

COMMON COUNCIL OF THE CITY OF HOBART, INDIANA

RESOLUTION NO. 2019-13

A Resolution to Amend Prior Confirmatory Resolution Number 2018-01 Granting Personal Property Tax Abatement for Hancock Enterprises, LLC

WHEREAS, the Common Council (“Council”) of the City of Hobart, Lake County, Indiana, (“City”), pursuant to the application of Hancock Enterprises, LLC (“petitioner”), adopted Resolution No. 2017-15 on December 20, 2017 which declared that the area commonly known as 5441 West Lincoln Highway, as more particularly described in said Resolution, was an Economic Revitalization Area for the purpose of providing personal property tax abatement in accordance with I.C. §6-1.1-12.1-1, *et seq.* (the “Act”); and

WHEREAS, the Council, after public hearing conducted pursuant to public notice in the manner required by law on January 17, 2018 adopted its confirmatory Resolution No. 2018-01 on said date which confirmed said declaratory resolution and granted personal property tax abatement (deduction) for the installation of new equipment by Hancock Enterprises, LLC in the total sum of \$33,376,828.00; and

WHEREAS, the Statement of Benefits Form SB-1/PP, page 2 attached to the Confirmatory Resolution as Exhibit B stated that an enhanced deduction schedule of eleven (11) years was approved; and

WHEREAS, the petitioner has advised the City Department of Development that it desires to amend the terms of the abatement of personal property previously granted through Resolution 2018-01 by reducing the deduction for personal property taxes to be granted to the total sum of \$29,956,573.00; and

WHEREAS, the petitioner has provided the Council with a new amended SB-1/PP dated May 7, 2019 which is attached to this Resolution as Exhibit “A” and which reflects that:

- a. the total sum of the deduction now sought is \$29,956,573.00;
- b. the deduction schedule is for the traditional ten-year period;
- c. there is no enhanced deduction period of eleven (11) years. Because the proposed personal property acquisition is planned to take place over a two-year period, the ten-year abatement period will be applied to each portion of the equipment installed in each year, separately; and

WHEREAS, the petitioner has executed a new attachment to section 5 of the SB-1 “Other Benefits Promised” dated May 7, 2019 which is attached hereto as Exhibit “B,” and which, in addition to other commitments previously made in the prior section 5 to the prior SB-1/PP, now contains an updated schedule of estimated property taxes on the amended personal property investment of the petitioner. That schedule is derived from a new Financial Impact Analysis

performed by Baker Tilly Municipal Advisors, LLC dated May 6, 2019 and attached hereto as Exhibit “C;” and

WHEREAS, the petitioner has provided a new list of new manufacturing equipment to be acquired and installed at the premises identified above. Said list is attached hereto as Exhibit “D.” The items marked with an asterisk (*) in the first column labeled “Est. In Service Date” are not being purchased and installed by the petitioner. For the other items listed, the “Actual cost” column of the list shows the actual cost of acquisition for those items whose “in service” dates are past. The figures appearing in the “Actual cost” column for items which have “in service” dates in the future are actually estimated costs; and

WHEREAS, the exaction fee specified in Resolution 2018-01 has been included in the approved and executed Development Agreement with another member company of the Albanese Confectionery Group, and is being stricken from this Resolution and its supporting documents; and

WHEREAS, the actions requested by the Petitioner through this Resolution seek a reduction in a property tax deduction already granted, and because the other changes described above from the petitioner’s prior SB-1/PP are insubstantial, the City Attorney has rendered the opinion that no public hearing is necessary prior to the adoption of this Amended Resolution.

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

1. The qualifications for an Economic Revitalization Area as designated in Resolution No. 2017-15 have been, and continue to be met, and the designation of that Area is hereby affirmed.

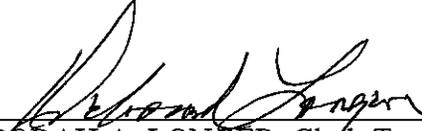
2. In Resolution No. 2018-01, the Statement of Benefits, form SB-1/PP attached thereto is hereby amended to substitute the SB-1/PP dated May 7, 2019 filed with the City by the petitioner attached to this Resolution as Exhibit “A” together with the attachment to Section 5 thereof attached to this Resolution as Exhibit “B.” Said Resolution No. 2017-1, under the terms of, and with the new Exhibits attached to this Resolution and substituted Statement of Benefits is hereby, in all respects, approved and confirmed; and

3. In all items as to which Resolution 2018-01 has not been amended by this Resolution, such items are affirmed.

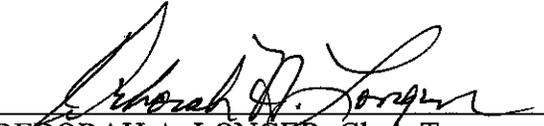
4. The determination of the Common Council of the City of Hobart, Lake County, Indiana made by this confirmatory resolution shall be final, except that an appeal may be taken and heard as provided in I.C. §6-1.1-12.1-2.5.

ALL OF WHICH IS PASSED and ADOPTED on this 15th day of May, 2019, by the Common Council of the City of Hobart, Indiana.

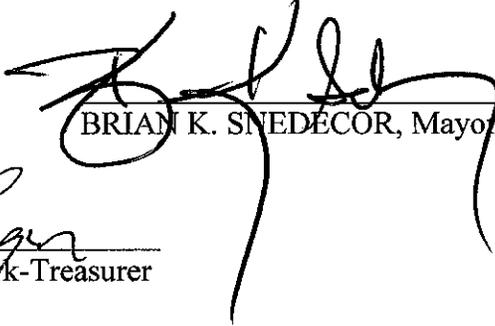

PRESIDING OFFICER

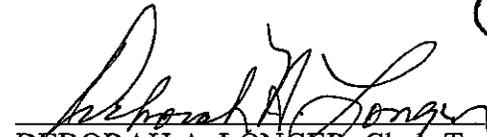
ATTEST: 
DEBORAH A. LONGER, Clerk-Treasurer

PRESENTED by me to the Mayor of the City of Hobart on the 23rd day of May, 2019 at the hour of 8:25 A.M.


DEBORAH A. LONGER, Clerk-Treasurer

APPROVED, EXECUTED and RETURNED by me to the Common Council of the City of Hobart on this 30th day of May, 2019.


BRIAN K. SNEDECOR, Mayor

ATTEST: 
DEBORAH A. LONGER, Clerk-Treasurer



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51764 (R4 / 11-15)
Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

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

INSTRUCTIONS

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between January 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between January 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1		TAXPAYER INFORMATION						
Name of taxpayer Hancock Enterprises, LLC			Name of contact person James Dragon					
Address of taxpayer (number and street, city, state, and ZIP code) 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) 2017-15, 2018-01, 2019-13					
Location of property 5441 East Lincoln HWY Merrillville, IN 46410		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. (Use additional sheets if necessary.) Gummy and Chocolate Manufacturing Equipment See Attached Detailed List				ESTIMATED				
				START DATE		COMPLETION DATE		
				Manufacturing Equipment		01/05/2018	12/31/2019	
				R & D Equipment				
				Logist Dist Equipment				
IT Equipment								
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT						
Current number 406 (as of 12/31/16)	Salaries \$13,902,917	Number retained 406	Salaries \$13,902,917	Number additional 144 (as of 12/31/19)	Salaries \$20,717,400			
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT						
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
	Current values	32,214,089	5,111,430					
	Plus estimated values of proposed project	29,956,573	13,350,731					
	Less values of any property being replaced	0	0					
Net estimated values upon completion of project		62,170,662	18,462,161					
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 <i>James Dragon</i>				Date signed (month, day, year) 5/7/19				
Printed name of authorized representative James Dragon			Title Director of Engineering					

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 NA calendar years * (see below). The date this designation expires is NA. 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;	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18
2. Installation of new research and development equipment;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Check box if an enhanced abatement was approved for one or more of these types.
3. Installation of new logistical distribution equipment.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
4. Installation of new information technology equipment;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ 29,956,573 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.)

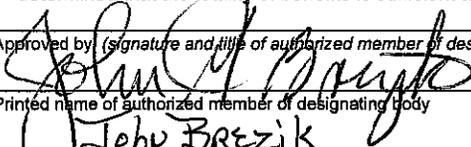
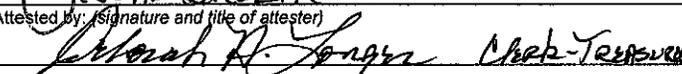
G. Other limitations or conditions (specify) Deduction schedule as per Res 2019-13, Ex C, page 3

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:

<input checked="" type="checkbox"/> Year 1	<input checked="" type="checkbox"/> Year 2	<input checked="" type="checkbox"/> Year 3	<input type="checkbox"/> Year 4	<input type="checkbox"/> Year 5	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18
<input checked="" type="checkbox"/> Year 6	<input checked="" type="checkbox"/> Year 7	<input checked="" type="checkbox"/> Year 8	<input type="checkbox"/> Year 9	<input checked="" type="checkbox"/> 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. Res. 2019-13, Ex C, page 3(5/6/19 Baker Tilly analysis)
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body) 	Telephone number <u>219-942-1940</u>	Date signed (month, day, year) <u>5-15-2019</u>
Printed name of authorized member of designating body <u>John Brezik</u>	Name of designating body <u>Common Council</u>	
Attested by: (signature and title of attester) 	Printed name of attester <u>DEBORAH A. LONG</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.

Other Benefits Promised - Section 5 (continued)

Applicant: Hancock Enterprises, LLC

Signed *James Taylor*
 Date: 5/7/19

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 that 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 acquisition 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 5-6-2019 Baker Tilly analysis, Exhibit C, pages 1, 2, and 3) for the new equipment 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 below, provided that the acquisition cost of the personal property is greater than or equal to \$29,956,573. In the event that the acquisition cost of the proposed personal property investment is less than \$29,956,573, the amount indicated in the table below for that year will be reduced by the percentage by which the actual acquisition cost is less than \$29,956,573, so that the net taxes to be paid under this agreement is reduced proportionately.

Taxes Payable Year Estimated Property Taxes on the Proposed Personal Property Investment
 (as per 5/6/2019 Baker Tilly analysis)

<u>2020</u>	<u>\$0</u>
<u>2021</u>	<u>\$30,000</u>
<u>2022</u>	<u>\$57,580</u>
<u>2023</u>	<u>\$790</u>
<u>2024</u>	<u>\$39,430</u>
<u>2025</u>	<u>\$86,810</u>
<u>2026</u>	<u>\$126,050</u>
<u>2027</u>	<u>\$152,940</u>
<u>2028</u>	<u>\$175,750</u>
<u>2029</u>	<u>\$198,560</u>
<u>2030</u>	<u>\$221,370</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. Applicant agrees to this requirement in the event that an ordinance allowing the collection of a fee for compliance review by the City's financial consultant is not enacted by the City Council or in the event that the services of the City's financial consultant exceed the fee collected if such an ordinance is enacted.



now joined with
Springsted and Umbaugh

Baker Tilly Municipal Advisors, LLC
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Indianapolis, IN 46240
United States of America

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F: +1 (317) 465 1550
bakertilly.com

May 6, 2019

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

Re: Proposed Property Tax Abatement Analysis – Proposed Investment Only –
Hancock Enterprises, 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, Director

CITY OF HOBART, INDIANA

Hancock Enterprises, LLC

ASSUMPTIONS

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

	<u>Estimated Cost</u>
Depreciable Personal Property:	
Existing Facility (1)	
- January 1, 2018 assessment taxes payable 2019	\$37,968,334
Proposed Investment (2)	
Pool #2 (4)	
- First assessed January 1, 2019 for taxes payable in 2020	21,107,663
- First assessed January 1, 2020 for taxes payable in 2021	<u>8,848,910</u>
Subtotal	<u>29,956,573</u>
Total Investment	<u><u>\$67,924,907</u></u>

- (1) Per the Indiana Business Tangible Personal Property Assessment Return completed by Hancock Enterprises, LLC for January 1, 2018 taxes payable 2019.
- (2) Per investment information provided by Hancock Enterprises, LLC.
- (3) 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 May 6, 2019)
 (Preliminary - Subject to Change)
 (For Internal Use Only)

CITY OF HOBART, INDIANA

Hancock Enterprises, 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	Net Taxes	
2020	\$0	\$8,443,065	2.5382	\$0	\$0	\$0	\$214,300	\$0	\$214,300	\$214,300
2021	1,182,029	15,359,855	2.5382	30,000	0	30,000	389,860	0	389,860	359,860
2022	2,268,583	13,820,608	2.5382	57,580	0	57,580	350,790	0	350,790	293,210
2023	31,226	8,986,972	2.5382	790	0	790	228,110	0	228,110	227,320
2024	1,553,309	8,986,972	2.5382	39,430	0	39,430	228,110	0	228,110	188,680
2025	3,420,213	8,986,972	2.5382	86,810	0	86,810	228,110	0	228,110	141,300
2026	4,966,021	8,986,972	2.5382	126,050	0	126,050	228,110	0	228,110	102,060
2027	6,025,413	8,986,972	2.5382	152,940	0	152,940	228,110	0	228,110	75,170
2028	6,924,110	8,986,972	2.5382	175,750	0	175,750	228,110	0	228,110	52,360
2029	7,822,807	8,986,972	2.5382	198,560	0	198,560	228,110	0	228,110	29,550
2030	8,721,505	8,986,972	2.5382	221,370	0	221,370	228,110	0	228,110	6,740
Totals				\$1,089,280	\$0	\$1,089,280	\$2,779,830	\$0	\$2,779,830	\$1,690,550

- (1) Represents the estimated net assessed value of the proposed personal property investment only. Accounts for the impact of the acquisition cost and depreciation status of the existing personal property on the estimated true tax value of the proposed investment.
- (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 property tax liability illustrations contained in this analysis.

(Subject to the attached letter dated May 6, 2019)
 (Preliminary - Subject to Change)
 (For Internal Use Only)

Exhibit D

April 9, 2019

Est. In Service Date	UPDATED In Service Date	Manufacturing Equipment	Actual cost	Est. Cost
Chocolate Production Equipment				
* 12/31/2019		Bulk Bagger for Chocolate Items (Includes Bagger, scale, Mezz Structure, controls, installation)		\$350,000
* 12/31/2019		Enrobing Line Product Feed	\$250,000.00	\$100,000
* 12/31/2019		Pinut Butter and Yogurt Metiers (Includes Metiers, Piping, Installation)		\$75,000
12/31/2019	6/1/2018	Complete Chocolate Room Controls Upgrade	\$89,753.00	\$1,000,000
Gummy Candy Depositing Line 4 (Used to Deposit Candy Mass into Starch Trays)				
7/31/2018	11/26/2018	Mogul System (Includes Depositor, Track System)	Grouped	\$3,500,000
7/31/2018	11/26/2018	Starch conditioning System (Including: Dryer/Coller/All Augurs)	Grouped	\$2,100,000
7/31/2018	11/26/2018	Starch Sifter	\$72,163.00	\$85,000
7/31/2018	11/26/2018	Candy Conditioning Systems (Including: Sanding Drum/Oil Drum/Sand Dispensing System)	Grouped	\$475,000
7/31/2018	11/26/2018	Conditioning Rooms for Candy	Grouped	\$2,250,000
7/31/2018	11/26/2018	Mechanical Piping and Electrical Components	\$3,785,000.00	\$1,500,000
7/31/2018	11/26/2018	Dust Collector (Including: Ductwork/Safety Controls)	\$288,024.00	\$525,000
Total cost for all Line 4 grouped equipment purchases (Notes on description if Grouped)			\$10,297,078.00	
Gummy Candy Production Kitchen 4 (Used to Manufacture the Candy Mass)				
7/31/2018	11/26/2018	Weighing and Mixing Skid with Big Bag System		
7/31/2018	11/26/2018	ABS Systems		
7/31/2018	11/26/2018	Color Dosing Skid		
7/31/2018	11/26/2018	Flavor Dosing Skid		
7/31/2018	11/26/2018	Acid Skids		
7/31/2018	11/26/2018	Cooking and Vacuumizing Skid		
7/31/2018	11/26/2018	CIP Skid		
7/31/2018	11/26/2018	Hot Water Jacket System		
7/31/2018	11/26/2018	Hoist System for Big Bags		
7/31/2018	11/26/2018	TiO2 Skid		
7/31/2018	11/26/2018	Total for entire Kitchen	Grouped	\$2,658,000
Gummy Candy Support Equipment (Line 4)				
7/31/2018	11/26/2018	Conveyors to move Gummies from Mogul to Coniditoning Area (Includes other conveyors)	\$711,670.00	\$375,000
7/31/2018	11/26/2018	Sorting Machine for Production Line 4	\$528,953.00	\$500,000
7/31/2018	11/26/2018	Conveyors to Move Gummies from Conditioning to Packaging Area (Included in above)		\$750,000
Packaging Equipment for Gummy Candy (Line 4)				
7/31/2018	11/26/2018	Bagger/Scale System Large Bags (Vertical bagger)	\$742,522.00	\$787,900
12/31/2019	4/8/2019	Bagger/Scale System Small Bags (Horizontal bagger)	\$1,578,910.00	\$1,452,100
7/31/2018	11/26/2018	Bagger/Scale System Single Size Bags (Twin Tube Bagger)	\$750,000.00	\$805,478
7/31/2018	11/26/2018	Conveyors for Candy Bags and Boxes for Line 4	\$440,000.00	\$752,850
10/31/2019	11/26/2018	Case Packing Systems for the 3 bagging lines	\$1,480,000.00	\$1,523,000
12/31/2019		Palletizing Systems (Production Line 4, Offline packaging Area, Bottling Production)	\$678,000.00	\$750,000
Gummy Candy Production Related Equipment				
10/31/2019		Sorting Machine for Gummi Production Line 2	\$985,000.00	\$650,000
10/31/2019		Sorting Machine for Gummi Production Line 1	\$910,000.00	\$525,000
* 6/1/2019		Bagger/Scale System Large Bags For Production Line 1		\$575,000
12/31/2019		Air Compressors and related equipment to provide compressed Air for producing Gummy Candy	\$350,000.00	\$225,000
12/31/2018		Corn Syrup Storage Tanks	\$347,500.00	\$412,500
12/31/2018		Dust Collectors for Production lines 1 and 2	\$675,000.00	\$675,000
6/30/2018	4/1/2019	Bulk Sugar Silos	\$3,000,000.00	\$1,500,000
Misc. Equipment and Buildings				
6/30/2018		Finished Goods Warehouse Racking	\$1,650,000.00	\$1,000,000
6/30/2019		Dust Collector Building	\$350,000.00	\$250,000
* 12/31/2019		Bottling Line for Vitamin Gummies		\$3,500,000
* 12/31/2019		Continuous Nut Roaster		\$1,000,000
* 6/1/2019		Automated Tray and Tub Washer for Gummy Production Lines		\$750,000
			\$29,956,573.00	\$33,376,828

*These items are not being purchased and installed