

REDEVELOPMENT COMMISSION OF THE CITY OF HOBART

Resolution No. 2022-03

A Resolution Approving and Authorizing the Execution of a Predevelopment Agreement between the City of Hobart, Hobart Sanitary District, Hobart Storm Water Management Department, and the City of Hobart Redevelopment Commission, and Becknell Industrial, LLC

WHEREAS, the City of Hobart Redevelopment Commission (the "Commission"), governing body of the City of Hobart, Indiana (the "City") Department of Redevelopment (the "Department") and the City of Hobart, Indiana Redevelopment District (the "Redevelopment District"), exists and operates under the provisions of Indiana Code 36-7-14, as amended from time to time (the "Act");

WHEREAS, the Commission has previously designated and declared an area in the City known as the 61st Avenue and SR 51 Economic Development Area (the "Area") as an economic development area pursuant to the Act, designating the Area as an allocation area pursuant to Section 39 of the Act (the "Allocation Area"), and approving an economic development plan for Area (the "Plan"), as amended;

WHEREAS, the property ("Property") that is the subject of the contemplated development (the "Development") described in the Predevelopment Agreement (the "Agreement") is within the Area;

WHEREAS, the Commission previously approved its Resolutions 2019-06 and 2019-17 wherein it adopted amended spending plans for the Area that include a contemplated roundabout at 61st Avenue & Colorado Street and other improvements on Colorado Street to be funded on a pay-as-you-go basis, through bonds supported by tax increment financing ("TIF") funds generated from the Area, or through combinations from other municipal or private sources;

WHEREAS, the improvements contemplated by the Agreement at 61st Avenue & Colorado Street and on Colorado Street consist of local public improvements within a TIF allocation area which are authorized for TIF expenditures pursuant to Ind. Code § 36-7-14-39(b)(3), including, but not limited to, clauses (G) & (J);

WHEREAS, the Commission has received the opinion of counsel that the use of proceeds from the 2020 Lease-Rental Revenue Bonds, which included in its project description the TRAX project which will include construction of an overpass on Colorado Street over the CN Railroad and related improvements, for the widening and enhancement of Colorado Street north of the TRAX project to 61st Avenue and the construction of a roundabout at the intersection of 61st Avenue & Colorado Street would constitute legitimate and authorized uses of such bond proceeds inasmuch as the widening and the roundabout will facilitate the handling of traffic volume after construction of the TRAX overpass; and

January 26, 2022

WHEREAS, the contemplated Development would improve the economic well-being of the Area and the City by enhancing the assessed value of the Property, attracting additional development in the Area, and creating hundreds of construction jobs and hundreds of permanent, full-time jobs.

NOW, THEREFORE, BE IT RESOLVED by the City of Hobart Redevelopment Commission, as follows:

1. The Commission finds that the Development would be a worthy contribution to the redevelopment and development of the Area and that the road improvement projects contemplated in the Agreement would facilitate that redevelopment and development and spur further economic development and redevelopment and prevent or eliminate blight.

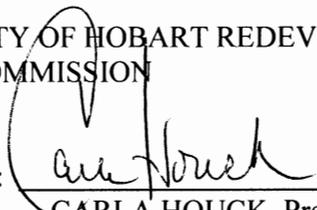
2. The Agreement is hereby approved, subject to approval by the City of Hobart Board of Public Works and Safety, the joint Hobart Sanitary District Board of Commissioners and Hobart Storm Water Management Board of Directors, and the Common Council.

3. The President or Vice-President and the Secretary of the Commission are hereby authorized and directed, on behalf of the City, and subject to the aforementioned approvals, to execute and deliver the Agreement in substantially the form presented at this public meeting and attached hereto as Exhibit A.

4. The Secretary of the Commission is hereby directed to transmit to the City of Hobart Board of Public Works and Safety, the joint Hobart Sanitary District Board of Commissioners and Hobart Storm Water Management Board of Directors, and the Common Council a copy of this Resolution and the Agreement and to request that each of them adopt a resolution approving the Agreement and its execution by the Commission.

ADOPTED on the 2nd day of February, 2022.

CITY OF HOBART REDEVELOPMENT
COMMISSION

By: 

CARLA HOUCK, President

ATTEST:


MARSHA PLESAC, Secretary

GINA PIMENTEL
RECORDER
STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2022-007917

9:25 AM 2022 Mar 2

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PREDEVELOPMENT AGREEMENT

by and between

THE CITY OF HOBART, INDIANA,

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

**THE BOARD OF COMMISSIONERS OF THE HOBART
SANITARY AND STORMWATER DISTRICTS,**

THE CITY OF HOBART REDEVELOPMENT COMMISSION

And

BECKNELL INDUSTRIAL, LLC

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PREDEVELOPMENT AGREEMENT

THIS AGREEMENT is entered into and made effective on the ___ day February, 2022 by and between BECKNELL INDUSTRIAL, LLC, a Delaware Limited Liability Company, with principal offices located at 120 East Burlington Avenue, La Grange, Illinois 60525 (the "Company"); and the CITY OF HOBART, INDIANA, a municipal corporation organized and existing under the laws of the State of Indiana with principal offices at 414 Main Street, Hobart, Indiana 46342 (the "City"), acting through its Executive, Brian K. Snedecor, Mayor, and the BOARD OF PUBLIC WORKS AND SAFETY OF THE CITY OF HOBART ("Board"), the BOARD OF COMMISSIONERS OF THE HOBART SANITARY AND STORMWATER DISTRICTS (jointly referred to as the "District"), and the CITY OF HOBART REDEVELOPMENT COMMISSION ("RDC"), instrumentalities of the City located at the same address. The City, Board, District, and RDC are collectively referred to as the "City".

RECITALS

WHEREAS, the Company is in the business of developing, constructing, marketing, and managing substantial industrial developments;

WHEREAS, the Company owns an option to purchase 157.14 acres of land in the City at the southeast corner of Colorado Street and 61st Avenue more particularly known as parcels 45-12-12-100-001.000-046 and 45-12-12-100-002.000-046 (the "Property"), and the Company contemplates exercising its purchase option on or before June 1, 2022;

WHEREAS, the Property is currently zoned as R-3, but subject to an agricultural use, and, if the Company's contemplated real estate transaction is consummated, it contemplates the filing of an application with the City's Plan Commission to request that the Property be rezoned as M-1, Light Manufacturing, for the development and construction of an industrial park contemplated to consist of several industrial buildings and other improvements according to a conceptual preliminary master site plan, a copy of which is attached hereto as Exhibit A, and which is subject to change as actual development occurs and prospective tenant requirements are accommodated (the "Park");

WHEREAS, the Company contemplates the investment of an estimated One Hundred Fifty Million Seven Hundred Seventy Thousand Dollars (\$150,770,000) in construction costs for the construction of the Park with a maximum total building square footage of 2,250,000 sq. ft., and the Company estimates that the assessed value at completion of the Park may be approximately One Hundred Twenty-Nine Million Dollars (\$129,000,000);

WHEREAS, the Company contemplates that its project may create approximately 500 construction jobs and about 500 permanent, full-time jobs;

WHEREAS, the Company is willing to contribute Three Million Three Hundred Thousand Dollars (\$3,300,000) to the City as the Company's share of the cost to construct certain improvements located off-site from the Property or in right-of-way dedicated for the construction of improvements (the "Contribution");

WHEREAS, the City is willing to accept the Contribution, for the City's use in its sole discretion, as the Company's share of the cost to construct certain improvements contemplated herein, subject to the conditions and exceptions set forth below;

WHEREAS, the Property is located in an area that has been designated by the City's RDC as an economic development area known as the 61st Avenue and State Road 51 Economic Development Area;

WHEREAS, the City is willing to undertake certain improvements to extend its sanitary sewer system service to a location that can serve the Property for a warehouse/distribution center use;

WHEREAS, the City undertook a traffic study in 2016 that included the Property and various areas in its general vicinity, and the City is contemplating certain road improvements near the Property, such as the construction of a roundabout at the intersection of 61st Avenue & Colorado Street, the widening of Colorado Street south of 61st Avenue, and other potential improvements along the 61st Avenue corridor;

WHEREAS, the Company undertook its own traffic study dated August 6, 2021 which included the Property and intersections with Colorado Street at 61st Avenue and 62nd Place, and the Company believes a traffic signal may eventually be needed at the intersection of East 62nd Place & Colorado Street;

WHEREAS, the Company contemplates a water main extension and the City contemplates a sewer main extension, both of which would travel under 61st Avenue on the east side of the Property and under certain pipelines that are under or near that portion of 61st Avenue, and the parties have been able to consult with representatives of all but one of the owners of the pipelines;

WHEREAS, all terms defined in the preamble or in these recitals shall carry their defined meaning throughout this Agreement unless expressly stated otherwise;

THEREFORE, IN CONSIDERATION of the aforementioned contemplated undertakings, and the mutual promises, terms, and conditions hereinafter set forth and intending themselves to be legally bound to extent expressly stated in Section 3, the parties agree as follows:

ARTICLE I

COMPANY'S DUTIES AND REPRESENTATIONS

1. Duties and Representations. The Company, for itself and for its owners, directors, officers, and employees, agrees to undertake and perform the following duties, and make the following representations:

1.1. Diligence. The Company will diligently pursue with commercial reasonableness the acquisition of the Property and the development, construction, and marketing of the Park from the effective date of this Agreement through the completion of the Park.

1.2. Contribution. The Company will pay the Contribution to the City within thirty (30) days after Company (or its affiliate) has closed on the purchase of the Property. The Company agrees that the City may use the Contribution for any lawful use in the City's sole discretion, subject to the City's agreement in Section 2.2. Company's obligation to pay the Contribution to the City is expressly conditioned on Company or its affiliate having closed on the purchase of the Property.

1.2.1. If the Company acquires the Property through an affiliate, Company's obligations herein shall also be attributed to that affiliate and Company shall either perform such obligations on behalf of itself and the affiliate or cause its affiliate to perform such obligations.

1.3. Water Main. The parties understand that a water main presently exists on the east side of Colorado Street on or adjacent to the northern half of the Property. The Company desires to have the water main extended to a point north of 61st Avenue on the east side of the Property for the purposes of looping the system. The Company has asked the City, and the City has agreed, to have the City's contractor who undertakes the sanitary sewer system extension contemplated herein to also construct the portion of the water main traveling under 61st Avenue at approximately the same location as the new force main for purposes of efficiency and convenience to the public. The Company shall be responsible for all costs to extend the water main and appurtenant piping as may be necessary to bring water service to the Property, including all costs of the aforementioned project to extend the water main under 61st Avenue.

1.3.1. If the presence of the pipelines under or near 61st Avenue (discussed in the recitals and Section 2.4) necessitates a facility relocation or a material change in the design plans—whether such relocation or design change is thought to be attributed to the water main extension or the sanitary sewer system extension or both—the Company and the City agree to share responsibility for the commercially reasonable additional costs related to any such relocation and design change with each party paying 50% of such costs; provided, however, that the Company's share shall be subject to a maximum of Five hundred thousand dollars (\$500,000).

1.4. Right-of-Way Dedication. The Company shall dedicate to the City from the Property such right-of-way as may be necessary for the following:

1.4.1. The construction of part of a roundabout at the intersection of 61st Avenue & Colorado Street;

1.4.2. A strip forty feet wide for the widening of Colorado Street from 61st Avenue along the full length of the Property's west boundary line;

1.4.3. The Company shall construct the roadway (tentatively named "62nd Avenue" solely for discussion purposes) running through approximately the middle of the Property from Colorado Street to the eastern-most line of the

Property adjacent to the contemplated future Arizona Street so as to enable the future connection of "62nd Avenue" to Arizona Street, and dedicate such right-of-way as may be reasonably necessary for such connection

1.4.4. The installation of a traffic signal and all required appurtenant equipment, and the potential construction of part of a roundabout, at the intersection of 62nd Place/"62nd Avenue" & Colorado Street.

1.5. Site Plan. The site plan attached as Exhibit A is merely a concept plan and the sizes, locations and configurations of the various buildings are subject to further revision and approval. The Company shall submit engineered site plans for approval by the City that describe the right-of-way dedications set forth in Section 1.4 and its subsections prior to constructing each building or phase of the Company's development of the Property. The Company shall abide by all design guidelines and requirements of the City's Plan Commission, except to the extent that the Plan Commission expressly grants a modification to any such guideline or requirement.

1.6. Sanitary Sewer System & Service. As described in more detail in Section 2.4, the City intends to size its contemplated sanitary sewer system improvements for a warehouse/distribution center use. If the Company, its tenants, or other end-users engage in uses on the Property that result in discharges to the sanitary sewer system in excess of 81,000 GPD, then the Company shall be responsible for all costs for extensions, expansions, or upgrades to the sanitary sewer system as may be necessary to accommodate such discharges in excess of 81,000 GPD (hereinafter referred to as "Sewer Upgrades").

1.6.1. Sewer Connection. As both the Company's site plan for the Park and the City's planning for the contemplated sanitary sewer system improvements are still in their conceptual, preliminary stages, the parties agree coordinate with each other as to the location of the Property's connection point to the sanitary sewer system.

1.7. Costs Not Included in Contribution. For avoidance of doubt, the costs referred to in Section 1.3 and its subsection (as to the water main) are to be regarded as separate from and in addition to the costs attributed to the Contribution. The costs referred to in Section 1.6 (as to the sanitary sewer system) are to be paid by the City except for those costs required for Sewer Upgrades.

1.8. Park Infrastructure. The Company will be responsible for all infrastructure in the Park, including, without limitation, roadways, water, sewer, gas, electric, and telecommunications. The Company will be responsible for bringing the Park's building drain(s) and building sewer(s) to the City's collector sewer main and appropriately connecting them to the sewer laterals.

ARTICLE II

CITY'S DUTIES AND REPRESENTATIONS

2. Duties and Representations. The City makes the following representations and agrees to undertake and perform the following duties:

2.1. Diligence. The City will reasonably and diligently pursue its contemplated undertakings described herein.

2.2. Contribution. The City understands that it may use the Contribution for any lawful use in the City's sole discretion. The City agrees that it will not seek additional capital contributions from the Company for the cost of the following: (a) the contemplated road improvements described in Sections 1.4.1 and 1.4.2, or the connection of "62nd Avenue" to Arizona Street described in Section 1.4.3, other than the right-of-way dedications described therein, (b) the cost of the contemplated sanitary sewer system extension described in Section 2.4, other than the costs described in Section 1.6 for Sewer Upgrades, and (c) the installation of a traffic signal and all required appurtenant equipment at the intersection of 62nd Place/"62nd Avenue" & Colorado Street, and any required paving and/or striping, other than right-of-way dedication described in Section 1.4.4.

2.2.1. However, if the traffic volume exceeds the traffic forecast in the Company's August 6, 2021 traffic study, the Company shall be responsible for all required upgrades to the intersection of 62nd Place/"62nd Avenue" & Colorado Street as may be reasonably necessary to accommodate such increased traffic volume.

2.3. Zoning. The City will provide such reasonable assistance as the Company may need for its contemplated rezoning application to be filed with the City's Plan Commission requesting that the Property be rezoned as M-1, Light Manufacturing. While the City is not preapproving any such application, and the Company is not requesting any such preapproval, the City is presently unaware of any known conflicts that would prevent the approval of such application.

2.4. Sanitary Sewer System & Service. The City contemplates the construction of one or more collector mains, a force main, and a lift station in order to extend its sanitary sewer system to a spot on or adjacent to the Park that is a mutually agreeable location for the Park to connect to the sanitary sewer system. The City will reasonably endeavor to have the construction completed by a target date of January 31, 2023; however, the City has informed the Company that the presence of the pipelines running under or near 61st Avenue may impede the progress of construction and prevent the City from achieving that target date. The City intends to construct its sanitary sewer system improvements for a warehouse/distribution center use.

ARTICLE III

MISCELLANEOUS

3. Nature of the Agreement; Assignment. The parties agree that this Agreement does not bind the Company to complete its contemplated real estate transaction for the Property. The parties also agree that this Agreement does not legally bind the Company to develop the Property in strict accordance with the conceptual site plan attached as Exhibit A, which is subject to change and appropriate approvals. However, upon the closing of the Company's contemplated purchase of the Property, each party, including the Company's successors and assigns, shall be legally bound to perform their respective obligations as set forth herein. The parties further agree that the terms of this Agreement shall be incorporated into a contemplated future development agreement should the development go forward. Upon written consent of the City, the Company may assign its rights and obligations under this Agreement to another party capable of performing all the covenants and terms of this Agreement that are binding upon the Company.

4. No Agency, Joint Venture, or Partnership. The parties understand and agree that the Company's project is a private development. The City and the Company hereby renounce the existence of any form of agency relationship, joint venture, or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between the parties.

5. Conflict of Interest; Representatives of City Not Individually Liable. No board or commission member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No member, official, or employee of the City shall be personally liable to the Company or to any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Company or its successors, on any obligations under the terms of the Agreement.

6. No Other Agreement. With the exception of a reimbursement agreement between the Company and the City concerning the reimbursement of expenses incurred by the City prior to the execution of this Agreement, this Agreement supersedes all prior agreements, negotiations, and discussions related to the subject matter hereof and is a full integration of the agreement of the parties.

7. Governing Law. This Agreement shall be construed and enforced under the laws of the State of Indiana. The Parties agree to submit to the exclusive jurisdiction and venue of the courts of the State of Indiana sitting in Lake County, Indiana and the U.S. District Court for the Northern District of Indiana, Hammond Division.

8. Counterparts. This Agreement may be executed in any number of identical counterparts, each of which shall be deemed an original and all of which together shall constitute

one and the same Agreement. Any digitally transmitted version of a manually executed original shall be deemed a manually executed original.

9. Authority. The undersigned persons executing and delivering this Agreement for each party represent and certify that they are the duly authorized officers of such party and have been fully empowered to execute and deliver this Agreement on behalf of such party and that all necessary actions to execute and deliver this Agreement have been taken by such party.

10. No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon any person, firm, or corporation other than the parties hereto, any remedy or claim under or by reason of this Agreement or any term, covenant, or condition hereof, as third-party beneficiaries or otherwise, and all of the terms, covenants, and conditions hereof shall be for the sole and exclusive benefit of the parties.

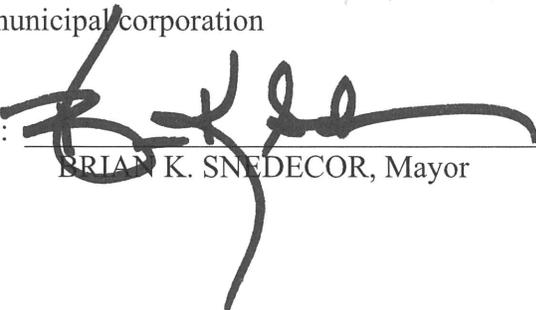
11. Interpretation. This Agreement shall be interpreted without giving any preference for or against any party as the drafter hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BECKNELL INDUSTRIAL, LLC

By: 
CRAIG KOURI, President, Principal –
Construction & Design

CITY OF HOBART, INDIANA ("CITY"),
a municipal corporation

By: 
BRIAN K. SNEDECOR, Mayor

ADOPTED and APPROVED by the City of Hobart Board of Public Works and Safety on this ___ day of February, 2022.

CITY OF HOBART BOARD OF PUBLIC WORKS AND SAFETY ("Board"):


BRIAN K. SNEDECOR, Presiding Officer


DEBORAH A. LONGER, Member


RICH LAIN, Member

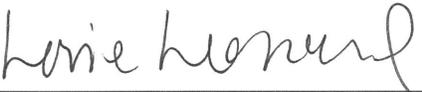
ATTEST: 
DEBORAH A. LONGER, Clerk-Treasurer

BOARD OF COMMISSIONERS OF THE HOBART SANITARY AND STORMWATER DISTRICTS ("DISTRICT")

By: 
ROBERT B. FULTON, President

ADOPTED and APPROVED by the Board of Commissioners of the Hobart Sanitary and Stormwater Districts on this 8th day of February, 2022.


ROBERT B. FULTON, President

ATTEST: 
~~PHILLIP E. GRALIK, P.E., Secretary~~
Recording Secretary

CITY OF HOBART REDEVELOPMENT
COMMISSION ("RDC")

By: Carla Houck
CARLA HOUCK, President

ADOPTED and APPROVED by the City of Hobart Redevelopment Commission on this 4TH day of February, 2022.

Carla Houck
CARLA HOUCK, President

ATTEST: Marsha Plesac
MARSHA PLESAC, Secretary

STATE OF ^{ILLINOIS} INDIANA)
^{COOK county}) ss:
~~LAKE COUNTY~~)

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared CRAIG KOURI, President, Principal – Construction & Design, Becknell Industrial, LLC, party to the above instrument and a person known to me, who acknowledged execution of same in such capacity, as his free and voluntary act, for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this 31 day of January, 2022.

Stephanie Santos
Notary Public

Name Printed: Stephanie Santos

County of Residence: COOK

My Commission Expires: 10/18/2025



STATE OF INDIANA)
) ss:
LAKE COUNTY)

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared BRIAN K. SNEDECOR and DEBORAH A. LONGER, Mayor-Presidenting Officer of the City of Hobart Board of Public Works and Safety and Clerk-Treasurer of the City of Hobart, Indiana, respectively, signatories to the above instrument and persons known to me, who acknowledged execution of same in such capacities on behalf of said City, as their free and voluntary acts, for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this 9th day of February, 2022.

Karen E. Anderson
Notary Public

Name Printed: KAREN E. ANDERSON

County of Residence: LAKE
My Commission Expires: 02/25/2023



STATE OF INDIANA)
) ss:
LAKE COUNTY)

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared ROBERT B. FULTON and ~~PHILLIP E. GRALIK, P.E.~~ ^{Phillip Gralik}, President and Secretary, respectively, of the joint Hobart Sanitary District Board of Commissioners and Hobart Storm Water Management Board of Directors, signatories to the above instrument and persons known to me, who acknowledged execution of same in such capacities on behalf of said City, as their free and voluntary acts, for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this 9th day of February, 2022.

Karen E. Anderson
Notary Public

Name Printed: KAREN E. ANDERSON

County of Residence: LAKE
My Commission Expires: 02/25/2023



STATE OF INDIANA)
) ss:
LAKE COUNTY)

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared CARLA HOUCK and MARSHA PLESAC, President and Secretary, respectively, of the City Hobart Redevelopment Commission, signatories to the above instrument and persons known to me, who acknowledged execution of same in such capacities on behalf of said City, as their free and voluntary acts, for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this 4th day of February, 2022.

Alyson McDonald
Notary Public

Name Printed: Alyson McDonald

County of Residence: Lake
My Commission Expires: 07. 22. 2029

