

**RESOLUTION NO. 2013-03**

**A RESOLUTION OF THE  
CITY OF HOBART, INDIANA, COMMON COUNCIL  
PROVIDING PRELIMINARY APPROVAL OF THE ISSUANCE  
OF BONDS FOR THE PURPOSE OF PROVIDING CERTAIN  
ECONOMIC DEVELOPMENT FACILITIES**

WHEREAS, the City of Hobart, Indiana (the "City") is authorized by I.C. 36-7-11.9 and 12, as supplemented and amended (the "Act"), to issue revenue bonds for the financing of economic development facilities, the funds for said financing to be used for the acquisition, construction, installation and equipping of said facilities; and

WHEREAS, ITR America, LLC (the "Applicant") has advised the City's, Economic Development Commission (the "Commission") and the City that it proposes that the City issue economic development revenue bonds for the purpose of providing financing for a portion of certain economic development facilities consisting of the acquisition, construction, installation and equipping of a facility to be located on a parcel of land located at 6301 NorthWind Parkway in the City (the "Project"); and

WHEREAS, the real estate, the building and the equipment comprising the Project will be owned by the Applicant for use in its business of manufacturing, assembling and distributing track groups for use on bulldozers; and

WHEREAS, the Applicant has proposed that the City issue its revenue bonds under the Act in two (2) series with one (1) series to be issued on a tax-exempt basis and the other series to be issued on a taxable basis with the total aggregate principal amount of said revenue bonds to be issued not to exceed \$5,850,000 to finance the acquisition and installation of the Project under a financing agreement whereby the proceeds of such bonds would be utilized to acquire and install the Project and the Applicant would make payments sufficient to pay the principal of, premium, if any, and interest on said bonds; and the Applicant has further advised the City that the determination by the City to accept such a proposal for financing the Project will constitute a substantial inducement to the Applicant to proceed with the Project; and

WHEREAS, the Applicant has submitted evidence regarding the lack of an adverse competitive effect of the Project on similar facilities already constructed or operating in the City; and

WHEREAS, it is estimated that the Project will result in the retention of twenty (20) full and part-time jobs and the creation of an additional twenty (20) full-time jobs with an estimated annual payroll of \$31,000 per employee; and

WHEREAS, the Commission has rendered a report concerning the proposed financing of economic development facilities for the Applicant which report incorporates findings of fact by the Commission; and

WHEREAS, the Commission has given its approval to such financing of the Project; and

WHEREAS, the issuance and sale of said revenue bonds will not reduce the legal bonding capacity of the City; and

WHEREAS, the City shall bear no expense in connection with the issuance and sale of said revenue bonds and all expenses in connection thereto which are incurred by the City shall be reimbursed to the City by the Applicant; and

WHEREAS, the principal and interest payable on said bonds are not payable from funds raised by taxation by the City; and

WHEREAS, the issuance of said bonds shall not obligate the full faith and credit for the taxing power of the City; and

WHEREAS, subject to required approvals, it appears that the financing of the Project would be a public benefit to the health, prosperity, economic stability and general welfare of the City and its inhabitants;

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

SECTION 1. The Common Council finds, determines, ratifies and confirms that the creation and retention of opportunities for gainful employment and the creation of business opportunities to be achieved by the Project in the City will be of benefit to the health and general welfare of the citizens of the City; and that it is in the public interest that this Common Council take such action as it lawfully may to encourage diversification of industry and promotion of job opportunities in the City.

SECTION 2. The Common Council further finds, determines, ratifies and confirms that the issuance and sale of economic development revenue bonds of the City in two (2) series under the Act in an aggregate principal amount not to exceed \$5,850,000 for the Project and the loan of the proceeds of the revenue bonds to the Applicant will serve the public purposes referred to above, in accordance with the Act.

SECTION 3. In order to induce the Applicant to proceed with the Project, the Common Council hereby finds, determines, ratifies and confirms that:

- i) It will take or cause to be taken such actions pursuant to the Act as may be reasonably required to implement the aforesaid financing, or as it may

deem reasonably appropriate in pursuance thereof; provided that all of the foregoing shall be mutually acceptable to the City and the Applicant; and

- ii) It will adopt such ordinances and resolution and authorize the execution and delivery of such instruments and the taking of such action as may be reasonably necessary and advisable for the authorization, issuance and sale of said economic development bonds.

SECTION 4. All costs of the Project incurred for planning, engineering, interest paid during construction, underwriting expenses, attorney and bond counsel fees, acquisition, construction and equipping of the Project, including reimbursement or repayment to the Applicant of moneys expended prior to the adoption by the City of this resolution would be permitted to be included as part of the Project costs to be financed out of the loan of the proceeds from the sale of the bonds to the extent permitted by the Act and, with respect to the tax-exempt series of bonds, applicable regulations promulgated under the Internal Revenue Code of 1986, as amended.

SECTION 5. All action taken and approvals given by the City with regard to the Applicant, are based upon the evidence submitted and representations made by the Applicant, its agents or counsel, to the Commission and the City. No independent examination, appraisal or inspection of the Project was made, requested, or is contemplated by the City.

SECTION 6. The City does not, by this or any other approval or funding, guarantee, warrant or even suggest that the bonds, coupons or series thereof will be a reasonable investment for any person, firm or corporation.

SECTION 7. The City shall not be obligated, directly or indirectly, to see to the application or use of the proceeds from the sale of the bonds or to see that the contemplated improvements, if any, are constructed. The City is in no way responsible to the holders of any bonds for any payment obligation created by the bonds.

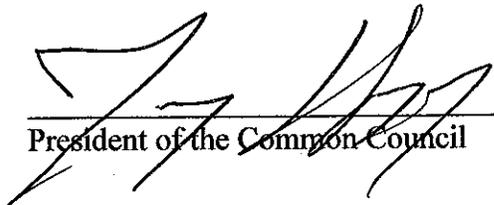
SECTION 8. The City does not warrant, guarantee or even suggest that interest to be paid to or income to be received by the holders of any bond, coupon, or series thereof is exempt from taxation by any local, state or federal government.

SECTION 9. The bonds shall be limited, special obligations of the City payable solely from the funds provided therefor as described in the indenture authorizing the bonds, and shall not constitute an indebtedness of the Commission or the City or a loan of the credit thereof.

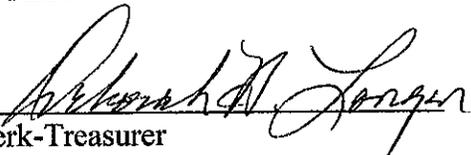
SECTION 10. This resolution does not constitute a binding obligation of the Commission or the City to issue the bonds, but instead, is a commitment by the City to proceed with negotiations for the financing described herein with the Applicant and is subject to the adoption of a bond ordinance by the City in accordance with the provision of the Act.

SECTION 11. This resolution shall be in full force and effect upon adoption by the Common Council and compliance with the procedures required by law.

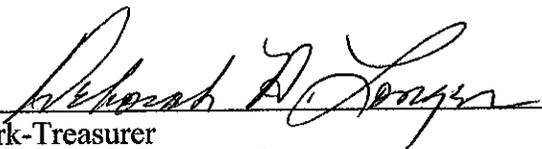
PASSED AND ADOPTED this 6<sup>th</sup> day of ~~February~~ <sup>March</sup>, 2013.

  
\_\_\_\_\_  
President of the Common Council

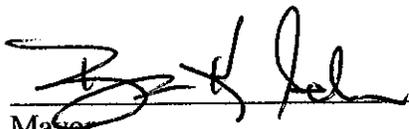
ATTEST:

  
\_\_\_\_\_  
Clerk-Treasurer

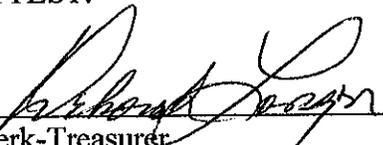
PRESENTED to the Mayor by me this 6<sup>th</sup> day of ~~February~~ <sup>March</sup>, 2013.

  
\_\_\_\_\_  
Clerk-Treasurer

APPROVED by me this 7<sup>th</sup> day of ~~February~~ <sup>March</sup>, 2013.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
Clerk-Treasurer

### CITY OF HOBART

#### AGENDA ITEM REQUEST FORM

(Please Print)

Meeting Date: March 6, 2013

Board of Public Works (4:00 p.m.)

Res. 2013 - 03

Common Council (6:00 p.m.)

Item to be Added to Agenda: A resolution of the City of Hobart, Indiana  
Common Council providing preliminary  
approval of the issuance of bonds for the purpose of providing  
certain economic development facilities

Brief Description of Request for Consideration:

Application fee has been paid for IDB, Reimbursement Agreement executed with 50% payment made for estimated \$27,000 in legal fees. Report & Findings of Fact filed with City Planner. Application from company attached. Calendar attached with steps outlined. EDC passed their inducement resolution 2013-01 on 2/20/13. Onfile with C-T. 20 new jobs added; 20 jobs retained. Council needs to pass resolution attached for process to continue

Supporting Documentation Attached:

IDB app, calendar, Council Res.

Request Submitted by: Denise Kane

Address (Department): \_\_\_\_\_

Phone Number (Ext.): \_\_\_\_\_

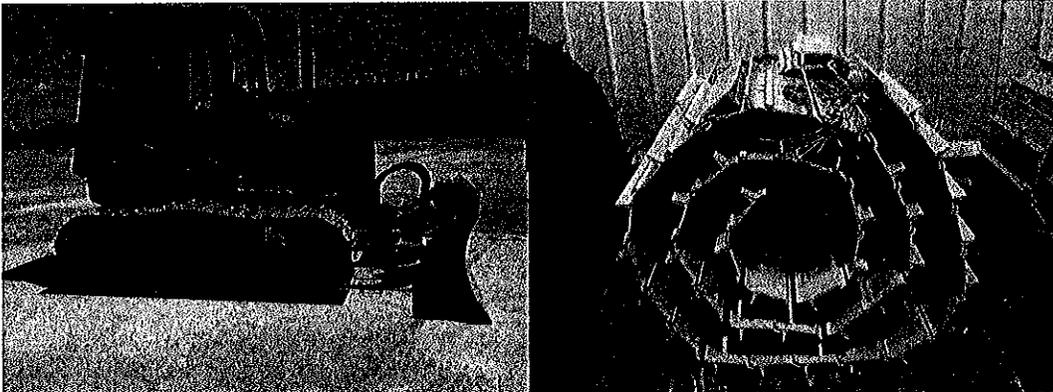
Date Submitted: 2/27/13

Turn in Completed Request Form to the Clerk-Treasurer's Office, Hobart City Hall

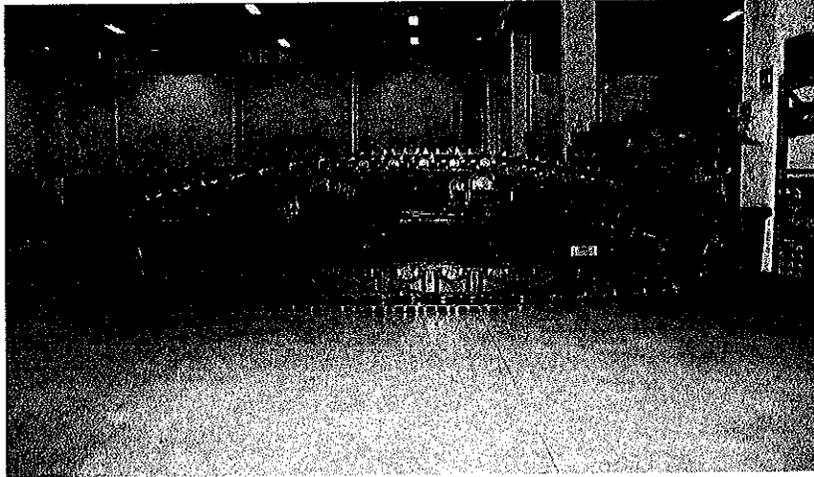
## ITR AMERICA, LLC PROJECT 6301 Northwind Parkway, Hobart, Indiana

ITR America, LLC is having a 100,000 square foot facility built at 6301 Northwind Parkway in Hobart Indiana to house its corporate headquarters and mid-west distribution and light manufacturing / assembly operations.

The assembly work will consist of building track groups for our supply agreement with John Deere for their 450, 550 & 650 model bulldozers produced in Dubuque, Iowa. Currently, all of the assembly work is handled by a third party and ITR wishes to bring this in house. This part of the project will require the installation of two or three track presses and the related tooling in order to facilitate the assembly of the track groups. The pictures below are pictures of the bulldozers for which we are supplying the undercarriage and a track group.



In the second or third year of operation in the new facility, we anticipate starting the assembly of track frames for specialty equipment manufacturers in the North American market. This assembly work is currently being done by one of our sister companies in Modena, Italy and then transported over via ocean cargo freighter. We will be importing the components into the United States from related parties in the Far East. The assembly of these track frames will require the installation of a heavy duty overhead crane, for which the building is currently being outfitted, along with specialty lifts and tooling. Below is an example of a track frame that is manufactured by our sister company:



In addition to the above assembly processes we may have an additional opportunity in the future to assemble track chains and to do light manufacturing of asphalt paver parts that we currently outsource now.

We believe that this new facility will offer us a competitive advantage in our market place and further strengthen our relationships with Original Equipment Manufacturers. As ITR America, LLC continues to grow we will be able to offer more employment opportunities to Hobart and all of Northwest Indiana.

**ECONOMIC DEVELOPMENT COMMISSION  
and HOBART COMMON COUNCIL**

**Application for an Industrial Development Bond (IDB)**

Name of Applicant: Brett Clemens, President  
Street Address: 1951 North Wind Parkway  
City, State, Zip Code: Hobart, IN 46342  
Telephone: 219.947.8230 Fax: 219.947.8271  
E-mail Address: Clemensbrett@itrna.com

Name of Business: ITR AMERICA, LLC  
Street Address: 1951 NORTHWIND PARKWAY  
City, State, Zip Code: HOBART, IN 46342  
Telephone: 219-947-8230 Fax: 219-947-8271

Description of Business/Project: CONSTRUCT NEW  
BUILDING.

Date business established: 4/22/08 IRS Employer ID # 26-2457852

Present number of Full Time 19 and Part Time 1 Employees

Estimated number of Employees after completion of the project new jobs added

Full Time 20 <sup>up to</sup> and Part Time \_\_\_\_\_ Employees

Describe how IDB funds will be spent:

LAND PURCHASE AND NEW  
BUILDING CONSTRUCTION

Describe which portions of the project will be tax-exempt and which portions will be taxable:

50% BUILDING TAXABLE  
50% BUILDING NOW TAXABLE

Fill in those project costs applicable below:

Land Acquisition	\$ <u>810,000<sup>00</sup></u>
Land Improvements	\$ _____
Building Purchase	\$ _____
Building Remodel	\$ _____
Building Expansion	\$ _____
New Construction	\$ <u>5,037,000<sup>00</sup></u>
Architect	\$ _____
Engineer	\$ _____
Surveying	\$ _____
Appraisal	\$ _____
Environmental	\$ _____
Permits	\$ _____
Other Construction Fees/Costs	\$ _____
Financing Costs, Costs of Issuance	\$ _____
Other Fees/Costs	\$ _____
TOTAL PROJECT COST	\$ _____
TOTAL IDB REQUESTED	\$ <u>5,847,000<sup>00</sup></u>

NOTE!  
by DKane

estimate at time of IDB  
application submission  
Res. States Not to Exceed  
\$5,850,000.00 so there is a cushion  
as per Special Counsel

Participating Financial Institution : (If more than one, please attach additional information)

GE Government Finance, Inc.

Financial Institution Contact Person : Patrick Tatarak

Street Address : 500 West Monroe, 12th Floor

City, State, Zip Code : Chicago, IL 60661

Telephone : 312.441.7375 Fax : \_\_\_\_\_

E-mail Address : patrick.tatarak@ge.com

On-going Compliance :

- 1) For tax-exempt debt, applicant will comply with requirements set forth in the Internal Revenue Code and regulations promulgated thereunder to permit the interest on bonds issued by the City for the project to remain exempt from federal income taxation; and
- 2) Applicant will make certification at the closing on the bonds satisfactory to the City, its counsel and bond counsel with respect to the information contained herein.

City of Hobart IDB Application Fee:

Applicant agrees to pay the application fee of one-tenth (1/10) of one percent (1%) of the amount of the Industrial Development Bond pursuant to Ordinance 2006-15 of the Common Council of the City of Hobart, Indiana. The fee shall be paid to the City at the time of application.

If applicant is a Proprietor or General Partner, sign below

By: \_\_\_\_\_

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

If applicant is a Corporation or Limited Liability Corporation, sign below

By: Brett W. Clemens

Printed Name BRETT W. CLEMENS Date: 1/18/2013

Its: PRESIDENT

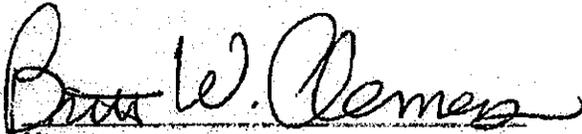
**ACKNOWLEDGEMENT OF COMPLIANCE WITH POLICIES**

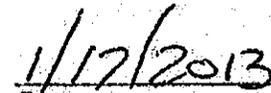
**RETURN THIS ACKNOWLEDGEMENT FORM WITH YOUR APPLICATION**

**READ CAREFULLY THE FOLLOWING DOCUMENTS:**

Ordinance 2006 - 15  
City of Hobart Policies and Procedures for Industrial Development Bond (IDB) Requests  
Economic Development Commission and Hobart Common Council Application for an  
Industrial Development Bond (IDB)

.....  
*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 Industrial Development Bond program. Your signature below indicates that by receiving this information you agree to comply with all provisions including but not limited to payment of the Common Construction Wage for Hobart, Indiana.*

  
Name

  
Date

AS OF JANUARY 28, 2013

**PRELIMINARY TIMETABLE FOR  
CITY OF HOBART, INDIANA,  
ECONOMIC DEVELOPMENT REVENUE BONDS,  
SERIES 2013 A AND SERIES 2013 B (TAXABLE)  
(ITR AMERICA PROJECT)**

<u>DATE*</u>	<u>ACTION</u>
February 26, 2013 (Tuesday)	Meeting of the Economic Development Commission ("EDC") to adopt <b>Inducement Resolution</b> and approve and adopt report and findings of fact regarding economic benefits of the project.
February 26, 2013 (Tuesday)	<b>Inducement Resolution</b> filed for March 6, 2013, Hobart Common Council (the "Common Council") meeting.
February 27, 2013 (Wednesday)	Report and findings of fact filed with the Executive Director or Chairman of the City of Hobart Plan Commission (the "Plan Commission") (and, if necessary, the superintendent of the school corporation where the facilities will be located (the "School Corporation")). <i>Not Applicable</i>
March 5, 2013 (Tuesday)	Deliver notice of public hearing to <u>The Times</u> and the <u>Post-Tribune</u> .
March 6, 2013 (Wednesday)	Regular meeting of the Common Council to adopt the <b>Inducement Resolution</b> .
March 11, 2013 (Monday)	Notice required under Indiana Code 36-7-12-24(a) and IRS Code is published one (1) time in <u>The Times</u> and the <u>Post-Tribune</u> . (Notice must be published at least fourteen (14) days prior to the public hearing.)
March 15, 2013 (Friday)	Mailing of EDC final resolution, Common Council bond ordinance (the "Bond Ordinance"), and forms of financing documents to be approved by the City.
March 25, 2013 (Monday)	Last day to file Volume Cap Application with the Indiana Finance Authority ("IFA") (for April 16, 2013 IFA meeting).
March 26, 2013 (Tuesday)	Bond Ordinance authorizing two (2) series of bonds to be issued and related documents (form of loan agreement) filed for April 3, 2013 Common Council meeting.

**DATE\***

**ACTION**

March 26, 2013 (Tuesday)	Regular meeting of the EDC to: (i) conduct public hearing required by Indiana Code 36-7-12-24(a) and IRS Code, and (ii) adopt <b>final resolution</b> approving the project and forms of financing documents.
April 3, 2013 (Wednesday)	Expiration of comment period by the Plan Commission (and, if applicable, the School Corporation) with respect to the report and findings of fact.
April 3, 2013 (Wednesday)	Meeting of the Common Council to have first reading of <b>Bond Ordinance</b> .
April 16, 2013 (Tuesday)	IFA meeting to award of Volume Cap.
April 17, 2013 (Wednesday)	Meeting of the Common Council to approve and adopt the <b>Bond Ordinance</b> .
May __, 2013 (_____)	Pre-Closing.
May __, 2013 (_____)	Closing on the Bonds; file Notice of Issuance with IFA.
July 5, 2013 (Friday)	Last date (approximately) to file Notice of Issuance with IFA (if May closing delayed).

---

\* Dates are approximate and depend on factors such as regularly scheduled meeting dates, newspaper publication dates and other similar factors.