

**COMMON COUNCIL OF THE CITY OF HOBART, INDIANA**

**Resolution Number 2013-07**

**A Resolution to Amend Resolution Number 2006-36 to Provide for Revised Business Plans of Hanson Cold Storage of Indiana d/b/a Hanson Logistics**

WHEREAS, the Common Council (“Council”) of the City of Hobart, Indiana (“City”) previously approved and adopted the following instruments (“2006 instruments”), all related to the designation of a certain logistic business development in the City by applicant Hanson Cold Storage Company of Indiana d/b/a Hanson Logistics (“Hanson” or “applicant”) as an Economic Revitalization Area for real and personal property tax abatement:

A. Resolution Nos. 2006-16, 2006-18, 2006-25 and 2006-26 adopted on May 3, 2006 providing for the declaration of certain parcels of real estate described therein, with common address of 2201 Northwind Parkway, Hobart, Indiana 46342, as an Economic Revitalization Area for the purpose of real and personal property tax abatement;

B. Resolution Nos. 2006-17, 2006-19, 2006-27 and 2006-28 adopted on June 7, 2006 confirming the designation of said parcels as an Economic Revitalization Area for the purpose of real and personal property tax abatement, said Resolutions taking effect on June 9, 2006 upon signature of the City Executive;

C. Resolution No. 2006-36 adopted and taking effect on August 16, 2006 amending the Statements of Benefits and Common Council Applications attached to one or more of Resolution Nos. 2006-16, 2006-18, 2006-25 and 2006-26 to provide for increases in the level of investment by the applicant in both real property and personal property, to change the listing of certain refrigeration equipment to the category of logistical distribution equipment from new manufacturing equipment, and to substitute a new legal description within the North Wind Crossings Planned Unit Development for the area previously designated and confirmed by the above stated resolutions; and

WHEREAS, Hanson has informed the City development staff and the Council that the size of its potential future expansions are now different than those planned and approved in 2006 which included an initial building and two (2) subsequent additions, and that Hanson’s plan now includes, in addition to the initial building previously constructed and the addition thereto constructed in 2010, a new addition to be added in 2013 and a possible third addition in the future (tax abatement for which future addition is not included in the current request of Hanson, but will be sought later); and

WHEREAS, the accommodation of Hanson’s updated plans require the amendment of Resolution 2006-36 in the following particulars requested by Hanson:

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48           A.       The substitution of revised Common Council Applications for  
49 Real Property tax abatement and Personal Property tax abatement for the  
50 application forms attached to Resolution 2006-36;

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52           B.       The substitution of revised Form SB-1 for Real Property and  
53 Revised Form SB-1 for personal property for the Forms SB-1 which were  
54 attached to Resolution 2006-36;

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56           C.       The inclusions of drawings which constitute graphic depictions of  
57 the Hanson additions now planned;

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59           D.       Change in the real property tax abatement deduction schedule for  
60 the new building addition proposed in order to address incentives offered by  
61 competing locations;

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63           E.       Change in the personal property tax abatement deduction schedule  
64 for the new building addition proposed in order to address incentives offered by  
65 competing locations;

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67           F.       The time to initiate (3.5 years) and complete the building and  
68 additions (6 years), and the installation of equipment (6 years) for which  
69 abatement was obtained on June 9, 2006 has expired. Section 23 of Resolution  
70 No. 1999-79 provides in pertinent part that:

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72                   If a request for an extension of time to commence construction or  
73 complete construction of a development is submitted in writing to  
74 the Director of Development after the deadlines previously  
75 established by the Hobart Common Council have expired, the  
76 Hobart Common Council shall not consider such request as an  
77 amendment, but shall require that a new tax abatement application  
78 fee paid, all current policies applied, and a public hearing required.

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80           The applicant has requested that the effect of Section 23 be waived, that its  
81 current request be treated as a request to amend the above-described 2006  
82 instruments, and that, accordingly, no application fee be required. The applicant,  
83 however, consented to the conduct of a public hearing upon the amendment, and  
84 the Council, upon motion duly adopted at its meeting of March 20, 2013,  
85 scheduled public hearing pursuant to the notice required by law for its regular  
86 meeting of April 3, 2013 at 6:00 p.m. in the Council Chamber, Hobart City Hall,  
87 414 Main Street, Hobart, Indiana 46342; and

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89           WHEREAS, after conducting said public hearing, the Council has determined that  
90 the requests for amendment of the 2006 instruments, particularly Resolution No. 2006-36,  
91 submitted by Hanson should be approved and now desires to adopt and make such amendment  
92 effective through this Resolution.

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94           THEREFORE, BE IT RESOLVED by the Common Council of the City of Hobart,  
95 Indiana that:

96           **SECTION ONE:** The Council hereby waives the effect of Section 23 of  
97 Resolution No. 1999-79 as it applies to the Hanson requests described in this  
98 Resolution. Such requests shall be considered as proposals for amendments to  
99 Resolution No. 2006-36 and the 2006 instruments shall not be deemed to  
100 constitute a new application, and the application fee shall not be applied. The  
101 applicant is granted one (1) year from the taking effect of this resolution to initiate  
102 the building addition, two (2) years in which to complete same and 2 (two) years  
103 in which to install the proposed equipment.

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105           **SECTION TWO:** Resolution No. 2006-36 is hereby amended by striking  
106 Exhibits G and I, the same being Common Council Applications for Real  
107 Property tax abatement and Personal Property tax abatement, respectively, and  
108 substituting, in lieu thereof, the revised Common Council Application for Real  
109 Property tax abatement, attached hereto as Exhibit 1, and revised Common  
110 Council Application for Personal Property tax abatement, attached hereto as  
111 Exhibit 2.

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113           **SECTION THREE:** Resolution No. 2006-36 is hereby further amended by  
114 striking Exhibits F and H, the same being Statement of Benefits Real Property and  
115 Statement of Benefits Personal Property (Forms SB-1), respectively, and  
116 substituting, in lieu thereof, the revised Statement of Benefits Real Property  
117 attached hereto as Exhibit 3, and Statement of Benefits Personal Property attached  
118 hereto as Exhibit 4.

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120           **SECTION FOUR:** Resolution No. 2006-36 is hereby further amended by  
121 attaching the drawings which constitute graphic depictions of the Hanson  
122 additions now planned, and which are attached hereto as Exhibit 5, as Exhibit J to  
123 said resolution.

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125           **SECTION FIVE:** The real property tax abatement schedule which  
126 previously applied to the applicant's real property taxes by law upon the adoption  
127 of the 2006 instruments is hereby amended to provide that the applicant shall  
128 receive deduction from real estate taxes for the proposed addition at the following  
129 rate for each year specified after completion and assessment:

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131                           Year 1: 100%  
132                           Year 2: 100%  
133                           Year 3: 100%  
134                           Year 4: 90%  
135                           Year 5: 85%  
136                           Year 6: 80%

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**SECTION SIX:** The personal property tax abatement schedule which previously applied to the applicant’s personal property taxes by law upon the adoption of the 2006 instruments is hereby amended to provide that the applicant shall receive deduction from personal property taxes for the proposed equipment at the following rate for each year specified after installation and assessment:

- Year 1: 100%
- Year 2: 100%
- Year 3: 100%
- Year 4: 95%
- Year 5: 95%
- Year 6: 85%

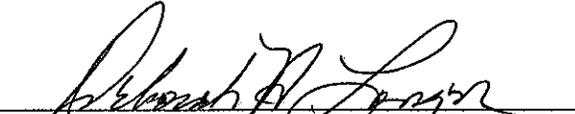
**SECTION SEVEN:** The Council adopts and reaffirms its findings in the 2006 instruments as continuing to apply to the amendment stated herein. Except as to the provisions of the 2006 instruments amended by this Resolution, the remaining provisions thereof are restated and reaffirmed. A copy of this resolution with the attached Amendments shall be directed by the City Director of Development to such other governmental entities she shall deem necessary.

ALL OF WHICH is adopted as the Resolution of the Common Council of the City of

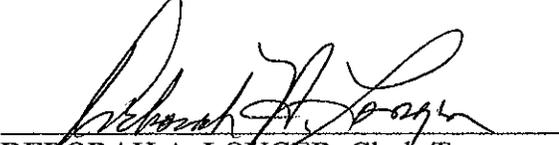
Hobart, Indiana on this Third day of April, 2013.

  
 \_\_\_\_\_  
 PRESIDING OFFICER

ATTEST:

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

PRESENTED by me to the Mayor of the City of Hobart on the 3<sup>rd</sup> day of April, 2013 at the hour of 7:10 pm.

  
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 DEBORAH A. LONGER, Clerk-Treasurer

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APPROVED, EXECUTED and RETURNED by me to the Common Council of the City  
of Hobart on this Third day of April, 2013.

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

ATTEST:

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

**APPLICATION FOR TAX ABATEMENT – COMMON COUNCIL**

*Form CCAP revised 2/23/06*

PETITIONER'S NAME: Hanson Cold Storage Co. of Indiana d/b/a Hanson Logistics PHONE: (269) 982-1390

ADDRESS: 2900 S. State St., Suite 4E FAX: (269) 982-1506

CITY, STATE, ZIP CODE: St. Joseph, MI 49085

COMMON LOCATION OF PROPERTY: 2201 Northwind Parkway, Hobart, IN 46324  
(Also attach legal description to this application form)

DESCRIPTION OF PROJECT: See attached

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

NUMBER OF UNITS: 2 additions

PROPOSED STARTING DATE FOR BUILDING CONSTRUCTION: April 2013  
(Must be within 12 months of approval date of confirmatory resolution)

PROPOSED COMPLETION DATE OF FIRST BUILDING UNIT: September 2013

WHAT HOBART BUSINESSES WILL BE INVOLVED IN THE PROJECT: Potentially local subcontractors such as electrical, excavation, metal, cement, HVAC, plumbers, carpenters, etc. would benefit. Ongoing businesses such as retail, service, financial, and education industries would benefit with local employees hired from the area.

HOW MANY JOBS WILL THE PROJECT RETAIN AND/OR CREATE? \_\_\_\_\_  
22 Retained 25-30 Created

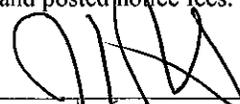
PROJECTED PAYROLL FOR ABOVE JOBS CREATED AND/OR RETAINED: \_\_\_\_\_  
\$750,000 Retained \$800,000 to \$1,000,000 Created

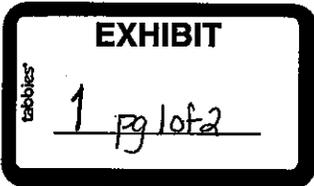
WILL THE COMMON CONSTRUCTION WAGE FOR HOBART, INDIANA BE PAID FOR CONSTRUCTION SERVICES? Yes WILL CONSTRUCTION OF THIS PROJECT BE COMPLETED BY CONTRACTORS WHO PAY THE COMMON CONSTRUCTION WAGE FOR HOBART, INDIANA? Yes

WINDOW OF OPPORTUNITY PERIOD REQUESTED: 1 Year

TAX ABATEMENT PERIOD OF DEDUCTION REQUESTED: 6 Years (with 100% deduction Year 1-3, 90% Year 4, 85% Year 5, 80% Year 6)

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 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:  DATE: 3/14/2013  
James A. Reits Secretary/Treasurer



**HANSON COLD STORAGE CO. OF INDIANA**

EIN: 38-3254580

FORM: Application for Tax Abatement (Form CCAP)

**1<sup>st</sup> and 2<sup>nd</sup> Addition Abatement**

**SUPPLEMENTAL INFORMATION:**

Description of Project

Hanson Logistics is a leading third party logistics service provider with state-of-the art transportation services and the 13th largest refrigerated warehouse network in the country, with 9 facilities in Michigan and Indiana and a total capacity of 37,000,000 cu. ft. of deep frozen, refrigerated and dry warehousing space. Hanson Logistics offers its customers the security of company-owned trucks, facilities and technology with the flexibility of non-asset services when structuring supply chain solutions for a growing number of food processors, distributors and retailers.

To continue the expansion of its successful multi-vendor freight consolidation program, Hanson Logistics needs to increase warehouse capacity and will do that by expanding its Benton Harbor, Michigan; Lafayette, Indiana; or Hobart, Indiana facility.

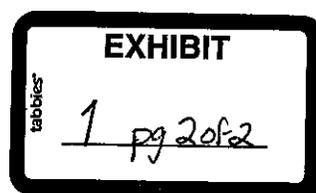
This abatement for request for Hobart would include the already completed approximate 60,000 square foot refrigerated warehouse and dock addition completed in 2010 and a proposed approximate 85,000 square foot refrigerated warehouse and dock addition to be completed in the fall of 2013. Included with the second addition would also be approximately 50,000 square foot of asphalt/concrete to accommodate truck parking, and a proposed dry detention pond. The estimated start date of the second addition would be April 2013 with completion approximately 150-180 days later.

Estimated total cost of construction is \$13,800,000 (\$4,300,000 2010 addition; \$9,500,000 2013 addition).

Hanson Logistics will attempt to make sure that the chosen construction company for the additions will make an effort to hire local subs.

**Legal Description**

North Wind Crossings (Resub) of Pt of Lot "E" & Pt of Lot "G") Lot 1



**APPLICATION FOR TAX ABATEMENT – COMMON COUNCIL**

*Form CCAP revised 2/23/06*

PETITIONER'S NAME: Hanson Cold Storage Co. of Indiana d/b/a Hanson Logistics PHONE: (269) 982-1390

ADDRESS: 2900 S. State St., Suite 4E FAX: (269) 982-1506

CITY, STATE, ZIP CODE: St. Joseph, MI 49085

COMMON LOCATION OF PROPERTY: 2201 Northwind Parkway, Hobart, IN 46324  
(Also attach legal description to this application form)

DESCRIPTION OF PROJECT: See attached

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

NUMBER OF UNITS: 2 additions

PROPOSED STARTING DATE FOR BUILDING CONSTRUCTION: April 2013  
(Must be within 12 months of approval date of confirmatory resolution)

PROPOSED COMPLETION DATE OF FIRST BUILDING UNIT: September 2013

WHAT HOBART BUSINESSES WILL BE INVOLVED IN THE PROJECT: Potentially local subcontractors such as electrical, excavation, metal, cement, HVAC, plumbers, carpenters, etc. would benefit. Ongoing businesses such as retail, service, financial, and education industries would benefit with local employees hired from the area.

HOW MANY JOBS WILL THE PROJECT RETAIN AND/OR CREATE? \_\_\_\_\_  
22 Retained 25-30 Created

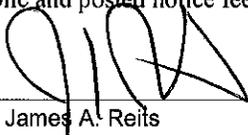
PROJECTED PAYROLL FOR ABOVE JOBS CREATED AND/OR RETAINED: \_\_\_\_\_  
\$750,000 Retained \$800,000 to \$1,000,000 Created

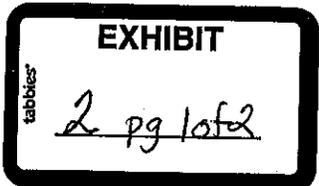
WILL THE COMMON CONSTRUCTION WAGE FOR HOBART, INDIANA BE PAID FOR CONSTRUCTION SERVICES? Yes WILL CONSTRUCTION OF THIS PROJECT BE COMPLETED BY CONTRACTORS WHO PAY THE COMMON CONSTRUCTION WAGE FOR HOBART, INDIANA? Yes

WINDOW OF OPPORTUNITY PERIOD REQUESTED: 1 Year

TAX ABATEMENT PERIOD OF DEDUCTION REQUESTED: 6 Years (with 100% deduction Year 1-3, 95% Year 4 & 5, 85% Year 6)

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 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:  DATE: 3/14/2013  
James A. Reits Secretary/Treasurer



**HANSON COLD STORAGE CO. OF INDIANA**

EIN: 38-3254580

FORM: Application for Tax Abatement (Form CCAP) – Personal Property

**1<sup>st</sup> and 2<sup>nd</sup> Addition Abatement**

**SUPPLEMENTAL INFORMATION:**

Description of Project

Hanson Logistics is a leading third party logistics service provider with state-of-the art transportation services and the 13th largest refrigerated warehouse network in the country, with 9 facilities in Michigan and Indiana and a total capacity of 37,000,000 cu. ft. of deep frozen, refrigerated and dry warehousing space. Hanson Logistics offers its customers the security of company-owned trucks, facilities and technology with the flexibility of non-asset services when structuring supply chain solutions for a growing number of food processors, distributors and retailers.

To continue the expansion of its successful multi-vendor freight consolidation program, Hanson Logistics needs to increase warehouse capacity and will do that by expanding its Benton Harbor, Michigan; Lafayette, Indiana; or Hobart, Indiana facility.

Logistical Distribution Equipment would include:

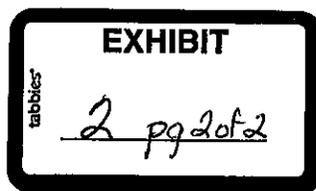
- Freezer Doors
- Rotary Screw Compressors
- Low Temperature Evaporators
- High Temperature Evaporators
- Condensers
- Piping & valves
- Under Floor heating systems
- Ammonia Sensors
- Storage racking

Total cost of the equipment not to exceed \$3,300,000 (\$1,700,000 2010 addition; \$1,600,000 2013 addition).

Hanson Logistics will attempt to make sure that the chosen construction company for the additions will make an effort to hire local subs.

Legal Description

North Wind Crossings (Resub) of Pt of Lot "E" & Pt of Lot "G") Lot 1





# STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R3 / 12-11)  
Prescribed by the Department of Local Government Finance

**EXHIBIT**  
3 pg 1 of 4

20 13 PAY 20 14  
FORM SB-1 / Real Property

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)
- Eligible vacant building (IC 6-1.1-12.1-4.8)

### 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. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, **BEFORE** a deduction may be approved.
3. To obtain a deduction, application Form 322 ERA/RE or Form 322 ERA/VBD, whichever is applicable, must be filed with the County Auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor, if any, or the county assessor.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)]
5. The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000, unless an alternative deduction schedule is adopted by the designating body (IC 6-1.1-12.1-17). The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.

## SECTION 1 TAXPAYER INFORMATION

Name of taxpayer <b>Hanson Cold Storage Co. of Indiana d/b/a Hanson Logistics</b>		
Address of taxpayer (number and street, city, state, and ZIP code) <b>2900 S. State St., Suite 4E, St. Joseph, MI 49085</b>		
Name of contact person <b>Jack White</b>	Telephone number <b>(269) 982-1390</b>	E-mail address <b>jwhite@hansonlogistics.com</b>

## SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body <b>Common Council of the City of Hobart</b>	Resolution number <b>2006-36</b>
Location of property <b>2201 Northwind Parkway, Hobart, IN 46342</b>	County <b>Lake</b>
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) <b>See attached Supplement for description</b>	DLGF taxing district number <b>43</b>
	Estimated start date (month, day, year) <b>04/01/2013</b>
	Estimated completion date (month, day, year) <b>09/01/2013</b>

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
<b>22.00</b>	<b>\$750,000.00</b>	<b>22.00</b>	<b>\$750,000.00</b>	<b>25 to 30</b>	<b>\$800,000 to \$1,000,000</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.	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	<b>9,342,619.00</b>	<b>5,424,800.00</b>
Plus estimated values of proposed project	<b>13,800,000.00</b>	<b>8,700,000.00</b>
Less values of any property being replaced	<b>0.00</b>	<b>0</b>
Net estimated values upon completion of project	<b>23,142,619.00</b>	<b>\$ 14,124,800.00</b>

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

Estimated solid waste converted (pounds) _____	Estimated hazardous waste converted (pounds) _____
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Other benefits

With the potential utilization of local subs and suppliers, Indiana sales tax revenue will increase through the purchase of goods and services (food, gas, etc.). All of the new hires for this addition would be hired locally (Northwest Indiana), not relocating from other Hanson facilities. This too, on an ongoing basis, will increase Indiana sales tax through the purchase of goods and services, as well as potential increases in property taxes. Our expansion could also potentially lead to a food manufacturer or processor locating in the area to be close to our refrigerated distribution center and transportation network. This addition could possibly lead to the hiring of truck drivers for the Hanson fleet of trucks and possibly local carriers hiring truck drivers to support the growth of our multi-vendor freight consolidation program out of Hobart.

## SECTION 6 TAXPAYER CERTIFICATION

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

Signature of authorized representative 	Title <b>President</b>	Date signed (month, day, year) <b>03/07/2013</b>
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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, provides for the following limitations:

A. The designated area has been limited to a period of time not to exceed \_\_\_\_\_ calendar years \* (see below). The date this designation expires is \_\_\_\_\_.

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  
 3. Occupancy of a vacant building  Yes  No

C. The amount of the deduction applicable is limited to \$ 13,800,000 in est. const. value for both additions

D. Other limitations or conditions (specify) 2010 addition has 10 year traditional abatement deduction schedule

E. The deduction is allowed for 10 yrs for 1st addition years\* (see below). 6 years for 2nd addition (2013)

F. Did the designating body adopt an alternative deduction schedule per IC 6-1.1-12.1-17?  Yes  No only for the 2013 addition  
 If yes, attach a copy of the alternative deduction schedule to this form. - see below

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)

Telephone number

Date signed (month/ day, year)

*[Signature]*

6191 942-1940

4/3/2013

Attested by (signature and title of attester)

Designated body

*[Signature]*

Common Council

\* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.12-12.1-4.

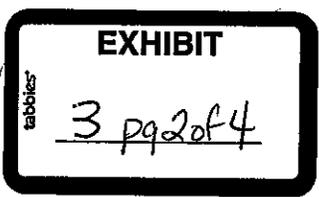
- A. For residentially distressed areas, the deduction period may not exceed five (5) years.
- B. For redevelopment and rehabilitation or real estate improvements:
  1. If the Economic Revitalization Area was designated prior to July 1, 2000, the deduction period is limited to three (3), six (6), or ten (10) years.
  2. If the Economic Revitalization Area was designated after June 20, 2000, the deduction period may not exceed ten (10) years.
- C. For vacant buildings, the deduction period may not exceed two (2) years.

6 year deduction schedule

2013 addition only

Year 1 - 100%  
 Year 2 - 100%  
 Year 3 - 100%  
 Year 4 - 90%  
 Year 5 - 85%  
 Year 6 - 80%

asper Section Five in Resolution 2013-05



**HANSON COLD STORAGE CO. OF INDIANA**  
EIN: 38-3254580  
FORM: Statement of Benefits (Form SB-1/RE)

**1<sup>st</sup> and 2<sup>nd</sup> Addition Abatement**

**SUPPLEMENTAL INFORMATION:**

**Section 2 – Location and Description of Proposed Project**

**Description of real property improvements**

Hanson Logistics is a leading third party logistics service provider with state-of-the art transportation services and the 13th largest refrigerated warehouse network in the country, with 9 facilities in Michigan and Indiana and a total capacity of 37,000,000 cu. ft. of deep frozen, refrigerated and dry warehousing space. Hanson Logistics offers its customers the security of company-owned trucks, facilities and technology with the flexibility of non-asset services when structuring supply chain solutions for a growing number of food processors, distributors and retailers.

To continue the expansion of its successful multi-vendor freight consolidation program, Hanson Logistics needs to increase warehouse capacity and will do that by expanding its Benton Harbor, Michigan; Lafayette, Indiana; or Hobart, Indiana facility.

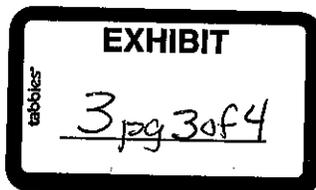
This abatement for request for Hobart would include the already completed approximate 60,000 square foot refrigerated warehouse and dock addition completed in 2010 and a proposed approximate 85,000 square foot refrigerated warehouse and dock addition to be completed in the fall of 2013. Included with the second addition would also be approximately 50,000 square foot of asphalt/concrete to accommodate truck parking, and a proposed dry detention pond. The estimated start date of the second addition would be April 2013 with completion approximately 150-180 days later.

**Section 3 – Estimate of Employees and Salaries as Result of Proposed Project**

It is estimated that the first and second additions will employ approximately 25-30 teammates with an estimated annual payroll of \$800,000 to \$1,000,000 when the second addition is running at full capacity. Although not listed under Section 3, there will also be construction jobs retained during the construction of both additions during the time period each addition is being built. The second addition will probably retain an estimated 75 construction jobs at an estimated annual payroll of \$2,500,000. Also not included in Section 3 will be the possible employment of truck drivers for the Hanson fleet of trucks and possibly other local carriers in the area to service Hanson Logistics growth of its multi-vendor freight consolidation program run out of the Hobart facility.

**Section 4 – Estimated Total Cost and Value of Proposed Project**

Costs are estimated building and land improvement costs for both the first and second additions.





2900 South State Street, Suite 4 East  
St. Joseph, MI 49085  
269.982.1390  
888.772.1197  
fax 269.982.1506  
hansonlogistics.com

March 11, 2013

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

Dear Members of Hobart Common Council:

Enclosed please find Hanson Cold Storage Co. of Indiana d/b/a Hanson Logistics' amended Statement of Benefits forms (SB-1/Real Property and SB-1/PP) for our potential project in Hobart, Indiana. We are filing these amended forms for the following reasons:

- Due to changes in business needs the size of our potential future expansions are different than initially planned back in 2006. Instead of an initial build and two subsequent additions, we are now looking at our initial build; the addition we put on in 2010; this proposed addition in 2013; and a possible third addition in the future (abatment for such will be sought later); and
- We cannot at this time accurately predict when, if at all, we would put on another addition

We are very excited about the possibility of adding on to our existing facility in Hobart and greatly appreciate your consideration of our amended forms.

Should you have any questions on our project please feel free to contact me.

Sincerely,

Andrew B. Janson  
President

EXHIBIT

tabbles

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# STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R2 / 12-11)  
Prescribed by the Department of Local Government Finance

**EXHIBIT**  
4 pg of 3

**FORM SB-1 / PP**

**PRIVACY NOTICE**  
The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-3.1 (c) and (d).

### INSTRUCTIONS:

- 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. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved
- 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 March 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 March 1 and the extended due date of that year.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001, unless an alternative deduction schedule is adopted by the designating body (IC 6-1.1-12.1-17).

## SECTION 1 TAXPAYER INFORMATION

Name of taxpayer <b>Hanson Cold Storage Co. of Indiana d/b/a Hanson Logistics</b>	
Address of taxpayer (number and street, city, state, and ZIP code) <b>2900 S. State St., Suite 4E, St. Joseph, MI 49085</b>	
Name of contact person <b>Jack White</b>	Telephone number <b>(269) 982-1390</b>

## SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body <b>Common Council of the City of Hobart</b>		Resolution number (s) <b>2006-36</b>	
Location of property <b>2201 Northwind Parkway, Hobart, IN 46342</b>	County <b>Lake</b>	DLGF taxing district number <b>43</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>See attached Supplement for description</b>	<b>ESTIMATED</b>		
		<b>START DATE</b>	<b>COMPLETION DATE</b>
	<b>Manufacturing Equipment</b>		
	<b>R &amp; D Equipment</b>		
	<b>Logist Dist Equipment</b>	<b>04/01/2013</b>	<b>09/01/2013</b>
<b>IT Equipment</b>			

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
<b>22</b>	<b>750,000.00</b>	<b>22</b>	<b>750,000.00</b>	<b>25 to 30</b>	<b>\$800,000 to \$1,000,000</b>

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

<b>NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.</b>	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values					4,686,990.00	1,124,878.00		
Plus estimated values of proposed project					3,300,000.00	1,848,000.00 <sup>90</sup>		
Less values of any property being replaced					0.00	0		
Net estimated values upon completion of project					7,986,990.00	2,972,878.00 <sup>90</sup>		

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

Estimated solid waste converted (pounds) _____	Estimated hazardous waste converted (pounds) _____
Other benefits: <b>See attached Supplement for Other Benefits</b>	

## SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.		
Signature of authorized representative 	Title <b>President</b>	Date signed (month, day, year) <b>03/07/2013</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 \_\_\_\_\_ calendar years \* (see below). The date this designation expires is \_\_\_\_\_.

- B. The type of deduction that is allowed in the designated area is limited to:
- 1. Installation of new manufacturing equipment;  Yes  No
  - 2. Installation of new research and development equipment;  Yes  No
  - 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 \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.

D. The amount of deduction applicable to new research and development equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ 3,300,000.00 cost with an <sup>estimated</sup> assessed value of \$ 1,848,000.00.

F. The amount of deduction applicable to new Information technology equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.

G. Other limitations or conditions (specify) equipment in 2010 addition has 10yr traditional abatement deduction schedule; equipment in 2013 addition has 1yr abatement deduction 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 on or after July 1, 2000, is allowed for:

- 1 year
- 2 years
- 3 years
- 4 years
- 5 years \*\*
- 6 years
- 7 years
- 8 years
- 9 years
- 10 years \*\*

\*\* For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.

for 2010 addition's equipment only using traditional deduction schedule

I. Did the designating body adopt an alternative deduction schedule per IC 6-1.1-12.1-17?  Yes  No

If yes, attach a copy of the alternative deduction schedule to this form.

see below

only for equipment in the 2013 addition

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 (signature and title of authorized member)

Telephone number

Date signed (month/day/year)

Attested by:

Designated body

*[Handwritten signature]*

(219) 942-1940

4/3/13

Common Council

\* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5

\* equipment installed in 2013 addition only  
as per Section Six in Resolution 2013-05

deduction schedule  
per year  
 Year 1 - 100%  
 Year 2 - 100%  
 Year 3 - 100%  
 Year 4 - 95%  
 Year 5 - 95%  
 Year 6 - 85%

**EXHIBIT**  
 tabbies 4 pg 2 of 3

**HANSON COLD STORAGE CO. OF INDIANA**  
EIN: 38-3254580  
FORM: Statement of Benefits (Form SB-1/PP)

**1<sup>st</sup> and 2<sup>nd</sup> Addition Abatement**

**SUPPLEMENTAL INFORMATION:**

**Section 2 – Location and Description of Proposed Project**

**Description of manufacturing equipment and logistical distribution equipment**

Hanson Logistics is a leading third party logistics service provider with state-of-the art transportation services and the 13th largest refrigerated warehouse network in the country, with 9 facilities in Michigan and Indiana and a total capacity of 37,000,000 cu. ft. of deep frozen, refrigerated and dry warehousing space. Hanson Logistics offers its customers the security of company-owned trucks, facilities and technology with the flexibility of non-asset services when structuring supply chain solutions for a growing number of food processors, distributors and retailers.

Logistical Distribution Equipment would include:

- Freezer Doors
- Rotary Screw Compressors
- Low Temperature Evaporators
- High Temperature Evaporators
- Condensers
- Piping & valves
- Under Floor heating systems
- Ammonia Sensors
- Storage racking

**Section 3 – Estimate of Employees and Salaries as Result of Proposed Project**

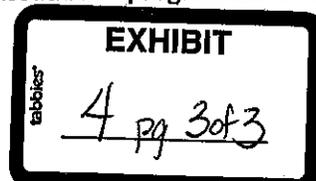
It is estimated that the first and second additions will employ approximately 25-30 teammates with an estimated annual payroll of \$800,000 to \$1,000,000 when the second addition is running at full capacity. Although not listed under Section 3, there will also be construction jobs retained during the construction of both additions during the time period each addition is being built. The second addition will probably retain an estimated 75 construction jobs at an estimated annual payroll of \$2,500,000. Also not included in Section 3 will be the possible employment of truck drivers for the Hanson fleet of trucks and possibly other local carriers in the area to service Hanson Logistics growth of its multi-vendor freight consolidation program run out of the Hobart facility.

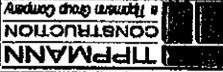
**Section 4 – Estimated Total Cost and Value of Proposed Project**

Costs are estimated logistical distribution equipment costs for both the first and second additions.

**Section 5 – Other Benefits**

With the potential utilization of local subs and suppliers, Indiana sales tax revenue will increase through the purchase of goods and services (food, gas, etc.). All of the new hires for this addition would be hired locally (Northwest Indiana), not relocating from other Hanson facilities. This too, on an ongoing basis, will increase Indiana sales tax through the purchase of goods and services, as well as potential increases in property taxes. Our expansion could also potentially lead to a food manufacturer or processor locating in the area to be close to our refrigerated distribution center and transportation network. This addition could possibly lead to the hiring of truck drivers for the Hanson fleet of trucks and possibly local carriers hiring truck drivers to support the growth of our multi-vendor freight consolidation program out of Hobart.



 TPMMANN CONSTRUCTION a Hammann Group Company <small>PHASE 2007 400-2000 • PHASE 2010 400-8700</small>	PROPOSAL DOCUMENTS DATE	 HANNON LOGISTICS	PROPOSED FACILITY EXPANSION FOR 3201 NORTHWARD PKW HOBART, IN	PROPOSED MASTER SITE PLAN	9574 874	REGION:	SHEET C1.0
	PROPOSED FACILITY EXPANSION FOR 3201 NORTHWARD PKW HOBART, IN	PROPOSED MASTER SITE PLAN	9574 874	REGION:	SHEET C1.0		




  
 PRELIMINARY  
 CONSTRUCTION

EXHIBIT  
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 tables

PROPOSED MASTER SITE PLAN  
 SCALE: 1" = 40'  

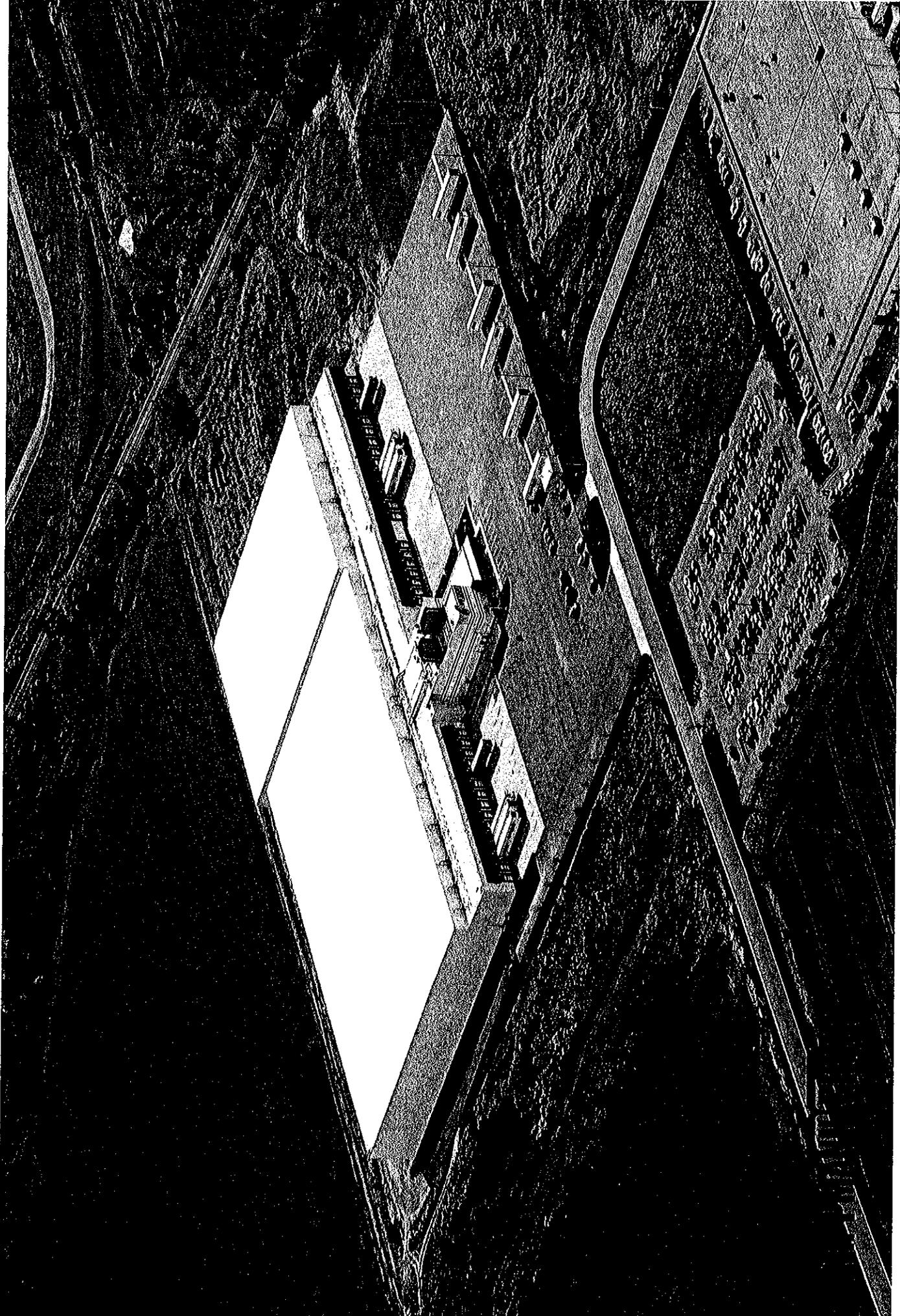
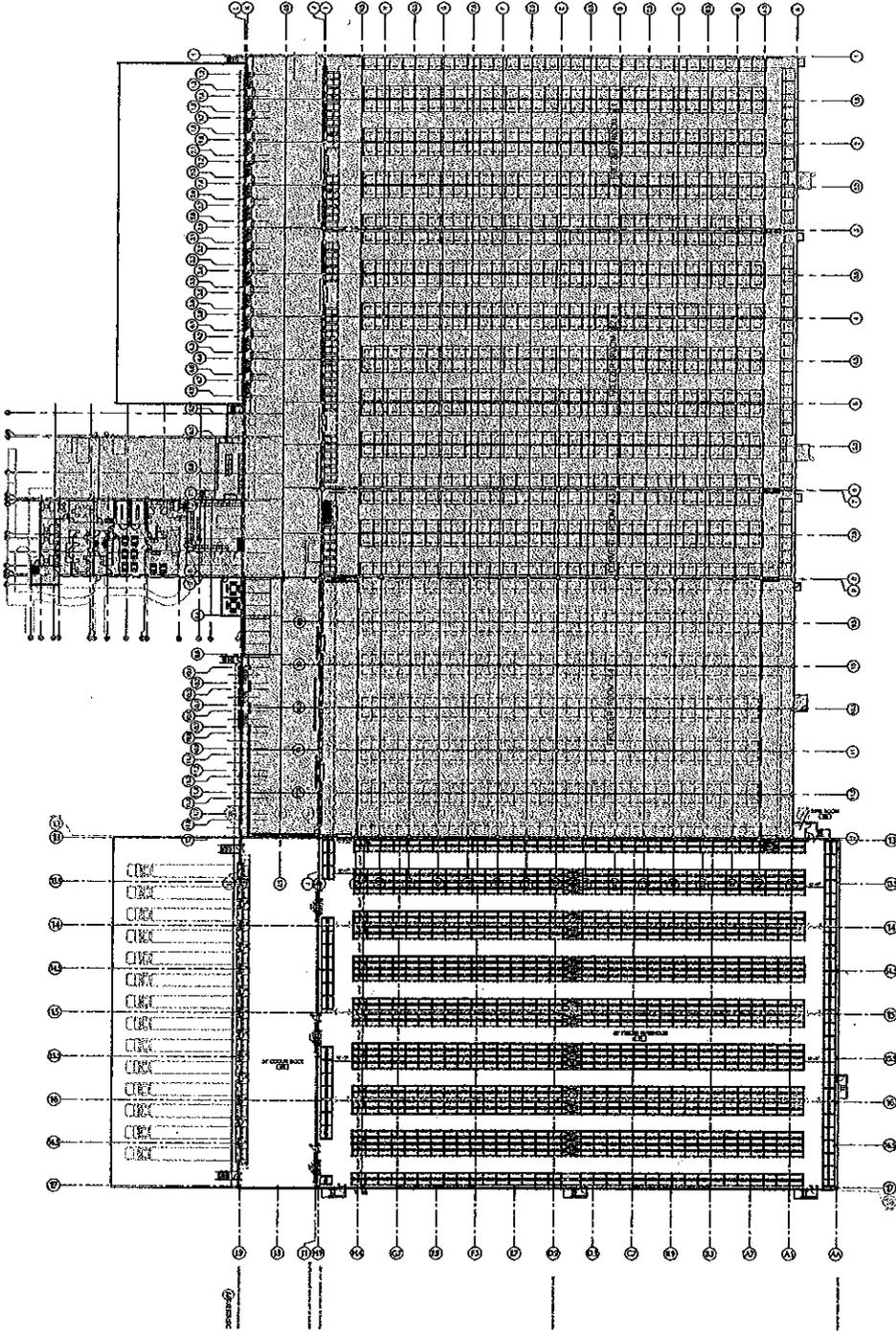



EXHIBIT  
5 pp 2013  
tabbles\*




 N OVERALL FLOOR PLAN

**EXHIBIT**  
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 Tables