

RESOLUTION NO. 2024- 10

**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**, DAIFUKU INTRALOGISTICS AMERICA CORPORATION ("**Daifuku**") has filed an application for real and personal property tax abatements with the City of Hobart for consideration by the Common Council of the City of Hobart requesting that the area depicted as "Expansion Building" on **Exhibit A, Site Plan**—which is adjacent to the applicant's existing building at 6300 Northwind Parkway, Hobart, Lake County, Indiana, and which is within the area legally described in **Exhibit B**—be designated as an Economic Revitalization Area under the provisions of Indiana Code 6-1.1-12.1;

**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," Ind. Code 6-1.1-12.1-1(a)(1);

**WHEREAS**, Daifuku has a vested property interest in the real estate commonly known as: 6300 Northwind Parkway, Hobart, Indiana 46342;

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

**PROJECT:** New construction of an approximately 300,000 sq. ft. addition to the existing light manufacturing, distribution, and office building at the estimated cost of twenty-seven million three hundred ninety-four thousand three hundred fifty-seven dollars (\$27,394,357), and to purchase and install "new manufacturing equipment," "new logistical distribution equipment," and "new information technology equipment" (as defined in Ind. Code § 6-1.1-12.1-1(1), (13), and (16), respectively), which will consist of lasers, press brakes, overhead and other cranes, roller assembly, fork lifts, and computer equipment (as more fully described on **Exhibit C, Equipment Lists**) at the estimated cost of eleven million two hundred thirty thousand dollars (\$11,230,000); 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. 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 (**Exhibit D**) and the respective Statement of Benefits Forms (**Exhibit E**) completed by the applicant meet the requirements of Indiana Code 6-1.1-12.1-3 and -4.5 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; and
- 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 **Exhibit 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 six (6) months from the date of the adoption of a resolution confirming this resolution by the Common Council and completed and installed within such time periods as will be stated in a development agreement to be taken up by the Common Council at the same meeting as the confirmatory resolution.

**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%*

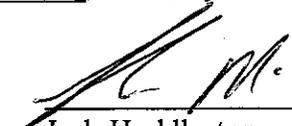
**Section 7:** The Common Council of the City of Hobart hereby determines that the property owner is qualified for and is granted property tax deduction for a period of ten (10) years for the personal property. Such deduction shall be as follows:

*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%*

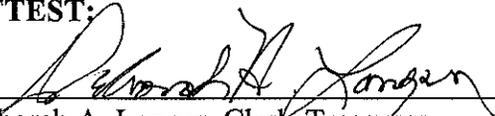
**Section 8:** The Common Council of the City of Hobart directs the Clerk to cause notice of the adoption and substance of this resolution for real and personal property tax abatements to be published in accordance with Ind. Code 5-3-1 and 6-1.1-12.1-2.5(c), each as amended, said publication providing 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.

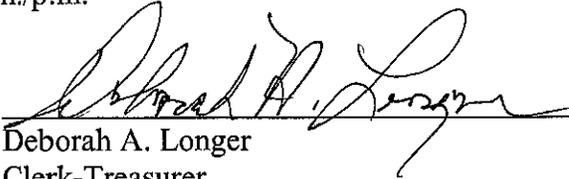
**PASSED AND ADOPTED** by the Common Council of the City of Hobart, Lake County, Indiana on the 30<sup>th</sup> day of July, 2024, by a vote of 7 in favor and 0 opposed.

  
Josh Huddleston  
Presiding Officer

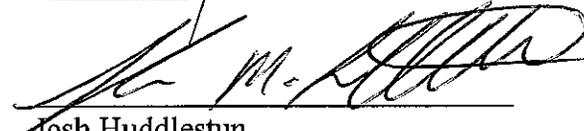
ATTEST:

  
Deborah A. Longer, Clerk-Treasurer

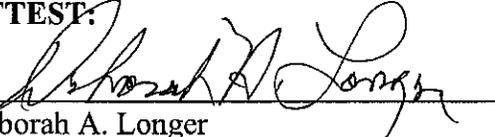
**PRESENTED** by me to the Mayor of the City of Hobart, Indiana, on the 30<sup>th</sup> day of July, 2024 at 6:45 ~~am~~/p.m.

  
Deborah A. Longer  
Clerk-Treasurer

**APPROVED, SIGNED AND RETURNED** by me to the Common Council of the City of Hobart, Lake County, Indiana this 30<sup>th</sup> day of July, 2024.

  
Josh Huddleston  
Mayor

ATTEST:

  
Deborah A. Longer  
Clerk-Treasurer



**EXHIBIT B – LEGAL DESCRIPTION & SITE PLAN**

Lot 1 of the North Wind Crossing - Unit Two, an Addition to the City of Hobart, Lake County, Indiana, per plat thereof, recorded in Plat Book 100, Page 89, as Document Number 2007-005993, in the Office of the Recorder of Lake County, Indiana.

Parcel Identification Number: 45-12-11-151-005.000-046







**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**

**DAIFUKU INTRALOGISTICS AMERICA CORPORATION  
an Illinois corporation**

**August \_\_\_\_\_, 2024**

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**SCHEDULE OF EXHIBITS**

- Exhibit A:** Legal Description of Subject Property & Site Plan
- Exhibit B:** Equipment Lists
- Exhibit C:** Illustrative Property Tax Abatement Analysis by Baker Tilly Municipal Advisors, LLC – June 5, 2024

## DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2024 by and between **DAIFUKU INTRALOGISTICS AMERICA CORPORATION**, an Illinois corporation with principal office address at 6300 Northwind Parkway, Hobart, IN 46342 (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 Company and the City are collectively referred to as the "**Parties**".

### RECITALS

WHEREAS, Company (formerly known as Wynright Corporation) is in the business of designing, manufacturing, integrating, and installing technology for a full spectrum of material handling and intralogistics solutions, and Company previously constructed a 320,000 sq. ft. light manufacturing and distribution building in Northwind Crossings at 6300 Northwind Parkway and relocated operations there from Elk Grove Village, IL and Oak Lawn, IL;

WHEREAS, Company owns undeveloped real estate in the City of Hobart adjacent to its current building on which it intends to construct an expansion of its facility;

WHEREAS, the real estate that Company will develop, which is referred to in this Development Agreement ("**DA**") as the "**Subject Property**," consists of an approximately 44.4 acre parcel zoned PUD and is depicted on the plat recorded with the Lake County Recorder as instrument number 2007-005993. The Subject Property is more fully described in **Exhibit A**.

WHEREAS, Company expects to construct an expansion of its currently existing manufacturing facility, which expansion would include an approximately 300,000 square foot addition to the existing light manufacturing, distribution, and office building on the Subject Property (the "**Construction**"), and to purchase and install "new manufacturing equipment," "new logistical distribution equipment," and "new information technology equipment" (as defined in Ind. Code § 6-1.1-12.1-1(1), (13), and (16), respectively), which will consist of lasers, press brakes, overhead and other cranes, roller assembly, fork lifts, and computer equipment (the "**Equipment**"), as more fully described on **Exhibit B, Equipment Lists** (collectively, the Construction and the Equipment are the "**Project**");

WHEREAS, Company estimates its total cost of construction for the Project to be twenty-seven million three hundred ninety-four thousand three hundred fifty-seven dollars (\$27,394,357) (the "**Cost of Construction**");

WHEREAS, Company estimates its total cost of new equipment for the Project to be eleven million two hundred thirty thousand dollars (\$11,230,000) (the "**Cost of Equipment**");

WHEREAS, Company estimates that its Project will cause the retention of 311 employees with salaries totaling twenty million one hundred eight thousand eight hundred fifty-four dollars and forty-eight cents (\$20,108,854.48) and 125 construction jobs with salaries totaling thirteen million (\$13,000,000);

WHEREAS, Company estimates that its Project will create 141 new full-time jobs with salaries totaling eight million six hundred fifty-one thousand seven hundred sixty dollars (\$8,651,760);

WHEREAS, the estimated real property assessed value of the Project will be sixteen million five hundred thousand dollars (\$16,500,000);

WHEREAS, the estimated personal property assessed value of the Project in tax payable year 2026 will be nine hundred forty-three thousand two hundred dollars (\$943,200) and increase thereafter;

WHEREAS, the Company intends to begin construction in August 2024 and conclude construction by September 1, 2025 (the "**Construction Period**"), and to begin installation of the new manufacturing equipment on May 1, 2025 and installation of the new logistical distribution and new information technology equipment on September 1, 2025 and to complete all equipment installation on December 31, 2026 (the "**Installation 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 complete 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, Company has applied to the City for the grant of real estate and personal property tax deductions as provided for in Ind. Code 6-1.1-12.1 (the "**Act**");

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. 2024-\_\_ and 2024-\_\_**, the latter of which is to be considered at the Council's meeting on August \_\_\_\_, 2024;

WHEREAS, upon the approval of this DA by the Board on August \_\_\_\_, 2024 through its **Resolution No. 2024-\_\_**, and by action of the Common Council through its **Resolution No. 2024-\_\_** on the same date, the City, the Board, and Company intend to execute the 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; 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 City's tax abatement policies, the Hobart Municipal Code ("HMC"), including the City's Zoning Ordinance, Building Codes, and 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 or resolution 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 \$273,943.57 for the real property tax abatement and \$112,300.00 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 fees shall be determined as stated in Sections 1 and 2 of Resolution No. 2008-16;

e. Both initially and for each year that a deduction is sought under this DA, make or cause to be made all filings of applications and forms, including, without limitation, forms SB-1 (statement of benefits), form 322/RE (application for deduction from assessed valuation), forms 103 (as to personal property assessment and deduction), including, without limitation, form 103-Long and 103-ERA, and forms CF-1 (compliance with statement of benefits) when due under any section of the Act or any other Indiana law or regulation;

- i. Company shall designate and maintain a representative who shall be responsible for ensuring that Company complies with its obligations in this Section 1.e., and the Company's initial representative shall be: Scott Shepherd, CFO, and the representative's contact information is as follows: 6300 Northwind Parkway, Hobart, IN 46342 at (435) 881-0940;
  - A. Company may change its designated representative by notice to the City as set forth in Section 18;
- ii. Company shall be responsible for filing all deduction applications with the Lake County Auditor, including, without limitation, form 322/RE, per § 5 of the Act, and all forms 103 and deduction schedules with the Ross Township and/or Lake County Assessor per § 5.4 of the Act, as well as any other forms required by the Act or the Department of Local Government Finance ("**DLGF**") in order to obtain the real and personal property tax deductions allowed under this DA;
- iii. Each annual form, including, without limitation, each CF-1 / Real Property and each CF-1 / PP, must be completed and submitted to the City's Director of Development no later than March 30 of each year, or no less than forty-five (45) days prior to the filing of the Company's personal property return, whichever date is sooner, to ensure the City has adequate time to determine substantial compliance with the statement of benefits, as contemplated under Ind. Code § 6-1.1-12.1-5.9;
- iv. Company's failure to timely submit and file any such application, deduction schedule, or other form shall subject it to such fees as may be provided for in the HMC, and Company shall pay or reimburse the City for all attorneys' fees and consultants' fees incurred by the City in connection with each such failure;
- v. Company's failure to comply with its obligations under this subsection e. shall constitute a Default as defined in Section 24;
- 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 qualifies for the personal property tax deduction provided for in the Act as "new manufacturing equipment," "new logistical distribution equipment," and "new information technology equipment" (as defined therein), including, if needed, by working with the township or county assessor (as the case may be) to obtain confirmation of the same, and be solely responsible for the consequences if the assessor, in whole or in part, denies or alters the amount of the deduction under Ind. Code § 6-1.1-12.1-5.4(e) (or on the basis of any other authority) as to all or any part of the Equipment, and be solely responsible for any appeals of any such 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, sex, color, national origin, disability, pregnancy, age, and any other legally protected characteristic 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 prohibition against employment discrimination under any other federal law, 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 the installation of the Equipment; and

k. Comply with all provisions of this DA.

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

a. In accordance with the Act, approve the designation of the Subject Property as an economic revitalization area for the purpose of making the Project eligible for the grant of real and personal property tax deductions provided for in §§ 3 and 4.5 of the Act, respectively. 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:	\$27,394,357.00
Estimated Assessed Value:	\$16,500,000.00 (in 2026 for taxes payable in 2027)
"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. 2024-\_\_ as set forth on page 3 of Exhibit C.

**Personal Property:**

Estimated Cost: \$11,230,000.00  
Estimated Assessed Value: \$943,200.00 (in pay 2026; variable thereafter)  
"Deduction Period": Ten years (for each of four contemplated tranches of equipment installation, as shown on Exhibit B, with first tax payable years of 2026, 2027, 2028, and 2029, respectively, as illustrated on pages 2 and 4 of Exhibit C)

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. 2024-\_\_ as set forth on page 4 of Exhibit C. **For avoidance of doubt, only the items of Equipment listed on Exhibit B shall be eligible for the personal property tax deduction contemplated herein.**

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 qualifies for the personal property tax deduction provided for in the Act, such being solely Company's responsibility. The City will provide 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 and personal property is the responsibility of the Ross Township and/or Lake County Assessor and the application of the deduction to the Company's assessed value is the responsibility of the Lake County Auditor and/or Assessor.

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. **Company's Additional Covenants and Representations.** In addition to the duties of the Company specified in Section 1 above, Company covenants 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 three hundred eleven (311) current jobs and the creation of not less than one hundred forty-one (141) 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 Company's retained jobs will be not less than twenty million one hundred eight thousand eight hundred fifty-four dollars and forty-eight cents (\$20,108,854.48) and the total payroll of the new and additional jobs will be not less than eight million six hundred fifty-one thousand seven hundred sixty dollars (\$8,651,760). Company also represents that during the Construction Period the Project will result in the creation or retention of at least 125 full-time construction jobs with a labor cost of no less than thirteen million (\$13,000,000). Compliance with the above employment commitments 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. Only new and additional employees of the Company who work exclusively or primarily at the Subject Property will be included in the count for new and additional full-time jobs.)

b. **Local Contractors.** Company further represents and agrees that during each Deduction Period shown in Section 2.a., any contractors, subcontractors, or suppliers based in the City of Hobart, Indiana with competitive bids shall be preferred for all work contracted by Company for the Project and for other work pertaining to the Subject Property.

c. **Subcontractors Compliant with Ordinance.** Company will ensure that all contractors, subcontractors, or suppliers employed in the construction of the Project meet the requirements of the City's Responsible Bidding Practices Ordinance (HMC §§ 33.200 - 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 each Deduction Period shown in Section 2.a., 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 \$16,500,000. In the event that the real property assessed value of the Project is less than \$16,500,000, the amount indicated in the table below for that year will be reduced by the percentage by which the actual valuation is less than \$16,500,000, 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 <b>Exhibit C</b> )
2027	0
2028	21,970
2029	87,870
2030	153,770
2031	219,660
2032	263,600
2033	307,530
2034	351,460
2035	395,400
2036	417,360

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 Equipment (assumed to be Pool #4 for the new manufacturing equipment per Exhibit C) for any year during each Deduction Period shown in Section 2.a. 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 <b>Exhibit C</b> )
2026	0
2027	3,760
2028	16,230
2029	33,000
2030	45,210

2031	52,390
2032	19,180
2033	29,300
2034	42,740
2035	58,490
2036	72,950
2037	84,330
2038	89,550

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 each Deduction Period shown in Section 2.a.

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 real or personal property owned, leased, 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 any of the Equipment on the Equipment List that may affect the net assessed value of that Equipment, including any filing of an amended personal property tax return. If any of the changes described in the immediately preceding sentence are made, a copy of the personal property assessment forms shall be provided to the City together with a description of the changes.

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 real property Deduction Period shown in Section 2.a., 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 \$15,000.00 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 adjusted amount in that year, when due, and the adjusted amounts in all subsequent years during the Deduction 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's decision 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. Daifuku Intralogistics America Corporation is a corporation validly organized and existing under the laws of the State of Illinois, 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;

iii. Neither the execution and delivery by Company of this DA, the consummation of the transactions contemplated herein, nor compliance with the provisions hereof will violate, breach, contravene, conflict with, or cause a default under any provision of the articles of organization, by-laws, operating agreement, 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 and installation 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 it will meet its estimated construction completion date of September 30, 2025 and the Equipment installation dates shown in Exhibit B, 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, including due to prolonged inclement weather, to support construction despite Company's best efforts to obtain them, strikes or work stoppages, including due to prolonged inclement weather, 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 (1) real property tax purposes cannot be accomplished in time for tax payable year 2027 or (2) personal property tax purposes cannot be accomplished in time as to any one of the three tax payable years shown under Pool #4 on page 2 of Exhibit C, 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. and 3.d.ii. of this DA, the methodology for the determination of which shall be consistent with that which resulted in the tables above. The City shall give written notice to Company of the updated analysis and newly established tables.

B. Notwithstanding the foregoing paragraph, in the event that the Project is not completed and occupied by March 2, 2026, the City may, at its sole discretion, terminate this DA and the tax abatement incentives granted herein.

4. **Return of Benefits.** Within 90 days of an Occurrence (as defined below) at any time in any year during a Deduction 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 incentives 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.

a. Events Requiring Payment of Abated Taxes. The events which shall require payment of the Abated Taxes are the following, which events shall be referred to as an "**Occurrence**":

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 September 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 one hundred thirty-eight (138) of the one hundred forty-one (141) 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-eight percent (98%) of the \$8,651,760 described in Section 3.a.;

vii. Failure of Company to achieve and maintain the retention of at least three hundred five (305) of the three hundred eleven (311) 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 eight percent (98%) of the \$20,108,854.48 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 in the event of an Occurrence. For avoidance of doubt, an Occurrence shall constitute a Default under Section 24 hereof, as well as a failure to substantially comply with the statement of benefits as contemplated in § 5.9 of the Act, and the City may find a failure to substantially comply with the statement of benefits under § 5.9 of the Act on grounds other than an Occurrence.

c. Termination of Section 4. The effectiveness of the provisions of this Section 4 shall not expire until the end of the last Deduction Period shown in Section 2.a.

## **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 per Company's agreement in Section 3.b., and the actual total Cost of Construction and Cost of Equipment expended by the Company.

b. Not more often than once per month during the Construction Period and the Installation 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 and/or installation completed to date, and (ii) an update on the Project schedule. Upon completion of the Construction Period and upon the Project's completion, Company will report its total monetary investment in the Project.

6. **Material Consideration.** Company acknowledges and agrees that its covenants, representations, and agreements set forth in this DA are material inducements for the commitment of the City to perform and abide by its agreements 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 Section 24.

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 or remonstrating against the designation of the Subject Property as an economic revitalization area under the Act, the Parties shall cooperate in defending such action, proceeding, or remonstrance 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 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's attorneys. If this DA is invalidated, rendered null, or set aside, in whole or in part, by a court of competent jurisdiction, the Parties agree to be bound by 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 the City 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.** The Parties understand and agree that the Project is a private development, that there is no form of any agency relationship, joint venture, or partnership between them, and that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship.

12. **Conflict of Interest; Representatives of City Not Individually Liable.** No member, official, or employee of the City 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, company, partnership, or association in which he/she has a direct or indirect financial interest. No member, official, or employee of the City shall be personally liable to Company (or to any successor in interest) in the event of any default or breach by the City, nor for any amount which may become due to 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 under this DA.

13. **Time of the Essence; Future Acts and Good Faith.** Time is of the essence. The Parties understand that they must take future actions to implement and maintain their respective obligations under this DA. The Parties agree to carry out their respective obligations under the Act and other applicable law with diligence and good faith in order to effectuate and implement the provisions and intent of this DA to the fullest extent of the law.

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 pertaining to this DA. This waiver is knowingly, intentionally, and voluntarily made by the Parties.

15. **Severability.** If one or more 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 contained herein, 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 from realizing the intended benefits of this DA, then Company and the City 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 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 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: Daifuku Intralogistics America  
Attn: Scott Shepherd, CFO  
6300 Northwind Parkway  
Hobart, IN 46342  
(435) 881-0940

With copies to: Daifuku North America Inc.  
Attn: Michael J. Farley,  
Sr. Vice President, General Counsel  
30100 Cabot Dr., Novi, MI 48377  
Office: (248) 419-7425  
Mobile: (313) 770-5991

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

City: Mayor Josh Huddlestun  
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 deliver 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 sitting in Lake County, Indiana, including, if the City so elects, its Commercial Court, 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, Company may assign its rights, benefits, and obligations under this DA to another entity that has demonstrated, to the City's reasonable satisfaction, its capability of performing all 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.** Upon any material failure by any Party to perform any term or provision of this DA ("Default"), the non-defaulting Party shall provide written notice of such Default to the defaulting Party, who shall have thirty (30) days from the date of such notice within which to cure the Default, unless such period is extended by written mutual consent (but any extension is at the non-defaulting Party's sole discretion). A notice of Default shall specify the nature of the Default and, where appropriate, the manner in which the Default may be cured. If the nature of the Default is such that it cannot reasonably be cured within the 30-day period (provided that economic considerations may not be a factor in any delay), then the substantial commencement of the cure within the 30-day 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 defaulting Party's failure to cure a Default, the 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 Company have the right to terminate this DA except upon the City's clear and unequivocal repudiation of its obligations hereunder. If the Default is cured to the non-defaulting Party's reasonable satisfaction, then the non-defaulting 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.

DAIFUKU INTRALOGISTICS AMERICA CORPORATION



By: Scott Shepherd  
SCOTT SHEPHERD,  
CHIEF FINANCIAL OFFICER

STATE OF INDIANA        )  
  ) ss:  
LAKE COUNTY                )

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared SCOTT SHEPHERD, 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 26<sup>TH</sup> day of JUNE, 2024.

Dawn Hostetler  
Notary Public

Name Printed: DAWN HOSTETLER

County of Residence: LAKE

My Commission Expires: OCTOBER 3, 2030

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

By: \_\_\_\_\_  
JOSH HUDDLESTUN, MAYOR

ADOPTED and APPROVED by the City of Hobart Board of Public Works & Safety on this \_\_\_\_  
\_\_\_\_ day of \_\_\_\_\_, 2024.

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

\_\_\_\_\_  
JOSH HUDDLESTUN, Presiding Officer

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

\_\_\_\_\_  
MARIA GALKA, 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 JOSH HUDDLESTUN 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 \_\_\_\_\_  
\_\_\_\_\_, 2024.

\_\_\_\_\_  
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 MARIA GALKA, 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 \_\_\_\_\_, 2024.

\_\_\_\_\_  
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 C



June 5, 2024

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 Daifuku Expansion

Dear Ms. Jacobson:

The attached schedules (listed below) present unaudited and limited information for the purpose of discussion of the proposed Daifuku Expansion by the appropriate officers, officials and advisors of the City of Hobart. 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	Illustrative Property Tax Liability for the Proposed Investment – Real Property
4	Illustrative Property Tax Liability for the Proposed Investment – Personal Property
5	Illustrative Annual Combined Property Tax Liability for the Proposed Investment

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

**HOBART (INDIANA) REDEVELOPMENT COMMISSION**

***Proposed Daifuku Expansion***

**ASSUMPTIONS**

***The following investment assumptions are based on information  
the Company***

	<b>Estimated Cost</b>
<b>Real Property:</b>	
New Building Construction (1)	
- First assessed January 1, 2026 for taxes payable in 2027	\$27,394,357
<b>Depreciable Personal Property:</b>	
Proposed Investment (1)	
Pool #1 (2)	
- First assessed January 1, 2026 for taxes payable in 2027	\$104,000
- First assessed January 1, 2027 for taxes payable in 2028	94,000
- First assessed January 1, 2028 for taxes payable in 2029	84,000
Pool #2 (2)	
- First assessed January 1, 2025 for taxes payable in 2026	58,000
- First assessed January 1, 2026 for taxes payable in 2027	174,000
- First assessed January 1, 2027 for taxes payable in 2028	116,000
Pool #4 (2)	
- First assessed January 1, 2025 for taxes payable in 2026	2,300,000
- First assessed January 1, 2026 for taxes payable in 2027	5,000,000
- First assessed January 1, 2027 for taxes payable in 2028	3,300,000
Subtotal	11,230,000
<b>Total Investment</b>	<b>\$38,624,357</b>

- (1) Per investment information provided by the Company. This information does not include information regarding the currently-operating facility.
- (2) For the purposes of this analysis, based upon equipment useful life information provided by the Company, it has been assumed that the expansion will be depreciated in Pool # 1 (1 - 4 year useful life), Pool # 2 (5 - 8 year useful life), or Pool # 4 (13 year and longer 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 2024 Tax Rate	
- Hobart Ross taxing district	\$3.1938

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 tax increment to differ significantly from the estimates shown in these schedules.

(Subject to the attached letter dated June 5, 2024)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

HOBART (INDIANA) REDEVELOPMENT COMMISSION

Proposed Daifuku Expansion

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

Taxes Payable Year	Illustrative Net Assessed Value (1)		Net Tax Rate (3)	Illustrative Property Tax Liability				Illustrative Abatement Savings		
	With Proposed Abatement (2)	Without Proposed 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	\$16,500,000	\$2.6626	\$0	\$0	\$0	\$439,330	\$0	\$439,330	\$439,330
2028	825,000	16,500,000	2.6626	21,970	0	21,970	439,330	0	439,330	439,330
2029	3,300,000	16,500,000	2.6626	87,870	0	87,870	439,330	0	439,330	439,330
2030	5,775,000	16,500,000	2.6626	153,770	0	153,770	439,330	0	439,330	439,330
2031	8,250,000	16,500,000	2.6626	219,660	0	219,660	439,330	0	439,330	439,330
2032	9,900,000	16,500,000	2.6626	263,600	0	263,600	439,330	0	439,330	439,330
2033	11,550,000	16,500,000	2.6626	307,530	0	307,530	439,330	0	439,330	439,330
2034	13,200,000	16,500,000	2.6626	351,460	0	351,460	439,330	0	439,330	439,330
2035	14,850,000	16,500,000	2.6626	395,400	0	395,400	439,330	0	439,330	439,330
2036	15,675,000	16,500,000	2.6626	417,360	0	417,360	439,330	0	439,330	439,330
Totals				\$2,218,620	\$0	\$2,218,620	\$4,393,300	\$0	\$4,393,300	\$2,174,680

- (1) Based on information provided by the Company. Assumes the proposed 300,000 sq. ft. facility will be assessed at \$55 per sq. ft. based on comparable properties located in Lake County, Indiana. The actual assessed value will be determined by the Lake County Assessor upon completion, and the actual value may be materially different from the values assumed in this illustration.
- (2) Assumes the real property receives a 10-year real property tax abatement with the following deduction percentages: 100%, 95%, 80%, 65%, 50%, 40%, 30%, 20%, 10%, and 5%.
- (3) Represents the certified pay 2024 tax rate for the Hobart Ross taxing district of \$3.1938, adjusted for the 2024 LIT Property Tax Replacement Credit of 16.6328%.
- (4) Accounts for the application of the Circuit Breaker Tax Credit, which limits property tax liability to 3.0% of gross assessed value for industrial property. Accounts for the application of the pay 2024 LIT PTRC of 16.6328%.

Note: No assessed value assumption for land was included, nor does the above illustration account for the assessed value or annual property tax liability for the Company's facility currently in operation. This analysis assumes no additional growth in assessed values or changes in tax rates. Changes to these assumptions or to those outlined above may have a material effect on the property tax liability illustrations contained in this analysis.

(Subject to the attached letter dated June 5, 2024)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

HOBART (INDIANA) REDEVELOPMENT COMMISSION

Proposed Daifuku Expansion

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

Taxes Payable Year	Illustrative Net Assessed Value (1)		Net Tax Rate (3)	Illustrative Property Tax Liability			Illustrative Abatement Savings	
	With Proposed Abatement (2)	Without Proposed Abatement		With Proposed Abatement		Without Proposed Abatement		
				Gross Taxes	Circuit Breaker Tax Credit (4)	Net Taxes		Gross Taxes
2026	\$0	\$943,200	2.6626	\$0	\$0	\$25,110	\$25,110	
2027	141,248	3,549,680	2.6626	3,760	0	94,510	90,750	
2028	609,616	6,050,300	2.6626	16,230	0	161,100	144,870	
2029	1,239,260	6,666,600	2.6626	33,000	0	177,500	144,500	
2030	1,698,036	6,051,020	2.6626	45,210	0	161,110	115,900	
2031	1,967,500	5,160,320	2.6626	52,390	0	137,400	85,010	
2032	720,246	3,369,000	2.6626	19,180	0	89,700	70,520	
2033	1,100,571	3,369,000	2.6626	29,300	0	89,700	60,400	
2034	1,605,150	3,369,000	2.6626	42,740	0	89,700	46,960	
2035	2,196,539	3,369,000	2.6626	58,490	0	89,700	31,210	
2036	2,739,685	3,369,000	2.6626	72,950	0	89,700	16,750	
2037	3,167,201	3,369,000	2.6626	84,330	0	89,700	5,370	
2038	3,363,357	3,369,000	2.6626	89,550	0	89,700	150	
<b>Totals</b>				<b>\$547,130</b>	<b>\$0</b>	<b>\$1,384,630</b>	<b>\$837,500</b>	

- (1) Based on the investment assumptions on page 2. Accounts for the impact of the existing investment acquisition costs, useful life, and installment date on the True Tax Value and Abated Assessed Value of the proposed investment.
- (2) Assumes each tranche of the personal property receives a 10-year personal property tax abatement with the following deduction percentages: 100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, and 10%.
- (3) Represents the certified pay 2024 tax rate for the Hobart Ross taxing district of \$3.1938, adjusted for the 2024 LIT Property Tax Replacement Credit of 16.6328%.
- (4) Accounts for the application of the Circuit Breaker Tax Credit, which limits property tax liability to 3.0% of gross assessed value for industrial property. Accounts for the application of the pay 2024 LIT PTRC of 16.6328%.

Note: This analysis assumes no additional growth in assessed values or changes in tax rates, nor is the estimated assessed value or property tax liability for the existing investment included in the information illustrated above. Changes to these assumptions or those outlined above may have a material effect on the property tax liability illustrations contained in this analysis.

(Subject to the attached letter dated June 5, 2024)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

HOBART (INDIANA) REDEVELOPMENT COMMISSION

Proposed Daifuku Expansion

**ILLUSTRATIVE ANNUAL COMBINED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT**

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

Taxes Payable Year	Illustrative Property Tax Liability		Illustrative Abatement Savings		Total
	Real Property (1)	Personal Property (2)	Real Property (1)	Personal Property (2)	
2026	\$0	\$0	\$0	\$25,110	\$25,110
2027	0	3,760	439,330	90,750	530,080
2028	21,970	16,230	417,360	144,870	562,230
2029	87,870	33,000	351,460	144,500	495,960
2030	153,770	45,210	285,560	115,900	401,460
2031	219,660	52,390	219,670	85,010	304,680
2032	263,600	19,180	175,730	70,520	246,250
2033	307,530	29,300	131,800	60,400	192,200
2034	351,460	42,740	87,870	46,960	134,830
2035	395,400	58,490	43,930	31,210	75,140
2036	417,360	72,950	21,970	16,750	38,720
2037	417,360	84,330	0	5,370	5,370
2038	417,360	89,550	0	150	150
Totals	\$3,053,340	\$547,130	\$2,174,680	\$837,500	\$3,012,180

(1) See page 3.

(2) See page 4.

Note: Changes to the assumptions in this analysis may have a material effect on the property tax liability illustrations contained in this analysis.

(Subject to the attached letter dated June 5, 2024)  
(Preliminary - Subject to Change)  
(For Internal Use Only)



Automation that Inspires

Daifuku Intralogistics America

6300 Northwind Parkway

Hobart, IN 46342 USA

Phone: (219) 777-2220

www.daifukuia.com

Daifuku  
North America

April 29, 2024

City of Hobart Common Council  
414 Main Street  
Hobart, IN 46342

Re: Applications for Real Property and Personal Property Tax Abatement

### LETTER OF INTENT

Daifuku Intralogistics America Corporation is seeking to file applications for both Real Property and Personal Property Tax Abatements with the City of Hobart Common Council for the expansion of our current facility at 6300 Northwinds Parkway, Hobart, IN 46342. We would hope to begin the expansion and pull permits as soon as possible.

The expansion is planned to be an additional 300,000 square foot on the property already existing and owned by Daifuku Intralogistics America Corporation at a cost of approximately \$27,394,357 to build and the additional personal property of \$11,230,000. The purposed expansion will allow Daifuku Intralogistics America Corporation to retain existing 311 employees and add the capacity to support an increase in staffing by an additional 141 people in Hobart by end of year 2027.

The intention is for the expansion to be completed by September 1, 2025.

Enclosed with the Letter of Intent are the Applications for Tax Abatement for Personal Property and Real Property, supportive documentation, and Application Fees, Financial Impact Fee and Development Agreement Fees.

We look forward to your review and response.

Sincerely,

Scott Shepherd  
Chief Financial Officer

APPLICATION FOR TAX ABATEMENT - COMMON COUNCIL

Form CCAP revised 7/21/16

PETITIONER'S NAME: Daifuku Intralogistics America Corporation PHONE: 219-777-2220

ADDRESS: 6300 Northwinds Parkway FAX: \_\_\_\_\_

CITY, STATE, ZIP CODE: Hobart, IN 46341

COMMON LOCATION OF PROPERTY: same as above  
(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: \_\_\_\_\_

PROPOSED STARTING DATE FOR BUILDING CONSTRUCTION: July 1, 2024  
(Must be within 12 months of approval date of confirmatory resolution)

PROPOSED COMPLETION DATE OF FIRST BUILDING UNIT: September 1, 2025

WHAT HOBART BUSINESSES WILL BE INVOLVED IN THE PROJECT? TBD

\*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 #:	<u>125</u>	\$	<u>\$13,000,000.00</u>
BUSINESS #:	<u>311</u>	\$	<u>\$20,108,854.48</u>

\*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 #:	<u>141</u>	\$	<u>\$8,651,760</u>
-------------	------------	----	--------------------

WINDOW OF OPPORTUNITY PERIOD REQUESTED: 18 months

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: Scott Shul DATE: 4/29/24

\*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.

## **Daifuku Intralogistics America Corporation**

### **Common Description of Property:**

6300 Northwind Parkway, Hobart, IN 46342

### **Legal Description of Property:**

North Wind Crossing Unit Two Lot 1

### **Project Description:**

Daifuku Intralogistics America Corporation, a subsidiary of Daifuku North America Corp, is a leading provider of intelligent material handling systems. The company designs, manufactures, integrates, and installs a full spectrum of intralogistics solutions, offering both Daifuku Intralogistics America Corp-branded and third-party equipment to meet client needs. These include leading-edge conveyor and sortation systems, voice- and light-directed order fulfillment equipment, a suite of warehouse controls & execution software, robotics, Automated Storage and Retrieval Systems (AS/RS), mezzanines, and structures, all backed by critical round-the-clock service and support.

The Company currently has a 320,000 sq. ft. manufacturing facility in Hobart, Indiana. This project is to expand the existing facility by roughly 300,000 square feet. The expansion is to add capacity to the facility, resulting in new additional jobs, and career paths for employees. Along with increased capacity, the new floor plan will allow Daifuku Intralogistics America Corp to support addition of new product lines through the localization of products currently purchased from Daifuku Japan, and additional R&D which cannot be supported by the size of the existing facility. Some of the more highly automated products will require skill sets that have not previously been sourced within this facility, resulting in a wider range of positions and career paths for employees.

With the increase in capacity, the Company will need to increase the skill level of the workforce, requiring additional training of new and existing employees. Additional Controls, PCL, automated equipment, product engineering, and manufacturing planning and support positions will be required.

The expansion of the existing facility is desired, since the Company can leverage its existing management resources, inventory systems, flow of product movement, shipping processes, and procurement processes. Daifuku Intralogistics America Corporation has considered building in other parts of the country, closer to other current Company offices, however, the skill sets in those offices are not currently manufacturing oriented and would not leverage our existing processes.



**STATEMENT OF BENEFITS  
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R7 / 1-21)

Prescribed by the Department of Local Government Finance

20 24 PAY 20 25

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>Diafuku Intralogistics America Corporation</b>					
Address of taxpayer (number and street, city, state, and ZIP code) <b>6300 Northwind Parkway, Hobart, IN 46342</b>					
Name of contact person <b>Anthony Caruso</b>			Telephone number <b>( 847 ) 238-5382</b>	E-mail address <b>tcaruso@daifukuna.com</b>	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body <b>Hobart Common Council</b>					Resolution number
Location of property <b>6300 Northwind Parkway, Hobart, IN 46342</b>			County <b>Lake</b>	DLGF taxing district number <b>46</b>	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) Expansion of building adding 300,000 square foot to existing building at existing location. The project will increase manufacturing capacity and provide additional office space for increase in support organization					Estimated start date (month, day, year) <b>7/1/2024</b>
					Estimated completion date (month, day, year) <b>9/1/2025</b>
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current Number <b>311.00</b>	Salaries <b>\$20,108,854.48</b>	Number Retained <b>311.00</b>	Salaries <b>\$20,108,854.48</b>	Number Additional <b>141.00</b>	Salaries <b>\$8,651,760.00</b>
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
			REAL ESTATE IMPROVEMENTS		
			COST	ASSESSED VALUE	
Current values			<b>24,208,892.00</b>	<b>17,779,200.00</b>	
Plus estimated values of proposed project			<b>27,394,357.00</b>	<b>25,989,518.18</b>	
Less values of any property being replaced					
Net estimated values upon completion of project			<b>51,603,049.00</b>	<b>43,768,718.18</b>	
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER					
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____		
Other benefits					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative 				Date signed (month, day, year) <b>5/14/24</b>	
Printed name of authorized representative <b>Anthony Caruso</b>				Title <b>SVP Finance &amp; Accounting</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 10 calendar years\* (see below). The date this designation expires is                     . 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) traditional 10 year schedule
- 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.

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 Clausser</i>	Telephone number 791-942-1940	Date signed (month, day, year) 7/3/24
Printed name of authorized member of designating body MATTHEW CLAUSSE	Name of designating body Common Council	
Attested by (signature and title of attester) <i>Deborah Longor</i>	Printed name of attester DEBORAH LONGOR	

\* 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.

**E-Verify Affidavit**

Pursuant to Indiana Code 22-5-1.7-11, Daifuku Intralogistics America Corp. upon entering into an agreement with the City of Hobart, Indiana is required to enroll in and verify the work eligibility status of all its newly hired employees through the E-Verify program. Daifuku Intralogistics America Corp is not required to verify the work eligibility status of all its newly hired employees through the E-Verify program if the E-Verify program no longer exists.

The undersigned, on behalf of Daifuku Intralogistics America Corp, being first duly sworn, deposes and states that Daifuku Intralogistics America Corp does not knowingly employ an unauthorized alien. The undersigned further affirms that, prior to entering into its agreement with the City of Hobart, Indiana, the undersigned Daifuku Intralogistics America Corp was enrolled in and agrees to verify the work eligibility status of all its newly hired employees through the E-Verify program.

By: Scott Shepherd  
Name Scott Shepherd  
Title CFO  
Company DAIFUKU Intralogistics America Corporation

**Important - Notary Signature and Seal Required in the Space Below**

STATE OF ILLINOIS

SS:

COUNTY OF COOK

Subscribed and sworn to before me this 29<sup>th</sup> day of APRIL, 20 24

My commission expires: 11/23/2025

(Signed) Catherine M. Rowan

Residing in COOK County,

State of IL



*(The first five blanks to be filled in with Company name)*

**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.

Scott Shepherd  
Printed Name

CFO  
Title

Scott Shepherd  
Signature

DAIFUKU Intralogistics America Corporation  
Company Name

4/29/24  
Date



APPLICATION FOR TAX ABATEMENT - COMMON COUNCIL

Form CCAP revised 7/21/16

PETITIONER'S NAME: Daifuku Intralogistics America Corporation PHONE: 219-777-2220

ADDRESS: 6300 Northwinds Parkway FAX: \_\_\_\_\_

CITY, STATE, ZIP CODE: Hobart, IN 46341

COMMON LOCATION OF PROPERTY: same as above  
(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: \_\_\_\_\_

PROPOSED STARTING DATE FOR BUILDING CONSTRUCTION: July 1, 2024  
(Must be within 12 months of approval date of confirmatory resolution)

PROPOSED COMPLETION DATE OF FIRST BUILDING UNIT: September 1, 2025

WHAT HOBART BUSINESSES WILL BE INVOLVED IN THE PROJECT? TBD

**\*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 #:	<u>125</u>	\$	<u>\$13,000,000.00</u>
BUSINESS #:	<u>311</u>	\$	<u>\$20,108,854.48</u>

**\*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 #:	<u>141</u>	\$	<u>\$8,651,760</u>
-------------	------------	----	--------------------

WINDOW OF OPPORTUNITY PERIOD REQUESTED: 18 months

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: Spitt Shy DATE: 4-29-24

\*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.



**STATEMENT OF BENEFITS  
PERSONAL PROPERTY**

State Form 51784 (R5 / 1-21)

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>Daifuku Intralogistics America Corporation</b>					Name of contact person <b>Anthony Caruso</b>						
Address of taxpayer (number and street, city, state, and ZIP code) <b>6300 Northwind Parkway, Hobart, IN 46342</b>							Telephone number <b>( 847 ) 238-5382</b>				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT											
Name of designating body <b>Hobart Common Council</b>							Resolution number (s)				
Location of property <b>6300 Northwind Parkway, Hobart IN 46342</b>				County <b>Lake</b>		DLGF taxing district number <b>46</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>Manufacturing Equipment, IT Equipment and Logistics Equipment for Expansion project</b>						ESTIMATED					
								START DATE		COMPLETION DATE	
						Manufacturing Equipment		<b>05/01/2025</b>		<b>12/31/2025</b> TC	
						R & D Equipment					
Logist Dist Equipment		<b>09/01/2025</b>		<b>12/31/2025</b> TC							
IT Equipment		<b>09/01/2025</b>		<b>12/31/2025</b> TC							
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT											
Current Number <b>311</b>	Salaries <b>20108854.48</b>	Number Retained <b>311</b>	Salaries <b>20108854.48</b>	Number Additional <b>141</b>	Salaries <b>8651760.00</b>						
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT											
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	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>8,178,077</b>	<b>7,789,107</b>					<b>126,746</b>	<b>84,497</b>			
Plus estimated values of proposed project	<b>10,600,000</b>	<b>10,070,000</b>			<b>348,000</b>	<b>304,500</b>	<b>282,000</b>	<b>188,000</b>			
Less values of any property being replaced											
Net estimated values upon completion of project	<b>18,778,077</b>	<b>17,923,407</b>			<b>348,000</b>	<b>304,500</b>	<b>408,746</b>	<b>272,497</b>			
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER											
Estimated solid waste converted (pounds) _____					Estimated hazardous waste converted (pounds) _____						
Other benefits:											
SECTION 6 TAXPAYER CERTIFICATION											
I hereby certify that the representations in this statement are true.											
Signature of authorized representative <i>[Signature]</i>							Date signed (month, day, year) <b>5/14/24</b>				
Printed name of authorized representative <b>Anthony Caruso</b>					Title <b>SVP Finance &amp; Accounting</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 10 calendar years \* (see below). The date this designation expires is \_\_\_\_\_ . *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;  Yes  No  Enhanced Abatement per IC 6-1.1-12.1-18
  - 2. Installation of new research and development equipment;  Yes  No  Check box if an enhanced abatement was approved for one or more of these types.
  - 3. Installation of new logistical distribution equipment.  Yes  No
  - 4. Installation of new information technology equipment;  Yes  No
- C. The amount of deduction applicable to new manufacturing equipment is limited to \$ 10,600,000 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 \$ 348,000 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 \$ 282,000 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) ten year traditional schedule
- 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:
- Year 1  Year 2  Year 3  Year 4  Year 5  Enhanced Abatement per IC 6-1.1-12.1-18
  - Year 6  Year 7  Year 8  Year 9  Year 10  Number of years approved: \_\_\_\_\_
- (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)
- 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.

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) <i>Matt Clausen</i>	Telephone number <u>(719) 542-1942</u>	Date signed (month, day, year) <u>7/9/20</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) <i>Deborah Longner</i> <u>CLERK-TREAS.</u>	Printed name of attester <u>DEBORAH LONGNER</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. 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.

**E-Verify Affidavit**

Pursuant to Indiana Code 22-5-1.7-11, Daifuku Intralogistics America Corp. upon entering into an agreement with the City of Hobart, Indiana is required to enroll in and verify the work eligibility status of all its newly hired employees through the E-Verify program. Daifuku Intralogistics America Corp is not required to verify the work eligibility status of all its newly hired employees through the E-Verify program if the E-Verify program no longer exists.

The undersigned, on behalf of Daifuku Intralogistics America Corp, being first duly sworn, deposes and states that Daifuku Intralogistics America Corp does not knowingly employ an unauthorized alien. The undersigned further affirms that, prior to entering into its agreement with the City of Hobart, Indiana, the undersigned Daifuku Intralogistics America Corp was enrolled in and agrees to verify the work eligibility status of all its newly hired employees through the E-Verify program.

By: Scott Shepherd  
Name Scott Shepherd  
Title CFO  
Company DAIFUKU Intralogistics America Corporation

**Important - Notary Signature and Seal Required in the Space Below**

STATE OF ILLINOIS  
COUNTY OF COOK SS:

Subscribed and sworn to before me this 29<sup>th</sup> day of APRIL, 20 24.

My commission expires: 11/23/2025 (Signed) Catherine M. Rowan  
Residing in COOK County, State of IL



*(The first five blanks to be filled in with Company name)*

## 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.

Scott Shepherd  
Printed Name

CFO  
Title

Scott Shepherd  
Signature

DAIFUKU Intralogistics America Corporation  
Company Name

4/29/24  
Date

## **Daifuku Intralogistics America Corporation**

### **Common Description of Property:**

6300 Northwind Parkway, Hobart, IN 46342

### **Legal Description of Property:**

North Wind Crossing Unit Two Lot 1

### **Project Description:**

Daifuku Intralogistics America Corporation, a subsidiary of Daifuku North America Corp, is a leading provider of intelligent material handling systems. The company designs, manufactures, integrates, and installs a full spectrum of intralogistics solutions, offering both Daifuku Intralogistics America Corp-branded and third-party equipment to meet client needs. These include leading-edge conveyor and sortation systems, voice- and light-directed order fulfillment equipment, a suite of warehouse controls & execution software, robotics, Automated Storage and Retrieval Systems (AS/RS), mezzanines, and structures, all backed by critical round-the-clock service and support.

The Company currently has a 320,000 sq. ft. manufacturing facility in Hobart, Indiana. This project is to expand the existing facility by roughly 300,000 square feet. The expansion is to add capacity to the facility, resulting in new additional jobs, and career paths for employees. Along with increased capacity, the new floor plan will allow Daifuku Intralogistics America Corp to support addition of new product lines through the localization of products currently purchased from Daifuku Japan, and additional R&D which cannot be supported by the size of the existing facility. Some of the more highly automated products will require skill sets that have not previously been sourced within this facility, resulting in a wider range of positions and career paths for employees.

With the increase in capacity, the Company will need to increase the skill level of the workforce, requiring additional training of new and existing employees. Additional Controls, PCL, automated equipment, product engineering, and manufacturing planning and support positions will be required.

The expansion of the existing facility is desired, since the Company can leverage its existing management resources, inventory systems, flow of product movement, shipping processes, and procurement processes. Daifuku Intralogistics America Corporation has considered building in other parts of the country, closer to other current Company offices, however, the skill sets in those offices are not currently manufacturing oriented and would not leverage our existing processes.









**ACKNOWLEDGEMENT OF COMPLIANCE WITH POLICIES** rev 1/11/2023

**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.*

Scott Shurt  
Name

4/29/24  
Date

## CITY OF HOBART

### AGENDA ITEM REQUEST FORM

(Please Print)

Meeting Date: July 3, 2024

Board of Public Works (3:30 p.m.)

Common Council (6:00 p.m.)

Item to be Added to Agenda: Resolution 2024-10 A resolution designating a certain area within the city as an economic revitalization area for purposes of real and personal property tax abatements.  
Brief Description of Request for Consideration: (Daifuku - 6300 Northwind Parkway)

Request for ten-year real and personal property tax abatements (traditional schedule) for a 300,000 sf expansion at Daifuku Intralogistics America Corporation, located at 6300 Northwind Parkway. The real property investment is estimated at \$27,394,357 and the personal property investment is estimated at \$11,230,000 (total investment amount is \$38,624,357). The company expects to hire an additional 141 employees because of the expansion.

\* Please set a public hearing for the August 7, 2024 City Council meeting.

Supporting Documentation Attached: All application documents, PP SB-1, Real Property SB-1, development agreement, and financial impact analyses.

Request Submitted by: Beth Jacobson

Address (Department): Economic Development

Phone Number (Ext.): 219-942-5517

Date Submitted: 6/26/24

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