

RESOLUTION NO. 2021-14

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

WHEREAS, a petition for real 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 2400 East 69th Avenue, Merrillville, Lake County, Indiana, 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, 2100 E 69TH AVENUE INDIANA LLC, has a vested property interest in the real estate commonly known as: 2400 East 69th Avenue, Merrillville, Lake County, Indiana, and

WHEREAS, 2100 E 69TH AVENUE INDIANA LLC, has requested that the real estate be designated as an Economic Revitalization Area for the purpose of achieving real property tax abatement in connection with the following project on the real estate:

PROJECT: New Construction with an expansion of 308,880 sq.ft. to an existing Manufacturing and Distribution Facility with 1,188 sq.ft. of office area; 36 ft. clear, pre-cast concrete construction.

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 real 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 value of the development is reasonable for projects of this nature.
- b. That the estimate of the number of individuals who will employed or whose employment will be retained can reasonably be expected to result from the proposed described redevelopment or rehabilitation.
- 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 redevelopment or rehabilitation.
- d. That the other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- 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 can be reasonable expected to result from the rehabilitation or redevelopment.

Section 3: The Common Council of the City of Hobart hereby determines and finds that the proposed development can be reasonably expected to yield the benefits identified in the Statement of Benefits, Exhibit "B" attached, such form prescribed by the State Board of Tax Commissioners, 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 real property tax abatement.

Section 5: The Common Council of the City of Hobart determines that such designation is for real property tax abatement for projects to be initiated within twelve (12) months from the date of the adoption of a resolution confirming this resolution, by the Common Council and completed within twenty-four (24) from the date of this adoption.

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

Year One: 100%, Year Two: 95%, Year Three: 80%, Year Four: 65%, Year Five: 50%, Year Six: 40%, Year Seven: 30%, Year Eight: 20%, Year Nine: 10%, Year Ten: 5%

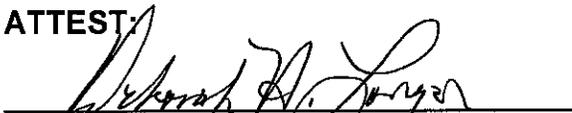
Section 7: The Common Council of the City of Hobart directs the Clerk to cause notice of the adoption and substance of this Resolution for real property tax abatement to be published in accordance with IC 5-3-1, as amended, said publication providing notice of the public hearing before the Common Council 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 8: Pursuant to Common Council Resolution 2019-36, the Council now finds that the owner of the subject property has an established prior history of cooperation with the City and local labor organizations, and that the owner has represented that union labor will be employed in the construction of the above-described project, and the Council further finds that, under these circumstances, the Responsible Bidding Practices Ordinance of the City would not be helpful in assuring an adequate supply of skilled labor for the project; therefore, the project is exempted from the application of the Ordinance. This project is hereby declared to be exempt from compliance with the provisions of said Ordinance, HMC Sec. 155.01, *et seq.*

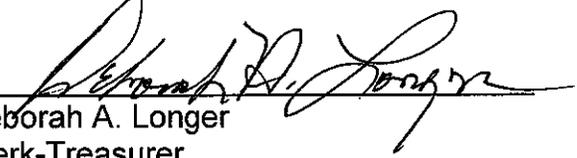
Section 9: This resolution shall be in full force and effect from and after its adoption by the Common Council.

PASSED AND ADOPTED by the Common Council of the City of Hobart, Lake County, Indiana on the 13th day of October, 2021, by a vote of 6 in favor and 0 opposed.

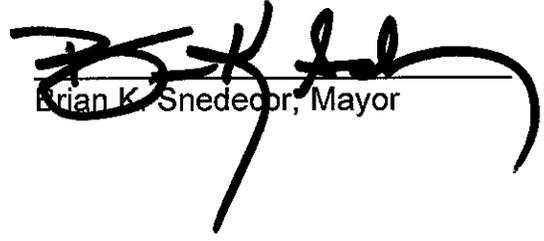

Brian K. Snedecor
Presiding Officer

ATTEST:

Deborah A. Longer, Clerk-Treasurer

PRESENTED by me to Mayor of the City of Hobart, Indiana, on the 13th day of October, 2021 at 4:15 ~~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 13th day of October, 2021.


Brian K. Snedecor, Mayor

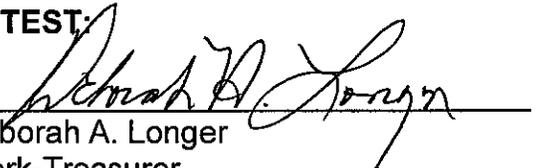
ATTEST:

Deborah A. Longer
Clerk-Treasurer

Exhibit "A"

LOT 2

LOT 2 IN THE FINAL PLAT OF NORTHWIND CROSSINGS SOUTH REPLAT OF LOT 1, BEING A SUBDIVISION IN THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 35 NORTH, RANGE 8 WEST OF THE 2ND PRINCIPAL MERIDIAN, PER THE PLAT THEREOF RECORDED MAY 24, 2021 IN PLAT BOOK 114, PAGE 34, LAKE COUNTY, INDIANA.



**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R7 / 1-21)

Prescribed by the Department of Local Government Finance

20__ PAY 20__
FORM SB-1 / Real Property
PRIVACY NOTICE
Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
- Residentially distressed area (IC 6-1.1-12.1-4.1)

INSTRUCTIONS:

- 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.
- The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
- To obtain a deduction, a Form 322/RE must be filed with the county auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between January 1 and May 10 of a subsequent year.
- A property owner who files for the deduction must provide the county auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5.1(b)
- For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/Real Property that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. IC 6-1.1-12.1-17

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer 2100 E 69th AVE INDIANA LLC		
Address of taxpayer (number and street, city, state, and ZIP code) 120 E. Burlington Ave., LaGrange, IL 60525		
Name of contact person Paul Thurston- SVP, Development & Pre Construction	Telephone number (708) 221-9159	E-mail address pthurston@becknellindustrial.com

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Hobart Common Council	Resolution number 2020-
Location of property 2400 E. 69th Ave., Hobart, IN 46410	County Lake
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) Expansion of the building located at 2400 E. 69th Ave by an additional 308,880 s.f.. Building construction to match existing: pre-cast concrete, 36' clear. Expansion is being used for manufacturing purposes.	DLGF taxing district number 46
	Estimated start date (month, day, year) November 2021
	Estimated completion date (month, day, year) October 2022

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

Current Number	Salaries	Number Retained	Salaries	Number Additional	Salaries
100	\$8,800,000	100	\$8,800,000		

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	\$16,895,433	\$14,361,118
Plus estimated values of proposed project	\$22,000,000	\$15,473,700
Less values of any property being replaced		
Net estimated values upon completion of project	\$38,895,433	\$29,834,818

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
Preferred consideration will be given to Hobart Subcontractors with competitive bids. See pages 3 & 4 of SB1.

SECTION 6 TAXPAYER CERTIFICATION

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

Signature of authorized representative 	Date signed (month, day, year) 10-5-21
Printed name of authorized representative Paul Thurston	Title SVP, Development & Pre Construction

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

- A. The designated area has been limited to a period of time not to exceed 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. Redevelopment or rehabilitation of real estate improvements Yes No
 - 2. Residentially distressed areas Yes No
- C. The amount of the deduction applicable is limited to \$ _____.
- D. Other limitations or conditions (specify) See below
- E. Number of years allowed:

<input checked="" type="checkbox"/> Year 1	<input checked="" type="checkbox"/> Year 2	<input checked="" type="checkbox"/> Year 3	<input checked="" type="checkbox"/> Year 4	<input checked="" type="checkbox"/> Year 5 (* see below)
<input checked="" type="checkbox"/> Year 6	<input checked="" type="checkbox"/> Year 7	<input checked="" type="checkbox"/> Year 8	<input checked="" type="checkbox"/> Year 9	<input checked="" type="checkbox"/> Year 10
- F. For a statement of benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?
 - Yes No See Section 6 of Resolution 2021-14
 - If yes, attach a copy of the abatement schedule to this form.
 - If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

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

Approved (signature and title of authorized member of designating body) <u>Matthew Clapper</u>	Telephone number <u>(219) 942-1940</u>	Date signed (month, day, year) <u>10/13/2021</u>
Printed name of authorized member of designating body <u>MATTHEW CLAPPER</u>	Name of designating body <u>Common Council</u>	
Attested by (signature and title of attester) <u>Deborah A. Longger</u>	Printed name of attester <u>DEBORAH A. LONGGER, CLERK-TREAS.</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.

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4.1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. Except as provided in IC 6-1.1-12.1-18, the deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

IC 6-1.1-12.1-17

Abatement schedules

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

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

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. Except as provided in IC 6-1.1-12.1-18, an abatement schedule may not exceed ten (10) years.

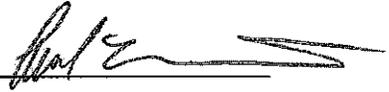
(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

Exhibit "B"

Other Benefits Promised – Section 5 (continued)

Applicant: 2100 E. 69th Avenue Indiana, LLC

Signed: _____



Real Property

Date: _____

10/7/2021

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 agrees to adhere to the terms of the Development Agreement dated _____.

Exhibit "B"

Taxes Payable Year Property Taxes to be paid on the Proposed Real Property Investment
(as per the 9-23-2021 Baker-Tilly Analysis)

<u>2024</u>	<u>\$0</u>
<u>2020</u>	<u>\$19,530</u>
<u>2021</u>	<u>\$78,110</u>
<u>2022</u>	<u>\$136,700</u>
<u>2023</u>	<u>\$195,290</u>
<u>2024</u>	<u>\$234,340</u>
<u>2025</u>	<u>\$273,400</u>
<u>2026</u>	<u>\$312,460</u>
<u>2027</u>	<u>\$351,510</u>
<u>2028</u>	<u>\$371,040</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 contained in sub-section 3(d)(i) of the Development Agreement dated_____.

APPLICATION FOR TAX ABATEMENT - COMMON COUNCIL

Form CCAP revised 7/21/16

PETITIONER'S NAME: 2100 E 69th AVE INDIANA LLC PHONE: 708 221-9159

ADDRESS: 120 E. Burlington Ave. FAX: NA

CITY, STATE, ZIP CODE: LaGrange, IL 60525

COMMON LOCATION OF PROPERTY: 2400 E. 69th Ave., Hobart, IN 46410

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

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

ARE ANY PROPOSED BUILDINGS MANUFACTURED OFF SITE? No WHERE?

NUMBER OF UNITS:

PROPOSED STARTING DATE FOR BUILDING CONSTRUCTION: November, 2021 (Must be within 12 months of approval date of confirmatory resolution)

PROPOSED COMPLETION DATE OF FIRST BUILDING UNIT: October, 2022

WHAT HOBART BUSINESSES WILL BE INVOLVED IN THE PROJECT? Preferred consideration will be given to Hobart Subcontractors with competitive bids.

*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 #: 100 Jobs \$

BUSINESS #: 0 Jobs \$ See below for combined payroll.

*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 #: 73 Jobs \$3,990,931 (Total Payroll between all 73 jobs)

WINDOW OF OPPORTUNITY PERIOD REQUESTED: 1 Year

TAX ABATEMENT PERIOD OF DEDUCTION REQUESTED: 10 Years

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

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

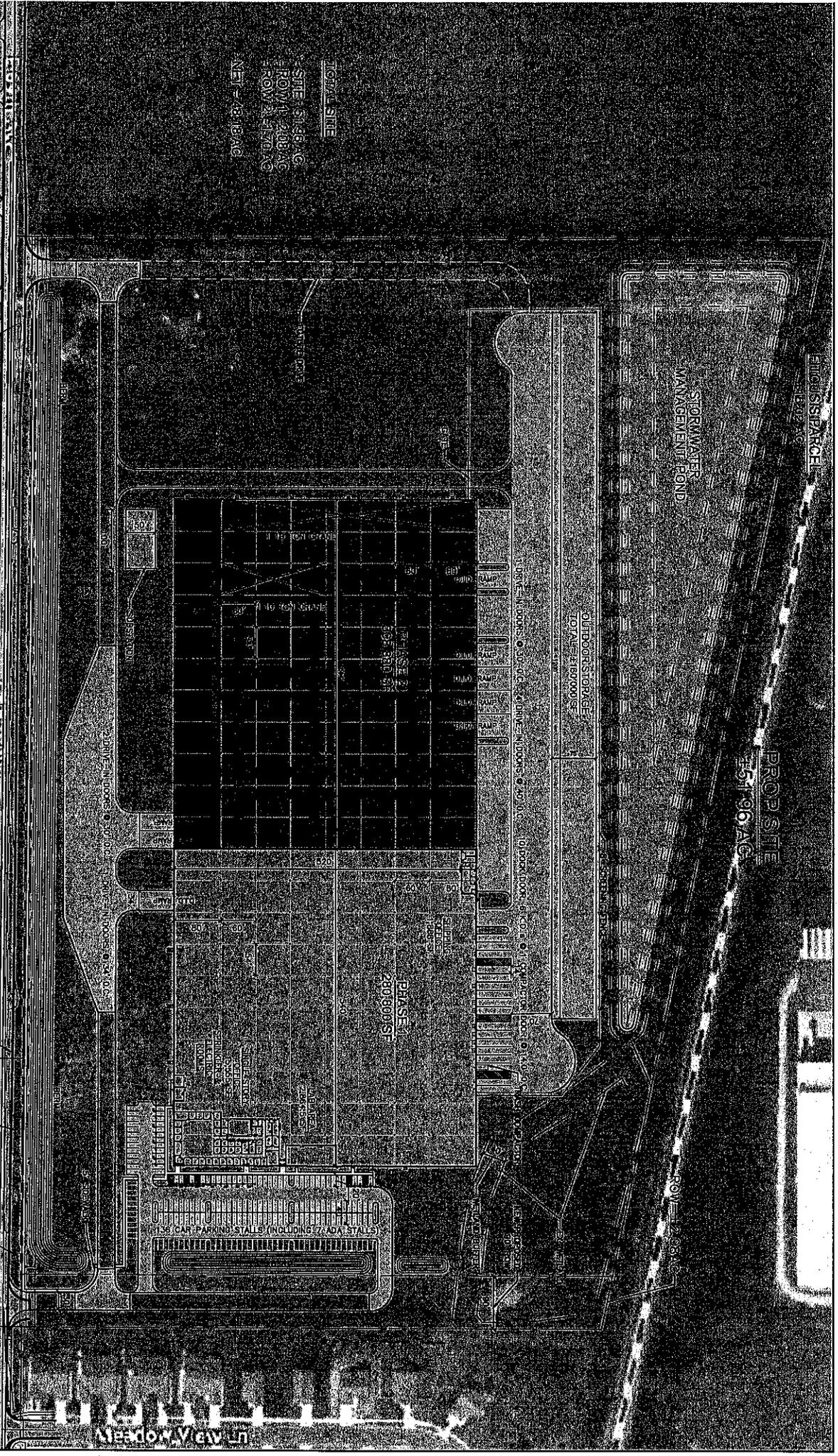
I affirm that the information contained in this application is true to the best of my knowledge. I agree to update this information if changes occur. I understand that the intent is to encourage the use of Hobart businesses and residents in the project. I agree to adhere to the City's requirements for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

SIGNATURE OF PETITIONER: [Signature] DATE: 10-5-21

*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.

LOCATION: 2100 EAST 69TH AVENUE
MERRILLVILLE, IN 46410
DATE: 09/08/2021
SCALE: 1"=150'

EXPANSION SITE PLAN



TOTAL SITE
SHE 518.9 AC
ROW 1 208.9 AC
ROW 2 170.0 AC
NET ~ 48.0 AC

STORMWATER
MANAGEMENT POND

OUTDOOR STORAGE
107,450 SF

PROP SITE
151.96 AC

PHASE 2
280,900 SF

PHASE 1
503,880 SF

October 5th, 2021

Beth Jacobson
City of Hobart
414 N. Main St.
Hobart, IN 46342

Via: BJacobson@cityofhobart.org

Re: Project Solar- Union Labor (Expansion of Project X)

Beth,

Becknell Services LLC will be the contractor for the newly proposed Project Solar build to suit located on 69th Street in Hobart, IN. This is an expansion for the Project X, which is currently under construction.

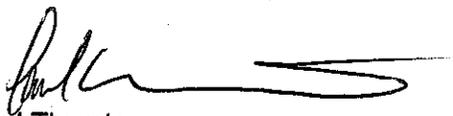
Becknell Services has a long history of building industrial facilities in Hobart.

We would request that the City council waive the application of the responsible bidding practices ordinance (as amended).

Per the terms of the incentives that are being negotiated, Becknell Services, LLC will continue to give preferential treatment to local subcontractors with competitive bids.

Please do not hesitate to reach out to me with any questions or comments.

Regards,



Paul Thurston

Becknell Industrial

Mobile: 217-649-4450