

RESOLUTION NO. 2021-02

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

WHEREAS, a petition for real property tax abatement has been filed with the City of Hobart for consideration by the Common Council of the City of Hobart, said petition requesting that the area commonly described as **7190 Grand Blvd.**, Hobart, Lake County, Indiana, 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, Grand Trunk Storage Depot, has a vested property interest in the real estate commonly known as: **7190 Grand Blvd.**, Hobart, Lake County, Indiana, and

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

PROJECT: New construction of 4 commercial storage buildings: 7,230 sf, 7,230 sf, 4,820 sf, and 3,030 sf. Total sf = 22,310

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

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

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

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

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

Section 3: The Common Council of the City of Hobart hereby determines and finds that the proposed development can be reasonably expected to yield the benefits identified in the Statement of Benefits, "Exhibit B" attached, such form prescribed by the State Board of Tax Commissioners, and is sufficient to justify the deduction granted under IC 6-1.1-12.1-4 and/or IC 6-1.1-12.1-4.5 of the Indiana Code.

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

Section 5: The Common Council of the City of Hobart determines that such designation is for real property tax abatement for projects to initiated within twelve (12) months from the date of the adoption of a resolution confirming this resolution, by the Common Council and completed within sixty (60) months from the date of this adoption.

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

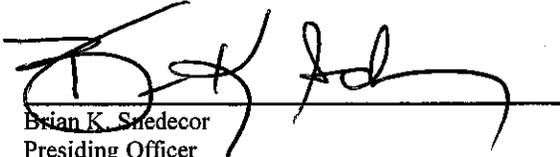
*Year One: 100%, Year Two: 95%, Year Three: 80%, Year Four: 65%, Year Five, 50%,
Year Six, 40%, Year Seven: 30%, Year Eight: 20%, Year Nine: 10%, Year Ten: 5%*

Section 7: The Common Council of the City of Hobart directs the Clerk to cause notice of the adoption and substance of this Resolution for real property tax abatement to be published in accordance with IC 5-3-1, as amended, said publication providing notice of the public hearing before the Common Council on the proposed confirmation of said declaration and to file a copy of this resolution with the County Assessor, and to file the information required by Indiana Code 6-1.1-12.1-2.5(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.

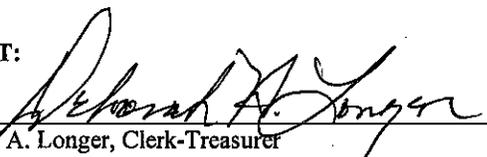
Section 8: Pursuant to Common Council Resolution 2019-36, the Council now finds that the Responsible Bidding Practices Ordinance of the City would not be helpful in assuring an adequate supply of skilled labor for the project, and that there is no reason why the project should not be exempted from the application of the Ordinance. This project is hereby declared to be exempt from compliance with the provisions of said Ordinance, HMC Sec. 155.01, et seq.

Section 9: This resolution shall be in full force and effect from and after its adoption by the Common Council.

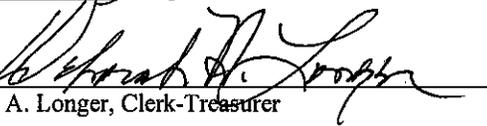
PASSED AND ADOPTED by the Common Council of the City of Hobart, Lake County, Indiana on the 17th day of MARCH, 2021, by a vote of 4 in favor and 2 opposed.


Brian K. Snedecor
Presiding Officer

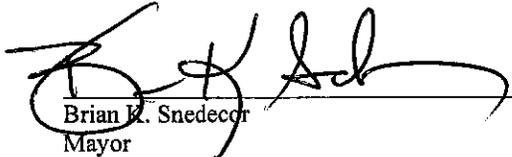
ATTEST:


Deborah A. Longer, Clerk-Treasurer

PRESENTED by me to Mayor of the City of Hobart, Indiana, on the 17th day of MARCH, 2021 at 7:35 a.m./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 17th day of MARCH, 2021.


Brian K. Snedecor
Mayor

ATTEST:

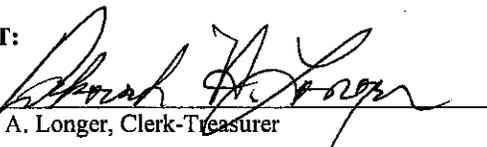

Deborah A. Longer, Clerk-Treasurer

Exhibit A

Legal Description of Grand Trunk Storage Depot

Lot 2 of Grand Trunk Subdivision



**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R7 / 1-21)

Prescribed by the Department of Local Government Finance

20 21 PAY 20 22

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 January 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 Grand Trunk Storage Depot					
Address of taxpayer (number and street, city, state, and ZIP code) 7190 Grand Blvd Hobart, IN 46342					
Name of contact person Cameron Bernard		Telephone number (219) 712-6112		E-mail address camstree@yahoo.com	
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT			
Name of designating body Hobart Common Council				Resolution number	
Location of property 7190 Grand Blvd Hobart		County Lake		DLGF taxing district number 046-Hobart Ross	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) Four (4) additional indoor storage buildings				Estimated start date (month, day, year) 5-1-21	
				Estimated completion date (month, day, year) 5-1-26	
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT			
Current Number 1	Salaries N/A	Number Retained 1	Salaries	Number Additional 2	Salaries \$15/hr
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT			
Current values Plus estimated values of proposed project Less values of any property being replaced Net estimated values upon completion of project		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
		199,000		199,000	
		629,000		629,000	
		828,000		828,000	
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER			
Estimated solid waste converted (pounds) _____		Estimated hazardous waste converted (pounds) _____			
Other benefits					
SECTION 6		TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.					
Signature of authorized representative C. Bernard				Date signed (month, day, year) 1-12-21	
Printed name of authorized representative Cameron Bernard			Title Owner		

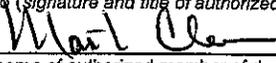
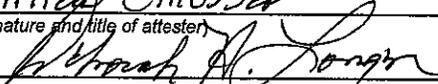
FOR USE OF THE DESIGNATING BODY

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 N/A calendar years* (see below). The date this designation expires is N/A.
- B. The type of deduction that is allowed in the designated area is limited to:
 - 1. Redevelopment or rehabilitation of real estate improvements Yes No
 - 2. Residentially distressed areas Yes No
- C. The amount of the deduction applicable is limited to \$ _____.
- D. Other limitations or conditions (specify) _____
- E. Number of years allowed:

<input checked="" type="checkbox"/> Year 1	<input checked="" type="checkbox"/> Year 2	<input checked="" type="checkbox"/> Year 3	<input checked="" type="checkbox"/> Year 4	<input checked="" type="checkbox"/> Year 5 (* see below)
<input checked="" type="checkbox"/> Year 6	<input checked="" type="checkbox"/> Year 7	<input checked="" type="checkbox"/> Year 8	<input checked="" type="checkbox"/> Year 9	<input checked="" type="checkbox"/> 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 Six of Resolution 2021-02
 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 <u>219 942-1940</u>	Date signed (month, day, year) <u>4/21/21</u>
Printed name of authorized member of designating body <u>MATTHEW CROSSEN</u>	Name of designating body <u>Common Council</u>	
Attested by (signature and title of attester) 	Printed name of attester <u>DEBORAH A. LEUGER</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.



February 26, 2021

Ms. Beth Jacobson, Director of Development
City of Hobart
414 Main Street
Hobart, Indiana 46324

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

Re: Proposed Grand Trunk Storage Depot

Dear Ms. Jacobson:

Per your request, we have prepared this illustrative property tax abatement analysis to assist you in the discussion and consideration of incentives for the proposed Grand Trunk Storage Depot. 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.

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Estimated Property Tax Liability for the Proposed Investment in Real Property

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,

BAKER TILLY MUNICIPAL ADVISORS, LLC

Matthew R. Eckerle, Principal

CITY OF HOBART, INDIANA

Proposed Grand Trunk Storage Depot

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)		Net Tax Rate (3)	Estimated Property Tax Liability			Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement		With Proposed Abatement	Without Proposed Abatement	Net Taxes	
2023	\$0	\$78,600	\$2,5543	\$0	\$0	\$0	\$2,010
2024	7,860	157,200	2,5543	200	200	0	4,020
2025	47,160	235,800	2,5543	1,200	1,200	0	6,020
2026	110,040	314,400	2,5543	2,810	2,810	0	8,030
2027	157,200	314,400	2,5543	4,020	4,020	0	8,030
2028	188,640	314,400	2,5543	4,820	4,820	0	8,030
2029	220,080	314,400	2,5543	5,620	5,620	0	8,030
2030	251,520	314,400	2,5543	6,420	6,420	0	8,030
2031	282,960	314,400	2,5543	7,230	7,230	0	8,030
2032	298,680	314,400	2,5543	7,630	7,630	0	8,030
Totals				\$39,950	\$39,950	\$0	\$68,260
							\$28,310

- (1) Based on the estimated cost of the proposed investment per the Company's Statement of Benefits Real Estate Improvements form. Assumes the buildings are assessed at 50% of the estimated cost of \$157,200 per building. Assumes one building is constructed per year with the first building being assessed January 1, 2022 for taxes payable 2023. The actual assessed value will be determined by the Lake County Assessor upon completion, and the actual value may vary materially from the value assumed in this illustration.
- (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) Based on the certified pay 2021 tax rate for the Hobart-Ross Township taxing district of \$3.0161. Accounts for the application of the pay 2020 LIT PTRC of 15.3113%.
- (4) 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 pay 2020 LIT PTRC of 15.3113%.

Note: 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 February 26, 2021)
(Preliminary - Subject to Change)
(For Internal Use Only)

Hobart Common Council,

Thank you for the opportunity to apply for a ten-year tax abatement program. I am proud to be a member of the Hobart business community. I am also proud of the Grand Trunk Storage development along the CN railroad on state highway 51, specifically, 7190 Grand Blvd Hobart, IN. The land would generally be considered "nuisance land" due to the busy nature of the railroad along it. Self-storage is one of the few businesses that can utilize the land for business use.

I already built two buildings before I knew about the tax abatement program. I opened for business in January 2020 and struggled to gain tenants through the COVID outbreak. I paid my taxes in March while I only had a few tenants. Business has picked up, but I struggle to be noticed as I only have 60 feet of frontage on the highway. And in my attempt to honor the great Grand Trunk Railway that installed the railroad tracks, by naming my business Grand Trunk Storage Depot many people have told me they thought I was part of the railroad company and not open to the public.

It is for these reasons and others, that I seek a tax abatement. So that, as time goes on, more people will become aware of my facility, and I can get the buildings filled with tenants. Other similar self-storage businesses in the area are nearly full, so I believe I can be in the future as well, as Hobart continues to grow.

With the approval of the Council, I would like to begin a new tax abated building by April of this year. It will be my biggest and most expensive building to date. I have built one building per year starting in 2019. With the tax abatement, and without the fear of a large tax bill I may struggle to pay, I believe I can build the final four buildings at a rate of approximately one building per year, being completed by 2026.

Taxes in the Ross Township district of Hobart are notoriously high, compared to other areas that Ross Township covers. I know other developers that hesitate to build or buy commercial buildings here for that reason. I was also told this by the Ross Township assessors office. I would, of course, like to see taxes go down to encourage new growth, but the ten-year abatement is a great tool in the meantime.

In conclusion, thank you again for your consideration. I look forward to a favorable response.

Regards,



Cameron Bernard

Grand Trunk Storage Depot

APPLICATION FOR TAX ABATEMENT - COMMON COUNCIL

Form CCAP revised 7/21/16

PETITIONER'S NAME: Cameron Bernard PHONE: 219-712-6112

ADDRESS: 7331 Grand Blvd Hobart FAX: _____

CITY, STATE, ZIP CODE: _____

COMMON LOCATION OF PROPERTY: 7190 Grand Blvd Hobart
(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: Four (4)

PROPOSED STARTING DATE FOR BUILDING CONSTRUCTION: April 2021
(Must be within 12 months of approval date of confirmatory resolution)

PROPOSED COMPLETION DATE OF FIRST BUILDING UNIT: June 2021

WHAT HOBART BUSINESSES WILL BE INVOLVED IN THE PROJECT? Krull, Pro Electric, A & H concrete

*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 #: N/A \$ —

BUSINESS #: N/A \$ —

*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 #: # 2 \$ 12/hr & 20/hr

WINDOW OF OPPORTUNITY PERIOD REQUESTED: April 2021 — April 2026

TAX ABATEMENT PERIOD OF DEDUCTION REQUESTED: 10 year

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: C R U DATE: 2/8/21

*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.