

RESOLUTION NO. 2014-11

CITY OF HOBART REDEVELOPMENT COMMISSION
RESOLUTION APPROVING APPLICATION
FOR PERSONAL PROPERTY TAX DEDUCTIONS
IN AN ECONOMIC REVITALIZATION AREA

WHEREAS, the Common Council of the City of Hobart (the "Council") has received an application from **Hanson Cold Storage Co. of Indiana d/b/a Hanson Logistics** (the "Petitioner") requesting designation of an area described in Exhibit A as an economic revitalization area pursuant to I.C. 6-1.1-12.1 (the "Economic Revitalization Area") so that the Council may consider granting real property tax abatement in the Economic Revitalization Area for a period of six (6) years; and

WHEREAS, the Petitioner plans to install in a new building addition in the Economic Revitalization Area, **eligible logistical distribution equipment such as storage racking, loading dock equipment, evaporators, freezer doors, piping & valves, ammonia sensors, and under floor heating system estimated to cost no more than \$3,600,000.00**; and

WHEREAS, if required Declaratory and Confirming Resolutions are approved by the Council, the Petitioner, pursuant to I.C. 6-1.1-12.1, will be allowed personal property tax deductions for six (6) years for the logistical distribution equipment located in the Economic Revitalization Area, as described in the Statement of Benefits attached as Exhibit B submitted by the Petitioner to the Council;

WHEREAS, the City of Hobart Redevelopment Commission (the "Commission") established an area in Hobart, Indiana, as an allocation area for purposes of I.C. 36-7-14-39 (the "Allocation Area"), and the Economic Revitalization area is located within the boundaries of the Allocation Area;

WHEREAS, I.C. 6-1.1-12.1-2(1) provides that if property located in an Economic Revitalization Area is also located in an allocation area (as defined in I.C. 36-7-14-39 or I.C. 36-7-15.1-26), an application for the property tax deduction provided by I.C. 6-1.1-12.1-1 et seq. may not be approved unless the Commission that designated the allocation area adopts a resolution approving the application;

WHEREAS, I.C. 6-1.1-12.1-3 provides that a person must file certified deduction applications to obtain property tax deductions for Personal Property Improvements installed in an economic revitalization area (such certified applications being referred to hereinafter as "Deductions Applications");

WHEREAS, the Personal Property Improvements will be located in both the Economic Revitalization Area and the Allocation Area, and therefore property tax deductions with respect to the Personal Property Improvements may not be approved unless the Commission adopts a resolution approving the Deduction Applications;

WHEREAS, the Commission has been requested by the Petitioner to approve, pursuant to I.C. 6-1.1-12.1-2(1), its Deduction Applications for the Personal Property Improvements located in the Allocation Area; and

WHEREAS, the Commission has reviewed the Statement of Benefits and desires to take action to approve, pursuant to I.C. 6-1.1-12.1-2(1), property tax deductions with respect to the Personal Property Improvements located in the Allocation Area;

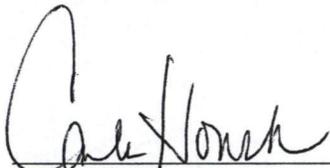
NOW THEREFORE, BE IT RESOLVED THAT based on the information in the Statement of Benefits describing the Personal Property Improvements and the Commission's consideration of other evidence, the Commission hereby finds that the allowance of property tax deductions for the Personal Property Improvements located or to be located in both the Economic Revitalization Area and the Allocation Area is of public utility and benefit and is consistent with the findings made and actions taken in the Declaratory Resolution and Confirmatory Resolution.

BE IT FURTHER RESOLVED, that, pursuant to I.C. 6-1.1-12.1-2(1), the Commission hereby approves the Statement of Benefits and approves the Deductions Applications to be filed by the Petitioner to claim property tax deductions with respect to Personal Property Improvements located or to be located in both the Economic Revitalization Area and Allocation Area.

ADOPTED and APPROVED at meeting of the City of Hobart Redevelopment Commission held on

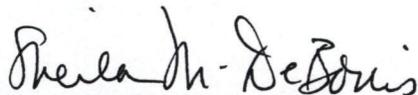
the 3rd day of October, 2014

CITY OF HOBART REDEVELOPMENT COMMISSION



Carla Houck, President

ATTEST:



Sheila DeBonis, Secretary

EXHIBIT "A"

Torrenga Engineering, Inc.

REGISTERED PROFESSIONAL ENGINEERS

907 RIDGE ROAD

MUNSTER, INDIANA 46321

www.torrenga.com

Office (219) 836-8918

Fax (219) 836-1138

LEGAL DESCRIPTION OF HANSON PARCEL

DESCRIPTION: BEING PART OF LOT "E" AND LOT "G" OF NORTH WIND CROSSINGS, A PLANNED UNIT DEVELOPMENT IN THE CITY OF HOBART, AS RECORDED IN PLAT BOOK 95, PAGE 86 IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID LOT "E"; THENCE SOUTH 00°01'11" EAST, ALONG THE EAST LINE OF SAID LOT "E", A DISTANCE OF 271.31 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00°01'11" EAST, A DISTANCE OF 1243.64 FEET TO THE SOUTHEAST CORNER OF SAID LOT "G"; THENCE NORTH 78°25'11" WEST, ALONG THE SOUTH LINE OF SAID LOT "G", A DISTANCE OF 839.04 FEET; THENCE NORTH 00°16'04" EAST, A DISTANCE OF 1079.03 FEET; THENCE SOUTH 89°43'56" EAST, A DISTANCE OF 816.49 FEET TO THE POINT OF BEGINNING, CONTAINING 21.85 ACRES, MORE OR LESS, ALL IN THE CITY OF HOBART, LAKE COUNTY, INDIANA.

Prepared for: Becknell Development LLC

Prepared by: Torrenga Engineering, Inc.

Date: July 19, 2006

Y:\Legal Descriptions\Terry Levin\North Wind - Hanson Parcel.doc

Exhibit 'B'
Pg 1 of 5



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51784 (R3 / 12-13)
Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

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

INSTRUCTIONS

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

SECTION 1 TAXPAYER INFORMATION								
Name of taxpayer Hanson Cold Storage Co. of Indiana d/b/a Hanson Logistics			Name of contact person Jack White					
Address of taxpayer (number and street, city, state, and ZIP code) 2900 S. State St., Suite 4E, St. Joseph, MI 49085				Telephone number (269) 982-1390				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT								
Name of designating body Common Council of the City of Hobart				Resolution number (s)				
Location of property 2201 Northwind Parkway, Hobart, IN 46342			County Lake		DLGF taxing district number 43			
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) See attached Supplement for description				ESTIMATED				
				START DATE		COMPLETION DATE		
				Manufacturing Equipment				
				R & D Equipment				
				Logist Dist Equipment		11/01/2014	06/01/2015	
IT Equipment								
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT								
Current number 65	Salaries \$2,315,000	Number retained 65	Salaries \$2,315,000	Number additional 15	Salaries \$490,000			
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT								
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values					9,701,970	2,603,616		
Plus estimated values of proposed project					3,600,000	1,080,000		
Less values of any property being replaced					0	0		
Net estimated values upon completion of project					13,301,970	3,683,616		
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER								
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____					
Other benefits: See attached Supplement for Other Benefits								
SECTION 6 TAXPAYER CERTIFICATION								
I hereby certify that the representations in this statement are true.								
Signature of authorized representative 				Date signed (month, day, year) 09/30/2014				
Printed name of authorized representative Andrew B. Janson			Title President					

Ex B page 2 of 5

FOR USE OF THE DESIGNATING BODY

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

A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.

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

- 1. Installation of new manufacturing equipment; Yes No
- 2. Installation of new research and development equipment; Yes No
- 3. Installation of new logistical distribution equipment. Yes No
- 4. Installation of new information technology equipment; Yes No

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.

F. The amount of deduction applicable to new Information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

G. Other limitations or conditions (specify) _____

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

- Year 1 Year 2 Year 3 Year 4 Year 5 (see below *)
- Year 6 Year 7 Year 8 Year 9 Year 10

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

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

Approved by: (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by: (signature and title of attester)	Printed name of attester	

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

IC 6-1.1-12.1-17

Abatement schedules

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

- (1) The total amount of the taxpayer's investment in real and personal property.
 - (2) The number of new full-time equivalent jobs created.
 - (3) The average wage of the new employees compared to the state minimum wage.
 - (4) The infrastructure requirements for the taxpayer's investment.
- (b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.
- (c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

Exhibit 'B'
pg 3 of 5

HANSON COLD STORAGE CO. OF INDIANA
 EIN: 38-3254580
 FORM: Statement of Benefits (Form SB-1/PP)

3rd Addition Abatement

SUPPLEMENTAL INFORMATION:

Section 2 – Location and Description of Proposed Project

Description of manufacturing equipment and logistical distribution equipment

Hanson Logistics is a leading third party logistics service provider with state-of-the art transportation services and the 16th largest refrigerated warehouse network in the country, with 9 facilities in Michigan and Indiana and a total capacity of 39,000,000 cu. ft. of deep frozen, refrigerated and dry warehousing space. Hanson Logistics offers its customers the security of company-owned trucks, facilities and technology with the flexibility of non-asset services when structuring supply chain solutions for a growing number of food processors, distributors and retailers.

Logistical Distribution Equipment would include:

	<u>Estimated Cost</u>
● Refrigeration Equipment - Evaporators, condenser, piping & valves, etc.	\$ 1,500,000
● Storage Racking	1,100,000
● Underfloor heating systems	350,000
● Electrical distribution for Dock & Refrigeration	310,000
● Loading Dock Equipment	245,000
● Overhead Door Operators	25,000
● Other Miscellaneous	70,000
	<hr/>
Total Estimated Cost	\$ 3,600,000

Section 3 – Estimate of Employees and Salaries as Result of Proposed Project

It is estimated that this third addition will employ approximately 15 additional teammates with an estimated annual payroll of \$490,000 when the addition is running at full capacity (approximately two years). Although not listed under Section 3, there will also be construction jobs retained during the construction of both additions during the time period each addition is being built. The third addition will probably retain an estimated 75 construction jobs at an estimated annual payroll of \$2,500,000. Also not included in Section 3 will be the possible employment of truck drivers for the Hanson fleet of trucks and possibly other local carriers in the area to service Hanson Logistics growth of its multi-vendor freight consolidation program run out of the Hobart facility.

Section 5 – Other Benefits

With the potential utilization of local subs and suppliers, Indiana sales tax revenue will increase through the purchase of goods and services (food, gas, etc.). All of the new hires for this addition would be hired locally (Northwest Indiana), not relocating from other Hanson facilities. This too, on an ongoing basis, will increase Indiana sales tax through the purchase of goods and services, as well as potential increases in property taxes. Our expansion could also potentially lead to a food manufacturer or processor locating in the area to be close to our refrigerated distribution center and transportation network. This addition could possibly lead to the hiring of truck drivers for the Hanson fleet of trucks and possibly local carriers hiring truck drivers to support the growth of our multi-vendor freight consolidation program out of Hobart. Hanson Cold Storage Co. of Indiana will provide reasonable advanced notice to the City of Hobart relating to any tax appeal on this property. If an appeal is filed, a copy of such will be provided to the City of Hobart.

EXIB
pg 4 of 5

APPLICATION FOR TAX ABATEMENT - COMMON COUNCIL

Form CCAP revised 2/23/06

PETITIONER'S NAME: Hanson Cold Storage Co. of Indiana d/b/a Hanson Logistics PHONE: (269) 982-1390

ADDRESS: 2900 S. State St., Suite 4E FAX: (269) 982-1506

CITY, STATE, ZIP CODE: St. Joseph, MI 49085

COMMON LOCATION OF PROPERTY: 2201 Northwind Parkway, Hobart, IN 46324
(Also attach legal description to this application form)

DESCRIPTION OF PROJECT: See attached

ARE ANY PROPOSED BUILDINGS MANUFACTURED OFF SITE? No WHERE? _____

NUMBER OF UNITS: 1 addition

PROPOSED STARTING DATE FOR BUILDING CONSTRUCTION: November 2014
(Must be within 12 months of approval date of confirmatory resolution)

PROPOSED COMPLETION DATE OF FIRST BUILDING UNIT: June 2015

WHAT HOBART BUSINESSES WILL BE INVOLVED IN THE PROJECT: Potentially local subcontractors such as electrical, excavation, metal, cement, HVAC, plumbers, carpenters, etc. would benefit. Ongoing businesses such as retail, service, financial, and education industries would benefit with local employees hired from the area.

HOW MANY JOBS WILL THIS PROJECT RETAIN AND/OR CREATE? _____
65 Retained 15 Created

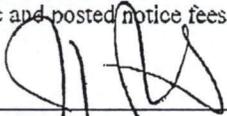
PROJECTED PAYROLL FOR ABOVE JOBS CREATED AND/OR RETAINED: _____
\$2,315,000 Retained \$490,000 Created

WILL THE COMMON CONSTRUCTION WAGE FOR HOBART, INDIANA BE PAID FOR CONSTRUCTION SERVICES? Yes WILL CONSTRUCTION OF THIS PROJECT BE COMPLETED BY CONTRACTORS WHO PAY THE COMMON CONSTRUCTION WAGE FOR HOBART, INDIANA? Yes

WINDOW OF OPPORTUNITY PERIOD REQUESTED: 1 Year

TAX ABATEMENT PERIOD OF DEDUCTION REQUESTED: 6 Years

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 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:  DATE: 9/30/14
James A. Reits Secretary/Treasurer

Ex 'B'
Pg 5 of 5

HANSON COLD STORAGE CO. OF INDIANA

EIN: 38-3254580

FORM: Application for Tax Abatement (Form CCAP) – Personal Property

3rd Addition Abatement**SUPPLEMENTAL INFORMATION:**Description of Project

Hanson Logistics is a leading third party logistics service provider with state-of-the art transportation services and the 16th largest refrigerated warehouse network in the country, with 9 facilities in Michigan and Indiana and a total capacity of 39,000,000 cu. ft. of deep frozen, refrigerated and dry warehousing space. Hanson Logistics offers its customers the security of company-owned trucks, facilities and technology with the flexibility of non-asset services when structuring supply chain solutions for a growing number of food processors, distributors and retailers.

To continue the expansion of its successful multi-vendor freight consolidation program, Hanson Logistics needs to increase warehouse capacity and will do that by expanding its Benton Harbor, Michigan; Lafayette, Indiana; or Hobart, Indiana facility. The Company is also considering building another facility in Southwest Michigan.

Logistical Distribution Equipment would include:

	<u>Estimated Cost</u>
● Refrigeration Equipment - Evaporators, condenser, piping & valves, etc.	\$ 1,500,000
● Storage Racking	1,100,000
● Underfloor heating systems	350,000
● Electrical distribution for Dock & Refrigeration	310,000
● Loading Dock Equipment	245,000
● Overhead Door Operators	25,000
● Other Miscellaneous	70,000
Total Estimated Cost	<u>\$ 3,600,000</u>

Total cost of the equipment not to exceed \$3,600,000.

Hanson Logistics will attempt to make sure that the chosen construction company for the addition, Tippmann Construction, will make an effort to hire local subs. Tippmann was the contractor that did the 2013 Hobart expansion.

Legal Description

North Wind Crossings (Resub) of Pt of Lot "E" & Pt of Lot "G") Lot 1