. (The parties agree that the last clause in the preceding sentence and the table below assume that the assessed value of the real property improvements for the Project will be at least \$14,800,000. In the event that the real property assessed value of the Project is less than \$14,800,000, the amount indicated in the table below for that year will be reduced by the percentage by which the actual valuation is less than \$14,800,000, so that the minimum net taxes to be paid under this no-appeal-agreement are reduced proportionately.)

***Minimum Net Real Property Taxes Table***

Taxes Payable Year	Minimum Net Real Property Taxes to be Paid (per the Baker Tilly Analysis attached as <b>Exhibit C</b> )
2027	0
2028	19,230
2029	76,910
2030	134,590
2031	192,270
2032	230,720
2033	269,170
2034	307,630
2035	346,080
2036	365,310

ii. No Personal Property Tax Appeals or Reductions as to the Project. Company agrees, for itself and all affiliates, to refrain from filing or otherwise pursuing any personal property tax appeal regarding the Project or reducing the reported acquisition cost, acquisition year, or depreciation pool for the new equipment (assumed to be Pool #1 for the IT equipment and assumed to be Pool #2 for the logistical distribution equipment per the Baker Tilly analysis attached as Exhibit C) for any year during the Abatement Period if such would have the effect of reducing the net personal property taxes payable for the equipment for that year below the minimum amount stated in the following table.

***Minimum Net Personal Property Taxes Table***

Taxes Payable Year	Minimum Net Personal Property Taxes to be Paid (per the Baker Tilly Analysis attached as <b>Exhibit C</b> )
2027	9,350
2028	69,600

2029	94,250
2030	102,670
2031	126,720
2032	158,550
2033	189,800
2034	220,290
2035	250,790
2036	281,290

iii. No Real or Personal Property Tax Appeals as to other Property. Company represents and affirms that, at the time of its execution of this DA, there are, and will be, no real or personal property tax appeals currently pending, or filed, by Company or any of its affiliates for any other real or personal property owned, regularly used, or permanently located within the City by the Company or any of its affiliates for any year during the Abatement Period.

iv. Notice and Copy of Appeals and Related Documents. With respect to any real or personal property tax appeal to be filed by Company or any of its affiliates for any property owned, regularly used, or permanently located in the City within the fifteen (15) year period after the effective date of this DA, Company agrees to provide notice to the City, through its Mayor and Director of Development, fifteen (15) days in advance of filing any such real or personal property tax appeal, a written explanation as to why the appeal is being filed, and complete copies of the appeal documents, including all schedules and exhibits. And Company shall give notice to the City, through its Mayor and Director of Development, fifteen (15) days in advance of making or filing any significant changes in the reporting of the acquisition cost, acquisition year, depreciation classification, or other characteristic of the

v. Compliance Review Fee for Personal Property Tax Abatement. Company shall pay the annual compliance review fee as prescribed by HMC §32.02(B).

vi. Annual Recalculation. On or before March 1 of each year during the Abatement Period, the City, acting through its financial advisors, may, at its discretion, obtain the latest available applicable assessment and tax rate figures for the Project and calculate the actual figure for real property taxes to be paid in that year. In the event that the difference between the figure calculated for that year and the figure stated in the table in Section 3.d.i. results in an increase in the tax to be paid in the amount of \$1,000.00 or more, then the City may, at its discretion, adjust the table in Section 3.d.i. for that year and the subsequent years accordingly, and Company shall be given written notice of the newly calculated amount and the adjusted table, and shall pay at least that amount in that year, when due, and the adjusted amounts in all subsequent years in the Abatement Period, unless a recalculation done in any of those years results in subsequent changes to the table. Company agrees to execute a reimbursement agreement under HMC Chapter 155

annually and to make the deposit required under that agreement to cover the fee charged by the City's financial and legal advisors to perform this recalculation and review compliance with the minimum tax payments.

vii. Representations and Agreements Incorporated by Reference. The material representations and agreements made by the Company and contained in its Applications for Tax Abatement, forms SB-1 (statement of benefits), 322/RE (application for deduction from assessed valuation), and CF-1 (compliance with statement of benefits), and all exhibits and schedules attached thereto or referenced therein, shall be deemed to be incorporated into this DA by reference and made a part hereof, except the terms of this DA shall govern in the event of any conflict.

e. Other Representations of the Company. Company hereby makes the following representations and warranties, and acknowledges and agrees that such representations and warranties have been material to the City Parties' decisions to enter into this DA, and further agrees that each representation and warranty shall be true, accurate and complete as of the execution of this DA:

i. Lineage Logistics, LLC is a company validly organized and existing under the laws of the State of Delaware, and it is authorized to do business in the State of Indiana;

ii. All necessary action has been taken to authorize Company's execution of this DA; Company possesses the requisite power to enter into this DA and all other agreements contemplated hereby, and to perform its obligations hereunder; and this DA constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and subject to the exercise of judicial discretion in accordance with general principles of equity;

iii. Neither the execution and delivery by Company of this DA, the consummation of the transactions contemplated herein, nor compliance with the provisions hereof violates, breaches, contravenes, conflicts with, or causes a default under any provision of the articles of organization, operating agreement, by-laws or other any other organic or governance document of the Company or any provision of any existing note, bond, mortgage, debenture, indenture, trust, license, lease, instrument, decree, order, judgment or agreement to which the Company is a party or by which it or its assets may be bound or affected;

iv. No litigation or proceeding in any court or before any other governmental authority or other person or entity is currently pending or, to the knowledge of the Company, threatened, which seeks to enjoin or otherwise could prevent the Company from entering into this DA or any of the transactions contemplated hereby;

v. Company is entering into this DA for the sole purpose of providing for the construction of the Project described above, subject to and in accordance with the terms and conditions of this DA; and

vi. Company represents and agrees to use commercially reasonable efforts to construct the Project on time such that its anticipated completion date by July 31, 2025 will be met, subject only to unforeseeable delay caused by one of the following events outside of Company's commercially reasonable control that makes timely completion not reasonably possible: destruction of all or a substantial portion of the building by an act of God, riot or civil insurrection, impossibility of obtaining adequate supplies to support construction despite Company's best efforts to obtain them, strikes or work stoppages despite Company's best efforts to avoid them, or epidemics or pandemics and any governmental orders, actions, shut-downs, mandates, restrictions, or quarantines resulting from the same.

A. In the event that the Project is delayed such that the assessment of the Project for real or personal property tax purposes cannot be accomplished in time for tax payable year 2027, the City reserves the right to obtain an updated financial impact analysis from its financial and legal advisors at Company's expense and to establish amended tables of real and personal property taxes to be paid in Section 3.d.i. of this DA, the methodology for the determination of which shall be consistent with that which resulted in the table above. The City shall give written notice to Company of the updated analysis and newly established table.

B. Notwithstanding the foregoing paragraph, in the event that the Project is not completed and occupied by December 2025, the City may, at its sole discretion, terminate this DA and the tax abatement incentive granted herein in the manner provided by law.

4. **Return of Benefits.** Within 90 days of the occurrence of any one or more of the events stated below in Section 4.a. at any time in any year during the Abatement Period, Company, and its successors or assigns, shall pay to the City the difference between (1) the sum of all real and personal property taxes for which Company would have been liable for all years through the date of the occurrence had the tax abatement incentive granted in this DA not been in place and (2) the sum of real and personal property taxes actually paid for all years through the date of the occurrence (such difference being referred to as the "**Abated Taxes**"). Company shall make the payment in the full amount of the Abated Taxes by check or wire transfer made payable to the City and delivered to the Office of Clerk-Treasurer, 414 Main Street, Hobart, Indiana 46342, or such other governmental entity as the City may direct in writing.

a. Events Requiring Payment of Abated Taxes. The events which shall require payment of the Abated Taxes are the following:

- i. The seizure, attachment, or foreclosure of any part of the Project;
- ii. Any vacancy or abandonment of, or suspension or cessation of operations at, any portion of the Project after June 1, 2025 for a period of 180 days or more or for a cumulative 180 days or more out of any rolling period of up to 60-months;
- iii. Failure of Company, at the end of construction, to achieve at least ninety-five percent (95%) of the Cost of Construction;

iv. Failure of Company, at the end of construction, to achieve at least ninety-five percent (95%) of the Cost of Equipment;

v. Failure of Company to achieve and maintain the creation of at least eighty-six (86) of the ninety (90) new and additional full-time jobs described in Section 3.a.;

vi. Failure of Company to achieve and maintain a total payroll for new and additional full-time jobs of at least ninety-five percent (95%) of the \$4,590,000 described in Section 3.a.;

vii. Failure of Company to achieve and maintain the retention of at least one hundred two (102) of the one hundred four (104) full-time jobs described in Section 3.a.; or

viii. Failure of Company to achieve and maintain a total payroll for the retained jobs of at least ninety percent (98%) of the \$5,300,000.00 described in Section 3.a.

ix. Failure to comply with the tax payment and appeal provisions of Section 3.d. and its subsections.

b. Termination of Tax Abatement. The City, in its sole discretion, may reduce, suspend, or terminate the tax abatement incentives under this DA for any or all remaining years upon the occurrence of any one or more of the events stated in Section 4.a. above.

c. Termination of Section 4. The effectiveness of the provisions of this Section 4 shall expire at the end of the abatement period granted under this DA.

**5. Additional Reporting Obligations during Construction.**

a. Upon substantial completion of the Project, Company agrees to report or cause to be reported to the City, the total number of local contractors and subcontractors involved in the Project, and the actual total Cost of Construction expended by the Company. As used herein, the term "local" is defined to mean the City.

b. Not more often than every other month during the Construction Period, the Company, upon a written request from the City, will deliver to the City a written report which shall include the following information: (i) a general status report of the construction completed to date, and (ii) an update on the Project schedule. Upon the Project's completion, Company will report its total monetary investment in the Project.

**6. Material Consideration.** Company acknowledges and agrees that its agreements to perform and abide by the covenants and obligations set forth in this DA are material consideration for the commitments of the City Parties to perform and abide by their covenants and obligations contained in this DA.

7. **Mutual Assistance.** The Parties agree, subject to further proceedings required by law, to take such actions, including the execution and delivery of such reports, documents, instruments, petitions, and certifications, as may be necessary or appropriate in good faith, from time to time, to carry out the terms, provisions, and intent of this DA and to aid and assist each other in carrying out said terms, provisions, and intent.

8. **Community Engagement.** Company, as a Hobart business, acknowledges and agrees that it will in good faith fully engage with the community of Hobart, and it will support groups, organizations, initiatives, and institutions that contribute to the improvement of the quality of life in Hobart and the betterment of the City. Such engagement and support may include, but is not limited to, financial contributions, volunteering of time, and participating in social, cultural, civic, and religious events within the City. As a part of its annual filing of form CF-1, Company shall include an overview outlining those actions Company and its employees have undertaken to meet Company's obligation under this Section 8. Notwithstanding the foregoing, Company's failure to meet its community engagement obligations set forth in this Section shall not constitute a default under this DA.

9. **Cooperation.** In the event of any administrative, legal, or equitable action or other proceeding instituted by any person not a party to this DA challenging its validity or the validity of any provision thereof, the Parties shall cooperate in defending such action or proceeding to settlement or final judgment including all appeals. Each Party shall select its own legal counsel and retain such counsel at its own expense, and in no event shall the City Parties be required to bear the fees and costs of Company's attorneys, nor shall Company be required to bear the fees and costs of the City Parties' attorneys. The Parties agree that this Section 9 shall constitute a separate agreement entered into concurrently with this DA, and that, if any other provision of this DA, or this DA as a whole is invalidated, rendered null, or set aside by a court of competent jurisdiction, the Parties agree to be bound by the terms of this Section 9, which shall survive such invalidation, nullification, or setting aside.

10. **Enforcement and Attorney Fees.** The provisions of this DA may be enforced by either of the City Parties or Company through any and all remedies available at law or in equity. In the event of any litigation or arbitration by the Parties regarding an alleged breach of this DA, the prevailing party will be entitled to recover its reasonable attorney fees and expenses of litigation.

11. **No Agency, Joint Venture, or Partnership.** It is specifically understood and agreed to by and between the Parties that the Project is a private development. The City Parties and Company agree that there is no form of any agency relationship, joint venture, or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between the Parties.

12. **Conflict of Interest; Representatives of City Parties Not Individually Liable.** No member, official, or employee of the City Parties shall have any personal interest, direct or indirect, in this DA, nor shall any such member, official, or employee participate in any decision related to this DA which affects his/her personal interests or the interests of any corporation, partnership, or association in which he/she has a direct or indirect financial interest. No member, official, or employee of the City Parties shall be personally liable to Company (or to any successor in interest) in the event of any default or breach by the City Parties, nor for any amount which may become due to the Company (or to any successor in interest) on any obligations under the terms

of this DA. No member, employee, or agent of Company (or its successors in interest) shall be personally liable to the City Parties under this DA.

13. **Time of the Essence; Future Acts and Good Faith.** Time is of the essence of this DA. The Parties acknowledge and understand that (a) the Parties must take future actions to implement and maintain their respective obligations under this DA, and (b) certain of the representations, performance of the covenants, and agreements of the City Parties are subject to and contingent upon compliance with and completion of applicable statutory and administrative procedures, including, without limitation, any applicable public notice and public hearing requirements, official actions by governing bodies, and any remonstrance and appeal rights. Subject to compliance with and to the fullest extent permitted by applicable laws, each of the City Parties covenants that it shall diligently pursue and use its best efforts to do all things lawfully within its power to take such future actions and to comply with all applicable statutory and administrative proceedings at such times and in such manner as to effectuate and implement the provisions and intent of this DA to the fullest extent possible in accordance with the time limits set forth herein.

14. **Waiver of Jury Trial.** The parties acknowledge that disputes arising under this DA are likely to be complex and they desire to streamline and minimize the cost of resolving the same. Each party irrevocably waives the right to trial by jury in any action, counterclaim, dispute, or proceeding based upon or related to the subject matter of this DA. This waiver applies to all claims against all parties to such actions and proceedings. This waiver is knowingly, intentionally, and voluntarily made by the Parties.

15. **Severability.** If any one or more than one of the covenants, terms, or conditions of this DA should be determined by a court of competent jurisdiction to be unenforceable or contrary to law, such covenant, term, or condition shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and the remaining provisions of this DA shall be given effect to the extent practicable. Notwithstanding the foregoing, in the event any provision of this DA is determined to be invalid under any applicable law and therefore deemed void hereunder, and such voided provision prevents Company or the City Parties from realizing the intended benefits of this DA, then Company and the City Parties agree to modify this DA in a manner that allows each of the Parties to realize the originally intended benefits of this DA to the greatest extent possible. If the DA cannot be so modified or amended to allow the Parties to realize the originally intended benefits, then either Company or the City Parties shall have the right to terminate this DA and upon such termination all rights and obligations under this DA shall be extinguished, except those under Section 4 as to Abated Taxes and Section 9 as to cooperation, and the Parties agree to execute such releases or other evidence of the extinguishment of such obligations as may be necessary.

16. **No Other Agreement.** With the exception of any written reimbursement agreements between Company and the City concerning the reimbursement of expenses incurred by the City Parties in relation to this DA, and as otherwise expressly provided herein, this DA supersedes all other prior agreements, negotiations, and discussions related to the subject matter hereof and is a full integration of the agreement of the Parties.

17. **Counterparts.** This DA may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. A digital copy of a manually executed original shall be deemed an original.

18. **Notices and Demands.** A notice, demand, or other communication under this DA by any party to any other shall be sufficiently given or delivered if it is sent by registered or certified mail (postage prepaid, return receipt requested), sent by commercial delivery service with signature required for delivery, or delivered personally, and in the case of Company, is addressed to or delivered personally to:

Company: Lineage Logistics  
46500 Humboldt Drive  
Novi, MI 48377  
Attn: Real Estate Department

With copies to: Lineage Logistics  
1 Park Place, Suite 550  
Irvine, CA 92614  
Attn: Legal Department

In the case of the City Parties or either of them, addressed to or delivered personally to:

City: Mayor Brian K. Snedecor  
City of Hobart  
414 Main Street  
Hobart, IN 46342

With copies to: Beth Jacobson, Director of Development  
City of Hobart  
414 Main Street  
Hobart, IN 46342

Heather A. McCarthy, City Attorney  
Hobart Department of Law  
705 East 4<sup>th</sup> Street  
Hobart, IN 46342

Ryan A. Cook  
Eichhorn & Eichhorn, LLP  
2929 Carlson Drive, Suite 100  
Hammond, IN 46323

or at such other address with respect to such Party as that Party may, from time to time, designate in writing and forward to the other Party as provided herein.

19. **Governing Law.** This DA shall be construed and enforced under the laws of the State of Indiana. The Parties agree to submit to the exclusive jurisdiction and venue of the courts

of the State of Indiana, including, if the City so elects, its Commercial Court, sitting in Lake County, Indiana or the U.S. District Court for the Northern District of Indiana, Hammond Division.

20. **Authority.** The undersigned persons executing and delivering this DA on behalf of each of the Parties represent and certify that they are the duly authorized officers of such Party and have been fully empowered to execute and deliver this DA on behalf of such Party and that all necessary actions to execute and deliver this DA have been taken by such Party.

21. **No Third-Party Beneficiaries.** Nothing in this DA, express or implied, is intended or shall be construed to confer upon any person, firm, or corporation other than the Parties hereto and their respective successors or assigns, any remedy or claim under or by reason of this DA or any term, covenant, or condition hereof, as third-party beneficiaries or otherwise, and all of the terms, covenants, and conditions hereof shall be for the sole and exclusive benefit of the Parties.

22. **Assignment.** Upon written consent of the City Parties, Company may assign its rights, benefits, and obligations under this DA to another party that has demonstrated its capability of performing all of the terms, covenants, and conditions of this DA that are binding on Company. Such consent shall not, in such case, be unreasonably withheld.

23. **Amendments.** This DA may only be amended, in whole or in part, by a written agreement executed by the Parties and adopted in like manner as this DA.

24. **Default.** Any material failure by any Party to perform any term or provision of this DA, which failure continues uncured for a period of thirty (30) days following written notice of such failure provided to the defaulting party from another Party, unless such period is extended by written mutual consent (but any extension is at the non-defaulting Party's sole discretion), shall constitute a default under this DA ("Default"). Any notice given pursuant to the preceding sentence shall specify the nature of the alleged failure and, where appropriate, the manner in which said failure may be cured satisfactorily. If the nature of the alleged failure is such that it cannot reasonably be cured within such 30-day period (provided that economic considerations may not be a factor in any delay), then the commencement of the cure within such time period, and the diligent prosecution to completion of the cure thereafter, shall be deemed to be a cure within the 30-day period. Upon the occurrence of a Default, a non-defaulting Party may institute legal proceedings at law or in equity (including any action to compel specific performance) to enforce the observance and performance of any covenant, condition, obligation, or agreement of the defaulting party under this DA; provided, that, in no event shall any Party have the right to terminate this DA, except as otherwise provided in this DA. If the Default is cured, then no Default shall exist and the noticing Party shall take no further action.

*[Remainder of page intentionally left blank; signature pages and exhibits follow.]*

IN WITNESS WHEREOF, the Parties have executed this Development Agreement as of the date first above written.

**LINEAGE LOGISTICS, LLC**

By: \_\_\_\_\_  
**BRIAN MCGOWAN,**  
**Chief Network Optimization Officer**

STATE OF MICHIGAN     )  
  ) ss:  
OAKLAND COUNTY        )

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared BRIAN MCGOWAN, signatory to the above instrument and a person known to me, who acknowledged execution of same in such capacities as his free and voluntary acts for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this \_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public

Name Printed: \_\_\_\_\_

County of Residence: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

CITY OF HOBART, INDIANA ("CITY"),  
a municipal corporation

By: \_\_\_\_\_  
BRIAN K. SNEDECOR, Mayor

ADOPTED and APPROVED by the City of Hobart Board of Public Works & Safety on this \_\_\_\_  
day of \_\_\_\_\_, 2023.

CITY OF HOBART BOARD OF PUBLIC  
WORKS AND SAFETY ("Board")

\_\_\_\_\_  
BRIAN K. SNEDECOR, Presiding Officer

\_\_\_\_\_  
DEBORAH A. LONGER, Member

\_\_\_\_\_  
RICH LAIN, Member

ATTEST: \_\_\_\_\_  
DEBORAH A. LONGER, Clerk-Treasurer

STATE OF INDIANA        )  
                                  ) ss:  
LAKE COUNTY            )

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared BRIAN K. SNEDECOR and DEBORAH A. LONGER, Mayor-Presiding Officer of the City of Hobart Board of Public Works and Safety and Clerk-Treasurer of the City of Hobart, Indiana, respectively, signatories to the above instrument and persons known to me, who acknowledged execution of same in such capacities on behalf of said City, as their free and voluntary acts, for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this \_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public

Name Printed: \_\_\_\_\_

County of Residence: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

STATE OF INDIANA        )  
  ) ss:  
LAKE COUNTY                )

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared DEBORAH A. LONGER and RICH LAIN, Members of the Board of Public Works and Safety of the City of Hobart, Indiana, signatories to the above instrument and persons known to me, who acknowledged execution of same in such capacities on behalf of said Board, as their free and voluntary acts, for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public

Name Printed: \_\_\_\_\_

County of Residence: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

This instrument prepared by: Ryan A. Cook, Eichhorn & Eichhorn, LLP  
2929 Carlson Drive, Suite 100, Hammond, IN 46323  
Ph. 219-931-0560; Email: rcook@eichhorn-law.com

**EXHIBIT A**

ALL THAT PART OF THE NORTH HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 35 NORTH, RANGE 8 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN LAKE COUNTY, INDIANA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SAID SOUTHEAST QUARTER; THENCE SOUTH 89 DEGREES 28 MINUTES 07 SECONDS EAST ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 579.59 FEET; THENCE SOUTH 16 DEGREES 33 MINUTES 51 SECONDS EAST INTO SAID SOUTHEAST QUARTER, A DISTANCE OF 346.90 FEET; THENCE SOUTH 89 DEGREES 43 MINUTES 56 SECONDS EAST, A DISTANCE OF 127.97 FEET; THENCE SOUTH 09 DEGREES 50 MINUTES 39 SECONDS EAST, A DISTANCE 1004.69 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE WEST HALF OF THE SAID SOUTHEAST QUARTER; THENCE NORTH 89 DEGREES 30 MINUTES 24 SECONDS WEST ALONG THE SAID SOUTH LINE, A DISTANCE OF 977.78 FEET TO THE SOUTHWEST CORNER OF THE NORTH HALF OF THE WEST HALF OF THE SAID SOUTHEAST QUARTER; THENCE NORTH 00 DEGREES 01 MINUTES 11 SECONDS WEST ALONG THE WEST LINE OF THE SAID SOUTHEAST QUARTER, A DISTANCE OF 1319.96 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS APPROXIMATELY 1,090,025 SQUARE FEET, 25.02 ACRES.

## EXHIBIT B

### New Logistical Distribution Equipment

<b>Asset Description</b>	<b>Acquisition Cost</b>	<b>Useful Life</b>	<b>Assessed Value</b>
Conveyor system and associated equipment supporting conveyors	\$ 9,000,000	5-8 years	\$3,600,000
Cranes and crane system (i.e. electrical wiring, control system, etc.)	\$ 15,000,000	5-8 years	\$6,000,000
Layer pick gantry systems	\$ 7,000,000	5-8 years	\$2,800,000
Mobile equipment - Rail guided vehicle (and track system), maintenance vehicles	\$ 3,000,000	5-8 years	\$1,200,000
Scanners and Labelers	\$ 500,000	1-4 years	\$200,000
Warehouse management and control systems	\$ 600,000	5-8 years	\$240,000
Material Handling Equipment	\$ 2,000,000	5-8 years	\$800,000
Office Furniture/Fixtures	\$ 900,000	5-8 years	\$360,000

### New IT Equipment

IT equipment and associated infrastructure system	\$ 2,000,000	1-4 years	\$800,000
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EXHIBIT C



April 6, 2023

Baker Tilly Municipal Advisors, LLC  
8365 Keystone Crossing, Ste 300  
Indianapolis, IN 46240  
United States of America

T: +1 (317) 465 1500  
F: +1 (317) 465 1550  
bakertilly.com

Ms. Beth Jacobson, Director of Development  
City of Hobart  
414 Main Street  
Hobart, Indiana 46324

Re: Proposed Lineage Logistics, LLC Expansion

Dear Ms. Jacobson:

Per your request, we have prepared this illustrative property tax abatement analysis to assist you in the discussion and consideration of incentives for the personal property component of the proposed Project Lineage Logistics, LLC Expansion. The attached schedules (listed below) present unaudited and limited information. The use of these schedules should be restricted to this purpose, for internal use only, as the information is subject to future revision and final report.

<u>Page</u>	
2	Assumptions
3	Estimated Property Tax Liability for the Proposed Investment in Real Property
4	Estimated Property Tax Liability for the Proposed Investment in Personal Property
5	Estimated Annual Combined Property Tax Abatement Savings

In the preparation of these schedules, certain assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion thereon nor do we have a responsibility to prepare subsequent reports.

We would appreciate your questions or comments on this information and would provide additional information upon request.

Very truly yours,

BAKER TILLY MUNICIPAL ADVISORS, LLC

Matthew R. Eckerle, Principal

CITY OF HOBART, INDIANA

*Proposed Lineage Logistics, LLC Expansion*

**ASSUMPTIONS**

*The following investment assumptions are based on information provided by company representatives*

	<u>Estimated Cost</u>
<b>Real Property:</b>	
New Building Construction (1)	
- First assessed January 1, 2026 for taxes payable in 2027	\$93,000,000
<b>Depreciable Personal Property:</b>	
Proposed Investment (1)	
Pool #1 (2)	
- First assessed January 1, 2026 for taxes payable in 2027	\$2,500,000
Pool #2 (3)	
- First assessed January 1, 2026 for taxes payable in 2027	<u>37,500,000</u>
Subtotal	<u>40,000,000</u>
<b>Total Investment</b>	<u><u>\$133,000,000</u></u>

- (1) Per investment information provided by Company representatives.
- (2) For the purposes of this analysis, it has been assumed that the proposed equipment will be purchased as new and be depreciated in Pool # 1 (1 - 4 year useful life) for property tax purposes. Once installed, the Company may report the depreciation in a different pool, which may have a material effect on the resulting tax increment calculations. No assumption has been made for future equipment retirement/replacement.
- (3) For the purposes of this analysis, it has been assumed that the proposed equipment will be purchased as new and be depreciated in Pool # 2 (5 - 8 year useful life) for property tax purposes. Once installed, the Company may report the depreciation in a different pool, which may have a material effect on the resulting tax increment calculations. No assumption has been made for future equipment retirement/replacement.

**Property Tax Rates**

Certified Pay 2023 Tax Rate

- Hobart-Ross Township Taxing District

\$3.0434

Note: Indiana Code 6-1.1-20.6 provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property (the "Circuit Breaker Tax Credit"). For commercial and industrial property, the Circuit Breaker Tax Credit reduces a taxpayer's tax liability to 3% of their property's gross assessed value. The Indiana property tax caps, in combination with other potential future changes, such as increases in budgets and tax rates of overlapping taxing units, a loss of a major taxpayer, the adoption of local option income tax for property tax relief purposes, or future changes in Indiana property tax law and regulations, could affect the actual assessed value of the proposed development and the applicable property tax rates, and cause the actual property tax liability to differ significantly from the estimates shown in these schedules.

(Subject to the attached letter dated April 6, 2023)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

CITY OF HOBART, INDIANA

Proposed Lineage Logistics, LLC Expansion

**ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN REAL PROPERTY**

Assumes a 10-year real property tax abatement

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)		Net Tax Rate (3)	Estimated Property Tax Liability			Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement		With Proposed Abatement	Without Proposed Abatement	Net Taxes	
2027	\$0	\$14,800,000	\$2.5982	\$0	\$0	\$0	\$384,530
2028	740,000	14,800,000	2.5982	19,230	19,230	0	384,530
2029	2,960,000	14,800,000	2.5982	76,910	76,910	0	384,530
2030	5,180,000	14,800,000	2.5982	134,590	134,590	0	384,530
2031	7,400,000	14,800,000	2.5982	192,270	192,270	0	384,530
2032	8,880,000	14,800,000	2.5982	230,720	230,720	0	384,530
2033	10,360,000	14,800,000	2.5982	269,170	269,170	0	384,530
2034	11,840,000	14,800,000	2.5982	307,630	307,630	0	384,530
2035	13,320,000	14,800,000	2.5982	346,080	346,080	0	384,530
2036	14,060,000	14,800,000	2.5982	365,310	365,310	0	384,530
Totals				\$1,941,910	\$1,941,910	\$0	\$3,845,300
							\$1,903,390

- (1) Assumes a 165,000 square foot building per local economic development officials. Assumes the proposed building will be assessed at \$80 per square foot based upon the company's existing facility located in Hobart, Indiana. The actual assessed value will be determined by the Lake County Assessor upon completion, and the actual value may vary materially from the value assumed in this estimate.
- (2) Assumes a 10-year real property tax abatement for the proposed investment with the following deduction percentages: 100%, 95%, 80%, 65%, 50%, 40%, 30%, 20%, 10%, and 5%.
- (3) Represents the certified pay 2023 tax rate for the Hobart Corp.-Ross Twp. taxing district of \$3.0434. Accounts for the application of the pay 2023 LIT PTRC of 14.6280%.
- (4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for a commercial or industrial parcel, is applied. Accounts for the pay 2023 LIT PTRC of 14.6280%

Note: The above contains no assumption for land value or the value of existing real estate improvements. Changes to the assumptions outlined above and on page 2 may have a material effect on the property tax liability estimates contained in this analysis.

(Subject to the attached letter dated April 6, 2023)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

CITY OF HOBART, INDIANA

Proposed Lineage Logistics, LLC Expansion

**ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN PERSONAL PROPERTY**

Assumes a 10-year personal property tax abatement

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)		Net Tax Rate (3)	Estimated Property Tax Liability			Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement		With Proposed Abatement	Without Proposed Abatement	Net Taxes	
2027	\$360,000	\$16,625,000	2.5982	\$9,350	\$431,950	\$0	\$422,600
2028	2,678,600	22,250,000	2.5982	69,600	578,100	0	508,500
2029	3,627,400	16,625,000	2.5982	94,250	431,950	0	337,700
2030	3,951,600	12,500,000	2.5982	102,670	324,780	0	222,110
2031	4,877,185	12,000,000	2.5982	126,720	311,780	0	185,060
2032	5,102,110	12,000,000	2.5982	158,550	311,780	0	153,230
2033	7,304,870	12,000,000	2.5982	189,800	311,780	0	121,980
2034	8,478,652	12,000,000	2.5982	220,290	311,780	0	91,490
2035	9,652,435	12,000,000	2.5982	250,790	311,780	0	60,990
2036	10,826,217	12,000,000	2.5982	281,290	311,780	0	30,490
Totals				\$1,503,310	\$3,637,460	\$0	\$2,134,150

(1) See page 2. Assumes the investment is reported under the Lineage Logistics Services, LLC taxpayer name, per company representatives. Accounts for the impact of the existing personal property investment of Lineage Logistics Services, LLC.

(2) Assumes a 10-year personal property tax abatement for the proposed investment with the following deduction percentages: 100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, and 10%. Assumes the Office Furniture/Fixtures are not eligible for a personal property tax abatement.

(3) Represents the certified pay 2023 tax rate for the Hobart Corp.-Ross Twp. taxing district of \$3.0434. Accounts for the application of the pay 2023 LIT PTRC of 14.6280%.

(4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for a commercial or industrial parcel, is applied. Accounts for the pay 2023 LIT PTRC of 14.6280%

Note: Changes to the assumptions outlined above and on page 2 may have a material effect on the property tax liability estimates contained in this analysis.

(Subject to the attached letter dated April 6, 2023)  
(Preliminary - Subject to Change)  
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**CITY OF HOBART, INDIANA**

***Proposed Lineage Logistics, LLC Expansion***

**ESTIMATED ANNUAL COMBINED PROPERTY TAX ABATEMENT SAVINGS**

***Assumes 10-year real property personal property tax abatements***

Taxes Payable Year	Estimated Abatement Savings		
	Real Property	Personal Property	Total
	(1)	(2)	
2027	\$384,530	\$422,600	\$807,130
2028	365,300	508,500	873,800
2029	307,620	337,700	645,320
2030	249,940	222,110	472,050
2031	192,260	185,060	377,320
2032	153,810	153,230	307,040
2033	115,360	121,980	237,340
2034	76,900	91,490	168,390
2035	38,450	60,990	99,440
2036	19,220	30,490	49,710
<b>Totals</b>	<b>\$1,903,390</b>	<b>\$2,134,150</b>	<b>\$4,037,540</b>

(1) See page 3

(2) See page 4

(Subject to the attached letter dated April 6, 2023)  
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