

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

RESOLUTION NO. 2023- 03

**A RESOLUTION TO APPROVE AND AUTHORIZE THE EXECUTION OF A
DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HOBART AND
LINEAGE LOGISTICS, LLC**

WHEREAS, the Common Council ("Council") of the City of Hobart, Lake County, Indiana ("City") adopted Resolution No. 2023-06 declaring that the area within the City's corporate limits depicted and outlined in red on Exhibit A, which is adjacent to the eastern boundary of the applicant's property at 2201 Northwind Parkway, Hobart, Lake County, Indiana, and which is more particularly described in Exhibit B, is an Economic Revitalization Area for the purpose of encouraging development and occupancy therein by providing real and personal property tax abatements in accordance with Ind. Code 6-1.1-12.1, *et seq.*;

WHEREAS, Council Resolution No. 2023-06 was adopted pursuant to the application of Lineage Logistics, LLC, ("Lineage") for real and personal property tax abatements pertaining to the construction of an industrial warehouse/office building and the purchase and installation of new equipment, including "new logistical distribution equipment" and "new information technology equipment" (as defined in Ind. Code §6-1.1-12.1-1(13) and (16), respectively), each as more fully described in the Development Agreement ("DA") discussed below, and the Council is scheduled to consider the adoption of its Resolution No. 2023- 07 on July 5, 2023 (after public hearing duly noticed as required by law) confirming its Resolution No. 2023-06

WHEREAS, pursuant to the Council's Declaratory Resolution No. 2023-06, the City and Lineage have negotiated and preliminarily approved the DA attached hereto, setting forth the terms and conditions governing Lineage's Project (as defined in the DA) and its receipt of the contemplated real and personal property tax abatements;

WHEREAS, under the terms of the Council's Confirmatory Resolution No. 2023- 07, Lineage shall be required to execute and be in compliance with the DA between it and the City in order to receive the benefits of the property tax abatements contemplated in Council Resolution Nos. 2023-06 and 2023- 07;

WHEREAS, the Board is a party to the DA, and the Board also acts as the City's contracting entity pursuant to law; and

WHEREAS, the Board now desires, contingent upon the Council's approval of its Confirmatory Resolution No. 2023- 07 and the Council's approval of the DA in its Resolution No. 2023- 11, to approve and adopt the DA and to authorize its execution for itself and the City.

NOW, THEREFORE, BE IT RESOLVED by the Board of Public Works and Safety of the City of Hobart as follows:

1. The Development Agreement by and between Lineage and the City, which is attached hereto, is hereby approved and adopted.

2. The Mayor of the City and the City Clerk-Treasurer are authorized to execute and to attest to the execution of the DA, respectively.

3. This Resolution shall take effect upon the approval by the Common Council of its Confirmatory Resolution No. 2023-07 and upon approval of the DA by the Common Council in its Resolution No. 2023-11.

ALL OF WHICH IS ADOPTED on this 14th day of July, 2023 by the City of Hobart Board of Public Works & Safety.

CITY OF HOBART BOARD OF PUBLIC
WORKS AND SAFETY



BRIAN K. SNEDECOR, Presiding Officer

ATTEST:



DEBORAH A. LONGER, Clerk-Treasurer

**DEVELOPMENT AGREEMENT
FOR REAL AND PERSONAL PROPERTY TAX ABATEMENT**

by and among

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

And

**LINEAGE LOGISTICS, LLC
a Delaware limited liability company**

July 5, 2023

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SCHEDULE OF EXHIBITS

- Exhibit A:** Legal Description of Subject Property
- Exhibit B:** Equipment List
- Exhibit C:** Illustrative Property Tax Abatement Analysis by Baker Tilly Municipal Advisors, LLC – April 6, 2023

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is made and entered into on the 5th day of July, 2023 by and between **LINEAGE LOGISTICS, LLC**, together with its affiliates, including, without limitation, Lineage Logistics Services, LLC, a Delaware limited liability company with principal offices located at 46500 Humboldt Dr., Suite A, Novi, MI 48377 (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**"), and the **BOARD OF PUBLIC WORKS AND SAFETY OF THE CITY OF HOBART**, an instrumentality of the City, with offices at the same address ("**Board**"). The City and the Board together are referred to as the "**City Parties**." The Company and the City Parties are collectively referred to as the "**Parties**".

RECITALS

WHEREAS, Company is in the business of providing cold storage, logistics, and supply chain services, and the Company owns undeveloped real estate in the City of Hobart adjacent to its current facility at 2201 Northwind Parkway;

WHEREAS, the real estate that Company will develop, which is referred to in this Development Agreement ("**DA**") as the "**Subject Property**," consists of a 25.02 acre parcel zoned M-1 and is depicted on the plat recorded with the Lake County Recorder as instrument number 2022-547558. The Subject Property is more fully described in **Exhibit A**.

WHEREAS, Company expects to construct a 185,000 square foot industrial warehouse/office building on the Subject Property, and to purchase and install "new logistical distribution equipment" and "new information technology equipment" (as defined in Ind. Code §6-1.1-12.1-1(13) and (16), respectively), which will consist of cold storage / racking equipment and related IT equipment (as more fully described on **Exhibit B, Equipment List**) (collectively, the "**Project**");

WHEREAS, Company estimates its total cost of construction for the Project to be approximately ninety-three million dollars (\$93,000,000) (the "**Cost of Construction**");

WHEREAS, Company estimates its total cost of new equipment for the Project to be approximately forty million dollars (\$40,000,000) (the "**Cost of Equipment**");

WHEREAS, Company estimates that its Project will cause the retention of 104 business jobs with salaries totaling five million three hundred thousand (\$5,300,000) and 150 construction jobs with salaries totaling eight million three hundred eighty-five thousand (\$8,385,000);

WHEREAS, Company estimates that its Project will create 90 new full-time jobs with salaries totaling four million five hundred ninety thousand (\$4,590,000);

WHEREAS, Company estimates the real property assessed value of the Project will be fourteen million eight hundred thousand dollars (\$14,800,000);

WHEREAS, Company estimates the personal property assessed value of the Project in tax payable year 2027 will be sixteen million six hundred twenty-five thousand dollars (\$16,625,000);

WHEREAS, the Company intends to begin construction in June 2023 and conclude construction and installation of equipment by July 31, 2025 (the "**Construction Period**");

WHEREAS, the City is an Indiana municipality of approximately 30,000 persons, strategically situated in Lake County along U.S. 30 on the south, I-65 on the west near its junction with Interstate Highways 80, 90, 94, and several rail lines; and the Board is an instrumentality of the City empowered to issue and approve City contracts and to supervise the City's Public Works and emergency services departments;

WHEREAS, Company will construct all aspects of the Project in conformity with the Site Plan approved by the City's Plan Commission;

WHEREAS, in connection with the construction of the Project, the Company has applied to the City for the grant of real estate and personal property tax abatements under Ind. Code §6-1.1-12.1;

WHEREAS, the City and Company reached agreement as to the promises, terms, and conditions upon which the City is willing to grant the requested tax abatements to Company, which abatements are important to Company in assuring the economic viability of the Project, and the City is willing to grant the requested real and personal property tax abatements upon approval by the City of Hobart Common Council in its Resolution Nos. 2023-06 and 2023-07, the latter of which is to be considered at the Council's meeting on July 5, 2023;

WHEREAS, Company, the City, and the Board intend to execute this DA stating the promises, terms, and conditions under which Company would receive the City's economic incentive through real and personal property tax abatements, and Company would deliver the promised benefits of the Project, upon the adoption and approval of the DA by action of the Common Council through its Resolution No. 2023-11 on July 5, 2023, and by the Board on the same date through the Board's Resolution No. 2023-03; and

WHEREAS, this DA shall take effect when executed by the Board, and approved by the Common Council;

THEREFORE, IN CONSIDERATION of the mutual promises, terms, and conditions hereinafter set forth and intending themselves to be legally bound, the Parties agree as follows:

1. **Duties of the Company.** Company agrees to undertake and perform the following duties:
 - a. Cause the timely and workmanlike construction of its Project in Hobart, Indiana in substantial conformance to the tax abatement application and statement of benefits (with all attachments thereto) as approved by the Common Council, and the plans and specifications submitted to, and as approved by, the City;

b. Comply with all applicable requirements of the Hobart Municipal Code ("HMC"), including the City's Zoning Ordinance, Building Codes, all other land usage ordinances, and the orders and actions of the City, including its Plan Commission, Board of Zoning Appeals, Board of Works, and Common Council;

c. Comply with the requirements of the City's Responsible Bidding Practices Ordinance (HMC §§33.200 through 207), as amended, as to any contractor and subcontractor engaged by the Company, unless the application of such Ordinance is waived by the Common Council of the City;

d. Pay In full, when required, all City fees prescribed by ordinance in connection with the construction of its Project and the tax deduction and abatement process, including, but not limited to, building permit fees, abatement application and exaction fees, financial impact and analysis fees, and compliance review fees. Company shall pay to the City the exaction fees required by City Council Resolution No. 2008-16 in the amount of one percent of the total value of the improvements and equipment, which exaction fee is presently estimated to be \$930,000 for the real property tax abatement and \$400,000 for the personal property tax abatement based on Company's tax abatement applications and respective SB-1 (statement of benefits) forms, but the actual amount of the fee shall be determined as stated in Section 1 of Resolution No. 2008-16;

i. As to the payment of the exaction fees, the City agrees that Company may pay the respective fees over a three (3) year period as follows:

1. Company shall pay at least one-third of the exaction fee for the real property tax abatement upon issuance of the building permit; and Company shall make additional payments of at least one-third of the fee on each of the subsequent two anniversaries of the issuance of the building permit until the fee is paid in full;
2. Company shall pay at least one-third of the exaction fee for the personal property tax abatement upon issuance of an invoice from the City's Clerk-Treasurer and, in any event, within thirty (30) days after approval of the tax abatement by the Common Council; and Company shall make additional payments of at least one-third of the fee on each of the subsequent two anniversaries of the approval of the tax abatement until the fee is paid in full;

e. Make or cause to be made all filings of applications and forms SB-1 (statement of benefits), 322/RE (application for deduction from assessed valuation), 103 (as to personal property assessment and deduction), and CF-1 (compliance with statement of benefits) when due under Ind. Code §6-1.1-12.1 or any other Indiana law;

f. Pay or cause to be paid when due all property taxes levied upon the real and personal property of the Company in connection with the Subject Property and the Project;

g. Ensure that the equipment to be purchased and installed as part of the Project qualifies for the personal property tax deduction provided for in Ind. Code §6-1-1.1-12.1 as "new logistical distribution equipment" and "new information technology

equipment" (as defined in Ind. Code §6-1.1-12.1-1(13) and (16), respectively), including, if needed, by working with the township assessor to obtain confirmation of the same, and be solely responsible for the consequences if the assessor denies or alters the amount of the deduction under Ind. Code §6-1.1-12.1-5.4(e), including any appeals of such a decision under -5.4(h);

h. Within 30 days of the effective date of this DA, sign and deliver to the City an affidavit pursuant to Ind. Code §22-5-1.7-11 that affirms that the Company has enrolled and is participating in the E-Verify program, provides documentation to the City that the Company is participating in the E-Verify program (for the duration of the Project work if the E-Verify program remains in existence during that period of time), and signs an affidavit affirming that the Company does not knowingly employ an unauthorized alien;

i. Refrain from any discrimination in employment on account of race, religion, gender, color, national origin, sexual orientation, disability, pregnancy, or age under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Pregnancy Discrimination Act, and any other federal law, similar state law, or local ordinance applicable to the Company's construction of the Project;

j. Comply with all applicable laws of the City, the State of Indiana, and the United States in the construction of the Project; and

k. Comply with all provisions of this DA.

2. **Duties of the City.** The City, the Board, and their officials and employees agree to undertake and perform the following duties:

a. Approve the designation of the Subject Property as an Economic Revitalization Area pursuant to Ind. Code §6-1.1-12.1 for the purpose of qualifying the Project for the grant of real and personal property tax abatements. The parties agree that the abatement to be granted by the City will conform to the following terms. These tax years are based upon information provided by Company. Company agrees to notify the City in writing if completion of the Project is delayed or accelerated, which may affect the tax years in the following tables:

Real Property:

Estimated Cost:	\$93,000,000.00
Estimated Assessed Value:	\$14,800,000.00
Deduction Period:	Ten years
Deduction Schedule:	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%

The foregoing deduction schedule will be included in Common Council Resolution No. 2023-06 as set forth on page 3 of the Baker-Tilly analysis dated April 6, 2023.

Personal Property:

Estimated Cost:	\$40,000,000.00	
Estimated Assessed Value:	\$16,625,000.00 (in pay 2027; variable thereafter)	
Deduction Period:	Ten years	
Deduction Schedule:	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%
	Year ten	10%

The foregoing deduction schedule will be included in Common Council Resolution No. 2023-06 as set forth on page 4 of the Baker-Tilly analysis dated April 6, 2023.

b. Provide assistance, advice, and guidance to Company at its request concerning any of the matters discussed in this DA; provided, however, the City shall have no responsibility to Company as to any determination whether the equipment to be purchased and installed as part of the Project qualifies for the personal property tax deduction provided for in Ind. Code §6-1-1.1-12.1, such being solely Company's responsibility. The City will provide its assistance and guidance to Company at no cost unless the City's staff determines that it does not have the capability to respond to Company's request and would be required to consult persons not employed by the City in assisting Company; in such event, the City will notify Company in writing and will not engage any expert consultant to the City at Company's expense without Company's written authorization to do so. Company shall also pay the reasonable cost of the City's employee time in consulting with others.

c. Provide all City services customarily provided by the City to businesses similar to the Company located in Ross Township including, but not limited to, police, fire prevention and suppression, storm water management, and street and infrastructure management of City thoroughfares. Company understands that:

i. Wastewater collection, treatment, and disposal is not the responsibility of the City, but of the Merrillville Conservancy District. And water

service is the responsibility of Indiana American Water Company, a privately-owned public utility;

ii. The assessment of real property is the responsibility of the Ross Township Assessor and the application of the deduction to the Company's assessed value is the responsibility of the Lake County Auditor; and

d. Record this fully-executed and approved DA in the office of the Lake County Recorder, Crown Point, IN, and deliver a copy of the recorded DA to Company.

3. **Additional Covenants and Representations of the Company.** In addition to the duties of the Company specified in Section 1 above, Company agrees to adhere to and carry out the following commitments and representations:

a. Employment. Company represents and agrees that (i) the Project will result in the retention of not less than one hundred four (104) current jobs and the creation of not less than ninety (90) new and additional full-time jobs during the period of the tax abatement incentives granted by the City under this DA, and (ii) the total payroll of the current jobs will be five million three hundred thousand dollars (\$5,300,000.00) and the total payroll of the new and additional jobs will be not less than four million five hundred ninety thousand dollars (\$4,590,000.00). New and additional employees of the Company, and of any other entity, who work exclusively or primarily at the Project site will be included in the job count. Company also represents that during the Construction Period the Project will result in the creation or retention of one hundred fifty (150) full-time construction jobs with a labor cost of no less than eight million three hundred eighty-five thousand dollars (\$8,385,000.00). Compliance with the above employment commitment shall be determined as described below in Section 4.a. ("**Full-time job**" shall mean an individual employee working at least forty (40) hours per week.)

b. Local Contractors. Company further represents and agrees that during the period the tax abatement incentives granted by the City under this DA are in effect (the "**Abatement Period**"), any contractors, subcontractors, or suppliers based in the City of Hobart, Indiana with competitive bids shall be preferred for all work contracted by the Company for the Project or for other work pertaining to the Subject Property.

c. Subcontractors Compliant with Ordinance. Company will ensure that all subcontractors employed in the construction of the Project meet the requirements of the City's Responsible Bidding Practices Ordinance (HMC §§33.200 through 207).

d. Tax Payments and Appeals. Company shall pay, or cause to be paid, when due, all real and personal property taxes assessed on the Subject Property and the Project. Property tax appeals shall be governed by the following requirements:

i. No Real Property Tax Appeals as to the Project. Company agrees, for itself and all affiliates, to refrain from filing or otherwise pursuing any real property tax appeal regarding the Project for any year during the Abatement Period, if such appeal would have the effect of reducing the minimum net real property

taxes payable for the Project for any of the years stated in the following table. (The parties agree that the last clause in the preceding sentence and the table below assume that the assessed value of the real property improvements for the Project will be at least \$14,800,000. In the event that the real property assessed value of the Project is less than \$14,800,000, the amount indicated in the table below for that year will be reduced by the percentage by which the actual valuation is less than \$14,800,000, so that the minimum net taxes to be paid under this no-appeal-agreement are reduced proportionately.)

Minimum Net Real Property Taxes Table

Taxes Payable Year	Minimum Net Real Property Taxes to be Paid (per the Baker Tilly Analysis attached as Exhibit C)
2027	0
2028	19,230
2029	76,910
2030	134,590
2031	192,270
2032	230,720
2033	269,170
2034	307,630
2035	346,080
2036	365,310

ii. No Personal Property Tax Appeals or Reductions as to the Project. Company agrees, for itself and all affiliates, to refrain from filing or otherwise pursuing any personal property tax appeal regarding the Project or reducing the reported acquisition cost, acquisition year, or depreciation pool for the new equipment (assumed to be Pool #1 for the IT equipment and assumed to be Pool #2 for the logistical distribution equipment per the Baker Tilly analysis attached as Exhibit C) for any year during the Abatement Period if such would have the effect of reducing the net personal property taxes payable for the equipment for that year below the minimum amount stated in the following table.

Minimum Net Personal Property Taxes Table

Taxes Payable Year	Minimum Net Personal Property Taxes to be Paid (per the Baker Tilly Analysis attached as Exhibit C)
2027	9,350
2028	69,600

2029	94,250
2030	102,670
2031	126,720
2032	158,550
2033	189,800
2034	220,290
2035	250,790
2036	281,290

iii. No Real or Personal Property Tax Appeals as to other Property. Company represents and affirms that, at the time of its execution of this DA, there are, and will be, no real or personal property tax appeals currently pending, or filed, by Company or any of its affiliates for any other real or personal property owned, regularly used, or permanently located within the City by the Company or any of its affiliates for any year during the Abatement Period.

iv. Notice and Copy of Appeals and Related Documents. With respect to any real or personal property tax appeal to be filed by Company or any of its affiliates for any property owned, regularly used, or permanently located in the City within the fifteen (15) year period after the effective date of this DA, Company agrees to provide notice to the City, through its Mayor and Director of Development, fifteen (15) days in advance of filing any such real or personal property tax appeal, a written explanation as to why the appeal is being filed, and complete copies of the appeal documents, including all schedules and exhibits. And Company shall give notice to the City, through its Mayor and Director of Development, fifteen (15) days in advance of making or filing any significant changes in the reporting of the acquisition cost, acquisition year, depreciation classification, or other characteristic of the

v. Compliance Review Fee for Personal Property Tax Abatement. Company shall pay the annual compliance review fee as prescribed by HMC §32.02(B).

vi. Annual Recalculation. On or before March 1 of each year during the Abatement Period, the City, acting through its financial advisors, may, at its discretion, obtain the latest available applicable assessment and tax rate figures for the Project and calculate the actual figure for real property taxes to be paid in that year. In the event that the difference between the figure calculated for that year and the figure stated in the table in Section 3.d.i. results in an increase in the tax to be paid in the amount of \$1,000.00 or more, then the City may, at its discretion, adjust the table in Section 3.d.i. for that year and the subsequent years accordingly, and Company shall be given written notice of the newly calculated amount and the adjusted table, and shall pay at least that amount in that year, when due, and the adjusted amounts in all subsequent years in the Abatement Period, unless a recalculation done in any of those years results in subsequent changes to the table. Company agrees to execute a reimbursement agreement under HMC Chapter 155

annually and to make the deposit required under that agreement to cover the fee charged by the City's financial and legal advisors to perform this recalculation and review compliance with the minimum tax payments.

vii. Representations and Agreements Incorporated by Reference. The material representations and agreements made by the Company and contained in its Applications for Tax Abatement, forms SB-1 (statement of benefits), 322/RE (application for deduction from assessed valuation), and CF-1 (compliance with statement of benefits), and all exhibits and schedules attached thereto or referenced therein, shall be deemed to be incorporated into this DA by reference and made a part hereof, except the terms of this DA shall govern in the event of any conflict.

e. Other Representations of the Company. Company hereby makes the following representations and warranties, and acknowledges and agrees that such representations and warranties have been material to the City Parties' decisions to enter into this DA, and further agrees that each representation and warranty shall be true, accurate and complete as of the execution of this DA:

i. Lineage Logistics, LLC is a company validly organized and existing under the laws of the State of Delaware, and it is authorized to do business in the State of Indiana;

ii. All necessary action has been taken to authorize Company's execution of this DA; Company possesses the requisite power to enter into this DA and all other agreements contemplated hereby, and to perform its obligations hereunder; and this DA constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and subject to the exercise of judicial discretion in accordance with general principles of equity;

iii. Neither the execution and delivery by Company of this DA, the consummation of the transactions contemplated herein, nor compliance with the provisions hereof violates, breaches, contravenes, conflicts with, or causes a default under any provision of the articles of organization, operating agreement, by-laws or other any other organic or governance document of the Company or any provision of any existing note, bond, mortgage, debenture, indenture, trust, license, lease, instrument, decree, order, judgment or agreement to which the Company is a party or by which it or its assets may be bound or affected;

iv. No litigation or proceeding in any court or before any other governmental authority or other person or entity is currently pending or, to the knowledge of the Company, threatened, which seeks to enjoin or otherwise could prevent the Company from entering into this DA or any of the transactions contemplated hereby;

v. Company is entering into this DA for the sole purpose of providing for the construction of the Project described above, subject to and in accordance with the terms and conditions of this DA; and

vi. Company represents and agrees to use commercially reasonable efforts to construct the Project on time such that its anticipated completion date by July 31, 2025 will be met, subject only to unforeseeable delay caused by one of the following events outside of Company's commercially reasonable control that makes timely completion not reasonably possible: destruction of all or a substantial portion of the building by an act of God, riot or civil insurrection, impossibility of obtaining adequate supplies to support construction despite Company's best efforts to obtain them, strikes or work stoppages despite Company's best efforts to avoid them, or epidemics or pandemics and any governmental orders, actions, shut-downs, mandates, restrictions, or quarantines resulting from the same.

A. In the event that the Project is delayed such that the assessment of the Project for real or personal property tax purposes cannot be accomplished in time for tax payable year 2027, the City reserves the right to obtain an updated financial impact analysis from its financial and legal advisors at Company's expense and to establish amended tables of real and personal property taxes to be paid in Section 3.d.i. of this DA, the methodology for the determination of which shall be consistent with that which resulted in the table above. The City shall give written notice to Company of the updated analysis and newly established table.

B. Notwithstanding the foregoing paragraph, in the event that the Project is not completed and occupied by December 2025, the City may, at its sole discretion, terminate this DA and the tax abatement incentive granted herein in the manner provided by law.

4. **Return of Benefits.** Within 90 days of the occurrence of any one or more of the events stated below in Section 4.a. at any time in any year during the Abatement Period, Company, and its successors or assigns, shall pay to the City the difference between (1) the sum of all real and personal property taxes for which Company would have been liable for all years through the date of the occurrence had the tax abatement incentive granted in this DA not been in place and (2) the sum of real and personal property taxes actually paid for all years through the date of the occurrence (such difference being referred to as the "**Abated Taxes**"). Company shall make the payment in the full amount of the Abated Taxes by check or wire transfer made payable to the City and delivered to the Office of Clerk-Treasurer, 414 Main Street, Hobart, Indiana 46342, or such other governmental entity as the City may direct in writing.

a. Events Requiring Payment of Abated Taxes. The events which shall require payment of the Abated Taxes are the following:

- i. The seizure, attachment, or foreclosure of any part of the Project;
- ii. Any vacancy or abandonment of, or suspension or cessation of operations at, any portion of the Project after June 1, 2025 for a period of 180 days or more or for a cumulative 180 days or more out of any rolling period of up to 60-months;
- iii. Failure of Company, at the end of construction, to achieve at least ninety-five percent (95%) of the Cost of Construction;

iv. Failure of Company, at the end of construction, to achieve at least ninety-five percent (95%) of the Cost of Equipment;

v. Failure of Company to achieve and maintain the creation of at least eighty-six (86) of the ninety (90) new and additional full-time jobs described in Section 3.a.;

vi. Failure of Company to achieve and maintain a total payroll for new and additional full-time jobs of at least ninety-five percent (95%) of the \$4,590,000 described in Section 3.a.;

vii. Failure of Company to achieve and maintain the retention of at least one hundred two (102) of the one hundred four (104) full-time jobs described in Section 3.a.; or

viii. Failure of Company to achieve and maintain a total payroll for the retained jobs of at least ninety percent (98%) of the \$5,300,000.00 described in Section 3.a.

ix. Failure to comply with the tax payment and appeal provisions of Section 3.d. and its subsections.

b. Termination of Tax Abatement. The City, in its sole discretion, may reduce, suspend, or terminate the tax abatement incentives under this DA for any or all remaining years upon the occurrence of any one or more of the events stated in Section 4.a. above.

c. Termination of Section 4. The effectiveness of the provisions of this Section 4 shall expire at the end of the abatement period granted under this DA.

5. Additional Reporting Obligations during Construction.

a. Upon substantial completion of the Project, Company agrees to report or cause to be reported to the City, the total number of local contractors and subcontractors involved in the Project, and the actual total Cost of Construction expended by the Company. As used herein, the term "local" is defined to mean the City.

b. Not more often than every other month during the Construction Period, the Company, upon a written request from the City, will deliver to the City a written report which shall include the following information: (i) a general status report of the construction completed to date, and (ii) an update on the Project schedule. Upon the Project's completion, Company will report its total monetary investment in the Project.

6. Material Consideration. Company acknowledges and agrees that its agreements to perform and abide by the covenants and obligations set forth in this DA are material consideration for the commitments of the City Parties to perform and abide by their covenants and obligations contained in this DA.

7. **Mutual Assistance.** The Parties agree, subject to further proceedings required by law, to take such actions, including the execution and delivery of such reports, documents, instruments, petitions, and certifications, as may be necessary or appropriate in good faith, from time to time, to carry out the terms, provisions, and intent of this DA and to aid and assist each other in carrying out said terms, provisions, and intent.

8. **Community Engagement.** Company, as a Hobart business, acknowledges and agrees that it will in good faith fully engage with the community of Hobart, and it will support groups, organizations, initiatives, and institutions that contribute to the improvement of the quality of life in Hobart and the betterment of the City. Such engagement and support may include, but is not limited to, financial contributions, volunteering of time, and participating in social, cultural, civic, and religious events within the City. As a part of its annual filing of form CF-1, Company shall include an overview outlining those actions Company and its employees have undertaken to meet Company's obligation under this Section 8. Notwithstanding the foregoing, Company's failure to meet its community engagement obligations set forth in this Section shall not constitute a default under this DA.

9. **Cooperation.** In the event of any administrative, legal, or equitable action or other proceeding instituted by any person not a party to this DA challenging its validity or the validity of any provision thereof, the Parties shall cooperate in defending such action or proceeding to settlement or final judgment including all appeals. Each Party shall select its own legal counsel and retain such counsel at its own expense, and in no event shall the City Parties be required to bear the fees and costs of Company's attorneys, nor shall Company be required to bear the fees and costs of the City Parties' attorneys. The Parties agree that this Section 9 shall constitute a separate agreement entered into concurrently with this DA, and that, if any other provision of this DA, or this DA as a whole is invalidated, rendered null, or set aside by a court of competent jurisdiction, the Parties agree to be bound by the terms of this Section 9, which shall survive such invalidation, nullification, or setting aside.

10. **Enforcement and Attorney Fees.** The provisions of this DA may be enforced by either of the City Parties or Company through any and all remedies available at law or in equity. In the event of any litigation or arbitration by the Parties regarding an alleged breach of this DA, the prevailing party will be entitled to recover its reasonable attorney fees and expenses of litigation.

11. **No Agency, Joint Venture, or Partnership.** It is specifically understood and agreed to by and between the Parties that the Project is a private development. The City Parties and Company agree that there is no form of any 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.

12. **Conflict of Interest; Representatives of City Parties Not Individually Liable.** No member, official, or employee of the City Parties shall have any personal interest, direct or indirect, in this DA, nor shall any such member, official, or employee participate in any decision related to this DA which affects his/her personal interests or the interests of any corporation, partnership, or association in which he/she has a direct or indirect financial interest. No member, official, or employee of the City Parties shall be personally liable to Company (or to any successor in interest) in the event of any default or breach by the City Parties, nor for any amount which may become due to the Company (or to any successor in interest) on any obligations under the terms

of this DA. No member, employee, or agent of Company (or its successors in interest) shall be personally liable to the City Parties under this DA.

13. **Time of the Essence; Future Acts and Good Faith.** Time is of the essence of this DA. The Parties acknowledge and understand that (a) the Parties must take future actions to implement and maintain their respective obligations under this DA, and (b) certain of the representations, performance of the covenants, and agreements of the City Parties are subject to and contingent upon compliance with and completion of applicable statutory and administrative procedures, including, without limitation, any applicable public notice and public hearing requirements, official actions by governing bodies, and any remonstrance and appeal rights. Subject to compliance with and to the fullest extent permitted by applicable laws, each of the City Parties covenants that it shall diligently pursue and use its best efforts to do all things lawfully within its power to take such future actions and to comply with all applicable statutory and administrative proceedings at such times and in such manner as to effectuate and implement the provisions and intent of this DA to the fullest extent possible in accordance with the time limits set forth herein.

14. **Waiver of Jury Trial.** The parties acknowledge that disputes arising under this DA are likely to be complex and they desire to streamline and minimize the cost of resolving the same. Each party irrevocably waives the right to trial by jury in any action, counterclaim, dispute, or proceeding based upon or related to the subject matter of this DA. This waiver applies to all claims against all parties to such actions and proceedings. This waiver is knowingly, intentionally, and voluntarily made by the Parties.

15. **Severability.** If any one or more than one of the covenants, terms, or conditions of this DA should be determined by a court of competent jurisdiction to be unenforceable or contrary to law, such covenant, term, or condition shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and the remaining provisions of this DA shall be given effect to the extent practicable. Notwithstanding the foregoing, in the event any provision of this DA is determined to be invalid under any applicable law and therefore deemed void hereunder, and such voided provision prevents Company or the City Parties from realizing the intended benefits of this DA, then Company and the City Parties agree to modify this DA in a manner that allows each of the Parties to realize the originally intended benefits of this DA to the greatest extent possible. If the DA cannot be so modified or amended to allow the Parties to realize the originally intended benefits, then either Company or the City Parties shall have the right to terminate this DA and upon such termination all rights and obligations under this DA shall be extinguished, except those under Section 4 as to Abated Taxes and Section 9 as to cooperation, and the Parties agree to execute such releases or other evidence of the extinguishment of such obligations as may be necessary.

16. **No Other Agreement.** With the exception of any written reimbursement agreements between Company and the City concerning the reimbursement of expenses incurred by the City Parties in relation to this DA, and as otherwise expressly provided herein, this DA supersedes all other prior agreements, negotiations, and discussions related to the subject matter hereof and is a full integration of the agreement of the Parties.

17. **Counterparts.** This DA may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. A digital copy of a manually executed original shall be deemed an original.

18. **Notices and Demands.** A notice, demand, or other communication under this DA by any party to any other shall be sufficiently given or delivered if it is sent by registered or certified mail (postage prepaid, return receipt requested), sent by commercial delivery service with signature required for delivery, or delivered personally, and in the case of Company, is addressed to or delivered personally to:

Company: Lineage Logistics
46500 Humboldt Drive
Novi, MI 48377
Attn: Real Estate Department

With copies to: Lineage Logistics
1 Park Place, Suite 550
Irvine, CA 92614
Attn: Legal Department

In the case of the City Parties or either of them, addressed to or delivered personally to:

City: Mayor Brian K. Snedecor
City of Hobart
414 Main Street
Hobart, IN 46342

With copies to: Beth Jacobson, Director of Development
City of Hobart
414 Main Street
Hobart, IN 46342

Heather A. McCarthy, City Attorney
Hobart Department of Law
705 East 4th Street
Hobart, IN 46342

Ryan A. Cook
Eichhorn & Eichhorn, LLP
2929 Carlson Drive, Suite 100
Hammond, IN 46323

or at such other address with respect to such Party as that Party may, from time to time, designate in writing and forward to the other Party as provided herein.

19. **Governing Law.** This DA 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, including, if the City so elects, its Commercial Court, sitting in Lake County, Indiana or the U.S. District Court for the Northern District of Indiana, Hammond Division.

20. **Authority.** The undersigned persons executing and delivering this DA on behalf of each of the Parties represent and certify that they are the duly authorized officers of such Party and have been fully empowered to execute and deliver this DA on behalf of such Party and that all necessary actions to execute and deliver this DA have been taken by such Party.

21. **No Third-Party Beneficiaries.** Nothing in this DA, express or implied, is intended or shall be construed to confer upon any person, firm, or corporation other than the Parties hereto and their respective successors or assigns, any remedy or claim under or by reason of this DA 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.

22. **Assignment.** Upon written consent of the City Parties, Company may assign its rights, benefits, and obligations under this DA to another party that has demonstrated its capability of performing all of the terms, covenants, and conditions of this DA that are binding on Company. Such consent shall not, in such case, be unreasonably withheld.

23. **Amendments.** This DA may only be amended, in whole or in part, by a written agreement executed by the Parties and adopted in like manner as this DA.

24. **Default.** Any material failure by any Party to perform any term or provision of this DA, which failure continues uncured for a period of thirty (30) days following written notice of such failure provided to the defaulting party from another Party, unless such period is extended by written mutual consent (but any extension is at the non-defaulting Party's sole discretion), shall constitute a default under this DA ("Default"). Any notice given pursuant to the preceding sentence shall specify the nature of the alleged failure and, where appropriate, the manner in which said failure may be cured satisfactorily. If the nature of the alleged failure is such that it cannot reasonably be cured within such 30-day period (provided that economic considerations may not be a factor in any delay), then the commencement of the cure within such time period, and the diligent prosecution to completion of the cure thereafter, shall be deemed to be a cure within the 30-day period. Upon the occurrence of a Default, a non-defaulting Party may institute legal proceedings at law or in equity (including any action to compel specific performance) to enforce the observance and performance of any covenant, condition, obligation, or agreement of the defaulting party under this DA; provided, that, in no event shall any Party have the right to terminate this DA, except as otherwise provided in this DA. If the Default is cured, then no Default shall exist and the noticing Party shall take no further action.

[Remainder of page intentionally left blank; signature pages and exhibits follow.]

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

LINEAGE LOGISTICS, LLC

By: _____
BRIAN MCGOWAN,
Chief Network Optimization Officer

STATE OF MICHIGAN)
) ss:
OAKLAND COUNTY)

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared BRIAN MCGOWAN, signatory to the above instrument and a person known to me, who acknowledged execution of same in such capacities as his free and voluntary acts for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this ___ day of _____, 2023.

Notary Public
Name Printed: _____
County of Residence: _____
My Commission Expires: _____

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

By: [Signature]
BRIAN K. SNEDECOR, Mayor

ADOPTED and APPROVED by the City of Hobart Board of Public Works & Safety on this
19th day of July, 2023.

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

[Signature]
BRIAN K. SNEDECOR, Presiding Officer

[Signature]
DEBORAH A. LONGER, Member

[Signature]
RICH LAIN, Member

ATTEST: Alyson McDonald
~~DEBORAH A. LONGER, Clerk-Treasurer~~
Alyson McDONALD, Admin. Ass't to C.T.

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-Presiding 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.

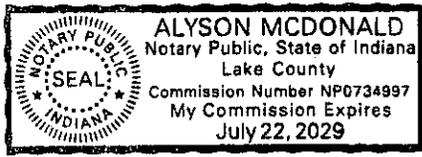
IN WITNESS WHEREOF, I have affixed my signature and official seal on this 19th day of July, 2023.

Alyson McDonald
Notary Public

Name Printed: Alyson McDonald

County of Residence: Lake

My Commission Expires: 07-22-2029



STATE OF INDIANA)
) ss:
LAKE COUNTY)

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared DEBORAH A. LONGER and RICH LAIN, Members of the Board of Public Works and Safety of the City of Hobart, Indiana, signatories to the above instrument and persons known to me, who acknowledged execution of same in such capacities on behalf of said Board, as their free and voluntary acts, for the uses and purposes stated therein.

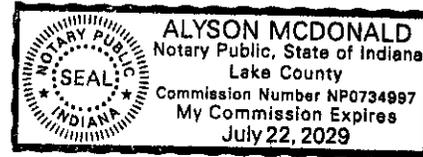
IN WITNESS WHEREOF, I have affixed my signature and official seal on this 19th day of July, 2023.

Alyson McDonald
Notary Public

Name Printed: Alyson McDonald

County of Residence: Lake

My Commission Expires: 07.22.2029



This instrument prepared by: Ryan A. Cook, Eichhorn & Eichhorn, LLP
2929 Carlson Drive, Suite 100, Hammond, IN 46323
Ph. 219-931-0560; Email: rcook@eichhorn-law.com

EXHIBIT A

ALL THAT PART OF THE NORTH HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 35 NORTH, RANGE 8 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN LAKE COUNTY, INDIANA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SAID SOUTHEAST QUARTER; THENCE SOUTH 89 DEGREES 28 MINUTES 07 SECONDS EAST ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 579.59 FEET; THENCE SOUTH 16 DEGREES 33 MINUTES 51 SECONDS EAST INTO SAID SOUTHEAST QUARTER, A DISTANCE OF 346.90 FEET; THENCE SOUTH 89 DEGREES 43 MINUTES 56 SECONDS EAST, A DISTANCE OF 127.97 FEET; THENCE SOUTH 09 DEGREES 50 MINUTES 39 SECONDS EAST, A DISTANCE 1004.69 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE WEST HALF OF THE SAID SOUTHEAST QUARTER; THENCE NORTH 89 DEGREES 30 MINUTES 24 SECONDS WEST ALONG THE SAID SOUTH LINE, A DISTANCE OF 977.78 FEET TO THE SOUTHWEST CORNER OF THE NORTH HALF OF THE WEST HALF OF THE SAID SOUTHEAST QUARTER; THENCE NORTH 00 DEGREES 01 MINUTES 11 SECONDS WEST ALONG THE WEST LINE OF THE SAID SOUTHEAST QUARTER, A DISTANCE OF 1319.96 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS APPROXIMATELY 1,090,025 SQUARE FEET, 25.02 ACRES.

EXHIBIT B

New Logistical Distribution Equipment

Asset Description	Acquisition Cost	Useful Life	Assessed Value
Conveyor system and associated equipment supporting conveyors	\$ 9,000,000	5-8 years	\$3,600,000
Cranes and crane system (i.e. electrical wiring, control system, etc.)	\$ 15,000,000	5-8 years	\$6,000,000
Layer pick gantry systems	\$ 7,000,000	5-8 years	\$2,800,000
Mobile equipment - Rail guided vehicle (and track system), maintenance vehicles	\$ 3,000,000	5-8 years	\$1,200,000
Scanners and Labelers	\$ 500,000	1-4 years	\$200,000
Warehouse management and control systems	\$ 600,000	5-8 years	\$240,000
Material Handling Equipment	\$ 2,000,000	5-8 years	\$800,000
Office Furniture/Fixtures	\$ 900,000	5-8 years	\$360,000

New IT Equipment

IT equipment and associated infrastructure system	\$ 2,000,000	1-4 years	\$800,000
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EXHIBIT C



April 6, 2023

Ms. Beth Jacobson, Director of Development
City of Hobart
414 Main Street
Hobart, Indiana 46324

Baker Tilly Municipal Advisors, LLC
8365 Keystone Crossing, Ste 300
Indianapolis, IN 46240
United States of America

T: +1 (317) 465 1500
F: +1 (317) 465 1550
bakertilly.com

Re: Proposed Lineage Logistics, LLC Expansion

Dear Ms. Jacobson:

Per your request, we have prepared this illustrative property tax abatement analysis to assist you in the discussion and consideration of incentives for the personal property component of the proposed Project Lineage Logistics, LLC Expansion. The attached schedules (listed below) present unaudited and limited information. 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 Real Property
4	Estimated Property Tax Liability for the Proposed Investment in Personal Property
5	Estimated Annual Combined Property Tax Abatement Savings

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, Principal

CITY OF HOBART, INDIANA

Proposed Lineage Logistics, LLC Expansion

ASSUMPTIONS

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

	<u>Estimated Cost</u>
Real Property:	
New Building Construction (1)	
- First assessed January 1, 2026 for taxes payable in 2027	\$93,000,000
Depreciable Personal Property:	
Proposed Investment (1)	
Pool #1 (2)	
- First assessed January 1, 2026 for taxes payable in 2027	\$2,500,000
Pool #2 (3)	
- First assessed January 1, 2026 for taxes payable in 2027	<u>37,500,000</u>
Subtotal	<u>40,000,000</u>
Total Investment	<u><u>\$133,000,000</u></u>

- (1) Per investment information provided by Company representatives.
- (2) For the purposes of this analysis, it has been assumed that the proposed equipment will be purchased as new and be depreciated in Pool # 1 (1 - 4 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.
- (3) For the purposes of this analysis, it has been assumed that the proposed 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 2023 Tax Rate	
- Hobart-Ross Township Taxing District	\$3.0434

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 April 6, 2023)
(Preliminary - Subject to Change)
(For Internal Use Only)

CITY OF HOBART, INDIANA

Proposed Lineage Logistics, LLC Expansion

ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN REAL PROPERTY
Assumes a 10-year real property tax abatement

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)		Net Tax Rate (3)	Estimated Property Tax Liability		Without Proposed Abatement Circuit Breaker Tax Credit (4)	Net Taxes	Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement		With Proposed Abatement Circuit Breaker Tax Credit (4)	Gross Taxes			
2027	\$0	\$14,800,000	2.5982	\$0	\$384,530	\$0	\$384,530	\$384,530
2028	740,000	14,800,000	2.5982	19,230	384,530	0	384,530	365,300
2029	2,960,000	14,800,000	2.5982	76,910	384,530	0	384,530	307,620
2030	5,180,000	14,800,000	2.5982	134,590	384,530	0	384,530	249,940
2031	7,400,000	14,800,000	2.5982	192,270	384,530	0	384,530	192,260
2032	8,880,000	14,800,000	2.5982	230,720	384,530	0	384,530	153,810
2033	10,360,000	14,800,000	2.5982	269,170	384,530	0	384,530	115,360
2034	11,840,000	14,800,000	2.5982	307,630	384,530	0	384,530	76,900
2035	13,320,000	14,800,000	2.5982	346,080	384,530	0	384,530	38,450
2036	14,060,000	14,800,000	2.5982	365,310	384,530	0	384,530	19,220
Totals				\$1,941,910	\$3,845,300	\$0	\$3,845,300	\$1,903,390

(1) Assumes a 185,000 square foot building per local economic development officials. Assumes the proposed building will be assessed at \$80 per square foot based upon the company's existing facility located in Hobart, Indiana. The actual assessed value will be determined by the Lake County Assessor upon completion, and the actual value may vary materially from the value assumed in this estimate.

(2) Assumes a 10-year real property tax abatement for the proposed investment with the following deduction percentages: 100%, 95%, 80%, 65%, 50%, 40%, 30%, 20%, 10%, and 5%.

(3) Represents the certified pay 2023 tax rate for the Hobart Corp.-Ross Twp. taxing district of \$3.0434. Accounts for the application of the pay 2023 LIT PTRC of 14.6280%.

(4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for a commercial or industrial parcel, is applied. Accounts for the pay 2023 LIT PTRC of 14.6280%.

Note: The above contains no assumption for land value or the value of existing real estate improvements. Changes to the assumptions outlined above and on page 2 may have a material effect on the property tax liability estimates contained in this analysis.

CITY OF HOBART, INDIANA

Proposed Lineage Logistics, LLC Expansion

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

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)		Net Tax Rate (3)	Estimated Property Tax Liability			Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement		Without Proposed Abatement		Net Taxes	
				Gross Taxes	Without Proposed Abatement Tax Credit (4)		
2027	\$360,000	\$16,625,000	2.5982	\$9,350	\$0	\$9,350	\$422,600
2028	2,678,600	22,250,000	2.5982	69,600	0	69,600	508,500
2029	3,627,400	16,625,000	2.5982	94,250	0	94,250	337,700
2030	3,951,600	12,500,000	2.5982	102,670	0	102,670	222,110
2031	4,877,185	12,000,000	2.5982	126,720	0	126,720	185,060
2032	6,102,110	12,000,000	2.5982	158,550	0	158,550	153,230
2033	7,304,870	12,000,000	2.5982	189,800	0	189,800	121,980
2034	8,478,652	12,000,000	2.5982	220,290	0	220,290	91,490
2035	9,652,435	12,000,000	2.5982	250,790	0	250,790	60,980
2036	10,826,217	12,000,000	2.5982	281,290	0	281,290	30,490
Totals				\$1,503,310	\$0	\$1,503,310	\$2,134,150
						\$3,637,460	\$3,637,460

- (1) See page 2. Assumes the investment is reported under the Lineage Logistics Services, LLC taxpayer name, per company representatives. Accounts for the impact of the existing personal property investment of Lineage Logistics Services, LLC.
- (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%. Assumes the Office Furniture/Fixtures are not eligible for a personal property tax abatement.
- (3) Represents the certified pay 2023 tax rate for the Hobart Corp.-Ross Twp. taxing district of \$3.0434. Accounts for the application of the pay 2023 LIT PTRC of 14.6280%.
- (4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for a commercial or industrial parcel, is applied. Accounts for the pay 2023 LIT PTRC of 14.6280%

Note: Changes to the assumptions outlined above and on page 2 may have a material effect on the property tax liability estimates contained in this analysis.

CITY OF HOBART, INDIANA

Proposed Lineage Logistics, LLC Expansion

ESTIMATED ANNUAL COMBINED PROPERTY TAX ABATEMENT SAVINGS
Assumes 10-year real property personal property tax abatements

Taxes Payable Year	Estimated Abatement Savings		
	Real Property (1)	Personal Property (2)	Total
2027	\$384,530	\$422,600	\$807,130
2028	365,300	508,500	873,800
2029	307,620	337,700	645,320
2030	249,940	222,110	472,050
2031	192,260	185,060	377,320
2032	153,810	153,230	307,040
2033	115,360	121,980	237,340
2034	76,900	91,490	168,390
2035	38,450	60,990	99,440
2036	19,220	30,490	49,710
Totals	<u>\$1,903,390</u>	<u>\$2,134,150</u>	<u>\$4,037,540</u>

(1) See page 3

(2) See page 4

(Subject to the attached letter dated April 6, 2023)
(Preliminary - Subject to Change)
(For Internal Use Only)

Regular meetings are held on the 1st and 3rd Wednesdays of each month in the Council Chambers, 2nd floor, Hobart City Hall

CITY OF HOBART

AGENDA ITEM REQUEST FORM

(Please Print)

Meeting Date: July 5, 2023

Board of Public Works (3:30 p.m.)

Common Council (6:00 p.m.)

Item to be Added to Agenda: A Resolution to Authorize + Approve the Execution of a Development Agreement between the City of Hobart and Lineage Logistics LLC

Brief Description of Request for Consideration:

Authorize + approve execution of a development agreement.

BOW Resolution 2023-03

Supporting Documentation Attached: _____

Request Submitted by: Beth Jacobson

Address (Department): Economic Development

Phone Number (Ext.): 219-942-5517

Date Submitted: 6/27/23

Turn in Completed Request Form to the Clerk-Treasurer's Office, Hobart City Hall