

RESOLUTION NO. 2019-04

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

WHEREAS, a petition for personal property tax abatement has been filed with the City of Hobart for consideration by the Common Council of the City of Hobart, said petition requesting that the area commonly described as

East
5441 Lincoln Highway, Merrillville, IN 46410

which is more particularly described in Exhibit "A" attached, be designated as an Economic Revitalization Area under the provisions of Indiana Code 6-1.1-12.1-1 et seq.; and

WHEREAS, the Act provides that such Economic Revitalization Areas are areas within the City which have:

"become undesirable for, or impossible of, normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors which have impaired values or prevent a normal development of property or use of property," I.C. 6-1.1-12.1-1(a), and

WHEREAS, Paine, LLC,

has a vested property interest in the real estate commonly known as

East
5441 Lincoln Highway, Merrillville, IN 46410, and

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

PROJECT:

(Describe Personal Property Improvements):

New manufacturing equipment to be used in expansion of Gummy and Chocolate Manufacturing estimated to cost \$59,266,700.

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

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

Section 1: The Common Council of the City of Hobart hereby determines and finds that the petition for personal property tax abatement and the Statement of Benefits Form (see Exhibit "B" attached hereto) completed by the petitioner meets the requirements of Indiana Code 6-1.1-12.1-1 et seq. and qualifies for tax abatement.

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

- a. That the estimate of the cost of the new manufacturing equipment is reasonable for equipment of that type.
- b. That the estimate of the number of individuals who will be employed or whose employment will be retained can reasonably be expected to result from the proposed described installation of the new manufacturing equipment.

- c. That the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be expected to result from the proposed described installation of the new manufacturing equipment.
- d. That the other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described installation of the new manufacturing equipment.
- e. That the totality of benefits is sufficient to justify the deduction, all of which satisfy the requirements of Indiana Code 6-1.1-12.1-3 and 6-1.1-12.1-4.5 and can reasonably be expected to result from the installation of the new manufacturing equipment.

Section 3: The Common Council of the City of Hobart hereby determines and finds that the proposed installation of new manufacturing equipment can reasonably be expected to yield the benefits identified in the Statement of Benefits, "Exhibit B" attached, such form prescribed by the State Board of Tax Commissioners, including the list dated January 18, 2019 of the new manufacturing equipment to be installed which is attached hereto as Exhibit "C", and is sufficient to justify the deduction granted under IC 6-1.1-12.1-4 and/or IC 6-1.1-12.1-4.5 of the Indiana Code.

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

Section 5: The Common Council of the City of Hobart determines that such designation is for personal property tax abatement for the new manufacturing equipment to begin to be installed within six (6) months from the date of the adoption of a resolution confirming this resolution by the Common Council, and such installation completed by December 31, 2021.

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

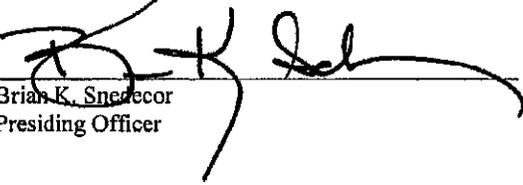
Year One: 100%, Year Two: 90%, Year Three 80%, Year Four 70%, Year Five 60%, Year Six 50%, Year Seven 40%, Year Eight 30%, Year Nine 20%, and Year Ten 10 %.

Section 7: The Common Council of the City of Hobart directs the Clerk to cause notice of the adoption and substance of this Resolution for real and personal property tax abatement to be published in accordance with IC 5-3-1, as amended, said publication providing notice of the public hearing before the Common Council on the proposed confirmation of said declaration and to file a copy of this resolution with the County Assessor, and to file the information required by Indiana Code 6-1.1-12.1-2.5(c) with the officers of each taxing unit that has authority to levy property taxes in the geographic area where the Economic Revitalization Area is located.

Section 9: Upon submission of an invoice from the Clerk-Treasurer and within thirty (30) days from the date of tax abatement approval by the Common Council, one percent (1%) of the total value of the personal property (based on values as approved on the Statement of Benefits) shall be paid to the City. The Common Council at the request of the applicant, and with the applicant's agreement, hereby authorizes that the one percent (1%) Exaction Fee, in the amount of \$592,667.00 be paid by applicant and collected, in this case only, in three installments as follows: \$197,555.66 by August 15, 2019; \$197,555.67 by January 15, 2020; and \$197,555.67 by April 15, 2020.

Section 10: This resolution shall be in full force and effect from and after its adoption by the Common Council.

PASSED AND ADOPTED by the Common Council of the City of Hobart, Lake County, Indiana on the 20th day of MARCH, 2019, by a vote of 7 in favor and 0 opposed.



Brian K. Smedecor
Presiding Officer

ATTEST:



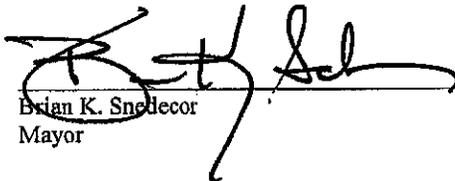
Deborah A. Longer
Clerk-Treasurer

PRESENTED by me to Mayor of the City of Hobart, Indiana, on the 20th day of MARCH, 2019
at 7:05 a.m./p.m.



Deborah A. Longer
Clerk-Treasurer

APPROVED, SIGNED AND RETURNED by me to the Common Council of the City of Hobart, Lake County, Indiana this 20th day
of MARCH, 2019.



Brian K. Smedecor
Mayor

ATTEST:



Deborah A. Longer
Clerk-Treasurer

Exhibit "A"

DESCRIPTION OF PROPERTY

LOTS 2, 3, 4 AND THE EAST 100 FEET OF LOT 5 IN US 30 ENTERPRISE PARK SUBDIVISION RECORDED IN THE LAKE COUNTY RECORDER'S OFFICE IN PLAT BOOK 81 PAGE 99, LYING IN THE SOUTH HALF OF SECTION 19, TOWNSHIP 35 NORTH, RANGE 7 WEST IN HOBART, INDIANA, HAVING AN AREA OF 21.015 ACRES MORE OR LESS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT NORTHWEST CORNER OF THE EAST HALF OF THE SOUTH WEST CORNER OF SAID SECTION 19; THENCE SOUTH $00^{\circ} 06' 34''$ EAST ALONG THE WEST LINE OF EAST HALF OF THE SAID SOUTHWEST CORNER, 154.243' FEET TO THE SOUTH RIGHT OF WAY LINE OF THE SOUTH US 30 FRONTAGE ROAD AS DEDICATED IN SAID US 30 ENTERPRISE PARK SUBDIVISION; THENCE SOUTH $89^{\circ} 32' 13''$ EAST ALONG SAID RIGHT OF WAY LINE, SAID LINE ALSO BEING THE NORTH LINE OF LOT 5 IN SAID ADDITION, 600.110 FEET TO A POINT 100.00 FEET WEST OF THE EAST LOT LINE OF SAID LOT 5 AND TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH $89^{\circ} 32' 13''$ EAST ALONG SAID SOUTH FRONTAGE ROAD RIGHT OF WAY LINE, 804.713 FEET TO THE EAST LINE OF LOT 2 IN SAID SUBDIVISION; THENCE SOUTH $00^{\circ} 05' 31''$ EAST ALONG SAID LOT 2 EAST LINE, 889.803 FEET TO THE SOUTHEAST CORNER OF SAID LOT 2; THENCE NORTH $89^{\circ} 28' 34''$ WEST ALONG THE SOUTH LINE OF LOT 2 OF SAID SUBDIVISION AND PARALLEL TO THE SOUTH LINE OF THE NORTH HALF OF THE SOUTH HALF OF SAID SECTION 19, 188.76 FEET, TO THE NORTHEAST CORNER OF LOT 4 IN SAID SUBDIVISION; THENCE SOUTH $00^{\circ} 07' 34''$ EAST ALONG SAID LOT 4 EAST LINE, 322.12 FEET TO THE NORTH RIGHT OF WAY LINE OF 83RD AVENUE; THENCE NORTH $89^{\circ} 52' 33''$ WEST ALONG SAID RIGHT OF WAY LINE, 616.07 FEET TO A LINE PARALLEL TO AND 100 FEET FROM THE EAST LINE OF LOT 5 IN SAID SUBDIVISION; THENCE NORTH $00^{\circ} 05' 41''$ WEST ALONG SAID PARALLEL, 1215.366 FEET TO THE POINT OF BEGINNING; CONTAINING 21.015 ACRES MORE OR LESS.

SUBJECT TO ALL EASEMENTS AND SETBACKS ALREADY DEDICATED.



STATEMENT OF BENEFITS
PERSONAL PROPERTY

State Form 61764 (R3 / 12-13)
Prescribed by the Department of Local Government Finance

Exhibit 'B'

FORM SB-1 / PP

PRIVACY NOTICE

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

INSTRUCTIONS

- 1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between 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.
4. Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1 TAXPAYER INFORMATION
Name of taxpayer: Paine, LLC
Name of contact person: James Dragon
Address of taxpayer: 5441 East Lincoln HWY Merrillville, IN 46410
Telephone number: (219) 942-1877

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT
Name of designating body: Hobart City Council
Resolution number (s):
Location of property: 5441 East Lincoln HWY, in Hobart
County: Lake
DLGF taxing district number: 46
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment: Gummy and Chocolate manufacturing equipment
See Attached Detailed List
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.
Table with columns: MANUFACTURING EQUIPMENT, R & D EQUIPMENT, LOGIST DIST EQUIPMENT, IT EQUIPMENT. Rows: Current values, Plus estimated values of proposed project, Less values of any property being replaced, Net estimated values upon completion of project.

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT
Table with columns: Current number, Salaries, Number retained, Salaries, Number additional, Salaries.
Current number: 440 (as of 12/31/18), Salaries: \$18,528,279, Number retained: 440, Salaries: \$18,528,279, Number additional: 69 (as of 12/31/21), Salaries: \$2,585,749

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT
Table with columns: MANUFACTURING EQUIPMENT, R & D EQUIPMENT, LOGIST DIST EQUIPMENT, IT EQUIPMENT. Rows: Current values, Plus estimated values of proposed project, Less values of any property being replaced, Net estimated values upon completion of project.

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER
Estimated solid waste converted (pounds): N/A
Estimated hazardous waste converted (pounds): N/A
Other benefits: See attached Detailed List

SECTION 6 TAXPAYER CERTIFICATION
I hereby certify that the representations in this statement are true.
Signature of authorized representative: [Signature]
Date signed (month, day, year): 3/11/2019
Printed name of authorized representative: Tess Albanese
Title: Owner

FOR USE OF THE DESIGNATING BODY

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

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

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

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

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ 59,266,700 cost with an assessed value of \$ _____ (One or both lines may be filled out to establish a limit, if desired.)

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

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

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

G. Other limitations or conditions (specify): DEDUCTION SCHEDULE AS PER SECTION 6 OF RES. 2019-04

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

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

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? Yes No
 If yes, attach a copy of the abatement schedule to this form. SEE SECT. 6 OF RESOLUTION 2019-04 ; EX. B pg. 6-8
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above. BAKER TILLY ANALYSIS DATED 3-7-19

Approved by: (signature and title of authorized member of designating body) <u>Mark O'Co</u>	Telephone number <u>(219) 942-1940</u>	Date signed (month, day, year) <u>4/3/19</u>
Printed name of authorized member of designating body <u>Matthew D. Clausen</u>	Name of designating body <u>HOBART COMMON COUNCIL</u>	
Attested by: (signature and title of attester) <u>Deborah A. Longor</u>	Printed name of attester <u>DEBORAH A. LONGOR MARK TREASURER</u>	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

(219) 942-1877

Fax (219) 942-1899

5441 E. Lincoln Highway, Merrillville, Indiana 46410

Setting higher standards in confectionery.

Statement of Benefits Personal Property

Section 5

Waste Converted and Other Benefits Promised by the Taxpayer

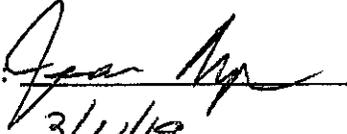
The Proposed Project will have the following Benefits to the City and Community:

- Attraction of Similar Businesses on Adjacent property and Development of these Sites.
- Increased Tourism brought to the area to Visit our Candy Factory and Retail Store.
- Numerous Tradesmen's and Technical Jobs retained to help build and install the New Manufacturing Equipment
 - Approx. 6-15 Electricians with an estimated earned wage totaling - \$2,000,000
 - Approx. 4-6 Plumbers with an estimated earned wage totaling - \$650,000
 - Approx. 2-4 Operating Engineers with an estimated earned wage totaling - \$50,000
 - Approx. 6-8 Concrete Workers with an estimated earned wage totaling - \$100,000
 - Approx. 3-4 Site Surveyors with an estimated earned wage totaling - \$40,000
 - Approx. 8-12 Pipe Fitters with an estimated earned wage totaling - \$2,000,000
 - Approx. 4-6 Sheet Metal Workers with an estimated earned wage totaling - \$500,000
 - Approx. 3-4 Electrical Engineer Tech. with an est. earned wage totaling - \$500,000
 - Approx. 4-6 Insulation Installers with an estimated earned wage totaling - \$400,000

Exhibit "B"

Other Benefits Promised – Section 5 (continued)

Applicant: Albanese/Paine, LLC

Signed: 

Personal Property

Date: 3/1/19

For this abatement request, Applicant agrees to pay a sum of no more than \$750 per year, for each year in which the abatement is in effect, at such time the City is required to comply with certain tax abatement transparency reporting requirements required by the State government, Federal government, or other applicable regulatory organization or agency. This payment will be paid for all applicable remaining years of abatement that require such reporting in one lump sum upon invoice by the City of Hobart.

Applicant will provide reasonable advanced notice to the City of Hobart relating to any material changes in the reporting of the acquisitions cost, acquisition year, depreciation classification or other characteristic of the existing and proposed personal property investment that may affect the net assessed value of personal property, including a filing of an amended personal property tax return. If any of the described changes are made, a copy of the personal property assessment forms and description of such changes will be provided to the City of Hobart.

Applicant agrees to refrain from materially reducing the reported acquisition cost, acquisition year or depreciation pool (currently assumed to be Pool #2 as per 3-7-2019 Baker Tilly analysis attached to this Exhibit as pages 6-8) for the new manufacturing for any year during the abatement deduction period which would have the effect of reducing the net personal property taxes payable for the new manufacturing equipment for that year as stated in the following table on page 5, provided that the acquisition cost of the personal property is greater than or equal to \$59,266,700. In the event that the acquisition cost of the proposed personal property investment is less than \$59,266,700, the amount indicated in the table on page 5 for that year will be reduced by the percentage by which the actual acquisition cost is less than \$59,266,700, so that the net taxes to be paid under this agreement is reduced proportionately.

Exhibit "B"

Taxes Payable Year Property Taxes to be paid on the Proposed Personal Property Investment
(as per the 3-7-2019 Baker Tilly Analysis)

<u>2021</u>	<u>\$0</u>
<u>2022</u>	<u>\$8,880</u>
<u>2023</u>	<u>\$51,060</u>
<u>2024</u>	<u>\$109,450</u>
<u>2025</u>	<u>\$136,350</u>
<u>2026</u>	<u>\$159,750</u>
<u>2027</u>	<u>\$205,400</u>
<u>2028</u>	<u>\$252,940</u>
<u>2029</u>	<u>\$300,510</u>
<u>2030</u>	<u>\$345,640</u>
<u>2031</u>	<u>\$390,770</u>
<u>2032</u>	<u>\$431,140</u>

If needed, Applicant agrees to execute on an annual basis a Reimbursement Agreement, which shall require payment for services engaged by the City in order to review compliance with the minimum tax payments promised as noted above. This Reimbursement Agreement and its estimated payment is only required if the \$1,500 fee (or other fee amount established for this same purpose) collected as required by Ordinance 2017-32 is insufficient to have the compliance review performed by the City's financial consultant.

Exhibit "B"



now joined with Umbaugh

Baker Tilly Virchow Krause, LLP
8365 Keystone Crossing, Ste 300
Indianapolis, IN 46240

T: +1 (317) 465 1600
F: +1 (317) 465 1550

bakertilly.com

March 7, 2019

Ms. Denarie Kane, Director of Development
City of Hobart
414 Main Street
Hobart, Indiana 46324

Re: Proposed Property Tax Abatement Analysis – Paine LLC

Dear Ms. Kane:

The attached schedules (listed below) present unaudited and limited information for the purpose of discussion and consideration in the preliminary planning stage of the proposed property tax abatement by the appropriate officers, officials and advisors of the City of Hobart. The use of these schedules should be restricted to this purpose, for internal use only, as the information is subject to future revision and final report.

<u>Page</u>	
2	Assumptions
3	Estimated Property Tax Liability for the Proposed Investment in Personal Property

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

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

Very truly yours,

BAKER TILLY
MUNICIPAL ADVISORS, LLC

Matthew R. Eckerle

Exhibit "B"

CITY OF HOBART, INDIANA

Palme LLC

ASSUMPTIONS

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

	<u>Estimated Cost</u>
Depreciable Personal Property:	
Proposed Investment (1)	
Pool #2 (2)	
- First assessed January 1, 2020 for taxes payable in 2021	\$6,250,000
- First assessed January 1, 2021 for taxes payable in 2022	26,545,850
- First assessed January 1, 2022 for taxes payable in 2023	<u>26,470,850</u>
Total Investment	<u>\$59,266,700</u>

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

Property Tax Rates

Certified Pay 2019 Tax Rate

- Hobart-Ross Township Taxing district

\$2.9522

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

(Subject to the attached letter dated March 7, 2019)
(Preliminary - Subject to Change)
(For Internal Use Only)

Exhibit "B"

CITY OF HOBART, INDIANA

Pathe LLC

ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN PERSONAL PROPERTY Assumes a 10-year personal property tax abatement for the proposed investment

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)			Estimated Property Tax Liability						Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement	Net Tax Rate (3)	With Proposed Abatement			Without Proposed Abatement			
				Gross Taxes	Circuit Breaker Tax Credit (4)	Net Taxes	Gross Taxes	Circuit Breaker Tax Credit (4)	Net Taxes	
2021	\$0	\$2,300,000	2.5382	\$0	\$0	\$0	\$63,460	\$0	\$63,460	\$63,460
2022	350,000	14,118,340	2.5382	8,880	0	8,880	358,350	0	358,350	349,470
2023	2,011,568	28,079,016	2.5382	51,060	0	51,060	712,700	0	712,700	661,640
2024	4,312,219	27,972,933	2.5382	109,450	0	109,450	710,010	0	710,010	600,560
2025	5,371,953	21,112,439	2.5382	136,350	0	136,350	525,980	0	525,980	399,330
2026	6,294,012	17,780,010	2.5382	159,750	0	159,750	451,290	0	451,290	291,540
2027	8,092,154	17,780,010	2.5382	205,400	0	205,400	451,290	0	451,290	245,890
2028	9,965,344	17,780,010	2.5382	252,940	0	252,940	451,290	0	451,290	198,350
2029	11,839,381	17,780,010	2.5382	300,510	0	300,510	451,290	0	451,290	150,780
2030	13,617,382	17,780,010	2.5382	345,640	0	345,640	451,290	0	451,290	105,630
2031	15,395,383	17,780,010	2.5382	390,770	0	390,770	451,290	0	451,290	60,520
2032	16,985,884	17,780,010	2.5382	431,140	0	431,140	451,290	0	451,290	20,150
Totals				\$2,391,890	\$0	\$2,391,890	\$5,539,430	\$0	\$5,539,430	\$3,147,540

(1) Represents the estimated net assessed value of the proposed personal property investment only.

(2) Assumes a 10-year personal property tax abatement for the proposed investment with the following deduction percentages: 100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, and 10%.

(3) Represents the certified pay 2019 tax rate for the Hobart-Ross Township taxing district adjusted for the application of the pay 2019 LIT PTRC of 14.0238%.

(4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for an industrial parcel, is applied. Accounts for the application of the pay 2019 LIT PTRC of 14.0238%. Adjusted to account for the sunset of the pre-2008 debt service tax rate exemption following tax year 2019.

Note: Changes to the assumptions outlined above and on page 2 may have a material effect on the tax increment revenue illustrations contained in this analysis. This analysis does not account for the effects of the existing personal property investment of the company on the true tax value and deduction values for the proposed investment.

(Subject to the attached letter dated March 7, 2019)
(Preliminary - Subject to Change)
(For Internal Use Only)

PAINE, LLC.

Exhibit 'C'

page 1 of 4

(219) 942-1877

Fax (219) 942-1899

5441 E. Lincoln Highway, Merrillville, Indiana 46410

Setting higher standards in confectionery.

January 18, 2019

City of Hobart Council
414 Main Street
Hobart, IN 46342

Dear Members of the Hobart City Council:

Please see the attached detailed list of the proposed Equipment to be installed:

Sincerely,



James Dragon
Director of Engineering
Albanese Confectionery Group, LLC.

Attachment

Paine, LLC List of Equipment for 2019 Personal Tax Abatement (2019-2021)				
Est. In Service Date	UPDATED In Service Date	Manufacturing Equipment	Actual cost	Est. Cost
		Chocolate Production Equipment		
12/31/2021		Chocolate Enrober Automating Packing System		\$350,000
12/31/2021		Palletizing System		\$325,000
		Gummy Candy Depositing Line 5 - (Used to Deposit Candy Mass into Starch Trays)		
4/6/2020		Mogul System (Includes Depositor, Track System)		\$3,500,000
4/6/2020		Starch conditioning System (Including: Dryer/Collet/All Augurs)		\$2,100,000
4/6/2020		Complete Candy Kitchen		\$2,638,000
4/6/2020		Starch Sifter		\$85,000
4/6/2020		Candy Conditioning Systems (Including: Sanding Drum/Oil Drum/Sand Dispensing System)		\$475,000
4/6/2020		Conditioning Rooms for Candy		\$2,250,000
4/6/2020		Dust Collector (Including: Ductwork/Safety Controls)		\$525,000
		Gummy Candy Depositing Line 5 Installation Costs		
4/6/2020		Gummy Depositing Line OEM Commissioning Support		\$500,000
4/6/2020		Mechanical Equipment Installation Costs (Installation of all Equipment) (Labor and Materials)		\$950,000
4/6/2020		Mechanical Installation Costs (Piping, ductwork, etc. for all Equipment) (Labor and Materials)		\$2,000,000
4/6/2020		Electrical Installation Costs for all Equipment (labor and Materials)		\$2,500,000
4/6/2020		Pipe/Duct Insulation costs (Labor and Materials)		\$400,000
		Gummy Candy Support Equipment/Services (Line 5)		
4/6/2020		Fright Cost for Equipment Delivery		\$275,000
4/6/2020		Tooling for Gummie shapes		\$200,000
4/6/2020		Misc Kitchen Support Items (Hoists, Flavor tanks, etc.)		\$225,000
4/6/2020		Conveyors to move Gummies from Mogul to Conditioning Area		\$250,000
4/6/2020		Sorting Machine for Production Line		\$600,000
4/6/2020		Conveyors to Move Gummies from Conditioning to Packaging Area		\$550,000

		Packaging Equipment for Gummy Candy (Line 5)		
4/6/2020		Bagger/Scale System Large Bags (Vertical bagger)		\$1,500,000
4/6/2020		Bagger/Scale System Small Bags (Horizontal bagger)		\$1,500,000
4/6/2020				
4/6/2020		Conveyors for Candy Bags and Boxes		\$752,850
4/6/2020		Case Packing Systems for the 2 bagging lines		\$1,200,000
4/6/2020		Palletizing System		\$350,000
		Gummy Candy Dispensing Line (Used to Dispense Candy into Sacks)		
10/4/2021		Mogul System (Includes Depositor, Track System)		\$3,500,000
10/4/2021		Starch conditioning System (Including: Dryer/Collet/All Augurs)		\$2,100,000
10/4/2021		Complete Candy Kitchen		\$2,658,000
10/4/2021		Starch Sifter		\$85,000
10/4/2021		Candy Conditioning Systems (Including: Sanding Drum/Oil Drum/Sand Dispensing System)		\$475,000
10/4/2021		Conditioning Rooms for Candy		\$2,250,000
10/4/2021		Dust Collector (Including: Ductwork/Safety Controls)		\$525,000
		Gummy Candy Production Line (Production)		
10/4/2021		Gummy Depositing Line OEM Commissioning Support		\$500,000
10/4/2021		Mechanical Equipment Installation Costs (Installation of all Equipment) (Labor and Materials)		\$950,000
10/4/2021		Mechanical Installation Costs (Piping, ductwork, etc. for all Equipment) (Labor and Materials)		\$2,000,000
10/4/2021		Electrical Installation Costs for all Equipment (Labor and Materials)		\$2,500,000
10/4/2021		Pipe/Duct Insulation costs (Labor and Materials)		\$400,000
		Production Support		
10/4/2021		Freight Cost for Equipment Delivery		\$275,000
10/4/2021		Tooling for Gummie shapes		\$200,000
10/4/2021		Misc Kitchen Support Items (Hoists, Flavor tanks, etc.)		\$225,000
10/4/2021		Conveyors to move Gummies from Mogul to Conditioning Area		\$250,000
10/4/2021		Sorting Machine for Production Line		\$600,000
10/4/2021		Conveyors to Move Gummies from Conditioning to Packaging Area		\$550,000

P A I N E L L C .

(219) 942-1877

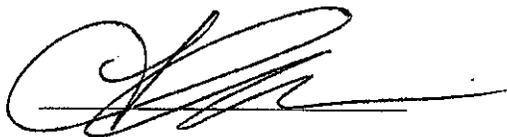
Fax (219) 942-1899

5441 E. Lincoln Highway, Merrillville, Indiana 46410

Setting higher standards in confectionery.

To whom it may concern,

I Bethany Albanese as co/Owner of Paine LLC. here by certify that JAMES DRAGON is authorized to act for the Corporation as to all matters requiring the Corporation's consent for the purpose of expanding our Manufacturing Building and its associated Equipment and that his signature shall bind the Corporation.



Bethany Albanese, Owner Paine LLC
Paine LLC.

3/13/19

Date

APPLICATION FOR TAX ABATEMENT - COMMON COUNCIL

Form CCAP revised 7/21/16

PETITIONER'S NAME: Paine, LLC PHONE: 219-942-1877

ADDRESS: 5441 East Lincoln Highway FAX: _____

CITY, STATE, ZIP CODE: Merrillville, IN 46410

COMMON LOCATION OF PROPERTY: 5441 East Lincoln Highway

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

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

ARE ANY PROPOSED BUILDINGS MANUFACTURED OFF SITE? NA WHERE? NA

NUMBER OF UNITS: NA

PROPOSED STARTING DATE FOR ~~BUILDING~~ ^{EQUIPMENT} CONSTRUCTION: 4/10/2019

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

PROPOSED COMPLETION DATE OF ~~FIRST BUILDING UNIT~~ ^{EQUIPMENT INSTALL}: 12/31/2021

WHAT HOBART BUSINESSES WILL BE INVOLVED IN THE PROJECT? Area Sheet Metal, Home Depot, Leeps Plumbing Supply

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

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

CONSTRUCTION #: approx. 46-54 \$ 6,240,000 estimated

BUSINESS #: 440 \$ 18,528,279

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

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

BUSINESS #: 59 @ \$2,585,749 in salaries \$ 21,114,028 cumulative with existing salaries

WINDOW OF OPPORTUNITY PERIOD REQUESTED: 1 year

TAX ABATEMENT PERIOD OF DEDUCTION REQUESTED: 10 year with traditional deduction schedule

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

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

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

SIGNATURE OF PETITIONER: *Jane My* DATE: 1/17/2019

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

Est. In Service Date	UPDATED In Service Date	Manufacturing Equipment	Actual cost	Est. Cost
12/31/2021		Chocolate Enrober Automating Packing System		\$350,000
12/31/2021		Palletizing System		\$235,000
Gummy Candy Depositing Line 9: (Used to Deposit Candy Mass into Starch Trays)				
4/6/2020		Mogul System (Includes Depositor, Track System)		\$3,500,000
4/6/2020		Starch conditioning System (Including: Dryer/Collet/All Augurs)		\$2,100,000
4/6/2020		Complete Candy Kitchen		\$2,658,000
4/6/2020		Starch Sifter		\$85,000
4/6/2020		Candy Conditioning Systems (Including: Sanding Drum/Oil Drum/Sand Dispensing System)		\$475,000
4/6/2020		Conditioning Rooms for Candy		\$2,250,000
4/6/2020		Dust Collector (Including: Ductwork/Safety Controls)		\$525,000
Gummy Candy Depositing Line 5: Installation Costs				
4/6/2020		Gummy Depositing Line OEM Commissioning Support		\$500,000
4/6/2020		Mechanical Equipment Installation Costs (Installation of all Equipment) (Labor and Materials)		\$950,000
4/6/2020		Mechanical Installation Costs (Piping, ductwork, etc. for all Equipment) (Labor and Materials)		\$2,000,000
4/6/2020		Electrical Installation Costs for all Equipment (Labor and Materials)		\$2,500,000
4/6/2020		Pipe/Duct Insulation costs (Labor and Materials)		\$400,000
Gummy Candy Support Equipment/Services (Line 5)				
4/6/2020		Freight Cost for Equipment Delivery		\$275,000
4/6/2020		Tooling for Gummy shapes		\$200,000
4/6/2020		Misc Kitchen Support Items (Hoists, Flavor tanks, etc.)		\$225,000
4/6/2020		Conveyors to move Gummies from Mogul to Conditioning Area		\$250,000
4/6/2020		Sorting Machine for Production Line		\$600,000
4/6/2020		Conveyors to Move Gummies from Conditioning to Packaging Area		\$550,000
Packaging Equipment for Gummy Candy (Line 5)				
4/6/2020		Bagger/Scale System Large Bags (Vertical bagger)		\$1,500,000
4/6/2020		Bagger/Scale System Small Bags (Horizontal bagger)		\$1,500,000
4/6/2020		Conveyors for Candy Bags and Boxes		\$752,850
4/6/2020		Case Packing Systems for the 2 bagging lines		\$1,200,000
4/6/2020		Palletizing System		\$350,000
Mogul System (Includes Depositor, Track System)				
10/4/2021		Mogul System (Includes Depositor, Track System)		\$3,500,000
10/4/2021		Starch conditioning System (Including: Dryer/Collet/All Augurs)		\$2,100,000
10/4/2021		Complete Candy Kitchen		\$2,658,000
10/4/2021		Starch Sifter		\$85,000
10/4/2021		Candy Conditioning Systems (Including: Sanding Drum/Oil Drum/Sand Dispensing System)		\$475,000
10/4/2021		Conditioning Rooms for Candy		\$2,250,000
10/4/2021		Dust Collector (Including: Ductwork/Safety Controls)		\$525,000
Gummy Depositing Line OEM Commissioning Support				
10/4/2021		Gummy Depositing Line OEM Commissioning Support		\$500,000
10/4/2021		Mechanical Equipment Installation Costs (Installation of all Equipment) (Labor and Materials)		\$950,000
10/4/2021		Mechanical Installation Costs (Piping, ductwork, etc. for all Equipment) (Labor and Materials)		\$2,000,000
10/4/2021		Electrical Installation Costs for all Equipment (Labor and Materials)		\$2,500,000
10/4/2021		Pipe/Duct Insulation costs (Labor and Materials)		\$400,000
Freight Cost for Equipment Delivery				
10/4/2021		Freight Cost for Equipment Delivery		\$275,000
10/4/2021		Tooling for Gummy shapes		\$200,000
10/4/2021		Misc Kitchen Support Items (Hoists, Flavor tanks, etc.)		\$225,000
10/4/2021		Conveyors to move Gummies from Mogul to Conditioning Area		\$250,000
10/4/2021		Sorting Machine for Production Line		\$600,000
10/4/2021		Conveyors to Move Gummies from Conditioning to Packaging Area		\$550,000
Packaging Equipment for Gummy Candy (Line 5)				
10/4/2021		Bagger/Scale System Large Bags (Vertical bagger)		\$1,500,000
10/4/2021		Bagger/Scale System Small Bags (Horizontal bagger)		\$1,500,000
10/4/2021		Conveyors for Candy Bags and Boxes		\$752,850
10/4/2021		Case Packing Systems for the 2 bagging lines		\$1,200,000
10/4/2021		Palletizing System		\$350,000
Air Compressors and related equipment to provide Compressed Air for producing Gummy Candy				
8/31/2019		Air Compressors and related equipment to provide Compressed Air for producing Gummy Candy		\$2,000,000
8/31/2021		Core Syrup Storage Tank (Install cost, Piping, etc.)		\$450,000
8/31/2019		Additional 2 Boilers for Gummy Production Support (Boilers, Piping, Install costs)		\$600,000
4/3/2020		Make Up Air Units		\$750,000
9/3/2019		Chiller for Making Chilled Water (Equipment, Piping, Pumps, Install costs)		\$1,000,000
9/3/2019		Domestic Hot Water System (Equipment, Piping, Install costs)		\$300,000
9/3/2019		RoofTop Units for New Production Area (Equipment, Ducting, Install Cost)		\$350,000
7/31/2019		Mezz Structure for OL15/16 and All packaging Equipment		\$2,000,000
5/1/2020		DL15/16 Scrap Dust Collector System		\$450,000
				\$59,266,700