

RESOLUTION NO. 2014-*04*

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

WHEREAS, a petition for real property tax abatement has been filed with the City of Hobart for consideration by the Common Council of the City of Hobart, said petition requesting that the area commonly described as *5441 East Lincoln Highway* which is more particularly described in Exhibit "A" attached, be designated as an Economic Revitalization Area under the provisions of Indiana Code 6-1.1-12.1-1 et seq.; and

WHEREAS, the Act provides that such Economic Revitalization Areas are areas within the City which have:

"become undesirable for, or impossible of, normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors which have impaled values or prevent a normal development of property or use of property," I.C. 6-1.1-12.1-1(a), and

WHEREAS, *Jefferson, LLC*, has a vested property interest in the real estate commonly known as: *5441 East Lincoln Highway*, and

WHEREAS, *Jefferson, LLC*, has requested that the real estate be designated as an Economic Revitalization Area for the purpose of achieving real property tax abatement in connection with the following project on the real estate:

PROJECT: *Construction of a 194,329 SF addition to existing candy manufacturing plant estimated to cost \$12,106,780 including paved drives, paved parking for 270 vehicles and 8 truck loading docks.*

WHEREAS, the Common Council of the City of Hobart has concluded an investigation and has prepared a report with information sufficient for the Common Council to determine that the area qualifies as an Economic Revitalization Area under Indiana Code 6-1.1-12.1-1 et seq. Further, the Common Council has access to maps and plats showing the boundaries and such other information regarding the area in question as required by law.

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

Section 1: The Common Council of the City of Hobart hereby determines and finds that the petition for real property tax abatement and the Statement of Benefits Form (see Exhibit "B" attached hereto) completed by the petitioner meets the requirements of Indiana Code 6-1.1-12.1-1 et seq. and qualifies for tax abatement.

Section 2: The Common Council of the City of Hobart hereby determines and finds the following:

- a. That the estimate of the value of the development is reasonable for projects of this nature.
- b. That the estimate of the number of individuals who will be employed or whose employment will be retained can reasonably be expected to result from the proposed described redevelopment or rehabilitation.
- c. That the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be expected to result from the proposed described redevelopment or rehabilitation.
- d. That the other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- e. That the totality of benefits is sufficient to justify the deduction, all of which satisfy the requirements of Indiana Code 6-1.1-12.1-3 and 6.1.1-12.1-4.5 and can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

Section 3: The Common Council of the City of Hobart hereby determines and finds that the proposed development can be reasonably expected to yield the benefits identified in the Statement of Benefits, "Exhibit B" attached, such form prescribed by the State Board of Tax Commissioners, including the Site Plan dated *March 19, 2014* showing the proposed addition to the existing manufacturing building which is attached hereto as "Exhibit C", and is sufficient to justify the deduction granted under IC 6-1.1-12.1-4 and/or IC 6-1.1-12.1-4.5 of the Indiana Code.

Section 4: The Common Council of the City of Hobart hereby designates the area herein described as an Economic Revitalization Area for the purpose of real property tax abatement.

Section 5: The Common Council of the City of Hobart determines that such designation is for real property tax abatement for projects to be initiated within *one (1) year* from the date of the adoption of a resolution confirming this resolution by the Common Council and completed within *two (2) years* from the date of this adoption.

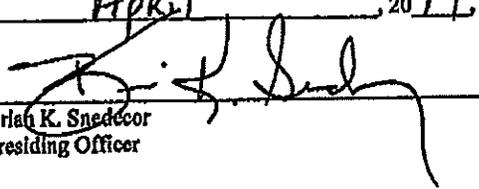
Section 6: The Common Council of the City of Hobart hereby determines that the property owner is qualified for and is granted property tax deduction for a period of *ten (10) years* for the proposed building addition. Such deduction shall be as follows:

*Year One: 100%; Year Two: 95%, Year Three: 95%, Year Four: 85%, Year Five: 75%,
Year Six: 45%, Year Seven: 30%, Year Eight: 20%, Year Nine: 10%, and Year Ten: 5%.*

Section 7: The Common Council of the City of Hobart directs the Clerk to cause notice of the adoption and substance of this Resolution for real property tax abatement to be published in accordance with IC 5-3-1, as amended, said publication providing notice of the public hearing before the Common Council on the proposed confirmation of said declaration and to file a copy of this resolution with the County Assessor, and to file the information required by Indiana Code 6-1.1-12.1-2.5(e) with the officers of each taxing unit that has authority to levy property taxes in the geographic area where the Economic Revitalization Area is located.

Section 8: This resolution shall be in full force and effect from and after its adoption by the Common Council.

PASSED AND ADOPTED by the Common Council of the City of Hobart, Lake County, Indiana on the 2nd day of April, 2014, by a vote of 7 in favor and 0 opposed.


Brian K. Snedecor
Presiding Officer

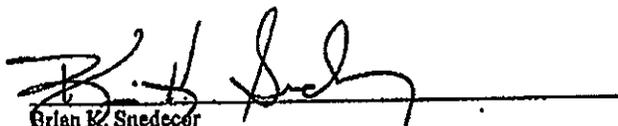
ATTEST:


Deborah A. Linger
Clerk-Treasurer

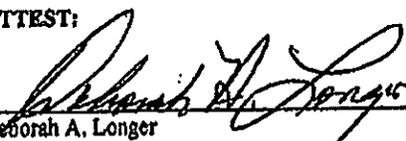
PRESENTED by me to Mayor of the City of Hobart, Indiana, on the 2nd day of April
20 14 at 7:45 am./p.m.


Deborah A. Longer
Clerk-Treasurer

APPROVED, SIGNED AND RETURNED by me to the Common Council of the City of Hobart, Lake County, Indiana this 2nd day
of APRIL, 20 14.


Brian W. Snedecor
Mayor

ATTEST:


Deborah A. Longer
Clerk-Treasurer

EX "A"

DESCRIPTION OF PROPERTY

LOTS 2, 3, 4 AND THE EAST 100 FEET OF LOT 5 IN US 30 ENTERPRISE PARK SUBDIVISION RECORDED IN THE LAKE COUNTY RECORDER'S OFFICE IN PLAT BOOK 81 PAGE 99, LYING IN THE SOUTH HALF OF SECTION 19, TOWNSHIP 35 NORTH, RANGE 7 WEST IN HOBART, INDIANA, HAVING AN AREA OF 21.015 ACRES MORE OR LESS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT NORTHWEST CORNER OF THE EAST HALF OF THE SOUTH WEST CORNER OF SAID SECTION 19; THENCE SOUTH $00^{\circ} 06' 34''$ EAST ALONG THE WEST LINE OF EAST HALF OF THE SAID SOUTHWEST CORNER, 154.243' FEET TO THE SOUTH RIGHT OF WAY LINE OF THE SOUTH US 30 FRONTAGE ROAD AS DEDICATED IN SAID US 30 ENTERPRISE PARK SUBDIVISION; THENCE SOUTH $89^{\circ} 32' 13''$ EAST ALONG SAID RIGHT OF WAY LINE, SAID LINE ALSO BEING THE NORTH LINE OF LOT 5 IN SAID ADDITION, 600.110 FEET TO A POINT 100.00 FEET WEST OF THE EAST LOT LINE OF SAID LOT 5 AND TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH $89^{\circ} 32' 13''$ EAST ALONG SAID SOUTH FRONTAGE ROAD RIGHT OF WAY LINE, 804.713 FEET TO THE EAST LINE OF LOT 2 IN SAID SUBDIVISION; THENCE SOUTH $00^{\circ} 05' 31''$ EAST ALONG SAID LOT 2 EAST LINE, 889.803 FEET TO THE SOUTHEAST CORNER OF SAID LOT 2; THENCE NORTH $89^{\circ} 28' 34''$ WEST ALONG THE SOUTH LINE OF LOT 2 OF SAID SUBDIVISION AND PARALLEL TO THE SOUTH LINE OF THE NORTH HALF OF THE SOUTH HALF OF SAID SECTION 19, 188.76 FEET, TO THE NORTHEAST CORNER OF LOT 4 IN SAID SUBDIVISION; THENCE SOUTH $00^{\circ} 07' 34''$ EAST ALONG SAID LOT 4 EAST LINE, 322.12 FEET TO THE NORTH RIGHT OF WAY LINE OF 83RD AVENUE; THENCE NORTH $89^{\circ} 52' 33''$ WEST ALONG SAID RIGHT OF WAY LINE, 616.07 FEET TO A LINE PARALLEL TO AND 100 FEET FROM THE EAST LINE OF LOT 5 IN SAID SUBDIVISION; THENCE NORTH $00^{\circ} 05' 41''$ WEST ALONG SAID PARALLEL, 1215.366 FEET TO THE POINT OF BEGINNING; CONTAINING 21.015 ACRES MORE OR LESS.

SUBJECT TO ALL EASEMENTS AND SETBACKS ALREADY DEDICATED.



**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**
State Form 51767 (R5 / 12-13)
Prescribed by the Department of Local Government Finance

Exhibit 'B' pg 1 of 3

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

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

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

INSTRUCTIONS:

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

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer
Jefferson LLC.

Address of taxpayer (number and street, city, state, and ZIP code)
5441 East Lincoln HWY. Merrillville, IN 46410

Name of contact person James Dragon	Telephone number (219) 942-1877	E-mail address
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SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Hobart City Council	Resolution number
Location of property 5441 East Lincoln Hwy in Hobart	County Lake
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) Building Addition in the size of 194,329sq/ft. with Manufacturing, Warehouse, and Office space. 8 Truck Loading Docks, 270 additional parking spaces, Paved Drives to access parking and Loading Docks	DLGF taxing district number 46
	Estimated start date (month, day, year) 06/01/2014
	Estimated completion date (month, day, year) 01/15/2015

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
239.00	\$7,973,183.00	239.00	\$7,973,183.00	30.00	\$10,319,916.00

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	7,567,340.00	8,655,700.00
Plus estimated values of proposed project	12,106,780.00	12,106,780.00
Less values of any property being replaced	0.00	
Net estimated values upon completion of project	19,674,120.00	20,762,480.00

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) _____	Estimated hazardous waste converted (pounds) _____
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Other benefits
See Attached Sheet

SECTION 6 TAXPAYER CERTIFICATION

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

Signature of authorized representative <i>Scott Albanese</i>	Date signed (month, day, year) 04/07/2014
Printed name of authorized representative Scott Albanese	Title CEO

FOR USE OF THE DESIGNATING BODY

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

A. The designated area has been limited to a period of time not to exceed _____ 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. Redevelopment or rehabilitation of real estate improvements Yes No
 2. Residentially distressed areas Yes No

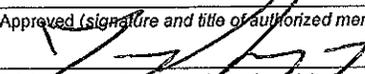
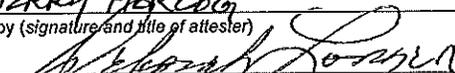
C. The amount of the deduction applicable is limited to \$ _____.

D. Other limitations or conditions (specify) enhanced deduction schedule as per Sect 6 of Res.

E. Number of years allowed: Year 1 Year 2 Year 3 Year 4 Year 5 (* see below) Year 10
 Year 6 Year 7 Year 8 Year 9

F. For a statement of benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? Yes No
 If yes, attach a copy of the abatement schedule to this form. see Sect 6 of Res 2014-04
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

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

Approved (signature and title of authorized member of designating body) 	Telephone number (519) 942-1940	Date signed (month, day, year) 5-7-14
Printed name of authorized member of designating body TERRY HERCEG	Name of designating body Common Council	
Attested by (signature and title of attester) 	Printed name of attester DEBORAH A. LONGIER	

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

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4-1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. The deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

IC 6-1.1-12.1-17

Abatement schedules

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

- (1) The total amount of the taxpayer's investment in real and personal property.
 - (2) The number of new full-time equivalent jobs created.
 - (3) The average wage of the new employees compared to the state minimum wage.
 - (4) The infrastructure requirements for the taxpayer's investment.
- (b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. 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.

(219) 942-1877

Fax (219) 942-1899

5441 E. Lincoln Highway, Merrillville, Indiana 46410

Setting higher standards in confectionery.

Statement of Benefits Real Estate Improvements

Section 5

Waste Converted and Other Benefits Promised by the Taxpayer

The Proposed Project will having the following Benefits to the City and Community:

- Attraction of Similar Businesses on Adjacent property and Development of these Sites.
- Increased Tourism brought to the area to Visit our Candy Factory and Retail Store.
- Increased revenue brought to the surrounding areas from our Building and Plant Manufacturing Expansion.
- Numerous Tradesmen's and Technical Jobs retained to help build the New Building Addition and install the New Manufacturing Equipment
 - Approx. 6-10 Electricians with an estimated earned wage totaling - \$272,000
 - Approx. 4-6 Plumbers with an estimated earned wage totaling - \$228,000
 - Approx. 10-15 Iron Workers with an estimated earned wage totaling - \$432,000
 - Approx. 6-8 Operating Engineers with an estimated earned wage totaling - \$192,000
 - Approx. 12-15 Concrete Workers with an estimated earned wage totaling - \$195,000
 - Approx. 3-4 Site Surveyors with an estimated earned wage totaling - \$12,000
 - Approx. 4-6 Pipe Fitters with an estimated earned wage totaling - \$72,000
 - Approx. 4-6 Sheet Metal Workers with an estimated earned wage totaling - \$72,000
 - Approx. 3-4 Electrical Engineer Tech. with an est. earned wage totaling - \$120,000
 - Approx. 3-4 Carpenters with an estimated earned wage totaling - \$27,200
 - Approx. 3-4 Draftsmen with an estimated earned wage totaling - \$332,800

