

**COMMON COUNCIL OF THE CITY OF HOBART  
Resolution No. 2018-17**

**A Resolution Declaring A Certain Area within the City of Hobart an Economic Revitalization Area for the Purpose of Grant of Deduction from Real Property Assessed Valuation for Eligible Vacant Building for Race Enterprises, LLC and Providing for Public Hearing Upon Same**

WHEREAS, the Common Council (“Council”) of the City of Hobart, Indiana (“City”) has received the application of Race Enterprises, Inc. (“REI”) for the designation of a certain parcel of real estate, improved with a vacant commercial building, in the City of Hobart as an Economic Revitalization Area (“ERA”) under the authority of I.C. §6-1.1-12.1-2.5, said parcel being commonly known as 524 East Third Street, Hobart, Indiana 46342 and legally described as follows:

The West 44.75 feet of Lot 41 & Lot 40 in the Town (now City) of Hobart, as per plat thereof, recorded in Deed Record “D,” page 423, in the Office of the Recorder of Lake County, Indiana.

Property Number: 45-09-32-131-010.000-018;

and

WHEREAS, REI desires to develop the subject property into a restaurant with dining area and pickup counter for take out food (“project”), and has also applied to the City economic development staff and the Council for the grant of a three (3) year vacant building deduction (“VBD”) from the assessed value of the real estate improvements of the above-described property as provided for and authorized in I.C. §6-1.1-12.1-4.8; and

WHEREAS, REI has submitted a Statement of Benefits in the form prescribed by the Indiana Department of Local Government Finance (Form SB-1/VBD) for its project to be developed upon the subject property together with a Designation Application in the form previously approved by the Council’s Tax Abatement Committee, said documents being attached hereto and made a part hereof as Exhibit “A;” and

WHEREAS, the Council has received the Economic Development Analysis of Real and/or Personal Property Investment(s) for the subject property performed by H.J. Umbaugh & Associates Certified Public Accountants, LLP dated July 27, 2018; and

WHEREAS, the Council further desires to provide in this resolution for the giving of notice of said applications including the substance of this resolution and said Statement of Benefits by publication pursuant to I.C. §5-3-1-1, *et seq.*, and to file such notice containing said information with each taxing unit that has authority to levy property taxes in the geographic area where the ERA is located all as required by I.C. §6-1.1-12.1-2.5 (c); and

WHEREAS, the Council further desires to schedule public hearing as required by I.C. §6-1.1-12.1-2.5 (c) (2) (B) during which the Council will hear and receive remonstrances and objections from interested parties;

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

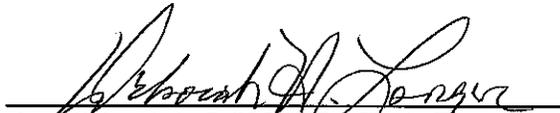
1. With respect to the designation of the proposed ERA, the Council finds:
  - A. The application of Race Enterprises, Inc. for designation of the above described real estate as an Economic Revitalization Area meets all of the requirements established by law in I.C. §6-1.1-12.1-2.5, 3, 4.5 and 4.8.
  - B. The real estate improvements upon the subject property are an eligible vacant building within the meaning and intent of I.C. §6-1.1-12.1-1 (17).
  - C. The estimate of the value of the redevelopment or rehabilitation is reasonable for projects of that nature.
  - D. The estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation to be undertaken by the project;
  - E. The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation to be undertaken by the project;
  - F. The establishment of the applicant's new facility in the proposed ERA can reasonably be expected to support the development of other nearby properties and will enhance the suitability of the City as a home for similar businesses.
  - G. The totality of benefits is sufficient to justify the deduction.
2. Based upon said findings and the other evidence made available to the Council, the Council now declares the above described area an Economic Revitalization Area within the meaning and intent of I.C. §6-1.1-6.1-12.1-2.5
3. Public hearing upon said application and designation is now scheduled for the public meeting of the Council to be held on September 5, 2018 at 6:00 p.m. in the Council Chamber, Hobart City Hall, Second Floor, 414 Main Street, Hobart, Indiana 46342. At such hearing, the Council shall receive and hear all remonstrances and objections from interested persons. Not later than ten (10) days prior to the date of said hearing, the Clerk-Treasurer of the City shall, on behalf of the Council, file notice of said applications including the substance of

this resolution and said Statement of Benefits with the officers of the taxing units in which the ERA is located who are authorized to fix budgets, tax rates, and tax levies under I.C. § 6-1.1-17-5. Further, the Clerk-Treasurer of the City shall give such notice by publication pursuant to I.C. §5-3-1-1, *et seq.* All such notices shall include the statement that a description of the affected area is available and can be inspected in the office of the Lake County Assessor, all as required by I.C. §6-1.1-12.1-2.5 (c).

ALL OF WHICH is adopted as the Resolution of the Common Council of the City of Hobart on this 15<sup>th</sup> day of August, 2018.

  
BRIAN K. SNEDECOR, Presiding Officer

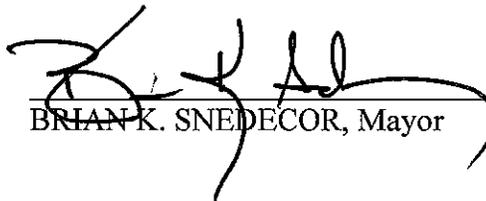
ATTEST:

  
DEBORAH A. LONGER, Clerk-Treasurer

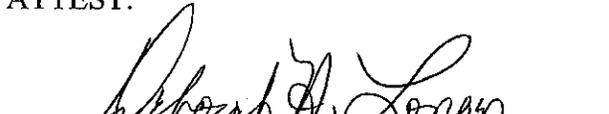
PRESENTED by me to the Mayor of the City of Hobart on the 15<sup>th</sup> day of August, 2018, at 6:45 ~~am~~ pm.

  
DEBORAH A. LONGER, Clerk-Treasurer

APPROVED, SIGNED AND RETURNED by me to the Common Council of the City of Hobart, on this 15<sup>th</sup> day of August, 2018.

  
BRIAN K. SNEDECOR, Mayor

ATTEST:

  
DEBORAH A. LONGER, Clerk-Treasurer



**STATEMENT OF BENEFITS  
VACANT BUILDING DEDUCTION**  
State Form 55182 (R / 2-14)  
Prescribed by the Department of Local Government Finance

**EXHIBIT**  
tabbles  
A, page 1 of 14

20 18 PAY 20 19  
FORM SB-1 / VBD

**PRIVACY NOTICE**  
The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

This statement is being completed for real property that qualifies as an "eligible vacant building" as defined by IC 6-1.1-12.1-1(17).

**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 the occupation of the eligible vacant building for which the person wishes to claim a deduction.
2. To obtain a vacant building deduction, a Form 322/VBD must be filed with the county auditor before May 10 in the year in which the property owner or his tenant occupies the vacant building or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. If the property owner misses the May 10 deadline in the initial year of occupation, he can apply between March 1 and May 10 of a subsequent year.
3. A property owner who files the Form 322/VBD must provide the county auditor and the designating body with a Form CF-1/VBD to show compliance with the approved Form SB-1/VBD. The Form CF-1/VBD must also be updated each year in which the deduction is applicable.

SECTION 1		TAXPAYER INFORMATION			
Name of taxpayer <b>Race Enterprises, LLC</b>					
Address of taxpayer (number and street, city, state, and ZIP code) <b>10310 N. Springhill Dr.</b>					
Name of contact person <b>Wendy Race</b>			Telephone number <b>(219) 308-3623</b>		E-mail address <b>wrace63@yahoo.com</b>
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT			
Name of designating body <b>Hobart common council</b>					Resolution number <b>2018-</b>
Location of property <b>524 E. 3rd Street</b>			County <b>Lake</b>		DLGF taxing district number <b>18</b>
Description of eligible vacant building that the property owner or tenant will occupy (use additional sheets if necessary) <b>1 story commercial building with basement - retrofit to accommodate 70 person dining room plus pickup food counter</b>					Estimated occupancy date (month, day, year) <b>9/8/17</b>
					Estimated date placed-in-use (month, day, year) <b>9/30/17</b>
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS A RESULT OF PROPOSED PROJECT			
Current number <b>3 part time</b>	Salaries <b>24,000</b>	Number retained <b>3 part time</b>	Salaries <b>24,000</b>	Number additional <b>3 part time</b>	Salaries <b>24,000</b>
SECTION		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT			
<b>REAL ESTATE IMPROVEMENTS</b>					
		COST		ASSESSED VALUE	
Current values		<b>150,000</b>		<b>76,600</b>	
Plus estimated values of proposed project		<b>10,000 (paint + electrical)</b>		<b>0</b>	
Less values of any property being replaced		<b>-</b>		<b>-</b>	
Net estimated values upon completion of project		<b>160,000</b>		<b>76,600</b>	
SECTION 5		EFFORTS TO SELL OR LEASE VACANT BUILDING			
Described efforts by the owner or previous owner to sell, lease, or rent the building during period of vacancy: <b>Advertise on internet and sign on building</b>					
Show amount for which the building was offered for sale, lease, or rent during period of vacancy: <b>\$150,000</b>					
List any other benefits resulting from the occupancy of the eligible vacant building: <b>An existing Hobart business is forced to relocate due to building demolition for bridge. Business will be able to stay in Hobart and hire local residents.</b>					
SECTION 6		TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.					
Signature of authorized representative <b>Wendy A. Race</b>			Title <b>owner</b>		Date signed (month, day, year) <b>7/24/18</b>

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 amount of the deduction applicable is limited to \$ \_\_\_\_\_.
- C. Other limitations or conditions (specify) \_\_\_\_\_
- D. Number of years allowed:
 

<input checked="" type="checkbox"/> Year 1	<input checked="" type="checkbox"/> Year 2	<input checked="" type="checkbox"/> Year 3	<input type="checkbox"/> Year 4	<input type="checkbox"/> Year 5 (* see below)
<input type="checkbox"/> Year 6	<input type="checkbox"/> Year 7	<input type="checkbox"/> Year 8	<input type="checkbox"/> Year 9	<input type="checkbox"/> Year 10
- E. For a statement of benefits approved after June 30, 2013, did the designating body adopt an abatement schedule per IC 6-1.1-12.1-17?  
 Yes     No    *100% for Year 1, 2 + 3*  
 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.

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 (219) 942-1940	Date signed (month, day, year) 8/15/18
Printed name of authorized member of designating body Jerry Herzog, President Pro Tem	Name of designating body Hobart Common Council	
Attested by (signature and title of attester) 	Printed name of attester DEBORAH A. LOPEK, Clerk TREASURER	

\* 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 6-1.1-12.1-1(17) "Eligible vacant building" means a building that:

- (A) is zoned for commercial or industrial purposes; and
- (B) is unoccupied for at least one (1) year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the department of local government finance requires.

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.

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APPLICANT'S CONTACT INFORMATION

Property Owner/Taxpayer: Race Enterprises, LLC / Wendy Race

Mailing Address: 10310 N Springhill Dr.

City, State and Zip Code: St. John, IN 46373

Telephone: 219-308-3623 Fax: \_\_\_\_\_

E-mail Address: wrace63@yahoo.com

Property Owner's/Taxpayer's Representative: \_\_\_\_\_

Mailing Address (if different): \_\_\_\_\_

City, State and Zip Code: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

ELIGIBLE VACANT BUILDING

1. Address of the eligible vacant building(s) for which the tax abatement is requested:

524 E. 3<sup>rd</sup> Street

2. Parcel Key Number(s): 45-09-32-131-010.000-018

3. Current zoning designation of this location:
- |  |  |
|--|--|
| <input type="checkbox"/> M-1 Light Industrial District                 |  |
| <input checked="" type="checkbox"/> B-1 Neighborhood Business District | <input type="checkbox"/> PBP Planned Business Park Districts   |
| <input type="checkbox"/> B-2 Central Business Districts                | <input type="checkbox"/> PUD Planned Unit Development Districts<br>(approved for commercial or industrial use) |
| <input type="checkbox"/> B-3 Highway Oriented Business Districts       | <input type="checkbox"/> OS-1 Office Service Districts   |

4. When was the building(s) last occupied? (attach some form of proof also): \_\_\_\_\_

see affidavit from owner

5. How was the building(s) used and by whom when last occupied? Meat Market & Deli

owned by Sinisa Petkovich

6. How has the building(s) and surrounding premises been used during this period of vacancy?

unoccupied

7. Total square footage of all building(s) on tax parcel(s) affected: 0.14 acres 4,620 SF  
Total square footage of eligible vacant building(s) to be occupied if not 100%: \_\_\_\_\_  
*as per property record card*

8. What were the total annual taxes paid on the real estate for the most recent tax year? \_\_\_\_\_

2017 payable 2018 \$2,908.20 (land \$694.60 + bldg \$2,213.60)

9. Include with this application the following additional information:

Map or drawing of the real estate in which the eligible vacant building(s) is located and surrounding area.

Copy of most recent real property tax statement and proof of payment for each parcel of the real estate in which the eligible vacant building(s) is located.

*NA*  If applicable, copy of the listing information of other advertisement(s) offering the eligible vacant building(s) for lease, including the lease amount.

If applicable, copy of the executed lease or purchase agreement for the eligible vacant building(s).  
If the agreement has not yet been executed, please provide an unsigned copy of the lease or purchase agreement with the application, and then an executed copy once signed. *(on file w/ clerk Treasurer)*

Completed Statement of Benefits, Vacant Building Deduction, State Form SB-1/VBD.

**NEW OCCUPANT AND BUSINESS INFORMATION**

10. The new occupant of the building(s) will be the:

Owner/Taxpayer

Tenant of the Owner/Taxpayer

11. Date building(s) to be occupied: 9/8/18

12. Proposed term of occupancy: 20 years

Exhibit A  
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13. Will the real estate in which the eligible vacant building(s) is located be primarily used for any of the following?

- Residential use
- Retail sales facility
- Automobile sales or service facility
- Retail food and beverage service facility
- Package liquor store
- Golf Course
- Country Club
- Massage parlor
- Tennis club
- Skating facility
- Racquet sport facility
- Hot tub facility
- Suntan facility
- Racetrack
- None of the above

14. Name of the company to occupy the building(s): Brickies Gyros

15. Describe the nature of the company's business: Restaurant selling  
sandwiches with a large catering menu  
If approved for a River Front Liquor license  
Liquor will be served at this location.

16. Does the company conduct business at any other locations?

YES  NO

If yes, list the location(s), how long the company has operated at each location, and whether company plans to continue operating at each location.

Brickies Gyros, 431 E 3<sup>rd</sup> Street, Hobart (3 years)  
Will not continue operating - Moving to New  
location

17. Is there any portion of your company's operations being relocated into the building(s) to be occupied?

YES  NO

If yes, provide the location(s) of the current facilities and describe the operations being relocated.

431 E 3<sup>rd</sup> Street - The entire  
restaurant

18. List the manufacturing equipment, if any, the company will be moving into the building(s) to be occupied:

None

Is any of the above equipment being relocated from another location?  YES  NO

If yes, explain the company's plan for relocating this equipment, including where the equipment is being located from and when it will be relocated into the building(s) to be occupied.

Exhibit A  
page 7 of 14

19. How many employees are currently employed by the company?

3 In Hobart (P-Time)  
 \_\_\_\_\_ In Lake County (including Hobart)  
 \_\_\_\_\_ In Indiana (including Lake County)

20. If the company currently employs at another location in Hobart or Lake County, will the company relocate any of those employees to the location where the tax abatement is requested?

YES                       NO                       N/A

If yes, explain the company's plan for relocating those employees. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

21. Complete the following table to show the number of current and new employees to be employed at the eligible vacant building(s) and their estimated earnings. (Current Employees Transferred = Employees transferred from outside Lake County.)

	Number	Total Yearly Wages/Salaries (All Employees)	Average Wage/Salary (Per Employee)	Average Hourly Wage If Applicable (Per Employee)
Current Full-Time Employees Transferred				
New Full-Time Employees				
Current Part-Time Employees Transferred	3	24,000	varies	\$8/hr
New Part-Time Employees	3	24,000	varies	\$8.50/hr
Current Temporary/Seasonal Employees Transferred				
New Temporary/Seasonal Employees				
<b>TOTAL:</b>	6	48,000		

22. Attach a business plan for the business which will occupy the vacant building.

Exhibit A  
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SIGNATURE

I hereby request a tax abatement from real property taxes for the eligible vacant building(s).  
I certify that the statements contained in this application are true and correct to the best of my  
knowledge. I further certify that I am the owner/taxpayer or have the authority of the  
owner/taxpayer to make this application (proof of which is attached).

Signature: Wendy A. Race  
Printed: Wendy A. Race  
Title: owner  
Date: 7/24/18

My request is for 3 years of abatement at a deduction schedule per year as noted below.

Year One: 100 %  
Year Two: 100 %  
Year Three: 100 %

Exhibit  
A  
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of 14





# Treasurer - Lake County, Indiana

## Tax Record

Last Update: 7/16/2018 1:12:41 PM CDT

### SPECIAL MESSAGE TO PROPERTY OWNER

Property taxes are constitutionally capped at 1% of property value for homesteads (owner-occupied), 2% for other residential property and farmland, and 3% for all other property. Please note that local government unit annual budget notices are now available online at [www.budgetnotices.in.gov](http://www.budgetnotices.in.gov).

Property Number	Property Type	Taxing Unit	Tax Year
45-09-32-131-010,000-018	Real Property	Hobart Corp	2017 Pay 2018

**Name / Address:**

Sinisa Petkovich  
6924 W 85th CT  
Crown Point IN 46307

**Location:** 524 E 3RD ST, HOBART IN 46342

**Legal Description:** HOBART ADDITION W. 44.75 FT. OF L.41 & LOT 40

### TABLE 1: SUMMARY OF YOUR TAXES

Assessed Value And Tax Summary	2017 Pay 2018
1a. Gross Assessed Value (AV) of homestead property (capped at 1%)	0
1b. Gross AV of residential property and farmland (capped at 2%)	0
1c. Gross AV of all other property, including personal property (capped at 3%)	89,600
<b>2. Equals Total Gross Assessed Value of Property</b>	<b>89,600</b>
2a. Minus Deductions (See Table 5 Below)	- 0
<b>3. Equals Subtotal of Net Assessed Value of Property</b>	<b>89,600</b>
3a. Multiplied by Your Local Tax Rate	3,7308
<b>4. Equals Gross Tax Liability (See Table 3 Below)</b>	<b>3,342.80</b>
4a. Minus Local Property Tax Credits	- 434.60
4b. Minus Savings Due to Property Tax Cap (See Table 2 Below)	- 0.00
4c. Minus Savings Due to 65 Years & Older Cap	- 0.00
<b>5. Total Property Tax Liability</b>	<b>2,908.20</b>

Please See Table 4 for a Summary of Other Charges to This Property

Exhibit A  
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Exhibit A  
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TABLE 2: PROPERTY TAX CAP INFORMATION

Property Tax Cap (Equal to 1%, 2% or 3% of Line 2, Depending on Type of Property) <sup>1</sup>	2,688.00
Upward adjustment due to voter-approved projects and charges (e.g., referendum). <sup>2</sup>	656.04
<b>Maximum Tax That May Be Imposed Under Cap</b>	<b>3,344.04</b>

TABLE 3: GROSS PROPERTY TAX DISTRIBUTION AMOUNTS

Taxing Authority	2017 Pay 2018
County	643.69
Township	57.25
School District	1,512.63
City	1,009.97
Library	97.22
Tax Increment	0.00
Special District	22.04
<b>Total</b>	<b>3,342.80</b>

TABLE 4: OTHER APPLICABLE CHARGES

Levying Authority	2017 Pay 2018	Type of Deduction	2017 Pay 2018
Little Cal River Basin	180.00	Blind/Disabled	0
Hobart Storm Water	203.30	Geothermal	0
		Homestead/Standard	0
		Mortgage	0
		Over 65	0
		Veterans	0
		Abatement	0
		Enterprise Zone	0
		Investment	0
		Supplemental Standard	0
		Other	0
<b>TOTAL OTHER CHARGES</b>	<b>383.30</b>	<b>TOTAL DEDUCTIONS</b>	<b>0</b>

1. The property tax cap is calculated separately for each class of property owned by the taxpayer.  
 2. Charges not subject to the property tax cap include property tax levies approved by voters through referendum. In Lake County and St. Joseph County, this line also reflects debt obligations incurred prior to the creating of the property tax caps. When added to the base property tax cap amount for your property, this creates the effective tax cap.  
 3. If any circumstance has changed that would make you ineligible for a deduction that you have been granted per Table 5 of this tax bill, you must notify the county auditor. If such a change in circumstances has occurred and you have notified the county auditor the deduction will be disallowed and you will be liable for taxes and penalties on the amount deducted.

Exhibit A  
page 13 of 14

FIRST INSTALLMENT (SPRING)		SECOND INSTALLMENT (FALL)	
Delinquent After Thursday, May 10, 2018		Delinquent After Tuesday, November 13, 2018	
Current Property Tax	1,454.10	Current Property Tax	1,454.10
Other Charges (See Table 4)	281.65	Other Charges (See Table 4)	101.65
Delinquent Tax	1,447.83	Delinquent Tax	0.00
Delinquent Penalty	463.15	Delinquent Penalty	0.00
LESS PREPAYMENTS	-2,734.73	LESS PREPAYMENTS	0.00
<b>Amount Due for SPRING</b>	<b>912.00</b>	<b>Amount Due for FALL</b>	<b>1,555.75</b>

If there are no prior delinquencies, a five percent (5%) penalty will be added if the installment of the tax bill is paid within thirty (30) calendar days after the due date. A ten percent (10%) penalty will be added if an installment of the tax bill is not paid within thirty (30) calendar days after the due date or there are prior delinquencies.

PREVIOUS YEAR TAX INFORMATION FOR 2016 PAY 2017 (As of Nov 13, 2017)

TAX DETAILS	
Gross Assessed Value of Land	21,400
Gross Assessed Value of Improvements	67,100
Total Deduction Amount	0
Tax Rate	3.5086
Gross Tax Liability	3,105.12
Minus Total Credit Amount (State, Local and Circuit Breaker)	403.96
Net Tax	2,701.16

FIRST INSTALLMENT (SPRING)		SECOND INSTALLMENT (FALL)	
Property Tax Amount	1,350.58	Property Tax Amount	1,350.58
Other Charges	277.25	Other Charges	97.25
Delinquent Tax	1,444.72	Delinquent Tax	0.00
Delinquent Penalty	235.02	Delinquent Penalty	72.39
Amount Paid	3,307.57	Amount Paid	0.00
Balance Due At Year End*	0.00	Balance Due At Year End*	1,520.22

APPLICATION FOR TAX ABATEMENT - COMMON COUNCIL

Form CCAP revised 7/21/16

PETITIONER'S NAME: Wendy Race  
Race Enterprises, LLC DBA Brickies Gyros PHONE: 219-308-3623

ADDRESS: 10310 N. Springhill Dr. FAX: \_\_\_\_\_

CITY, STATE, ZIP CODE: St. John, IN 46373

COMMON LOCATION OF PROPERTY: 524 E. 3rd Street

(Also attach 1. Legal description and 2. Project description for real property improvements proposed.)

IF ABATEMENT ON EQUIPMENT IS SOUGHT, ATTACH A LIST WITH DESCRIPTION, COST, AND DATE OF INSTALLATION FOR ALL EQUIPMENT.

ARE ANY PROPOSED BUILDINGS MANUFACTURED OFF SITE? No WHERE? N/A

NUMBER OF UNITS: N/A

PROPOSED STARTING DATE FOR BUILDING CONSTRUCTION: 9/7/18  
(Must be within 12 months of approval date of confirmatory resolution)

PROPOSED COMPLETION DATE OF FIRST BUILDING UNIT: 11/1/18

WHAT HOBART BUSINESSES WILL BE INVOLVED IN THE PROJECT? Electrician, Plumber  
General Contractor that based on relocation company.

\*NUMBER OF JOBS THE PROJECT WILL RETAIN AND THE PROJECTED PAYROLL FOR THE RETAINED JOBS:

(Show construction jobs separate from business jobs. Show as current & retained on SB-1)

CONSTRUCTION #: 3 \$ 15,000

BUSINESS #: 3 part time \$ 24,000

\*NUMBER OF JOBS THE PROJECT WILL CREATE AND THE PROJECTED PAYROLL FOR THE JOBS CREATED:

(These jobs do not currently exist and are to be listed on SB-1 as additional)

BUSINESS #: 3 part time \$ 24,000

WINDOW OF OPPORTUNITY PERIOD REQUESTED: N/A

TAX ABATEMENT PERIOD OF DEDUCTION REQUESTED: VBD - 3 years @ 100%

ARE YOU SEEKING A LOCAL ECONOMIC INCENTIVE IN ANOTHER INDIANA COMMUNITY? No

If so, explain what incentive, value, term and status of approval: N/A

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 (CF-1 Form) 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: Wendy Race DATE: 8/3/18

\*Construction jobs and the wages paid during the construction of the project may be counted as retained jobs in addition to existing Hobart jobs and salaries retained by the business. Created jobs and salaries are those applicable to the business that are new and not relocated from another non-Hobart location. Relocated jobs are to be listed as retained jobs.

STATE OF INDIANA )  
 ) SS:  
COUNTY OF LAKE )

**AFFIDAVIT**

Sinisa Petkovich (Name of Affiant) states as follows:

The property I own at 524 E. 3<sup>rd</sup> Street, Hobart, Indiana has been vacant for the required minimum period of one year in order to qualify for a vacant building deduction being sought by Wendy Race of Race Enterprises, LLC.

I affirm under the penalties for perjury that the foregoing statements are true and based upon my personal knowledge.



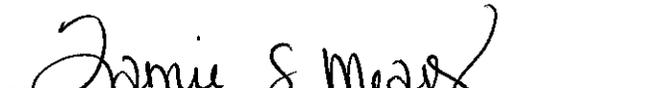
Signature

SINISA PETKOVICH

Name Printed or Typed

SUBSCRIBED and SWORN to before me, a duly appointed Notary Public in and for said County and State, on this 30 day of July, 2018.

IN WITNESS WHEREOF, I have hereunto affixed my signature and Notarial Seal.

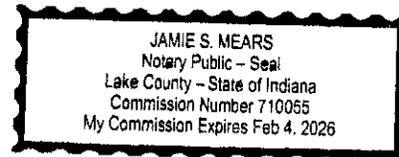
  
Notary Public

Name Printed: Jamie S Mears

My Commission Expires: 2/4/26

County of Residence: Lake

S E A L



Sinisa Petkovich  
524 E. 3<sup>rd</sup> Street  
Hobart, IN 46342  
July 24, 2018

Dear CITY OF HOBART:

I am the owner of the building at 524 E. 3<sup>rd</sup> Street. I have a contract with Wendy Race of Race Enterprises, LLC. DBA Brickies Gyros, to purchase my building.

I have no objections to Wendy Race filing the Tax Abatement Application for Vacant Buildings.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sinisa Petkovich', with a large, stylized initial 'S' and a long horizontal stroke extending to the right.

Sinisa Petkovich  
Owner

# UMBAUGH

H. J. Umbaugh & Associates  
Certified Public Accountants, LLP  
8365 Keystone Crossing  
Suite 300  
Indianapolis, IN 46240-2687  
Phone: 317-465-1500  
Fax: 317-465-1650  
www.umbaugh.com

July 27, 2018

Ms. Denarie Kane, Director of Development  
City of Hobart  
414 Main Street  
Hobart, IN 46342

Re: Property Tax Abatement – Vacant Building Deduction

Dear Denarie

Per your request, the purpose of this letter is to comment on whether the proposed vacant building deduction will have a negative impact on the TIF revenues available to meet debt service obligations on the outstanding bonds of the Hobart Redevelopment Commission.

The parcel in question currently has a pay 2018 base assessed value that exceeds its incremental assessed value, meaning that it currently reduces the amount of TIF revenue generated in the State Road 130 Industrial and Greater Downtown Redevelopment Area. The application of a vacant building deduction to the parcel in question will further reduce the parcel's net assessed value as compared to its base assessed value. However, based on current law, captured assessed valuation (TIF), effective tax rates, and accounting for the proposed vacant building deduction, we estimate that there is currently an adequate TIF revenue stream to meet debt service obligations on the outstanding bonds of the Hobart Redevelopment Commission.

Therefore, we find that the negative impact on the TIF revenue stream during the vacant building deduction period does not jeopardize the Commission's ability to meet its current debt service obligations, and assuming the requested vacant building deduction meets other relevant criteria of the City of Hobart, determine that the City can make a favorable recommendation for approval.

Please contact us if there are any questions or if further information would be helpful.

Very truly yours,

UMBAUGH



Matthew R. Eckerle

MRE/mre

# UMBAUGH

H. J. Umbaugh & Associates  
Certified Public Accountants, LLP  
8365 Keystone Crossing  
Suite 300  
Indianapolis, IN 46240-2667  
Phone: 317-465-1500  
Fax: 317-465-1560  
www.umbaugh.com

July 27, 2018

Ms. Denarie Kane, Director of Development  
City of Hobart  
414 Main Street  
Hobart, IN 46342

Re: Proposed Vacant Building Deduction

Dear Ms. Kane:

Per your request, we have prepared this analysis to assist you in the discussion and consideration of the proposed vacant building deduction. 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	Estimated Property Tax Liability for Parcel # 45-09-32-131-010.000-018
3	Estimated Tax Increment for Parcel # 45-09-32-131-010.000-018 – State Road 130 Industrial and Greater Downtown Redevelopment Area

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,

UMBAUGH



Matthew R. Eckerle

**CITY OF HOBART, INDIANA**

*Proposed Vacant Building Deduction*

**ESTIMATED PROPERTY TAX LIABILITY FOR PARCEL # 45-09-32-131-010.000-018**

*Assumes a 3-year vacant building deduction for the existing real property improvements*

Taxes Payable Year	Estimated Net Assessed Value (1)			Estimated Property Tax Liability						Estimated Abatement Savings
	With Proposed Abatement	Without Proposed Abatement	Net Tax Rate (2)	With Proposed Abatement			Without Proposed Abatement			
				Gross Taxes	Circuit Breaker Tax Credit (3)	Net Taxes	Gross Taxes	Circuit Breaker Tax Credit (3)	Net Taxes	
2018	\$89,600	\$89,600	3.2458	\$2,910	\$0	\$2,910	\$2,910	\$0	\$2,910	\$0
2019	21,400	89,600	3.2458	690	0	690	2,910	0	2,910	2,220
2020	21,400	89,600	3.2458	690	0	690	2,910	(220)	2,690	2,000
2021	21,400	89,600	3.2458	690	0	690	2,910	(220)	2,690	2,000
Totals				<u>\$4,980</u>	<u>\$0</u>	<u>\$4,980</u>	<u>\$11,640</u>	<u>(\$440)</u>	<u>\$11,200</u>	<u>\$6,220</u>

- (1) Assumes a 3-year 100% vacant building deduction for the existing improvements beginning in pay 2019, per the City of Hobart. Based upon the Pay 2018 existing improvements of \$68,200 on parcel # 45-09-32-131-010.000-018, per the Lake County Auditor's office.
- (2) Represents the certified pay 2018 tax rate for the Hobart Corp.-Hobart Twp.-Hobart City Schools taxing district adjusted for the application of the pay 2018 LIT PTRC of 13.0011%.
- (3) 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 application of the pay 2018 LIT PTRC of 13.0011%. Adjusted to account for the sunset of the pre-2008 debt service tax rate exemption following tax year 2019.

Note: This analysis does not assume any future changes in net assessed value or changes to the tax rate beyond what is outlined above. Changes to the assumptions outlined above may have a material effect on the property tax liability illustrations contained in this analysis.

(Subject to the attached letter dated July 27, 2018)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

**CITY OF HOBART, INDIANA**

*Proposed Vacant Building Deduction*

**ESTIMATED TAX INCREMENT FOR PARCEL # 45-09-32-131-010.000-018 -  
STATE ROAD 130 INDUSTRIAL AND GREATER DOWNTOWN REDEVELOPMENT AREA**

*Assumes a 3-year vacant building deduction for the existing real property improvements*

	Taxes Payable Year		
	2018	2019	2020 - 2021
			(1)
Gross assessed value (2)	\$89,600	\$89,600	\$89,600
Less: Vacant building deduction (3)		(68,200)	(68,200)
Net assessed value	89,600	21,400	21,400
Less: Base assessed value (2)	(119,170)	(119,170)	(119,170)
Estimated Incremental assessed value	(29,570)	(97,770)	(97,770)
Times: Tax rate (4)	\$3.7308	\$3.7308	\$3.7308
Estimated Tax Increment	(1,100)	(3,650)	(3,650)
Less: Estimated Circuit Breaker Tax Credit (5)	0	0	490
Estimated Net Tax Increment	<u>(\$1,100)</u>	<u>(\$3,650)</u>	<u>(\$3,160)</u>
Difference from Pay 2018		(\$2,550)	(\$2,060)

- (1) Assumes the last year of the vacant building deduction is Pay 2021 based upon information provided by the City of Hobart.
- (2) Represents the pay 2018 assessed value of parcel # 45-09-32-131.000-018, per the Lake County Auditor's office.
- (3) Assumes a 3-year 100% vacant building deduction for the existing improvements beginning in pay 2019, per the City of Hobart. Represents the Pay 2018 existing improvements of parcel # 45-03-07-251-001.000-025, per the Lake County Auditor's office.
- (4) Represents the certified pay 2018 tax rate for the Hobart Corp.-Hobart Twp.-Hobart City Schools taxing district.
- (5) Per the Lake County Auditor's office, adjusted to account for the sunset of the pre-2008 debt service tax rate exemption following tax year 2019. Accounts for the 2018 LIT Property Tax Replacement Credit of 13.0011%.

Note: This analysis does not assume any future changes in net assessed value or changes to the tax rate beyond what is outlined above. Changes to the assumptions outlined above may have a material effect on the tax increment revenue illustrations contained in this analysis.

(Subject to the attached letter dated July 27, 2018)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

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

## CITY OF HOBART

### AGENDA ITEM REQUEST FORM

(Please Print)

Meeting Date: August 15, 2018

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

Common Council (6:00 p.m.)

**Item to be Added to Agenda:** Vacant Building Deduction for Race Enterprises, LLC d/b/a Brickies Gyros, 524 E. 3<sup>rd</sup> Street.

Res. 2018-17

**Brief Description of Request for Consideration:**

Wendy Race, owner of Brickies Gyros is in the process of purchasing the building located at 524 E. 3<sup>rd</sup> Street to relocate her business. The move was made necessary due to the bridge reconstruction project. Ms. Race is seeking a three (3) year vacant building deduction for 524 E. 3<sup>rd</sup> Street. The building, located in downtown Hobart has been vacant for several years and qualifies for a vacant building deduction. The Redevelopment Commission voted to forward a favorable recommendation to the City Council at their July 31, 2018 meeting. A financial analysis completed by H.J Umbaugh and Associates (included in your packet) found that the impact from the deduction will not jeopardize the Commission's ability to meet its current debt service obligations.

**Supporting Documentation Attached:** Council application, SB-1, Legal Description, Umbaugh letter and analysis dated July 27, 2018, affidavit from current property owner, Redevelopment Commission application and attachments. The business plan and purchase contract provided to the RDC are on file with the Clerk-Treasurer.

Please set Public Hearing for Sept. 5<sup>th</sup> at 6 p.m.

**Request Submitted by:** Beth Jacobson

**Address (Department):** Economic Development

**Phone Number (Ext.):** 219.942.5517

**Date Submitted:** August 8, 2018

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