

RESOLUTION NO. 2021- 04

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

WHEREAS, a petition for real property tax abatement has been filed with the City of Hobart for consideration by the Common Council of the City of Hobart, said petition requesting that the area commonly described as **2100 East 69th Avenue**, 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, Indiana Becknell Investors 2011, LLC, has a vested property interest in the real estate commonly known as: **2100 East 69th Avenue**, Hobart, Lake County, Indiana, and

WHEREAS, Indiana Becknell Investors 2011, LLC, has requested that the real estate be designated as an Economic Revitalization Area for the purpose of achieving real property tax abatement in connection with the following project on the real estate:

PROJECT: New Construction of a 280,800 sq. ft. Manufacturing and Distribution Facility with 20,542 sq. ft. of office area (2-story); 36 ft. clear, pre-cast concrete construction

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 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 be initiated within twelve (12) months from the date of the adoption of a resolution confirming this resolution, by the Common Council and completed within twenty-four (24) 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 owner of the subject property has an established prior history of cooperation with the City and local labor organizations, and that the owner has represented that union labor will be employed in the construction of the above-described project, and the Council further finds that, under these circumstances, 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.*

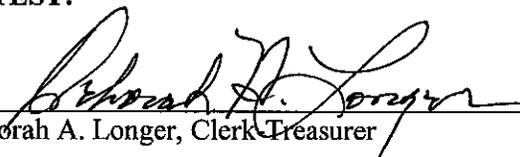
Section 9: This resolution shall be in full force and effect from and after its adoption by the Common Council.

PASSED AND ADOPTED by the Common Council of the City of Hobart, Lake County, Indiana on the 7th day of April, 2021, by a vote of 7 in favor and 0 opposed.



Brian K. Snedecor
Presiding Officer

ATTEST:



Deborah A. Longer, Clerk-Treasurer

PRESENTED by me to Mayor of the City of Hobart, Indiana, on the 7th day of April, 2021 at 7:00 ~~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 7th day of April, 2021.



Brian K. Snedecor
Mayor

ATTEST:



Deborah A. Longer, Clerk-Treasurer

Exhibit "A"



**DESCRIPTION
OF
PROPOSED REPLAT LOT 1**

THAT PART OF LOT 1 IN THE FINAL PLAT OF NORTHWIND CROSSINGS SOUTH BEING A SUBDIVISION IN THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 35 NORTH, RANGE 8 WEST OF THE 2ND PRINCIPAL MERIDIAN PER THE PLAT THEREOF RECORDED IN PLAT BOOK 113, PAGE 31, DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 1; THENCE NORTH 89 DEGREES 24 MINUTES 53 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT, 824.60 FEET; THENCE NORTH 00 DEGREES 36 MINUTES 56 SECONDS EAST, 990.00 FEET; THENCE NORTH 89 DEGREES 24 MINUTES 53 SECONDS WEST, 417.09 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 01 SECONDS EAST, 268.58 FEET TO THE NORTH LINE OF SAID LOT; THENCE SOUTH 78 DEGREES 17 MINUTES 25 SECONDS EAST ALONG SAID LINE, 1258.99 FEET TO THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 06 MINUTES 06 SECONDS WEST, 1015.69 FEET TO THE PLACE OF BEGINNING IN LAKE COUNTY, INDIANA.

CONTAINING 22.8037 ACRES, MORE OR LESS.



**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 Indiana Becknell Investors 2011 LLC		
Address of taxpayer (number and street, city, state, and ZIP code) 120 E. Burlington Ave., LaGrange, IL 60525		
Name of contact person Paul Thurston- SVP, Development & Pre Construction	Telephone number (708) 221-9159	E-mail address pthurston@becknellindustrial.com

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Hobart Common Council		Resolution number 2021-
Location of property 2100 E. 69th Ave., Hobart, IN 46410	County Lake	DLGF taxing district number 46
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) New construction of a 280,800 s.f. manufacturing and distribution facility (Expandable) with 20,542 s.f. of office. Building construction is pre-cast concrete, 36' clear.		Estimated start date (month, day, year) May 2021
		Estimated completion date (month, day, year) Feb 2022

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

Current Number	Salaries	Number Retained	Salaries	Number Additional	Salaries
120	\$6,758,173	120	\$6,758,173		

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	0	0
Plus estimated values of proposed project	\$16,895,433	\$12,327,000
Less values of any property being replaced		
Net estimated values upon completion of project	\$16,895,433	\$12,327,000

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) _____	Estimated hazardous waste converted (pounds) _____
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Other benefits
Preferred consideration will be given to Hobart Subcontractors with competitive bids. See pages 3 & 4 of SB1.

SECTION 6 TAXPAYER CERTIFICATION

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

Signature of authorized representative 	Date signed (month, day, year) 3/30/21
Printed name of authorized representative Paul Thurston	Title SVP, Development & Pre Construction

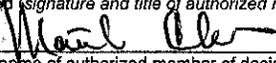
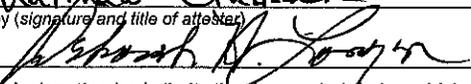
FOR USE OF THE DESIGNATING BODY

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. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.
- B. The type of deduction that is allowed in the designated area is limited to:
 - 1. 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) See Below
- 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 type="checkbox"/> Year 5 (* see below)
<input type="checkbox"/> Year 6	<input checked="" type="checkbox"/> Year 7	<input 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 2021-04
 - 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>4/1/21</u>
Printed name of authorized member of designating body <u>Matthew Clausen</u>	Name of designating body <u>Common Council</u>	
Attested by (signature and title of attester) 	Printed name of attester <u>DEBORAH A. LOUGER</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. Except as provided in IC 6-1.1-12.1-18, 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.

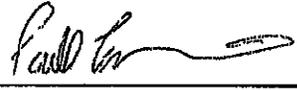
(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. Except as provided in IC 6-1.1-12.1-18, 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.

Exhibit "B"

Other Benefits Promised – Section 5 (continued)

Applicant: Indiana Becknell Investors 2011, LLC

Signed: 

Real Property

Date: 3/30/21

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

Applicant agrees to adhere to the terms of the Development Agreement dated _____, 2021.

Exhibit "B"

Taxes Payable Year Property Taxes to be paid on the Proposed Real Property Investment
(as per the 3-4-2021 Baker Tilly Analysis)

<u>2024</u>	<u>\$0</u>
<u>2025</u>	<u>\$15,560</u>
<u>2026</u>	<u>\$62,230</u>
<u>2027</u>	<u>\$108,900</u>
<u>2028</u>	<u>\$155,570</u>
<u>2029</u>	<u>\$186,690</u>
<u>2030</u>	<u>\$217,800</u>
<u>2031</u>	<u>\$248,920</u>
<u>2032</u>	<u>\$280,030</u>
<u>2033</u>	<u>\$295,590</u>

If needed, Applicant agrees to execute on an annual basis a Reimbursement Agreement, which shall require payment for services engaged by the City in order to review compliance with the minimum tax payments promised as contained in sub-section 3(d)9i) of the Development Agreement dated _____, 2021.

APPLICATION FOR TAX ABATEMENT - COMMON COUNCIL

Form CCAP revised 7/21/16

PETITIONER'S NAME: Indiana Becknell Investors 2011 LLC PHONE: 708 221-9159

ADDRESS: 120 E. Burlington Ave. FAX: NA

CITY, STATE, ZIP CODE: LaGrange, IL 60525

COMMON LOCATION OF PROPERTY: 2100 E. 69th Ave., Hobart, IN 46410

(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?

NUMBER OF UNITS:

PROPOSED STARTING DATE FOR BUILDING CONSTRUCTION: May, 2021

(Must be within 12 months of approval date of confirmatory resolution)

PROPOSED COMPLETION DATE OF FIRST BUILDING UNIT: Feb, 2022

WHAT HOBART BUSINESSES WILL BE INVOLVED IN THE PROJECT?

Preferred consideration will be given to Hobart Subcontractors with competitive bids.

*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 #: 120 Jobs \$

BUSINESS #: 37 Jobs \$ See below for combined payroll.

*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 #: 45 Jobs \$4,216,357 (Total Payroll between all 82 jobs)

WINDOW OF OPPORTUNITY PERIOD REQUESTED: 1 Year

TAX ABATEMENT PERIOD OF DEDUCTION REQUESTED: 10 Years

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

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

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: [Signature] DATE: 3/30/21

*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.

Project MC: Built-to-suit– Hobart, IN –

Becknell Industrial has secured a long term commitment (15 Years) for a manufacturing and distribution user, Code named Project MC, to lease a new 280,800 SF facility. This facility will provide unmatched quality, delivery and value across a robust product line that includes steel, PVC and aluminum conduit, armored cable and flexible conduits, metal framing, wire baskets, cable trays and other complementary products including fittings and mechanical pipe. Project MC will be consolidating other facilities into the new Hobart location. The new facility will provide for the modern, highly efficient storage and distribution of product that is assembled in the building. The building will be positioned on the site to allow future expansion and/or spec development of similarly sized industrial facilities to the west of Project MC, thereby preserving the maximum value of this well-located land parcel. The total cost of the project is approximately \$25 million and is set to break ground May 2021.

A few of the noteworthy elements of the project include:

➤ **Committed Tenant**

- Project MC will be consolidating this existing Hobart location and two other facilities into the new BTS. The new facility will provide for the modern, highly efficient storage and distribution of its product. The 15-year lease demonstrates the long-term commitment the Tenant has to the Property. Due diligence and estimating are already underway to expand the facility for additional manufacturing capabilities.

➤ **Strategic Location**

- The Property features convenient access to major interstate highways. The building will be located 1.4 miles from a full interchange with Interstate 65, 5.9 miles south of Interstate 80 and 1.5 miles south of Route 30. Project MC has chosen this specific site due to its convenient highway access, surrounding high-quality labor pool and its location in the center of the US, as this facility will become a national distribution hub for the company.
- Northwest Indiana submarket is home to facilities for several of the world's largest manufacturers, such as BP Amoco, US Steel, Monosol, and Arce for Mittal.

➤ **Development of a Modern Class-A Facility**

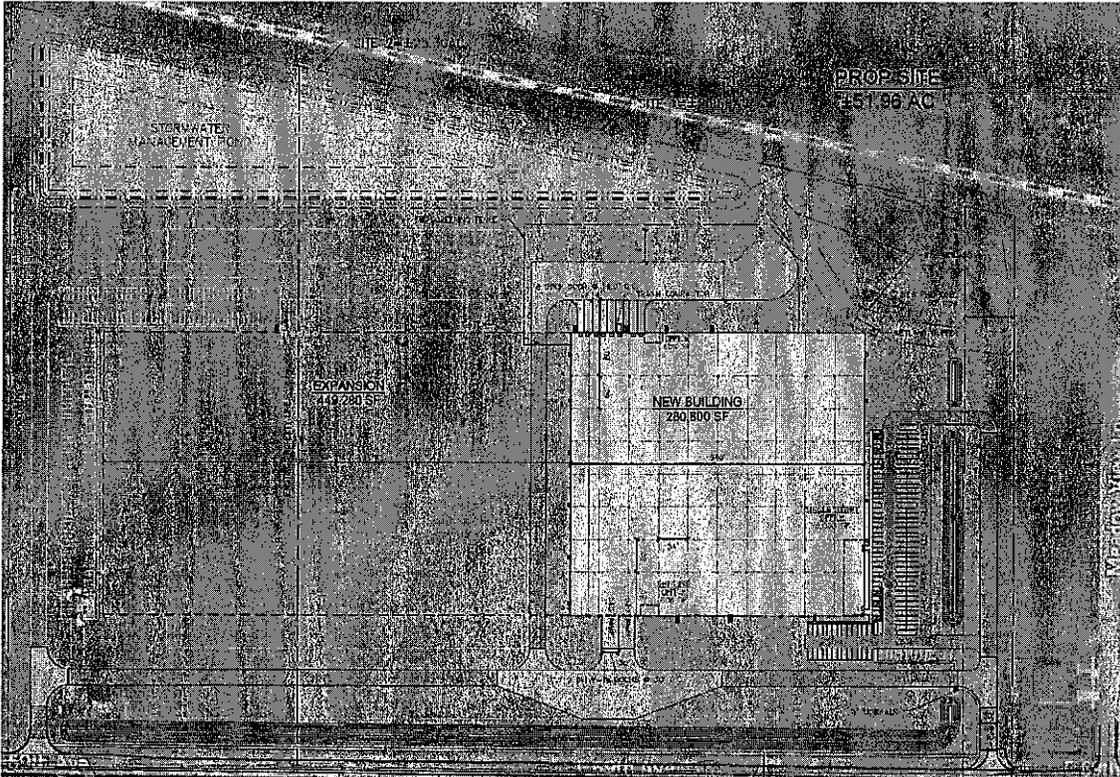
- The proposed facility will feature 36' clear height, 190' truck court, outdoor storage area, 136 car parking spaces with the ability to expand up to 449,280 square feet.
- Total full site comprises of almost 52 developable acres. The necessary land for the 280,00 SF facility is 26.66-acres with an option to acquire the remaining 25.33-acres should Project MC decide to expand the facility.

➤ **69th Avenue Road Improvements**

- The City of Hobart has been focused on expanding 69th Avenue to create another east-west corridor between Route 30 to the south and 61st Street to the north (both with I-65 Access). Phase I consists of roadway improvements, including widening the road to handle truck traffic, various utility relocations, new curbing, and pavement. Phase I of the project is already completed (east of the subject parcel).

To date, BI has developed 13 buildings totaling more than 1.6 million SF at Northwind Crossings.

Site Plan





March 4, 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 Project MC – Real Property

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 Project MC. 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.

Page
2 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

A handwritten signature in black ink, appearing to read "Matthew R. Eckerle".

Matthew R. Eckerle, Director

CITY OF HOBART, INDIANA

Proposed Project MC

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	
2024	\$0	\$12,327,000	2.5241	\$0	\$0	\$0	\$311,150	\$0	\$311,150	\$311,150
2025	616,350	12,327,000	2.5241	15,560	0	15,560	311,150	0	311,150	295,590
2026	2,465,400	12,327,000	2.5241	62,230	0	62,230	311,150	0	311,150	248,920
2027	4,314,450	12,327,000	2.5241	108,900	0	108,900	311,150	0	311,150	202,250
2028	6,163,500	12,327,000	2.5241	155,570	0	155,570	311,150	0	311,150	155,580
2029	7,996,200	12,327,000	2.5241	188,690	0	188,690	311,150	0	311,150	124,460
2030	8,628,900	12,327,000	2.5241	217,800	0	217,800	311,150	0	311,150	93,350
2031	9,861,600	12,327,000	2.5241	248,920	0	248,920	311,150	0	311,150	62,230
2032	11,094,300	12,327,000	2.5241	280,030	0	280,030	311,150	0	311,150	31,120
2033	11,710,650	12,327,000	2.5241	295,590	0	295,590	311,150	0	311,150	15,560
Totals				\$1,571,290	\$0	\$1,571,290	\$3,111,500	\$0	\$3,111,500	\$1,540,210

- (1) Assumes a proposed 280,800 square foot building with 17,000 square feet of office space, 213,800 of storage/warehouse space, and 50,000 of manufacturing space, as provided by the Company. Assumes the proposed building will be assessed at \$75 per square foot of office space, \$40 per square foot of storage/warehouse space, and \$50 per square foot for manufacturing space based upon comparable properties located in Hobart, Indiana. 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 2021 LIT PTRC of 16.3121%.
- (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 2021 LIT PTRC of 16.3121%.

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 March 4, 2021)
(Preliminary - Subject to Change)
(For Internal Use Only)



120 East Burlington Avenue
La Grange, IL 60525
www.becknellindustrial.com
708.443.9300

March 26th, 2021

Beth Jacobson
City of Hobart
414 N. Main St.
Hobart, IN 46342

Via: bjacobson@cityofhobart.org

Re: Project MC- Union Labor (Formerly Project X)

Beth,

Mirroring a previous letter to Denarie Kane (1-15-21), Becknell Services LLC will be the contractor for the newly proposed Project X build to suit located on 69th Street in Hobart, IN.

Becknell Services has a long history of building industrial facilities in Hobart.

We would request that the City council waive the application of the responsible bidding practices ordinance (as amended).

Per the terms of the incentives that are being negotiated, Becknell Services, LLC will continue to give preferential treatment to local subcontractors with competitive bids.

Please do not hesitate to reach out to me with any questions or comments.

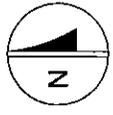
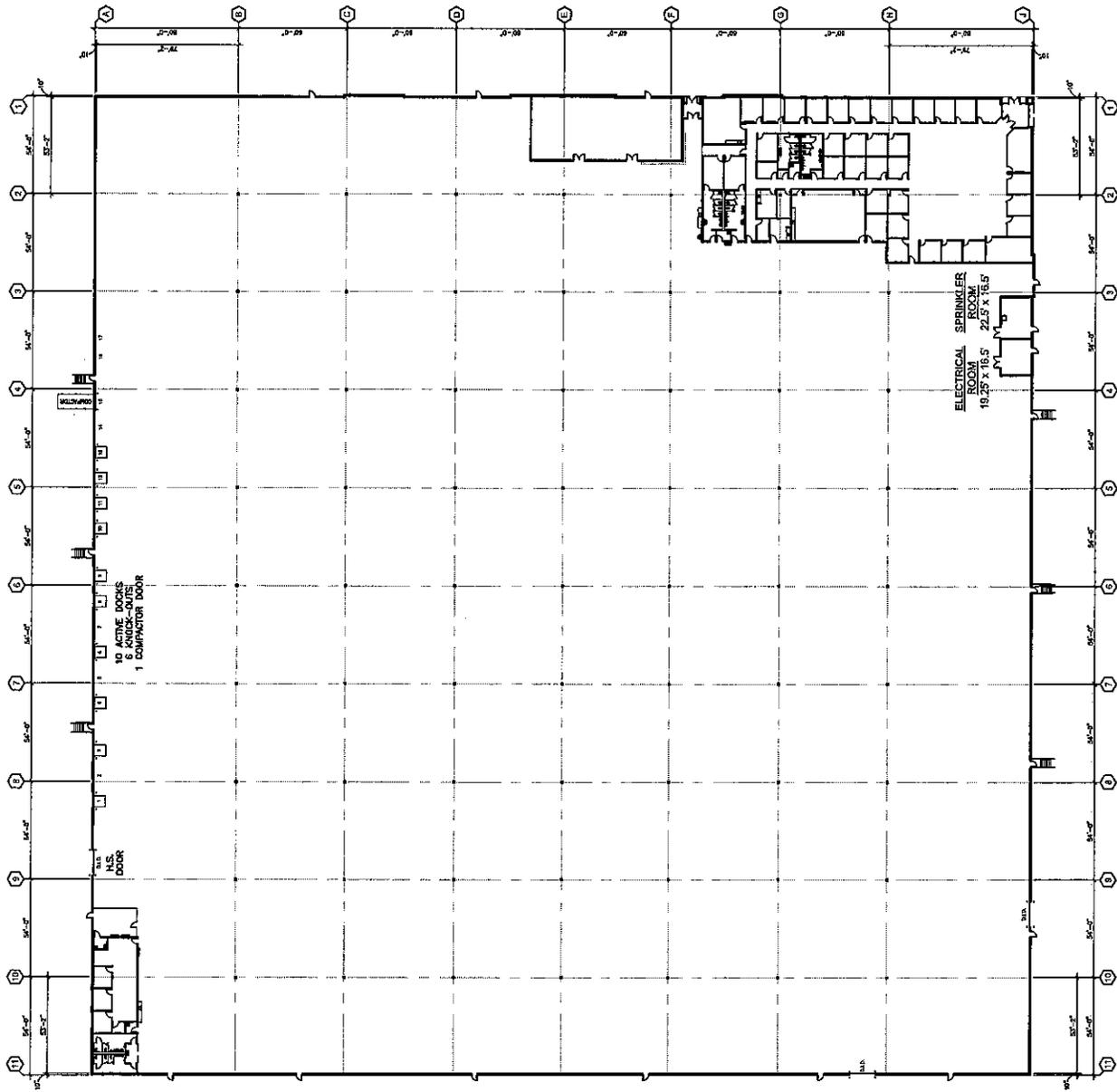
Regards,

A handwritten signature in black ink, appearing to read 'Paul Thurston', with a long horizontal flourish extending to the right.

Paul Thurston

Becknell Industrial

Mobile: 217-649-4450



DATE: 3-22-21
SCALE: N.T.S.

LOCATION: 69th AVENUE
HOBART, INDIANA
BUILDING PLAN (Reference)



280,931 G.S.F.



DRAFT

DEVELOPMENT AGREEMENT

by and between

THE CITY OF HOBART, INDIANA,

**THE CITY OF HOBART BOARD OF
PUBLIC WORKS AND SAFETY**

and

INDIANA BECKNELL INVESTORS 2011, LLC

**A Delaware Limited Liability Company
admitted to do business in Indiana**

_____, 2021



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SCHEDULE OF EXHIBITS

Exhibit A: Illustrative Property Tax Abatement Analysis by Baker Tilly
Municipal Advisors, LLC—March 4, 2021 21



DEVELOPMENT AGREEMENT

THIS AGREEMENT is made and entered into on the _____ day of _____, 2021 by and between INDIANA BECKNELL INVESTORS 2011, LLC, a Delaware Limited Liability Company admitted to do business in the State of Indiana with principal offices located at 2750 East 146th Street, Carmel, Indiana 46033 (the “Company”), the CITY OF HOBART, INDIANA, a municipal corporation organized and existing under the laws of the State of Indiana with principal offices at 414 Main Street, Hobart, Indiana 46342 (the “City”), and the BOARD OF PUBLIC WORKS AND SAFETY OF THE CITY OF HOBART, an instrumentality of the City, with offices at the same address (“Board”). The City and Board are collectively referred to as the “City Parties.”

Recitals

WHEREAS, the Company is in the business of real estate development for logistical, light industrial and commercial properties, and the Company, and one or more of its related entities, previously acquired significant real estate in the City of Hobart and established the NorthWind industrial park. Becknell Industrial, LLC, one of those entities, has constructed a number of large projects in NorthWind for a variety of companies involved in distribution and manufacturing; and

WHEREAS, the City is an Indiana municipality of approximately 30,000 persons, strategically situated in Lake County along I-65 near its junction with Interstate Highways 80, 90, 94 and several rail lines. The Board is an instrumentality of the City empowered to issue and approve City contracts and to supervise the City’s Public Works and emergency services departments; and

WHEREAS, the Company expects to enter into an agreement to construct and lease a new 280,800 square foot manufacturing plant with office facilities of pre-cast concrete construction with 36’ foot clearance on a portion of the subject property for 2100 69th AVENUE, LLC, a Delaware limited liability company. The new facility occupies a site on 69th Avenue a short distance East of its intersection with Mississippi Street in the City, said site being legally described as:

THAT PART OF THE WEST 1/2 OF THE EAST 2/5 OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, AND THE EAST 1/5 OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, TOGETHER WITH THAT PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, IN TOWNSHIP 35 NORTH RANGE 8 WEST OF THE 2ND PRINCIPAL MERIDIAN LAYING SOUTH OF THE RIGHT OF WAY OF THE CHICAGO AND GRAND TRUNK ROUTE RAILWAY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION; THENCE SOUTH 89 DEGREES 24 MINUTES 53 SECONDS EAST, 1854.41 FEET; THENCE NORTH 00 DEGREES 06 MINUTES 06 SECONDS EAST, 1037.97 FEET; THENCE NORTH 78 DEGREES 17 MINUTES 25 SECONDS



WEST, 1893.22 FEET; THENCE SOUTH 00 DEGREES 05 MINUTES 43 SECONDS WEST, 1403.26 FEET; TO THE PLACE OF BEGINNING CONTAINING 51.9631 ACRES, MORE OR LESS; IN LAKE COUNTY, INDIANA.

The above-described parcel is referred to in this Agreement as the “subject property” and occupies all or portion of the land included in the following two property numbers: 45-12-11-300-009.000-046 and 45-12-11-300-010.000-046. The new facility is anticipated to be constructed in conformance to the Site Plan which is on file with and has been approved by the City Plan Commission;” and

WHEREAS, in connection with the construction of the facility, the Company has applied to the City for the grant of a real estate tax abatement under I.C. §6-1.1-12.1-1, *et seq.*; and

WHEREAS, the City and the Company reached agreement upon the promises, terms and conditions upon which the City is to grant such abatement to the Company, which abatement is important to both the Company and TENANT in assuring the financial viability of the project and its subsequent profitability. The City will grant said real property abatement through the adoption by the Common Council of the City of Resolution Nos. 2021-_____ and 2021-_____, the latter adopted on _____, 2021; and

WHEREAS, the Company, the City of Hobart and its Board of Public Works and Safety will have agreed upon and executed this Development Agreement (“DA”) stating the covenants, terms and conditions under which the Company would receive the City’s economic incentive through real property tax abatement, and the Company would deliver the promised benefits of the project, said DA being adopted and approved by action of the Common Council of the City through its Resolution No. 2021-____ on _____, 2021 and by the Board of Public Works and Safety on the same date through the Board’s Resolution Number 2021-_____.

THEREFORE, IN CONSIDERATION of the mutual promises, terms and conditions hereinafter set forth and intending themselves to be legally bound, the parties agree as follows:

1. Duties of the Company. The Company agrees to undertake and perform the following duties:

a. Cause the construction of its proposed new facility in Hobart, Indiana in substantial conformance to the written application, Statement of Benefits form with attachments thereto, plans and specifications submitted to and approved by the City. Changes agreed to between the Company and TENANT shall be subject to City Building Department approval only if required by City of Hobart Ordinances.

b. Comply with all applicable requirements of the City’s Zoning Ordinance, particularly the site review process as applied to Planned Unit Developments for Manufacturing, Office Service or Planned Business Parks as required by Hobart Municipal Code (HMC) §154.296 (B) and the design guidelines appearing in HMC §154.308, the City’s Building Codes, and the orders and actions of the City Plan Commission, Board of Zoning Appeals and Common Council;



c. Comply with the requirements of the City of Hobart Responsible Bidding Practices Ordinance, as amended, (HMC §§33.200 through 207) as to any contractor and subcontractor engaged by the Company, unless the application of such Ordinance is waived by the Common Council of the City;

d. Pay in full, when required, all City fees prescribed by ordinance in connection with the construction of its facility and the tax deduction and abatement process, including, but not limited to building permit fees, abatement application and exaction fees, financial impact and analysis fees and compliance review fee;

e. Make or cause to be made all filings of applications, Forms SB-1 and CF-1 when due under I.C. §6-1.1-12.1-1, *et seq.*, particularly I.C. §§6-1.1-12.1-3, 3.5, 5, 5.6 and 5.3;

f. Pay or cause to be paid all property taxes levied upon the real property of the Company in connection with the facility when due subject only to Section 3 (d) below on tax appeals;

g. Within 30 days of the taking effect of this Agreement, sign and deliver to the City an affidavit pursuant to I.C. §22-5-1.7-11 that affirms that the Company has enrolled and is participating in the E-Verify program, provides documentation to the City that the Company is participating in the E-Verify program, and signs an affidavit affirming that the Company does not knowingly employ an unauthorized alien;

h. Refrain from any discrimination in employment on account of race, religion, gender, color, national origin, sexual orientation, disability or age under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and any other federal law, similar state law or local ordinance applicable to the Company's construction of the new facility;

i. Comply with all applicable laws of the City of Hobart, the State of Indiana and the United States in the construction of the subject property by the Company;

k. Record this fully-executed Agreement in the Office of the Lake County Recorder, Crown Point, Indiana at the Company's expense, and deliver copies of the recorded Agreement to the City Clerk-Treasurer and the City Department of Development. This Agreement shall take effect upon its execution and its recordation.

l. Comply with all provisions of this Agreement.



2. Duties of the City. The City, the Board, their officials and employees agree to undertake and perform the following duties:

a. Approve the designation of the site for location of the Equipment as an Economic Revitalization Area pursuant to I.C. §6-1.1-12.1-1, *et seq.*, for the purpose of qualifying the new facility for the grant of real property tax abatement. The parties agree that the abatement to be granted by the City will conform to the following terms. These tax years are based upon information provided by the Company. The Company agrees to notify the City in writing if construction completion is delayed or accelerated, which may affect the tax years in the following tables:

Real Property:

Estimated Cost: \$ 16,895,433.00
Estimated Assessed Value: \$12,327,000.00

Deduction Period: Ten Years.

Deduction Schedule:	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%

The foregoing deduction schedule will be included in Section Six of Hobart City Council Resolution No. 2021-_____ as per page 2 of the Baker-Tilly analysis dated March 4, 2021.

b. Provide assistance, advice, and guidance to the Company at its request concerning any of the matters discussed in this Agreement. Such guidance shall be provided to the Company at no cost unless the City's staff determines that it does not have the capability to respond to the Company's request and would be required to consult persons not employed by the City in assisting the Company whereupon the City will notify the Company in writing and will not engage any expert consultant to the City at the Company's expense without the Company's written authorization to do so. The company shall pay the reasonable cost of the City's employee time in consulting with others.

c. Provide all City services customarily provided by the City to businesses similar to the Company located in Ross Township including, but not



limited to, police, fire prevention and suppression, storm water management, street and infrastructure management of City thoroughfares. The Company understands that:

(i) Waste water collection, treatment and disposal is not the responsibility of the City of Hobart, but of the Merrillville Conservancy District, and that water service is the responsibility of Indiana American Water Company, a privately-owned public utility; and

(ii) The assessment of real property is the responsibility of the Ross Township Assessor and the application of the deduction to the Company's assessed value is the responsibility of the Lake County Auditor.

d. In reliance on the Company's representation below in Section 3 (c) and the prior record of the company in compliance with the City's Responsible Bidding Practices Ordinance (HMC §§ 33.200-33.207), the Common Council will waive the application of that Ordinance for the construction of this facility.

3. Additional Covenants and Representations of the Company. In addition to the duties of the Company specified in Section 1 above, the Company agrees to adhere to and carry out the following commitments and representations:

a. Employment

The Company represents that during the period of construction (which is now anticipated to commence on April 1, 2021 and conclude on December 31, 2023); construction of the new facility will result in the retention of approximately 120 full-time construction jobs, with a total cost of construction of \$17,610,000.00. Compliance with the above employment commitment shall be determined solely by the actual total construction cost at the conclusion of construction, irrespective of the actual number of retained jobs achieved.

b. Local Sub-Contractors

The Company further represents and agrees that during the period of construction, any contractors or sub-contractors based in the City of Hobart, Indiana, with competitive bids shall be preferred for all work contracted by the Company for the new facility.

c. Union Labor

The Company's contractor has represented that it will employ union labor in the construction of the new facility.

d. Tax Payments and Appeals

The Company shall pay, or cause to be paid, when due, all real property taxes assessed for the new facility. Property tax appeals shall be governed by the following requirements:



(i) *Real Estate Property Tax Appeals:* The Company agrees to refrain from filing or otherwise pursuing any real property tax appeal regarding the new facility for any year during the initial term of the lease between Becknell and TENANT, and which would have the effect of reducing the minimum net real estate property taxes payable for the new facility for the years stated in the following table, and for the years thereafter during the pendency of said initial lease term which would have the effect of reducing the minimum net real estate property taxes in those years payable in the amount specified for 2033 in said table, provided that, the assessed value of the real property improvements for the new facility reaches \$12,327,000.00. In the event that the assessed value of the real property of the new facility is less than \$12,327,000.00, the amount indicated in the table below for that year will be reduced by the percentage by which the actual valuation is less than \$12,327,000.00, so that the minimum net taxes to be paid under this no appeal agreement, is reduced proportionately. It is expected that the Company will annually pay real property taxes in an amount not less than those listed in the table below, and in the event that actual real property taxes due are less than the minimum amount listed in the table the difference between actual real property taxes due and the minimum real property tax amount will be payable to the City:

Taxes Payable Year	Minimum Property Taxes to be Paid on the Proposed Real Property Investment (per the March 4, 2020 Analysis by Baker Tilly Municipal Advisors LLC, attached as Exhibit "A")
2024	\$ 0
2025	15,560.00
2026	62,230.00
2027	108,900.00
2028	155,570.00
2029	186,690.00
2030	217,800.00
2031	248,920.00
2032	280,030.00
2033	295,590.00

Because changes in the assessed value of the proposed real property investment by the Assessor will impact the minimum property taxes to be paid as specified in the table above, it is necessary to recalculate the minimum property taxes to be paid in any year in which the actual assessed value and tax rate figures on the proposed real property



investment result in a material increase in that year's minimum tax amount. (This is addressed in the recalculation procedure provided in the following paragraph.) Changes in assessed valuation due to a property tax appeal, by contrast, do not impact the minimum net tax obligation appearing in the table, but can impose the requirement upon the City to refund the appealed taxes, thus potentially placing the City in a position in which the intended benefit to the City of the minimum taxes to be paid is either lost or significantly diminished. Accordingly, the provisions of this subsection prohibiting appeals during the years the abatements are in effect and for five years thereafter are necessary.

Annual Recalculation. On or before March 1 of each year during the effective period of the above-stated minimum net real estate property taxes payable table for the new facility, the City, acting through its financial advisors, will obtain the latest available applicable assessment and tax rate figures for the building on the subject property and calculate the actual figure for property taxes to be paid in that year. In the event that the difference between the figure calculated for that year and the figure stated in the above minimum net real estate taxes payable table results in an increase in the tax to be paid in the amount of \$500.00 or more, then the City will adjust the above schedule for that year and the subsequent years accordingly, and the Company shall be given written notice of the newly calculated amount and adjustment to the table, and shall pay at least that amount in that year, when due, and the adjusted amounts in all subsequent years in the deduction period, unless a recalculation done in any of those years results in subsequent changes to the table. The Company agrees to execute a Reimbursement Agreement under HMC §155.01, *et seq.* annually and to make the deposit required under that Agreement to cover the fee charged by the City's financial advisors to review compliance with the minimum tax payments required above.

(ii) *Notice and Copy of Appeals and Related Documents:* The Company represents and affirms that, at the time of its execution of this Agreement, there are no appeals currently pending or anticipated to be filed by the Company for any property owned within the City of Hobart by the Company now and during the next eighteen (18) months. With respect to any appeal to be filed by the Company for property located in the City within the fifteen (15) year period commencing with the taking effect of this Agreement, the Company agrees to provide to the City through its Mayor and Director of Development, fifteen (15) days in advance of filing any real or personal property tax appeal, a written explanation as to why the appeal is being filed, along with complete copies of the appeal documents, including all schedules and exhibits.



(iii) *Representations and Agreements Incorporated by Reference.* The material representations and agreements made by the Company and contained in its Applications for Tax Abatement, forms SB-1, CF-1, and all exhibits and schedules attached thereto or referenced therein shall be deemed to be incorporated into this Agreement by reference and made an integral part hereof.

e. Other Representations of the Company.

The Company hereby makes the following representations and warranties, and acknowledges and agrees that such representations and warranties have been material to the City Parties' decisions to enter into this Agreement, and further agrees that each representation and warranty shall be true, accurate and complete as of the execution of this Agreement:

(i) Indiana Becknell Investors 2011, LLC is a Limited Liability Company validly organized and existing under the laws of the State of Delaware and is admitted to do business as a foreign business organization in the State of Indiana;

(ii) All necessary action has been taken to authorize the Company's execution of this Agreement; the Company possesses the requisite power to enter into this Agreement and all other agreements contemplated hereby, and to perform its obligations hereunder; and this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights heretofore or hereafter enacted and subject to the exercise of judicial discretion in accordance with general principles of equity;

(iii) Neither the execution and delivery by the Company of this Agreement, the consummation of the transactions contemplated herein, nor compliance with the provisions hereof violates, breaches, contravenes, conflicts with, or causes a default under any provision of the Articles of Organization or Operating Agreement of the Company or any provision of any existing note, bond, mortgage, debenture, indenture, trust, license, lease, instrument, decree, order, judgment or agreement to which the Company is a party or by which it or its assets may be bound or affected;

(iv) No litigation or proceeding in any court or before any other governmental authority or other person or entity is currently pending or, to the actual knowledge of the Company, threatened, which seeks to enjoin the Company from entering into this Agreement or any of the transactions contemplated hereby; and

(v) The Company is entering into this Agreement for the sole purpose of providing for the development of the new facility on the site described above subject to and in accordance with the terms and conditions of this Agreement.

(vi) The Company represents and agrees to use commercially reasonable efforts to construct the new building on time, subject only to delays



caused by civil insurrection, acts of God, war, damage caused by inclement weather, and the acts or omissions of TENANT, so that its anticipated completion date of December 31, 2023 will be met. In the event that the building is delayed such that the assessment of the building for real property tax purposes cannot be accomplished in time for tax payable year 2024, the City reserves the right to obtain an updated financial impact analysis from its financial advisors at Company expense and to establish a new amended table of real property taxes to be paid in Section 3 (d) (1) of this Agreement, the methodology for the determination of which shall be consistent with that which resulted in the table above. The City shall give written notice to the Company of the updated analysis and newly established table.

Notwithstanding the foregoing paragraph, in the event that the building is not completed, assessed and occupied by December 31, 2025, the City may, upon its sole determination, terminate this Agreement and the property tax incentive granted herein in the manner provided by law.

4. Return of Benefits. Upon the occurrence of any one or more than one of the events stated below in Sub-Section (a), the Company, its successors by merger or acquisition, or its assigns, shall be responsible for reimbursing the City for the difference between the amount of real estate taxes for which the Company would otherwise have been liable if not for the real estate tax abatement granted in this Agreement during any year it was in effect during and prior to the event in sub-section (a) below occurring, and the actual real estate taxes paid by Company, or on its behalf (the “Abated Taxes”):

a. Events Requiring Reimbursement and Repayment.

Within 90 days of the occurrence of any of the following events, the Company, its successors by merger or acquisition, or its assigns shall pay to the City, in full, the Abated Taxes, by check or wire transfer made payable to the City, and delivered to the Office of Clerk-Treasurer, 414 Main Street, Hobart, Indiana 46342, or such other governmental entity as the City may direct, in writing, provided that any of such events occur prior to the expiration of the period during which any abatement granted by the City pursuant to this Agreement is in effect:

(i) The seizure, attachment or foreclosure of the new facility which results in its vacancy or abandonment for 12 consecutive months.

(ii) Failure of the Company, at the end of construction, to achieve ninety percent (90%) of the total cost of construction specified in Section 3 (a).

b. Termination of Section 4.

The effectiveness of the provisions of this Section 4 shall expire five (5) years after the end of the abatement period granted under this Agreement.

5. Reporting Obligations during Construction.



a. Upon substantial completion of the Project, the Company agrees to report or cause to be reported to the City, the total number of local contractors or sub-contractors involved in the Project, and the total cost of construction expended by the Company. As used herein, the term “local” is defined to mean the City of Hobart, Indiana.

b. Not more than twice during construction of the Project, the Company, upon a written request from the City, will deliver to the City a written report which shall include the following information: (i) a general status report of the construction completed to date and (ii) an update on the project schedule. Upon the Project’s completion, the Company will report the total monetary investment by the Company in the Project.

6. Material Consideration. The Company acknowledges and agrees that its agreements to perform and abide by the covenants and obligations set forth in this Agreement are material consideration for the commitments of the City Parties to perform and abide by their covenants and obligations contained in this Agreement.

7. Mutual Assistance. The Parties agree, subject to further proceedings required by law, to take such actions, including the execution and delivery of such reports, documents, instruments, petitions and certifications as may be necessary or appropriate in good faith, from time to time, to carry out the terms, provisions, and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions, and intent.

8. Community Engagement. The Company, as a Hobart business, acknowledges and agrees that it will fully engage with the community of Hobart, and support groups, organizations, initiatives and institutions that contribute to the improvement of the quality of life in Hobart and the betterment of the City. Such engagement and support may include, but is not limited to, financial contributions, volunteering of time, and/or participating in social, cultural, civic and religious events within the City. As a part of its annual filing of form CF-1, the Company shall include an overview outlining those actions the Company and its employees have undertaken to meet the Company’s obligation under this section.

9. Cooperation. In the event of any administrative, legal or equitable action or other proceeding instituted by any person not a party to this Agreement challenging its validity or the validity of any provision thereof, the Parties shall cooperate in defending such action or proceeding to settlement or final judgment including all appeals. Each Party shall select its own legal counsel and retain such counsel at its own expense, and in no event shall the City Parties be required to bear the fees and costs of the Company's attorneys nor shall the Company be required to bear the fees and costs of the City Parties’ attorneys. The Parties agree that this Section 8 shall constitute a separate agreement entered into concurrently with this Agreement, and that, if any other provision of this Agreement, or this Agreement as a whole is invalidated, rendered null, or set aside by a court of competent jurisdiction, the Parties agree to be bound by the terms of this Section 9, which shall survive such invalidation, nullification, or setting aside.

10. Enforcement and Attorney Fees. The provisions of this agreement may be enforced by either of the City Parties or the Company through any and all remedies available at



law or in equity. In the event of any litigation or arbitration between or among the Parties regarding an alleged breach of this Agreement, the prevailing party will be entitled to recover its reasonable attorney fees and expenses of litigation.

11. No Agency, Joint Venture or Partnership. It is specifically understood and agreed to by and between the Parties that the Project is a private development. The City Parties and the Company hereby renounce the existence of any form of agency relationship, joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between the Parties.

12. Conflict of Interest; Representatives of City Parties Not Individually Liable. No member, official, or employee of the City Parties shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No member, official, or employee of the City Parties shall be personally liable to the Company or to any successor in interest, in the event of any default or breach by the City Parties or for any amount which may become due to the Company or their successors or assigns, on any obligations under the terms of the Agreement. No member, employee or agent of the Company or the Company's successors shall be personally liable to the City Parties or to each other under this Agreement.

13. Future Acts and Good Faith. The Parties acknowledge and understand that (a) the Parties must take future actions to implement and maintain their respective obligations under this Agreement, and (b) certain of the representations, performance of the covenants, and agreements of the City Parties are subject to and contingent upon compliance with and completion of applicable statutory and administrative procedures, including, without limitation, any applicable public notice and public hearing requirements, official actions by governing bodies, and any remonstrance and appeal rights. Subject to compliance with and to the fullest extent permitted by applicable laws, each of the City Parties covenants that it shall diligently pursue and use its best efforts to do all things lawfully within its power, to take such future actions and to comply with all applicable statutory and administrative proceedings at such times and in such manner as to effectuate and implement the provisions and intent of this Agreement to the fullest extent possible in accordance with the time limits set forth herein, time being of the essence.

14. Waiver of Jury Trial. The parties acknowledge that disputes arising under this Agreement are likely to be complex and they desire to streamline and minimize the cost of resolving same. Each party irrevocably waives the right to trial by jury in any action, counterclaim, dispute or proceeding based upon, or related to the subject matter of this Agreement. This waiver applies to all claims against all parties to such actions and proceedings. This waiver is knowingly, intentionally and voluntarily made by all parties.

15. Severability. If any one or more than one of the covenants, terms or conditions of this Agreement should be determined by a court of competent jurisdiction to be unenforceable or contrary to law, such covenant, term or condition shall be null and void and shall be deemed



separate from the remaining covenants and agreements herein contained and the remaining provisions of this Agreement shall be given effect to the extent practicable. Notwithstanding the foregoing, in the event any provision of this Agreement is determined to be invalid under any applicable law and therefore deemed void hereunder, and such voided provision prevents the Company or the City Parties from realizing the intended benefits of this Agreement, then the Company and the City Parties agree to modify this Agreement in a manner that allows each of the Parties to realize the originally intended benefits of this Agreement to the greatest extent possible. If the Agreement cannot be so modified or amended to allow the Parties to realize the originally intended benefits of this Agreement, then the Company and the City Parties shall have the right to terminate this Agreement and upon such termination all rights and obligations under this Agreement shall be extinguished, and the Parties agree to execute such releases or other evidence of the extinguishment of such obligations as may be necessary.

16. No Other Agreement. With the exception of any written side agreements between the Company and the City concerning the reimbursement of expenses incurred by the City Parties prior to the execution of this Agreement, and the Agreement for Development of Parcel dated on or about December 4, 2019, and as otherwise expressly provided herein, this agreement supersedes all other prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the parties.

17. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Any telecopied or digitally transmitted version of a manually executed original shall be deemed a manually executed original.

18. Notices and Demands. A notice, demand, or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and in the case of the Company, is addressed to or delivered personally to:

Company: Mark Shapland
Executive Vice President –Chief Operating Officer
120 East Burlington Avenue
La Grange, Illinois 60525

With a copy to: _____
2750 East 146th Street
Suite 200
Carmel, Indiana 46033

Patrick Harrington
Harrington Law LLC
201 West Springfield Avenue
Suite 601
Champaign, Illinois 61820



In the case of the City Parties or either of them addressed to or delivered personally to:

City: Mayor Brian K. Snedecor
City of Hobart
414 Main Street
Hobart, IN 46342

With copies to: Beth Jacobson
Director of Development,
City of Hobart
414 Main Street
Hobart, IN 46342

Heather A. McCarthy
City Attorney
Hobart Department of Law
705 East 4th Street
Hobart, IN 46342

or at such other address with respect to such Party as that Party may, from time to time, designate in writing and forward to the other parties as provided in this section.

19. Governing Law. This Agreement shall be construed and enforced under the laws of the State of Indiana. The Parties agree to submit to the exclusive jurisdiction and venue of the courts of the State of Indiana sitting in Lake County, Indiana and the U.S. District Court for the Northern District of Indiana, Hammond Division.

20. Authority. The undersigned persons executing and delivering this Agreement on behalf of each of the Parties represent and certify that they are the duly authorized officers of such Party and have been fully empowered to execute and deliver this Agreement on behalf of such Party and that all necessary actions to execute and deliver this Agreement have been taken by such Party.

21. No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon any person, firm, or corporation other than the parties hereto and their respective successors or assigns, any remedy or claim under or by reason of this Agreement or any term, covenant, or condition hereof, as third-party beneficiaries or otherwise, and all of the terms, covenants, and conditions hereof shall be for the sole and exclusive benefit of the Parties.

22. Assignment. Upon written consent of the City Parties, the Company may assign its rights and obligations under this Agreement to another party capable of performing all covenants and terms of this Agreement binding upon the Company. Such consent shall not, in such case, be unreasonably withheld, conditioned or delayed.



23. Amendments. This Agreement may be amended from time to time, in whole or in part, only by a written agreement executed by the parties and adopted in like manner as this Agreement.

24. Default. Any material failure by any Party to perform any term or provision of this Agreement, which failure continues uncured for a period of thirty (30) days following written notice of such failure provided to the defaulting party from another Party, unless such period is extended by written mutual consent (but any extension is at the non-defaulting Party's sole discretion), shall constitute a default under this Agreement ("Default"). Any notice given pursuant to the preceding sentence shall specify the nature of the alleged failure and, where appropriate, the manner in which said failure satisfactorily may be cured. If the nature of the alleged failure is such that it cannot reasonably be cured within such thirty-day period (provided economic considerations may not be a factor in such delay), then the commencement of the cure within such time period, and the diligent prosecution to completion of the cure thereafter, shall be deemed to be a cure within such applicable period. Upon the occurrence of a Default, a non-defaulting Party may institute legal proceedings at law or in equity (including any action to compel specific performance) to enforce the observance and performance of any covenant, condition, obligation, or agreement of the defaulting party under this Agreement; provided, that, in no event shall any Party have the right to terminate this Agreement. If the Default is cured, then no Default shall exist and the noticing Party shall take no further action.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INDIANA BECKNELL INVESTORS 2011, LLC,
a Delaware Limited Liability Company ("Company")

By: Becknell Industrial Operating Partnership, LP,
its sole member

By: Becknell Industrial Operating Partnership GP,
LLC, its general partner

By: _____,
Authorized Signatory

Name Printed: _____

CITY OF HOBART, INDIANA ("CITY")
An Indiana Municipal Corporation



DRAFT

Draft No. 3—March 30, 2021

Name Printed: _____

S E A L

My Commission Expires: _____

County of Residence: _____

STATE OF INDIANA)
) ss:
LAKE COUNTY)

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared BRIAN K. SNEDECOR and _____, Mayor-Presiding Officer of the City of Hobart Board of Public Works and Safety and Assistant Clerk-Treasurer of the City of Hobart, Indiana, respectively, signatories to the above instrument and persons known to me, who acknowledged execution of same in such capacities on behalf of said City, as their free and voluntary acts, for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this _____ day of _____, 2021.

Notary Public

Name Printed: _____

S E A L

County of Residence: _____

My Commission Expires: _____

STATE OF INDIANA)
) ss:
LAKE COUNTY)

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared DEBORAH A. LONGER and RICH LAIN, Members of the Board of Public Works and Safety of the City of Hobart, Indiana, signatories to the above instrument and persons known to me,



DRAFT

Draft No. 3—March 30, 2021

who acknowledged execution of same in such capacities on behalf of said Board, as their free and voluntary acts, for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this _____ day of _____, 2021.

Notary Public

Name Printed: _____

S E A L

County of Residence: _____

My Commission Expires: _____

I affirm under the penalty for perjury that I have taken reasonable care to redact each Social Security number in this document unless required by law. Anthony DeBonis, Jr.



DRAFT

Draft No. 3—March 30, 2021

*This Instrument prepared by Anthony DeBonis, Jr.,
City of Hobart Redevelopment Commission Attorney,
ANTHONY DeBONIS, JR. & ASSOCIATES ATTORNEYS AT LAW, LLC,
9216 Norris Drive, Hobart, Indiana 46342
(219) 730-1970; Facsimile (219) 942-8781*

EXHIBIT "A"



MUNICIPAL ADVISORS

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

March 4, 2021

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

Re: Proposed Project MC – Real Property

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 Project MC. 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.

Page

2

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, Director



DRAFT

Draft No. 3—March 30, 2021

CITY OF HOBART, INDIANA

Proposed Project MC

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			Without Proposed Abatement Circuit Breaker Tax Credit (4)	Net Taxes	Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement		Gross Taxes	With Proposed Abatement Circuit Breaker Tax Credit (4)	Net Taxes			
2024	\$0	\$12,327,000	2.5241	\$0	\$0	\$311,150	\$0	\$311,150	\$311,150
2025	616,350	12,327,000	2.5241	15,560	15,560	311,150	0	311,150	295,590
2026	2,465,400	12,327,000	2.5241	62,230	62,230	311,150	0	311,150	248,920
2027	4,314,450	12,327,000	2.5241	108,900	108,900	311,150	0	311,150	202,250
2028	6,163,500	12,327,000	2.5241	156,570	156,570	311,150	0	311,150	155,580
2029	7,366,200	12,327,000	2.5241	186,690	186,690	311,150	0	311,150	124,460
2030	8,628,900	12,327,000	2.5241	217,800	217,800	311,150	0	311,150	93,350
2031	9,861,600	12,327,000	2.5241	248,920	248,920	311,150	0	311,150	62,230
2032	11,094,300	12,327,000	2.5241	280,030	280,030	311,150	0	311,150	31,120
2033	11,710,650	12,327,000	2.5241	295,590	295,590	311,150	0	311,150	15,560
Totals				\$1,571,290	\$1,571,290	\$3,111,500	\$0	\$3,111,500	\$1,540,210

(1) Assumes a proposed 280,800 square foot building with 17,000 square feet of office space, 213,800 of storage/warehouse space, and 50,000 of manufacturing space, as provided by the Company. Assumes the proposed building will be assessed at \$75 per square foot of office space, \$40 per square foot of storage/warehouse space, and \$50 per square foot for manufacturing space based upon comparable properties located in Hobart, Indiana. 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 2021 LIT PTRC of 16.3121%.

(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 2021 LIT PTRC of 16.3121%.

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 March 4, 2021)
(Preliminary - Subject to Change)
(For Internal Use Only)

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

CITY OF HOBART

AGENDA ITEM REQUEST FORM

(Please Print)

Meeting Date: April 7, 2021

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

Common Council (6:00 p.m.)

Item to be Added to Agenda: Resolution # 2021- 04. Declaratory Resolution – Request for a 10-year Real Property Tax Abatement for Indiana Becknell Investors 2011, LLC for property to be located at 2100 E. 69th Avenue.

Brief Description of Request for Consideration:

Request for a 10-year real property tax abatement for a 280,800 SF Manufacturing and Distribution

facility. The building will be owned by Indiana Becknell Investors 2011, LLC and leased to a tenant.

The tenant has a separate request before the Council for a personal property tax abatement. The estimated

value of the proposed facility is \$16,895,433.00. Becknell would like to begin construction as soon as

May of 2021. The petitioner also seeks a waiver from Resolution 2019-36 requiring tax abatement recipients to

follow the Responsible Bidding Practices Ordinance. The waiver language can be found in Section 8 of the

Declaratory Resolution. The petitioner has also provided a letter detailing the request.

If approved, please schedule a public hearing for May 5, 2021.

Supporting Documentation Attached: Project Summary Sheet, Letter dated March 26, 2021, SB-1, Council abatement application, Site Plan, Building Plan, Financial Impact Analysis dated March 4, 2021, Draft Development Agreement (not the final version).

Request Submitted by: Beth Jacobson

Address (Department): Economic Development

Phone Number (Ext.): 219.942.5517

Date Submitted: March 30, 2021

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