

COMMON COUNCIL OF THE CITY OF HOBART, INDIANA

Resolution Number 2019- 11

A Resolution Amending Resolution No. 2017-13 which Amended Previously Adopted Resolution Nos. 2015-12 and 2015-13 which Designated a Certain Area within the City as an Economic Revitalization Area for Purposes of Property Tax Abatement for Lake Park Senior Apartments, LP

Recitals

A. *Area Designation and Initial Grant of Real Property Abatement: Resolution Nos. 2015-12 and 2015-13*

WHEREAS, the Common Council (“Council”) of the City of Hobart, Indiana (“City”), by and through the adoption of Resolution Number 2015-12 on September 16, 2015 declared and designated the area commonly described as 111 West 10th Street in the City and legally described upon Exhibit A to said Resolution as an Economic Revitalization Area for the purpose of granting real property tax abatement, made certain findings related to such designation required by law, provided that the project for which such designation was granted be initiated within twelve (12) months of the adoption by the Council of a resolution confirming such designation, and completed within twenty-four (24) months of the adoption of said confirming resolution, provided for the publication of the resolution and scheduled and directed the issuance of notice, in the manner required by law, of a public hearing upon same before the Council; and

WHEREAS, said resolution for the subject property was thereafter subjected to public hearing duly noticed and conducted in the manner required by law on October 21, 2015. No remonstrances were presented or received. On said date the Council, through its adoption of Resolution Number 2015-13, made the findings required by law and confirmed the designation of the subject property as an Economic Revitalization Area; and

WHEREAS, said Designation and tax abatement was granted for a project described in the Statement of Benefits filed by the applicant, Lake Park Senior Apartments, LP (“Developer”), as the construction of 99 units of senior apartments contained in a three-story building and one-story villas with attached garages, 88 of the units to be dedicated to low and moderate income persons, all of which were described upon the site plan attached to said Resolution Number 2015-13 as Exhibit B; and

B. Adoption of Amendatory Resolution (Resolution No. 2017-13) Changing Number of Units, PUD Boundaries, and Other Matters

WHEREAS, the applicant thereafter petitioned the Council to make certain minor changes to the proposed project as follows:

a. The number of units to be constructed was to be reduced from 99 total units to 95 total units. These would consist of 56 units in the three-story building which consists of the units dedicated to low and moderate income persons, and 39 units in the one-story villas. Fifteen of the units in the one-story villas were to be market rate units and 24 of the units in the one-story villas were to be dedicated to low and moderate income persons.

b. The legal description for the entire project area changed by virtue of the developer’s addition of land and the establishment of a one-lot subdivision. The new legal Description was attached to Resolution No. 2017-13 (the “Amendatory Resolution”) as Exhibit “A,” page one, and the Plat of Correction showing the boundaries of the Lake Park Planned Unit Development duly recorded by the Developer was attached as Exhibit “A,” page two.

c. The Developer prepared and filed an amended Application for Tax Abatement (Hobart Form CCAP) dated July 25, 2017 which contained the above-described revisions to the project, added addresses for the common description of the property location, indicated that bids have been solicited from Hobart subcontractors, and proposed a window of opportunity period of

four (4) years. The Amended Application was attached to the Amendatory Resolution as Exhibit “B.”

d. The Developer filed an amended Statement of Benefits for Real Estate Improvements (Form SB-1) which was attached to the Amendatory Resolution as Exhibit “C.” This amended form, dated July 25, 2017, reflected the above-noted changes and continued to provide for the ten-year real property abatement schedule commencing for 2018 taxes payable in 2019 under the traditional ten year deduction schedule. The attachment to the amended Form SB-1 (Exhibit “C,” page three to the Amendatory Resolution (Resolution No. 2017-13)) also provided for limitations on the Developer’s right to seek appeal of real estate tax assessments during the abatement deduction period, and other items as stated therein.

d. The Amendatory Resolution resulted in no change in the tax abatement period of ten years, and year one of the abatement period remained the same commencing with 2018 taxes payable in 2019. It was estimated that the number of completed units as of January 1, 2018 will result in an estimated assessed valuation on that date of \$1,336,035.79.

WHEREAS, the Statement of Benefits for the project, Form SB-1, filed with the Amendatory Resolution was amended to show the project start date on October 12, 2016, to provide for a new date of project completion, May 31, 2019, to show the then current assessed valuation and a new estimated assessed valuation upon completion, and other additional benefits described upon the appended exhibit to said Form which was attached thereto as Exhibit “C;” and

WHEREAS, the Council concluded that the subject property with the amended project still qualified for designation as an Economic Revitalization Area under I.C. §6-1.1-12.1-1, *et*

seq. Further, the Council found that it had has access to maps and plats showing the boundaries and such other information regarding the subject property as required by law; and

WHEREAS, the Council then concluded that the changes described above to the applicant's application were not significant, and that no new public hearing or approvals of the tax abatement application by other City bodies were necessary; and

WHEREAS, the Council desired to re-affirm the findings and other actions necessary to declare and designate the subject property, with the amended number of units and land configuration, and with the extended completion period, an Economic Revitalization Area.

WHEREAS, the Council, in said Amendatory Resolution, took the following actions:

1. Exhibit "A," to Resolution No. 2015-12 was stricken and Exhibit "A," page one to the Amendatory Resolution (legal description), and Exhibit "A," page two to the Amendatory Resolution (Plat of Correction) was inserted in lieu thereof. Exhibit "B" to Resolution 2015-12, the same being the Form SB-1 filed by the Developer and dated September 2, 2015 was stricken, and Exhibit "C" to the Amendatory Resolution consisting of four pages was inserted in lieu thereof.

2. Section 5 of Resolution No. 2015-12 was amended to provide for a window of opportunity of 48 months from the date of adoption of confirmatory Resolution 2015-13 (October 21, 2015).

3. Sections 1 through 4 and sections 6 through 8 of Council Resolution Number 2015-12, including all findings contained therein, in light of the amended project, were readopted and reaffirmed.

4. Sections 1 through 3 of City Council Resolution No. 2015-13 were stricken, and the following new sections were inserted in lieu thereof:

1. The qualifications for an Economic Revitalization Area as designated in Resolution 2015-12 as amended have been met.
2. The amended Statement of Benefits Form SB-1 dated July 25, 2017 and attached to the Amendatory Resolution as Exhibit “C” was approved in all respects. Said Amended SB-1 was substituted as Exhibit “C” to Resolution 2015-13.
3. Likewise, the Council approved the substitution of the legal description and Correction Plat attached to the Amendatory Resolution as Exhibit “A,” page one and Exhibit “A,” page two for the legal description and site plan previously attached as Exhibit “A” to Resolution No. 2015-13.
4. Page three of Exhibit “B” to the Amendatory Resolution, the same being a new site plan for the project, was likewise attached to Resolution 2015-13 as new Exhibit “B” to that Resolution.
5. All other provisions of Resolution No. 2015-13 not otherwise amended by the Amendatory Resolution were reaffirmed.
6. The Council acknowledged and approved the real estate tax abatement of ten (10) years, to commence for 2018 taxes payable in 2019, and to conclude for 2027 taxes payable in 2028. The Council agreed that any real estate taxes generated by the project and due prior to the year 2019 are payable entirely by the Developer.

C. Petition for Second Amendatory Resolution

WHEREAS, Lake Park Senior Apartments, LP, the applicant, by letter dated April 3, 2019 with attached new Statement of Benefits Form SB-1, (said Letter and Form being attached hereto as Exhibit “A,”) petitioned the Council for a Second Amendatory Resolution for the following changes to the prior Resolutions adopted and described above in this matter:

- a. The composition of the units comprising the project would change by adding nine (9) market rate units and reducing the low and moderate income units by nine (9). All of these changes would be made in Section II of the project which consists of the one-story villas. The three-story building which comprises Section I will continue to consist of 56 apartment units for low and moderate income persons. The total number of units will remain unchanged at 95 units.

b. The applicant seeks to amend the completion date by extending it to August 15, 2019. At this time, 80 of the units are completed and rented: 71 to low-income seniors, and nine to market rate seniors.

c. The new Form SB-1 attached reflects updated construction salary figures, increased estimated values for the project and construction costs; and

WHEREAS, the applicant indicates that these changes are necessary to protect the economic viability of the project in light of increased costs; and

WHEREAS, the tax savings to be achieved by the latest amendment are described in the analysis performed by Baker Tilly Municipal Advisors, LLC dated April 5, 2019 which is attached hereto as Exhibit “B;” and

WHEREAS, the City Attorney has rendered the opinion that the changes sought by the applicant in the terms of the granted tax abatement and statement of benefits is not insubstantial, and that a public hearing should be required before acting upon the applicant’s petition; and

WHEREAS, the Council desires to set public hearing on the petition for amendment to be advertised in the manner required by law, and to declare, under the latest facts, terms and conditions proposed by the applicant that the site of the project qualifies for designation as an economic revitalization area, such designation to be subject to confirmation after public hearing, all in the manner required by law.

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

1. The qualifications for an Economic Revitalization Area as designated in Resolution 2015-12, as amended by Resolution No. 2017-13 and this Resolution have been met.
2. The new Statement of Benefits Form SB-1 attached to this Resolution appears to be in good order, and may be substituted for the prior SB-1 previously approved in the Amendatory Resolution.
3. All other provisions of Resolution No. 2015-13 not otherwise amended by the Amendatory Resolution, and the provisions of the Amendatory

Resolution not amended by this Resolution and the Confirmatory version of this Resolution to be adopted after public hearing are reaffirmed.

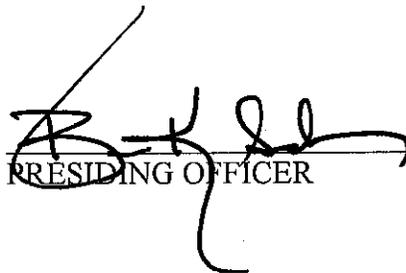
4. The Council proposes to approve, after said public hearing, the Statements contained in the new SB-1 attached to this Resolution, including the amendment to the number and composition of units making up the project which shall continue to total 95 units, of which 56 shall be for low and moderate income seniors in the Section I three-story building, and 24 shall be for market rate paying seniors and 15 for low and moderate income seniors in the Section II villas; and

5. The Council proposes to extend the completion date for the project to August 15, 2019 from the current completion date of May 31, 2019.

6. The ten year period of abatement to be granted will begin with tax payable year 2019 under the schedule already approved and as defined further by the new SB-1.

7. Public hearing is now scheduled for May 1, 2019 at 6:00 p.m. at the public meeting of the Council scheduled at that time and date. The Clerk-Treasurer is directed to give published notice of same in two newspapers of general circulation in Lake County in the manner required by I.C. 5-3-1.

ALL OF WHICH is adopted as the Resolution of the Common Council of the City of Hobart on this 17th day of April, 2019.

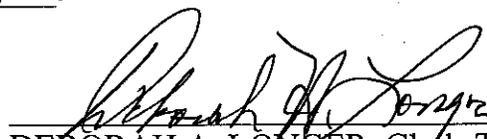


PRESIDING OFFICER

ATTEST:

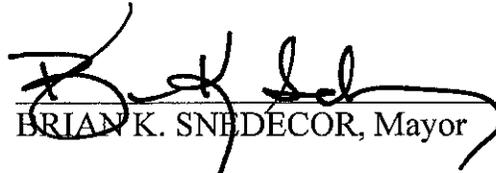

DEBORAH A. LONGER, Clerk-Treasurer

PRESENTED by me to the Mayor of the City of Hobart on the 17th day of April, 2019 at the hour of 7:05 pm.



DEBORAH A. LONGER, Clerk-Treasurer

APPROVED, EXECUTED and RETURNED by me to the Common Council of the City of Hobart on this 17th day of April, 2019.


BRIAN K. SNEDÉCOR, Mayor

ATTEST:


DEBORAH A. LONGER, Clerk-Treasurer

EXHIBIT A



10501 Hague Road
Fishers, IN 46038
Office 317.815.5929
Fax 317.815.5930

City Council
City of Hobart
414 Main Street
Hobart, IN 46342

April 3, 2019

Re: Common Council of the City of Hobart Resolution Nos. 2015-12 and 2017-13 concerning Lake Park Senior Apartments LP (the "Original Resolutions")

Dear Council Members:

This letter concerns the real property tax abatement granted to Lake Park Senior Apartments LP (the "Taxpayer") for the affordable housing property for seniors located at 51 10th Street West in Hobart, Indiana (the "Project") that is being developed by Lake Park II, LLC (the "Owner").

In the Original Resolutions, the City Council of the City of Hobart (the "Council") granted a real property tax abatement for the Project. On September 1, 2017, the Council amended the Original Resolutions by adopting Resolution No. 2017-13 (the "2017 Resolution"), which reduced the total number of units to be constructed from 99 total units to 95 total units. The 2017 Resolution provided that the Project shall consist of 56 units in the three-story building which consists of the units dedicated to low and moderate income persons ("Section I"), and 39 units in the one-story villas ("Section II"). The 2017 Resolution further provided that, among other things:

1. Fifteen (15) of the units in Section II shall be market rate units and Twenty-Four (24) of the units in Section II shall be dedicated to low and moderate income persons; and
2. That construction shall be completed by May 31, 2019.

Section I and part of Section II are completed and leased to 71 low-income senior residents and nine market rate senior residents. Section II continues under construction, but due to unforeseen construction delays and increased costs, which have impacted the entire Project budget, the following changes are required in order for the Project to comply with the Original Resolutions and the 2017 Resolution (the "Resolutions"). The entire Project is approximately \$3.7 million over budget. The only way to partially correct this and continue with the Project was to lower the number of affordable units with capped rents by nine units and increase the number of market rate units by the same. While this in no way balanced the Project budget it was a way to help the situation and allow us to continue providing much needed senior housing in Hobart.

www.RealAmericaLLC.com

Specifically, the Owner respectfully requests that the Council approve the following amendments to the Resolutions:

- That Twenty-Four (24) of the units in Section II shall be market rate units and Fifteen (15) of the units in Section II shall be dedicated to low and moderate income persons; and
- That construction shall be completed by August 15, 2019.

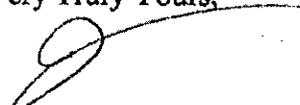
Enclosed is an updated Form SB-1 on behalf of the project. Changes made from the filing dated July 25, 2017 include:

- Section 2 - "Estimated completion date" was updated from May 1, 2019 to August 15, 2019
- Section 3 - Salaries retained was updated from \$4,400,000 to \$7,263,600 to include our Section II units originally inadvertently omitted and to reflect labor related to increased construction costs
- Section 4 - "Plus estimated values of proposed project" under the "Cost" column was updated from \$8,821,844 to \$14,709,349
 - \$14,709,349 reflects all hard costs and general conditions to construct Section I and Section II units
 - \$8,821,844 originally accounted for Section I units only
- Section 4 - "Plus estimated values of proposed project" was updated from \$1,926,000 to \$2,000,000
 - It was increased by \$74,000 to reflect an estimated increased in assessed value related to the 9 units changed from Affordable to Market Rate units.

These changes are vital, not only to complete Section II of the Project, but also to ensure that the 71 units of affordable senior housing that are already occupied can remain in operation. The Owner has enclosed the required \$1,200 fee for a "major amendment" to the Resolutions and requests that the amendment be approved at the April 17, 2019 meeting of the Council if at all possible.

Once the Council has reviewed this request, I would be happy to answer any questions and/or provide additional information as needed. My team and I are also available to attend and assist with any resolutions or hearings required to complete the amendments so that Section II of the Project can be completed.

Very Truly Yours,



Jeffrey A. Ryan
Vice President of Development



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R6 / 10-14)

Prescribed by the Department of Local Government Finance

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APR 08 2019

CITY OF HOBART
Clerk-Treasurer Office

20 18 PAY 20 19

FORM SB-1 / Real Property

PRIVACY NOTICE

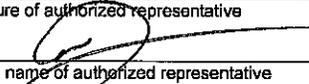
Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

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:

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 redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
3. 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.
4. 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)
5. 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 LAKE PARK II, LLC					
Address of taxpayer (number and street, city, state, and ZIP code) 10501 HAGUE ROAD, FISHERS, INDIANA 46038					
Name of contact person ROY MARSCHKE		Telephone number (317) 815-5929		E-mail address RMARSCHKE@REALAMERICALLC.COM	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body CITY OF HOBART				Resolution number 2018-22	
Location of property 51 10TH STREET WEST, HOBART, INDIANA 46342			County LAKE	DLGF taxing district number 18(27)	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) DEMOLITION OF THE EXISTING BUILDING AND NEW CONSTRUCTION OF A MULTI STORY BUILDING AND ONE STORY SENIOR VILLAS WITH RELATED AMENITIES AND INFRASTRUCTURE FOR LOW AND MODERATE INCOME SENIORS				Estimated start date (month, day, year) 10/12/2016	
				Estimated completion date (month, day, year) 08/15/2019	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 0.00	Salaries \$0.00	Number retained 100.00	Salaries \$7,263,600.00	Number additional 2.00	Salaries \$96,800.00
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
	REAL ESTATE IMPROVEMENTS				
	COST		ASSESSED VALUE		
Current values	290,000.00		83,700.00		
Plus estimated values of proposed project	14,709,349.00		2,000,000.00		
Less values of any property being replaced	290,000.00		83,700.00		
Net estimated values upon completion of project	14,709,349.00		2,000,000.00		
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER					
Estimated solid waste converted (pounds) 0.00			Estimated hazardous waste converted (pounds) 0.00		
Other benefits					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative 				Date signed (month, day, year) 4/3/19	
Printed name of authorized representative JEFF RYAN			Title VP OF DEVELOPMENT		

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 NA calendar years* (see below). The date this designation expires is NA.

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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

APR 08 2019

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

CITY OF HOBART
Clerk-Treasurer Office

D. Other limitations or conditions (specify) Traditional ten year deduction schedule

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

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 See Section 6 of Res. 2019-11 & pg 2 of May 10, 2019 Baker-Tilly analysis attached to Res. 2019-11
 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) <u>Matthew Co</u>	Telephone number <u>(219) 942-1940</u>	Date signed (month, day, year) <u>4/17/19</u>
Printed name of authorized member of designating body <u>Matthew Clausen, President</u>	Name of designating body <u>Common Council</u>	
Attested by (signature and title of attester) <u>Deborah Longer</u>	Printed name of attester <u>DEBORAH LONGER, Clerk-Treasurer</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.

- 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.



now joined with
Springsted and Umbaugh

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

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

May 10, 2019

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

Re: Proposed Property Tax Abatement Calculation – Lake Park Senior Apartments

Dear Ms. Kane:

The attached schedule (listed below) presents 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 this schedule should be restricted to this purpose, for internal use only, as the information is subject to future revision and final report.

Page

2 Estimated Property Tax Liability for the Proposed Investment in Real Property

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

Very truly yours,

BAKER TILLY MUNICIPAL ADVISORS, LLC

A handwritten signature in black ink, appearing to read "Matthew R. Eckerle", written in a cursive style.

Matthew R. Eckerle, Director

CITY OF HOBART, INDIANA

Lake Park Senior Apartments

ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN REAL PROPERTY

Assumes a 10-year real property tax abatement

Taxes Payable Year	Estimated Net Assessed Value (1)			Estimated Property Tax Liability						Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement	Net 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	
2019	\$0	\$2,000,000	3.2116	\$0	\$0	\$0	\$64,230	(\$24,230)	\$40,000	\$40,000
2020	100,000	2,000,000	3.2116	3,210	0	3,210	64,230	(24,230)	40,000	36,790
2021	400,000	2,000,000	3.2116	12,850	0	12,850	64,230	(24,230)	40,000	27,150
2022	700,000	2,000,000	3.2116	22,480	0	22,480	64,230	(24,230)	40,000	17,520
2023	1,000,000	2,000,000	3.2116	32,120	0	32,120	64,230	(24,230)	40,000	7,880
2024	1,200,000	2,000,000	3.2116	38,540	0	38,540	64,230	(24,230)	40,000	1,460
2025	1,400,000	2,000,000	3.2116	44,960	(4,960)	40,000	64,230	(24,230)	40,000	0
2026	1,600,000	2,000,000	3.2116	51,390	(11,390)	40,000	64,230	(24,230)	40,000	0
2027	1,800,000	2,000,000	3.2116	57,810	(17,810)	40,000	64,230	(24,230)	40,000	0
2028	1,900,000	2,000,000	3.2116	61,020	(21,020)	40,000	64,230	(24,230)	40,000	0
Totals				\$324,380	(\$55,180)	\$269,200	\$642,300	(\$242,300)	\$400,000	\$130,800

- (1) Per the Developer. The actual assessed value will be reported annually by the Developer, and the actual value may vary materially from the value assumed in this analysis.
 (2) Assumes a 10-year real property tax abatement with the following deduction percentages: 100%, 95%, 80%, 65%, 50%, 40%, 30%, 20%, 10%, and 5%.
 (3) Represents the certified pay 2019 tax rate for the Hobart Corp taxing district. Accounts for the application of the pay 2019 LIT PTRC of 14.0238%.
 (4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 2% of gross assessed value for a rental residential parcel, is applied. Accounts for the application of the pay 2019 LIT PTRC of 14.0238%.

(Subject to the attached letter dated May 10, 2019)
 (Preliminary - Subject to Change)
 (For Internal Use Only)