

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

RESOLUTION NO. 2024- 07

A RESOLUTION TO APPROVE AND AUTHORIZE THE EXECUTION OF A
DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HOBART AND
DAIFUKU INTRALOGISTICS AMERICA CORPORATION

WHEREAS, the Common Council ("Council") of the City of Hobart, Lake County, Indiana ("City") adopted Resolution No. 2024-10 declaring 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—shall be designated as an economic revitalization area under the provisions of Indiana Code 6-1.1-12.1;

WHEREAS, Council Resolution No. 2024-10 was adopted pursuant to the application of DAIFUKU INTRALOGISTICS AMERICA CORPORATION ("**Daifuku**") for real and personal property tax abatements pertaining to the construction of light manufacturing, distribution, and office building, 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), each as more fully described in the Development Agreement ("**DA**") discussed below, and the Council is scheduled to consider the adoption of its Resolution No. 2024-11 on August 7, 2024 (after public hearing) for the confirmation of its Resolution No. 2024-10;

WHEREAS, pursuant to Council Resolution No. 2024-10, the City and Daifuku have preliminarily negotiated the DA attached hereto, setting forth the terms and conditions governing Daifuku's Project (as defined in the DA) and its receipt of the contemplated real and personal property tax abatements;

WHEREAS, under the terms of the Council's confirmatory Resolution No. 2024- 11, Daifuku shall be required to execute and be in compliance with the DA between it and the City in order to receive the benefits of the property tax abatements contemplated in Council Resolution Nos. 2024-10 and 2024- 11;

WHEREAS, the Board is a party to the DA, and the Board also acts as the City's contracting entity pursuant to law; and

WHEREAS, the Board now desires, contingent upon the Council's approval of its confirmatory Resolution No. 2024- 11 and the Council's approval of the DA in its Resolution No. 2024- 14, to approve and adopt the DA and to authorize its execution for itself and the City.

NOW, THEREFORE, BE IT RESOLVED by the Board of Public Works and Safety of the City of Hobart as follows:

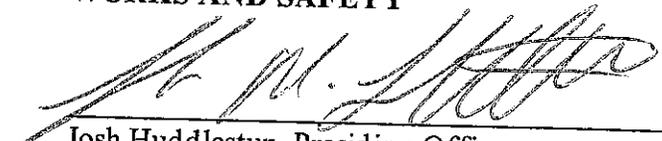
1. The Development Agreement by and between Daifuku Intralogistics America Corporation and the City, which is attached hereto, is hereby approved and adopted (contingent on paragraph 3 below).

2. The Mayor of the City and the City Clerk-Treasurer are authorized to execute and to attest to the execution of the DA, respectively.

3. This Resolution shall take effect upon the approval by the Common Council of its confirmatory Resolution No. 2024-11 and upon approval of the DA by the Common Council in its Resolution No. 2024-14.

ALL OF WHICH IS ADOPTED on this 7th day of August, 2024 by the City of Hobart Board of Public Works & Safety.

CITY OF HOBART BOARD OF PUBLIC WORKS AND SAFETY


Josh Huddlestun, Presiding Officer

ATTEST:


DEBORAH A. LONGER, Clerk-Treasurer

Exhibit B

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

**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 7th, 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 i.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 Exhibit C)
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 Exhibit C)
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 4th 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.

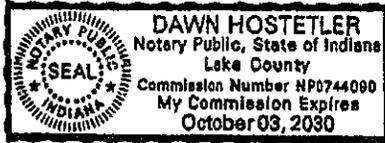
23. **Amendments.** This DA may only be amended, in whole or in part, by a written agreement executed by the Parties and adopted in like manner as this DA.

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 26TH day of JUNE, 2024.

Dawn Hostetler
Notary Public

Name Printed: DAWN HOSTETLER

County of Residence: LAKE

My Commission Expires: OCTOBER 3, 2030

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.

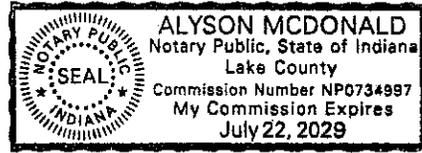
IN WITNESS WHEREOF, I have affixed my signature and official seal on this 7th day of August, 2024.

Alyson McDonald
Notary Public

Name Printed: Alyson McDonald

County of Residence: Lake

My Commission Expires: 07-22-2029



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

11.13.2020

Exhibit B

Logistics Distribution Equipment

Asset Description	Acquisition Cost	Original In Service Date	Useful Life	Assessed Value	Check if		Estimated In Service Date at New Facility	Estimated Retirement Date (if planned/known)	Original Depreciable Months	Remaining Depreciation (Years)
					Transferred from out of state	New				
Fork Lift	\$ 58,000		8			X	12/01/24			
Fork Lift	\$ 58,000		8			X	06/01/25			
Fork Lift	\$ 58,000		8			X	06/01/25			
Fork Lift	\$ 58,000		8			X	12/01/25			
Fork Lift	\$ 58,000		8			X	08/01/26			
Fork Lift	\$ 58,000		8			X	08/01/26			
	\$ 348,000									

\$ -

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.

Page

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

A handwritten signature in black ink, appearing to read "Matthew R. Eckerle".

Matthew R. Eckerle, Principal

HOBART (INDIANA) REDEVELOPMENT COMMISSION

Proposed Daifuku Expansion

ASSUMPTIONS

The following investment assumptions are based on information the Company

	<u>Estimated Cost</u>
Real Property:	
New Building Construction (1)	
- First assessed January 1, 2026 for taxes payable in 2027	\$27,394,357
Depreciable Personal Property:	
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	<u>11,230,000</u>
Total Investment	<u><u>\$38,624,357</u></u>

- (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.

Property Tax Rates	
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)		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	Net Taxes		
			Net Tax Rate (3)							
2027	\$0	\$16,500,000	2.6626	\$0	\$0	\$439,330	\$0	\$439,330	\$439,330	\$439,330
2028	825,000	16,500,000	2.6626	21,970	21,970	439,330	0	439,330	439,330	417,360
2029	3,300,000	16,500,000	2.6626	87,870	87,870	439,330	0	439,330	439,330	351,460
2030	5,775,000	16,500,000	2.6626	153,770	153,770	439,330	0	439,330	439,330	285,560
2031	8,250,000	16,500,000	2.6626	219,660	219,660	439,330	0	439,330	439,330	219,670
2032	9,900,000	16,500,000	2.6626	263,600	263,600	439,330	0	439,330	439,330	175,730
2033	11,550,000	16,500,000	2.6626	307,530	307,530	439,330	0	439,330	439,330	131,800
2034	13,200,000	16,500,000	2.6626	351,460	351,460	439,330	0	439,330	439,330	87,870
2035	14,850,000	16,500,000	2.6626	395,400	395,400	439,330	0	439,330	439,330	43,930
2036	15,675,000	16,500,000	2.6626	417,360	417,360	439,330	0	439,330	439,330	21,970
Totals				\$2,218,620	\$0	\$2,218,620	\$0	\$4,393,300	\$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	Net Taxes	
2026	\$0	\$943,200	2.6626	\$0	\$0	\$25,110	\$25,110
2027	141,248	3,549,680	2.6626	3,760	3,760	94,510	90,750
2028	609,616	6,050,300	2.6626	16,230	16,230	161,100	144,870
2029	1,239,260	6,666,600	2.6626	33,000	33,000	177,500	144,500
2030	1,698,036	6,051,020	2.6626	45,210	45,210	161,110	115,900
2031	1,967,500	5,160,320	2.6626	52,390	52,390	137,400	85,010
2032	720,246	3,369,000	2.6626	19,180	19,180	89,700	70,520
2033	1,100,571	3,369,000	2.6626	29,300	29,300	89,700	60,400
2034	1,605,150	3,369,000	2.6626	42,740	42,740	89,700	46,960
2035	2,196,539	3,369,000	2.6626	58,490	58,490	89,700	89,700
2036	2,739,685	3,369,000	2.6626	72,950	72,950	89,700	16,750
2037	3,167,201	3,369,000	2.6626	84,330	84,330	89,700	5,370
2038	3,363,357	3,369,000	2.6626	89,550	89,550	89,700	150
Totals				\$547,130	\$0	\$1,384,630	\$837,500

- (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		
	Illustrative Property Tax Liability		Total	Illustrative Abatement Savings		Total
	Real Property	Personal Property		Real Property	Personal Property	
2026	(1) \$0	(2) \$0	\$0	(1) \$25,110	(2) \$25,110	\$25,110
2027	0	3,760	3,760	439,330	90,750	530,080
2028	21,970	16,230	38,200	417,360	144,870	562,230
2029	87,870	33,000	120,870	351,460	144,500	495,960
2030	153,770	45,210	198,980	285,560	115,900	401,460
2031	219,660	52,390	272,050	219,670	85,010	304,680
2032	263,600	19,180	282,780	175,730	70,520	246,250
2033	307,530	29,300	336,830	131,800	60,400	192,200
2034	351,460	42,740	394,200	87,870	46,960	134,830
2035	395,400	58,490	453,890	43,930	31,210	75,140
2036	417,360	72,950	490,310	21,970	16,750	38,720
2037	417,360	84,330	501,690	0	5,370	5,370
2038	417,360	89,550	506,910	0	150	150
Totals	\$3,053,340	\$547,130	\$3,600,470	\$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)

Regular meetings are held on the 1st and 3rd Wednesdays of each month in the Council Chambers, 2nd floor, Hobart City Hall

CITY OF HOBART

AGENDA ITEM REQUEST FORM

(Please Print)

Meeting Date: Aug 7th
~~Sept 4, 2024~~

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

Common Council (6:00 p.m.)

Item to be Added to Agenda: Resolution 2024-07 A resolution to approve and authorize the execution of a Development Agreement between the City of Hobart & Daihoku Intralogistics America Corporation
Brief Description of Request for Consideration:

Resolution to approve a Development Agreement for Real & Personal Property tax abatement for Daihoku Intralogistics.

Supporting Documentation Attached: Development Agreement

Request Submitted by: Beth Jacobson

Address (Department): Economic Development

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

Date Submitted: 7/30/24

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