

RESOLUTION NO. 2017-15

**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 PERSONAL PROPERTY TAX ABATEMENT**

WHEREAS, a petition for personal 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 impaired values or prevent a normal development of property or use of property," I.C. 6-1.1-12.1-1(a), and

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

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

PROJECT: *\$33,376,828 in new manufacturing equipment as per list dated November 16, 2017 to be used in candy manufacturing for Gummy Bears and chocolate including racking for finished goods and raw materials.*

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 personal 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 cost of the new manufacturing equipment is reasonable for equipment of that type.
- 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 installation of the new manufacturing equipment.
- 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 installation of the new manufacturing equipment.
- d. That the other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described installation of the new manufacturing equipment.

- 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 installation of the new manufacturing equipment.

Section 3: The Common Council of the City of Hobart hereby determines and finds that the proposed installation of new manufacturing equipment 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 list dated *November 16, 2017* of the new manufacturing equipment to be installed 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 personal property tax abatement.

Section 5: The Common Council of the City of Hobart determines that such designation is for personal property tax abatement for new manufacturing equipment to begin to be installed within *eight (8) months* from the date of the adoption of a resolution confirming this resolution by the Common Council and such installation completed by no later than *December 31, 2019*.

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 new manufacturing equipment. Such deduction shall be as follows:

*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%, and Year Ten 10%*

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

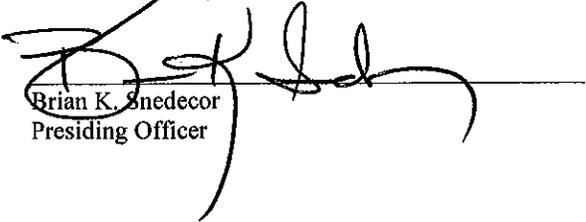
Section 8: Upon submission of an invoice from the Clerk-Treasurer and within thirty (30) days from the date of tax abatement approval by the Common Council, one percent (1%) of the total value of the personal property (based on values as approved on the Statement of Benefits) shall be paid to the City. The Common Council at the request of the applicant, and with the applicant's agreement, hereby authorizes that the one percent (1%) Exaction Fee, in the amount of \$333,768.28 be paid by applicant and collected, in this case only, in three installments as follows: *\$111,256.09 by June 1, 2018; \$111,256.09 by December 31, 2018; and \$111,256.10 by June 1, 2019.*

Section 9: If any of the equipment described on the list dated *November 16, 2017*, will not be installed by December 31, 2019, an amendment to this resolution is required to be approved by the Common Council prior to June 1, 2019. The amendment would change Exhibit B and Exhibit C attached to this resolution. The amount of the last exaction fee payment noted in Section 8 above and due by June 1, 2019 shall be reduced by a dollar amount that is equal to 1% of the value of the equipment (as shown on Exhibit C) that is not to be installed by December 31, 2019.

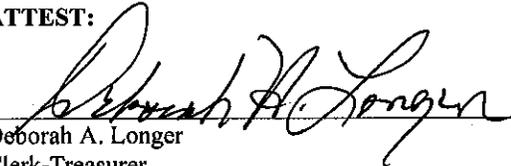
Section 10: This resolution shall be in full force and effect from and after its adoption by the Common Council.

PASSED AND ADOPTED by the Common Council of the City of Hobart, Lake County, Indiana on the 20th day of

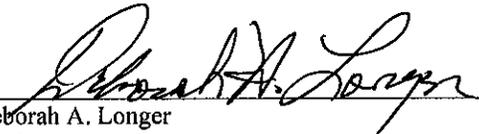
December, 2017, by a vote of 7 in favor and 0 opposed.


Brian K. Snedecor
Presiding Officer

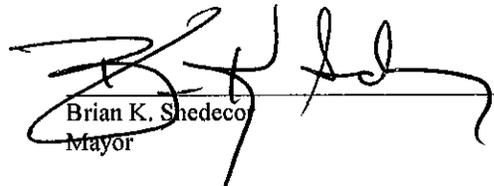
ATTEST:


Deborah A. Longer
Clerk-Treasurer

PRESENTED by me to Mayor of the City of Hobart, Indiana, on the 20th day of December,
20 17 at 7:15 and (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 20th day
of December, 2017.


Brian K. Shedecor
Mayor

ATTEST:

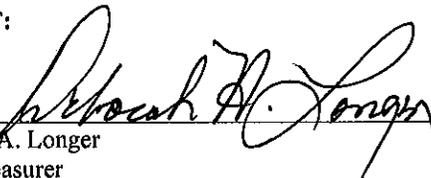

Deborah A. Longer
Clerk-Treasurer

Exhibit '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.

Ex. B pg 1 of 8



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**
State Form 51764 (R4 / 11-15)
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

- 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.
- 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.
- 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 January 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 January 1 and the extended due date of that year.
- 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)
- 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 Hancock Enterprises LLC		Name of contact person James Oregon													
Address of taxpayer (number and street, city, state, and ZIP code) 5441 East Lincoln Hwy Merrillville		Telephone number (219) 942-1877													
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT													
Name of designating body Hobart City Council		Resolution number (s)													
Location of property 5441 East Lincoln Hwy In Hobart		County Lake													
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 Detailed List		<table border="1"> <thead> <tr> <th colspan="2">ESTIMATED</th> </tr> <tr> <th>START DATE</th> <th>COMPLETION DATE</th> </tr> </thead> <tbody> <tr> <td>Manufacturing Equipment</td> <td>01/05/2018 12/31/2018</td> </tr> <tr> <td>R & D Equipment</td> <td></td> </tr> <tr> <td>Logist Dist Equipment</td> <td></td> </tr> <tr> <td>IT Equipment</td> <td></td> </tr> </tbody> </table>		ESTIMATED		START DATE	COMPLETION DATE	Manufacturing Equipment	01/05/2018 12/31/2018	R & D Equipment		Logist Dist Equipment		IT Equipment	
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Manufacturing Equipment	01/05/2018 12/31/2018														
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IT Equipment															
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT													
Current number 406 as of 12/31/16	Salaries 13,902,917	Number retained 406	Salaries 13,902,917	Number additional 144 as of 12/31/17	Salaries 20,777,400										
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		32,244,091	5,114,480												
Plus estimated values of proposed project		33,372,778	13,350,721												
Less values of any property being replaced		0	0												
Net estimated values upon completion of project		65,616,869	18,465,201												
SECTION 5						WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER									
Estimated solid waste converted (pounds) N/A			Estimated hazardous waste converted (pounds) N/A			Other benefits: See attached Detailed List									
SECTION 6						TAXPAYER CERTIFICATION									
I hereby certify that the representations in this statement are true.															
Signature of authorized representative [Signature]						Date signed (month, day, year) 12/13/2017									
Printed name of authorized representative T. Albanese						Title Owner									

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 NA calendar years * (see below). The date this designation expires is NA. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.

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

- 1. Installation of new manufacturing equipment; Yes No Enhanced Abatement per IC 6-1.1-12.1-18
- 2. Installation of new research and development equipment; Yes No Check box if an enhanced abatement was approved for one or more of these types.
- 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 \$ 33,376,828⁰⁰ cost with an assessed value of \$ _____ (One or both lines may be filled out to establish a limit, if desired.)

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____ (One or both lines may be filled out to establish a limit, if desired.)

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____ (One or both lines may be filled out to establish a limit, if desired.)

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____ (One or both lines may be filled out to establish a limit, if desired.)

G. Other limitations or conditions (specify) deduction schedule as per Section 6 of Resolution 2017-15

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 Enhanced Abatement per IC 6-1.1-12.1-18
 - Year 6 Year 7 Year 8 Year 9 Year 10 Number of years approved: 11
- (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)

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. see Section 6 of Resolution 2017-15
 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. Ex B pgs 5-8 (Umbaugh analysis) dated 11-29-2017

Approved by: (signature and title of authorized member of designating body) <u>[Signature]</u>	Telephone number <u>219,942-1940</u>	Date signed (month, day, year) <u>12/20/17</u>
Printed name of authorized member of designating body <u>ERRY HERZOG, President Pro-Tem</u>	Name of designating body <u>Hobart Common Council</u>	
Attested by: (signature and title of attester) <u>[Signature]</u>	Printed name of attester <u>DEBORAH A. LONGER</u>	

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

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 Personal Property

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 and install the New Manufacturing Equipment
 - Approx. 6-15 Electricians with an estimated earned wage totaling - \$2,000,000
 - Approx. 4-6 Plumbers with an estimated earned wage totaling - \$650,000
 - Approx. 2-4 Operating Engineers with an estimated earned wage totaling - \$25,000
 - Approx. 6-8 Concrete Workers with an estimated earned wage totaling - \$95,000
 - Approx. 3-4 Site Surveyors with an estimated earned wage totaling - \$20,000
 - Approx. 8-12 Pipe Fitters with an estimated earned wage totaling - \$1,350,000
 - Approx. 4-6 Sheet Metal Workers with an estimated earned wage totaling - \$250,000
 - Approx. 3-4 Electrical Engineer Tech. with an est. earned wage totaling - \$350,000
 - Approx. 4-6 Insulation Installers with an estimated earned wage totaling - \$275,000

Other Benefits Promised - Section 5 (continued)

Applicant: Hancock Enterprises, LLC

Signed *Janet Morgan*

Date: 12/12/17

For this abatement request, Applicant agrees to pay a sum of no more than \$750 per year, for each year in which the abatement is in effect, at such time that the City is required to comply with certain tax abatement transparency reporting requirements required by the State government, Federal government, or other applicable regulatory organization or agency. This payment will be paid for all applicable remaining years of abatement that require such reporting in one lump sum upon invoice by the City of Hobart.

Applicant will provide reasonable advanced notice to the City of Hobart relating to any material changes in the reporting of the acquisition cost, acquisition year, depreciation classification or other characteristic of the existing and proposed personal property investment that may affect the net assessed value of personal property, including a filing of an amended personal property tax return. If any of the described changes are made, a copy of the personal property assessment forms and description of such changes will be provided to the City of Hobart.

Applicant agrees to refrain from materially reducing the reported acquisition cost, acquisition year or depreciation pool (currently assumed to be Pool #2 as per 11-29-2017 Umbaugh analysis attached to this Exhibit as pages 5, 6, 7, and 8) for the new equipment for any year during the abatement deduction period which would have the effect of reducing the net personal property taxes payable for the new manufacturing equipment for that year as stated in the following table below, provided that the acquisition cost of the personal property is greater than or equal to \$33,376,828. In the event that the acquisition cost of the proposed personal property investment is less than \$33,376,828, the amount indicated in the table below for that year will be reduced by the percentage by which the actual acquisition cost is less than \$33,376,828, so that the net taxes to be paid under this agreement is reduced proportionately.

Taxes Payable Year	Estimated Property Taxes on the Proposed Personal Property Investment (as per 11/29/2017 Umbaugh analysis)
<u>2020</u>	<u>\$0</u>
<u>2021</u>	<u>\$31,380</u>
<u>2022</u>	<u>\$68,460</u>
<u>2023</u>	<u>\$540</u>
<u>2024</u>	<u>\$47,760</u>
<u>2025</u>	<u>\$104,640</u>
<u>2026</u>	<u>\$152,090</u>
<u>2027</u>	<u>\$186,430</u>
<u>2028</u>	<u>\$214,700</u>
<u>2029</u>	<u>\$242,970</u>
<u>2030</u>	<u>\$271,240</u>

If needed Applicant agrees to execute on an annual basis a Reimbursement Agreement which shall require payment for services engaged by the City in order to review compliance with the minimum tax payments promised as noted above. Applicant agrees to this requirement in the event that an ordinance allowing the collection of a fee for compliance review by the City's financial consultant is not enacted by the City Council or in the event that the services of the City's financial consultant exceed the fee collected if such an ordinance is enacted.

UMBAUGH

H. J. Umbaugh & Associates
Certified Public Accountants, LLP
8365 Keystone Crossing,
Suite 300
Indianapolis, IN 46240-2687
Phone: 317-465-1600
Fax: 317-465-1550
www.umbaugh.com

November 29, 2017

Ms. Denarie Kane, Director of Development
City of Hobart
414 Main Street
Hobart, Indiana 46324

Re: Proposed Property Tax Abatement Estimated Savings Calculation – Albanese/Hancock Enterprises, LLC

Dear Ms. Kane:

The attached schedules (listed below) present unaudited and limited information for the purpose of discussion and consideration in the preliminary planning stage of the proposed property tax abatement by the appropriate officers, officials and advisors of the City of Hobart. 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.

Page
2 Assumptions

Scenario 1 - Assumes a 5-Year Personal Property Tax Abatement for the Proposed Investment
3 Estimated Property Tax Liability for the Proposed Investment in Personal Property

Scenario 2 - Assumes a 10-Year Personal Property Tax Abatement for the Proposed Investment
4 Estimated Property Tax Liability for the Proposed Investment in Personal Property

We would appreciate your questions or comments on this information and would provide additional information upon request.

Very truly yours,

UMBAUGH


Matthew R. Eckerle

CITY OF HOBART, INDIANA

Albanese/Hancock Enterprises, LLC

ASSUMPTIONS

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

	<u>Estimated Cost</u>
Depreciable Personal Property:	
Existing Facility (1)	
- January 1, 2017 assessment taxes payable 2018	\$32,214,089
Proposed Investment (2)	
Pool #2 (3)	
- First assessed January 1, 2019 for taxes payable in 2020	\$19,846,250
- First assessed January 1, 2020 for taxes payable in 2021	<u>13,530,578</u>
Subtotal	<u>33,376,828</u>
Total Investment	<u><u>\$65,590,917</u></u>

- (1) Per the Indiana Business Tangible Personal Property Assessment Return completed by Hancock Enterprises, LLC for January 1, 2017 taxes payable 2018.
- (2) Per investment information provided by Hancock Enterprises, LLC.
- (3) For the purposes of this analysis, it has been assumed that the 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 2017 Tax Rate	
- Hobart-Ross Township Taxing district	\$2.8233

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 November 29, 2017)
(Preliminary - Subject to Change)
(For Internal Use Only)

CITY OF HOBART, INDIANA

Scenario 1

Albanese/Hancock Enterprises, LLC

ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN PERSONAL PROPERTY

Assumes a 5-year personal property tax abatement for the proposed investment

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)			Estimated Property Tax Liability						Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement	Tax Rate (3)	With Proposed Abatement			Without Proposed Abatement			
				Gross Taxes	Circuit Breaker Tax Credit (4)	Net Taxes	Gross Taxes	Circuit Breaker Tax Credit	Net Taxes	
2020	\$0	\$7,938,500	2.8233	\$0	\$0	\$0	\$224,130	\$0	\$224,130	\$224,130
2021	4,445,560	16,526,131	2.8233	125,510	0	125,510	466,580	0	466,580	341,070
2022	8,032,105	15,912,549	2.8233	226,770	0	226,770	449,260	0	449,260	222,490
2023	5,369,032	10,013,048	2.8233	151,580	0	151,580	282,700	0	282,700	131,120
2024	6,831,397	10,013,048	2.8233	192,870	0	192,870	282,700	0	282,700	89,830
2025	8,916,240	10,013,048	2.8233	251,730	0	251,730	282,700	0	282,700	30,970
2026	10,013,048	10,013,048	2.8233	282,700	0	282,700	282,700	0	282,700	0
2027	10,013,048	10,013,048	2.8233	282,700	0	282,700	282,700	0	282,700	0
2028	10,013,048	10,013,048	2.8233	282,700	0	282,700	282,700	0	282,700	0
2029	10,013,048	10,013,048	2.8233	282,700	0	282,700	282,700	0	282,700	0
2030	10,013,048	10,013,048	2.8233	282,700	0	282,700	282,700	0	282,700	0
Totals				\$2,361,960	\$0	\$2,361,960	\$3,401,570	\$0	\$3,401,570	\$1,039,610

- (1) Represents the estimated net assessed value of the proposed personal property investment only. Accounts for the impact of the acquisition cost and depreciation status of the existing personal property on the estimated true tax value of the proposed investment.
- (2) Assumes a 5-year personal property tax abatement with the following deduction percentages: 100%, 60%, 40%, 30%, and 20%.
- (3) Represents the certified pay 2017 tax rate for the Hobart-Ross Township taxing district.
- (4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for a industrial parcel, is not applied.

(Subject to the attached letter dated November 29, 2017)
(Preliminary - Subject to Change)
(For Internal Use Only)

Exhibit B page 8 of 8

CITY OF HOBART, INDIANA

Scenario 2

Albanese/Hancock Enterprises, LLC

ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN PERSONAL PROPERTY

Assumes a 10-year personal property tax abatement for the proposed investment

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)			Estimated Property Tax Liability						Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement	Tax Rate (3)	With Proposed Abatement			Without Proposed Abatement			
				Gross Taxes	Circuit Breaker Tax Credit (4)	Net Taxes	Gross Taxes	Circuit Breaker Tax Credit (4)	Net Taxes	
2020	\$0	\$7,938,500	2.8233	\$0	\$0	\$0	\$224,130	\$0	\$224,130	\$224,130
2021	1,111,390	16,526,131	2.8233	31,380	0	31,380	466,580	0	466,580	435,200
2022	2,424,797	15,912,549	2.8233	68,460	0	68,460	449,260	0	449,260	380,800
2023	19,164	10,013,048	2.8233	540	0	540	282,700	0	282,700	282,160
2024	1,691,772	10,013,048	2.8233	47,760	0	47,760	282,700	0	282,700	234,940
2025	3,706,187	10,013,048	2.8233	104,640	0	104,640	282,700	0	282,700	178,060
2026	5,386,870	10,013,048	2.8233	152,090	0	152,090	282,700	0	282,700	130,610
2027	6,603,215	10,013,048	2.8233	186,430	0	186,430	282,700	0	282,700	96,270
2028	7,604,521	10,013,048	2.8233	214,700	0	214,700	282,700	0	282,700	68,000
2029	8,605,825	10,013,048	2.8233	242,970	0	242,970	282,700	0	282,700	39,730
2030	9,607,131	10,013,048	2.8233	271,240	0	271,240	282,700	0	282,700	11,460
Totals				\$1,320,210	\$0	\$1,320,210	\$3,401,570	\$0	\$3,401,570	\$2,081,360

- (1) Represents the estimated net assessed value of the proposed personal property investment only. Accounts for the impact of the acquisition cost and depreciation status of the existing personal property on the estimated true tax value of the proposed investment.
- (2) Assumes a 10-year personal property tax abatement with the following deduction percentages: 100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, and 10%.
- (3) Represents the certified pay 2017 tax rate for the Hobart-Ross Township taxing district.
- (4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for an industrial parcel, is not applied.

(Subject to the attached letter dated November 29, 2017)
(Preliminary - Subject to Change)
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November 14, 2017

Exhibit 'C'

Est. in Service Date	UPDATED in Service Date	Manufacturing Equipment	Actual cost	Est. Cost
		Chocolate Production Equipment		
		Bulk Bagger for Chocolate Items (Includes Bagger, scale, Mezz Structure, controls, Installation)		\$350,000
		Enrobing Line Product Feeder		\$100,000
		P-Nut Butter and Yogurt Mixers (Includes Mixers, Piping, Installation)		\$75,000
		Complete Chocolate Room Controls Upgrade		\$1,000,000
		Gummy Candy Depositing Line 4 (Used to Deposit Candy Mass into Starch Trays)		
		Mogul System (Includes Depositor, Track System)		\$3,500,000
		Starch conditioning System (Including: Dryer/Collet/All Augurs)		\$2,100,000
		Starch Sifter		\$85,000
		Candy Conditioning Systems (Including: Sending Drum/Oil Drum/Sand Dispensing System)		\$475,000
		Conditioning Rooms for Candy		\$2,250,000
		Mechanical Piping and Electrical Components		\$1,500,000
		Dust Collector (Including: Ductwork/Safety Controls)		\$525,000
		Gummy Candy Production Kitchen 4 (Used to Manufacture the Candy Mass)		
		Weighting and Mixing Skid with Big Bag System		
		ABS Systems		
		Color Dosing Skid		
		Flavor Dosing Skid		
		Acid Skids		
		Cooking and Vacuuming Skid		
		CIP Skid		
		Hot Water Jacket System		
		Hoist System for Big Bags		
		TiO2 Skid		
		Total for entire Kitchen		\$2,658,000
		Gummy Candy Support Equipment (Line 4)		
		Conveyors to move Gummies from Mogul to Conditioning Area		\$375,000
		Sorting Machine for Production Line 4		\$500,000
		Conveyors to Move Gummies from Conditioning to Packaging Area		\$750,000
		Packaging Equipment for Gummy Candy (Line 4)		
		Bagger/Scale System Large Bags (Vertical bagger)		\$787,900
		Bagger/Scale System Small Bags (Horizontal bagger)		\$1,452,100
		Bagger/Scale System Single Serve Bags (Twin Tube Bagger)		\$805,478
		Conveyors for Candy Bags and Boxes		\$752,850
		Case Packing Systems for the 3 bagging lines		\$1,523,000
		Palletizing Systems (Production Line 4, Offline Packaging Area, Bottling Production)		\$750,000
		Gummy Candy Production Related Equipment		
		Sorting Machine for Gummi Production Line 2		\$650,000
		Sorting Machine for Gummi Production Line 1		\$525,000
		Bagger/Scale System Large Bags For Production Line 1		\$575,000
		Air Compressors and related equipment to provide Compressed Air for producing Gummy Candy		\$225,000
		Corn Syrup Storage Tanks		\$412,500
		Dust Collectors for Production lines 1 and 2		\$675,000
		Bulk Sugar Silos		\$1,500,000
		Misc. Equipment and Buildings		
		Finished Goods Warehouse Racking		\$1,000,000
		Dust Collector Building		\$250,000
		Bottling Line for Vitamin Gummies		\$8,500,000
		Continuous Nut Roaster		\$1,000,000
		Automated Tray and Tub Washer for Gummie Production Lines		\$750,000
				\$33,376,828