

RESOLUTION NO. 2021- 05

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

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

WHEREAS, 2100 E. 69th Avenue, LLC has requested that the real estate be designated as an Economic Revitalization Area for the purpose of achieving personal property tax abatement in connection with the following project on the real estate:

PROJECT: Installation of \$2,564,389 in new and used (transferred from out of state) manufacturing equipment; \$1,491,284 in new and used (transferred from out of state) logistical equipment; \$583,000 in new and used (transferred from out of state) information technology equipment; and \$390,429 in new and used (transferred from out of state) research & development equipment

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

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

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

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

- a. That the estimate of the cost of the new and used (transferred from out of state)

manufacturing, logistics distribution, information technology, and research & development equipment is reasonable for equipment of that type.

- b. That the estimate of the number of individuals who will be employed or whose employment will be retained can reasonably be expected to result from the proposed described installation of the new and used (transferred from out of state) manufacturing, logistics distribution, information technology, and research & development equipment.
- c. That the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be expected to result from the proposed described installation of the new and used (transferred from out of state) manufacturing, logistics distribution, information technology, and research & development equipment.
- d. That the other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described installation of the new and used (transferred from out of state) manufacturing, logistics distribution, information technology, and research & development equipment.
- e. That the totality of benefits is sufficient to justify the deduction, all of which satisfy the requirements of Indiana Code 6-1.1-12.1-3 and 6.1.1-12.1-4.5 and can be reasonable expected to result from the installation of the new and used (transferred from out of state) manufacturing, logistics distribution, information technology, and research & development equipment.

Section 3: The Common Council of the City of Hobart hereby determines and finds that the proposed installation of new and used (transferred from out of state) manufacturing, logistics distribution, information technology, and research & development equipment can be reasonably expected to yield the benefits identified in the Statement of Benefits, Exhibit "B" attached, such form prescribed by the State Board of Tax Commissioners, including the list dated 11/13/2020 of the new and used (transferred from out of state) manufacturing, logistics distribution, information technology, and research & development equipment to be installed which is attached hereto as part of Exhibit "B" and is sufficient to justify the deduction granted under IC 6-1.1-12.1-4 and/or IC 6-1.1- 12.1-4.5 of the Indiana Code.

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

Section 5: The Common Council of the City of Hobart determines that such designation is for personal property tax abatement for new and used (transferred from out of state) manufacturing, logistics distribution, information technology, and research & development equipment to begin to be installed within twelve (12) months from the date of the adoption of a resolution confirming this resolution, by the Common Council and such installation completed within thirty (30) 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 new and used (transferred from out of state) manufacturing, logistics distribution, information technology, and research & development equipment. Such deduction shall be as follows:

Year One: 100%, Year Two: 90%, Year Three: 80%, Year Four: 70%, Year Five: 60%,

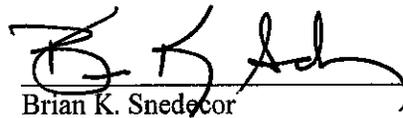
Year Six: 50%, Year Seven: 50%, Year Eight: 50%, Year Nine: 50%, Year Ten: 49%

Section 7: The Common Council of the City of Hobart directs the Clerk to cause notice of the adoption and substance of this Resolution for personal property tax abatement to be published in accordance with IC 5-3-1, as amended, said publication providing notice of the public hearing before the Common Council on the proposed confirmation of said declaration and to file a copy of this resolution with the County Assessor, and to file the information required by Indiana Code 6-1.1-12.1-2.5(c) with the officers of each taxing unit that has authority to levy property taxes in the geographic area where the Economic Revitalization Area is located.

Section 8: Pursuant to Common Council Resolution 2019-36, the Council now finds that the owner of the subject personal property will, for the installation of equipment during construction of its building, utilize contractors recommended by the building owner and constructor, which has an established prior history of cooperation with the City and local labor organizations. Further, other equipment will be installed pursuant to agreements with the manufacturers thereof to sell, install and warrant the equipment. 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.*

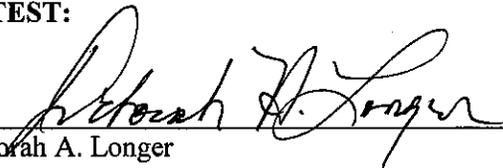
Section 9: This resolution shall be in full force and effect from and after its adoption by the Common Council.

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.



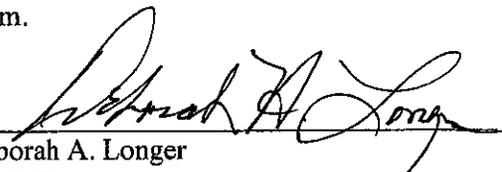
Brian K. Snedecor
Presiding Officer

ATTEST:



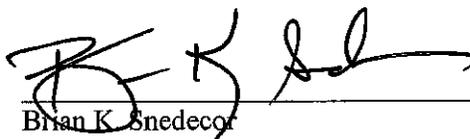
Deborah A. Longer
Clerk-Treasurer

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



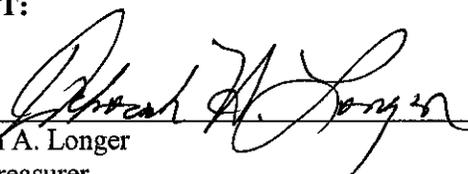
Deborah A. Longer
Clerk-Treasurer

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
PERSONAL PROPERTY**

State Form 51764 (R5 / 1-21)

Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

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

INSTRUCTIONS:

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** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between January 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between January 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1		TAXPAYER INFORMATION							
Name of taxpayer 2100 E. 69TH AVENUE, LLC		Name of contact person DAVID JOHNSON							
Address of taxpayer (number and street, city, state, and ZIP code) 2100 E. 69th Ave, Merrillville, IN 46410		Telephone number (708) 915-1510							
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT							
Name of designating body Hobart Common Council		Resolution number (s) 2021-							
Location of property 2100 E. 69th St, Hobart, IN 46410		County Lake							
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) A \$5,029,102 equipment investment to be used in the secondary fabrication, assembly and distribution of electrical products for use in non-residential construction industry. See Exhibit B for additional detail.		ESTIMATED							
		START DATE	COMPLETION DATE						
		Manufacturing Equipment	02/01/2022 03/01/2022						
		R & D Equipment	02/01/2022 03/01/2022						
		Logist Dist Equipment	02/01/2022 03/01/2022						
		IT Equipment	02/01/2022 03/01/2022						
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT							
Current Number 37	Salaries \$2,028,705	Number Retained 37	Salaries \$2,028,705	Number Additional 45	Salaries \$2,187,652				
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT							
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT		
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	
Current values	0	0	0	0	0	0	0	0	
Plus estimated values of proposed project	2,564,389	769,317	390,429	117,129	1,491,284	447,385	583,000	174,900	
Less values of any property being replaced	0	0	0	0	0	0	0	0	
Net estimated values upon completion of project	2,564,389	769,317	390,429	117,129	1,491,284	447,385	583,000	174,900	
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER							
Estimated solid waste converted (pounds) N/A		Estimated hazardous waste converted (pounds) N/A							
Other benefits: Additional benefits around salary - Refer to Council Application with attached page two in regard to equipment installation and salary projections along with accompanying spread sheet data on salary ranges and job groups.									
SECTION 6		TAXPAYER CERTIFICATION							
I hereby certify that the representations in this statement are true.									
Signature of authorized representative <i>[Signature]</i>						Date signed (month, day, year) March 18, 2021			
Printed name of authorized representative David Johnson				Title Vice President					

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

- A. The designated area has been limited to a period of time not to exceed 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. Installation of new manufacturing equipment; Yes No Enhanced Abatement per IC 6-1.1-12.1-18
 - 2. Installation of new research and development equipment; Yes No Check box if an enhanced abatement was approved for one or more of these types.
 - 3. Installation of new logistical distribution equipment. Yes No
 - 4. Installation of new information technology equipment; Yes No
- C. The amount of deduction applicable to new manufacturing equipment is limited to \$ 2,564,389 cost with an assessed value of \$ _____ (One or both lines may be filled out to establish a limit, if desired.)
- D. The amount of deduction applicable to new research and development equipment is limited to \$ 1,491,284 cost with an assessed value of \$ _____ (One or both lines may be filled out to establish a limit, if desired.)
- E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ 583,000 cost with an assessed value of \$ _____ (One or both lines may be filled out to establish a limit, if desired.)
- F. The amount of deduction applicable to new information technology equipment is limited to \$ 390,429 cost with an assessed value of \$ _____ (One or both lines may be filled out to establish a limit, if desired.)
- G. Other limitations or conditions (specify) _____
- H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:
- Year 1 Year 2 Year 3 Year 4 Year 5 Enhanced Abatement per IC 6-1.1-12.1-18
 - Year 6 Year 7 Year 8 Year 9 Year 10 Number of years approved: _____
- (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)
- I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? Yes No
If yes, attach a copy of the abatement schedule to this form.
If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body) <u>Matt Ull</u>	Telephone number <u>(629) 942-1940</u>	Date signed (month, day, year) <u>4-7-21</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) <u>Deborah A. Longner</u>	Printed name of attester <u>DEBORAH A. LONGNER</u>	

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

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

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

Abatement Schedule:

- Year 1: 100%
- Year 2: 90%
- Year 3: 80%
- Year 4: 70%
- Year 5: 60%
- Year 6: 50%
- Year 7: 50%
- Year 8: 50%
- Year 9: 50%
- Year 10: 49%

G. The Development Agreement between the taxpayer and the City of Hobart dated _____, 2021 memorializes the benefits of this project and duties of the parties.

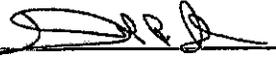
Exhibit "B"

Other Benefits Promised - Section 5 (continued)

Applicant: 2100 69TH AVENUE, LLC

Personal Property

Signed: _____



Date: _____

March 18, 2021

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 Personal Property Investment (as per the 3-4-2021 Baker Tilly Analyses)
2024	<u>\$11,540</u>
2025	<u>\$12,990</u>
2026	<u>\$18,680</u>
2027	<u>\$24,130</u>
2028	<u>\$29,290</u>
2029	<u>\$34,110</u>
2030	<u>\$34,560</u>
2031	<u>\$34,560</u>
2032	<u>\$34,560</u>
2033	<u>\$34,940</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(e)(i) of the Development Agreement dated _____ .

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

**LETTER OF INTENT
CONFIDENTIAL**

RE: Intent to Lease a Newly Constructed Building on 69th Avenue the City of Hobart and to Conduct Business therein

Dear Council Members:

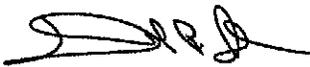
I take pleasure in informing you that our company has decided to locate its "Project MC" in the City of Hobart. (The name is fictitious at this time in the interest of confidentiality.) It is our intent to lease a building which is being constructed to our specifications by Becknell Industrial, and its related companies, on the North side of 69th Avenue East of its intersection with Mississippi Street. I know that you are already familiar with the location.

It is our intent to pursue the grant of personal property tax abatement. The equipment data we provided which was used in the most recent version of the personal property abatement analysis prepared by Baker Tilly Municipal Advisors, LLC sent to us and dated March 4, 2021 is still valid. The data agrees to what has been submitted as part of our application for abatement.

We recognize our obligation to enter into negotiations with the City on a Development Agreement to govern our commitments and those of the City in relation to this project. To that end, we have executed Hobart's requested Reimbursement Agreement, and have already mailed a check to the City making our requested deposit of \$12,500.00.

We look forward to successful completion of the Development Agreement and expanding our business in Hobart. Thank you.

Best Regards,



**David Johnson
Vice President
2100 E. 69TH AVENUE, LLC**

APPLICATION FOR TAX ABATEMENT - COMMON COUNCIL

Form CCAP revised 7/21/16

PETITIONER'S NAME: 2100 E. 69TH AVENUE, LLC PHONE: _____

ADDRESS: 2100 E. 69th Ave FAX: _____

CITY, STATE, ZIP CODE: Merrillville, IN 46410

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? NA WHERE? _____

NUMBER OF UNITS: _____

PROPOSED STARTING DATE FOR BUILDING CONSTRUCTION: Equipment install will begin 02.01.2022
(Must be within 12 months of approval date of confirmatory resolution)

PROPOSED COMPLETION DATE OF FIRST BUILDING UNIT: Equipment install will end 03.01.2022

WHAT HOBART BUSINESSES WILL BE INVOLVED IN THE PROJECT? See pg. 2 for additional support around equipment installation

*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 #: Not applicable \$ Not Applicable
BUSINESS #: 37 \$ 2,028,705

*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 \$ 2,187,652

WINDOW OF OPPORTUNITY PERIOD REQUESTED: 18 months

TAX ABATEMENT PERIOD OF DEDUCTION REQUESTED: 10 years (Flexible)

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:  DATE: March 18, 2021

*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.

Beth Jacobson
City of Hobart
414 Main Street
Hobart, Indiana 46342

RE: Equipment Installation and Salary Projections

Dear Hobart Common Council:

Equipment Installation

In House Installation

- Install racking/shelving, relocate inventory, and install equipment that does not require electrical hookups.
- 2100 E. 69 TH AVENUE, LLC (the “Company”) Maintenance and Engineering employees will be working with contractor groups configuring and setting up equipment.

Contractor Installation

- Equipment relocations/installations are quoted as turnkey projects. Contractors will quote an all-in cost which includes equipment, material, and labor. These quotes rarely break individualized costs, making any estimations of contractor labor inaccurate.
- The Company intends to use Becknell’s suggested contractors for the utility and equipment installations during the construction of the new facility. Once the Company has taken possession of the building, we will be using our preferred contractors and OEMs (Original Equipment Manufacturer).
 - Note: This could be subject to change depending on availability or more critically, qualifications around installing certain pieces of equipment.

Salary Projections

- The Company is estimating that our headcount will remain the same from years 2022-2025.
- Beginning in 2026, positions were excluded in our projections due to the nature of our business and potential expansion. We have provided a salary range that we are comfortable with projecting from 2026+.
 - The Company has preliminary plans to utilize the additional expansion space within the next 12 months. This would be an additional increase to both Manufacturing and Distribution activities.
 - The manufacturing at this facility is secondary fabrication and assembly. The products produced will be a mixture of MTO (Made to Order) and MTS (Made to Stock). MTO product volume is difficult to project over 10 years, and any projection would be inaccurate.
 - The Company anticipates relocating office personnel which is currently not considered within the salary projection. We are currently in the process of defining which employees would be eligible to transfer.
 - There are ~10 unassigned office/cubicle spaces that are reserved for additional employees.



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 – Personal 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.

<u>Page</u>	
2	Assumptions
3	Estimated Property Tax Liability for the Proposed Investment in Personal 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, Principal

CITY OF HOBART, INDIANA

Proposed Project MC

ASSUMPTIONS

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

	<u>Estimated Cost</u>
Depreciable Personal Property: (1)	
Existing Facilities - Transferred Property (2)	
Out-of-State	
- First assessed January 1, 2023 for taxes payable in 2024	\$2,828,271
In-State (3)	
- First assessed January 1, 2023 for taxes payable in 2024	<u>2,049,812</u>
Subtotal	4,878,083
 Proposed Investment (1)	
Pool #2 (4)	
- First assessed January 1, 2023 for taxes payable in 2024	<u>2,200,831</u>
 Total Investment	<u><u>\$7,078,914</u></u>

- (1) Per investment information provided by Company officials.
- (2) Represents the total acquisition cost of equipment estimated to be transferred to the project site from existing facilities. Information on acquisition cost, original in-service year, and depreciable life for the estimated transferred equipment provided by Company officials.
- (3) Personal property transferred to the project site from within the state of Indiana is not eligible for property tax abatement.
- (4) For the purposes of this analysis, it has been assumed that the proposed new equipment will be purchased as new and be depreciated in Pool # 2 (5 - 8 year useful life) for property tax purposes. Once installed, the Company may report the depreciation in a different pool, which may have a material effect on the resulting tax increment calculations. No assumption has been made for future equipment retirement/replacement.

Property Tax Rates	
Certified Pay 2021 Tax Rate	
- Hobart-Ross Township Taxing District	\$3.0161

Note: Indiana Code 6-1.1-20.6 provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property (the "Circuit Breaker Tax Credit"). For commercial and industrial property, the Circuit Breaker Tax Credit reduces a taxpayer's tax liability to 3% of their property's gross assessed value. The Indiana property tax caps, in combination with other potential future changes, such as increases in budgets and tax rates of overlapping taxing units, a loss of a major taxpayer, the adoption of local option income tax for property tax relief purposes, or future changes in Indiana property tax law and regulations, could affect the actual assessed value of the proposed development and the applicable property tax rates, and cause the actual property tax liability to differ significantly from the estimates shown in these schedules.

(Subject to the attached letter dated March 4, 2021)
(Preliminary - Subject to Change)
(For Internal Use Only)

CITY OF HOBART, INDIANA

Proposed Project MC

ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN PERSONAL PROPERTY
Assumes a 10-year personal property tax abatement

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)		Net Tax Rate (3)	Estimated Property Tax Liability			Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement		With Proposed Abatement (4)	Without Proposed Abatement (4)	Net Taxes	
2024	\$457,280	\$2,123,670	2.5241	\$11,540	\$11,540	\$53,600	\$42,060
2025	514,590	2,123,670	2.5241	12,990	12,990	53,600	40,610
2026	739,930	2,123,670	2.5241	18,680	18,680	53,600	34,920
2027	955,790	2,123,670	2.5241	24,130	24,130	53,600	29,470
2028	1,160,430	2,123,670	2.5241	29,290	29,290	53,600	24,310
2029	1,351,300	2,123,670	2.5241	34,110	34,110	53,600	19,490
2030	1,369,310	2,123,670	2.5241	34,560	34,560	53,600	19,040
2031	1,369,310	2,123,670	2.5241	34,560	34,560	53,600	19,040
2032	1,369,310	2,123,670	2.5241	34,560	34,560	53,600	19,040
2033	1,384,390	2,123,670	2.5241	34,940	34,940	53,600	18,660
Totals				\$269,360	\$269,360	\$536,000	\$266,640

- (1) Based on the assumptions outlined on page 2.
- (2) Assumes a 10-year personal property tax abatement on the new personal property and out-of-state transferred personal property with the following deduction percentages: 100%, 90%, 80%, 70%, 60%, 50%, 50%, 50%, and 49%. Personal property transferred to the project site from within the state of Indiana is not eligible for property tax abatement.
- (3) Represents the certified pay 2021 tax rate for the Hobart Corp.-Ross Twp. 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 and on page 2 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)

11.13.2020

Manufacturing Equipment

Asset Description	Acquisition Cost	Original In Service Date	Useful Life	Assessed Value	Check if		Estimated In Service Date at New Facility	Estimated Retirement Date (if planned/known)	Original Depreciable Months	Remaining Depreciation (Years)
					Transferred from out of state	New				
2 LIGHT CURTAINS	\$ 11,000	12/23/10	7	\$ 3,300	X		03/01/22		84	0.0
60 TON PUNCH PRESS MACHIN	\$ 14,400	12/23/10	7	\$ 4,320	X		03/01/22		84	0.0
ABRASIVE BLAST MACHINE	\$ 1,455	07/15/11	7	\$ 436	X		03/01/22		84	0.0
AIR COMPRESSOR #1	\$ 500	10/02/11	7	\$ 150	X		03/01/22		84	0.0
AIR COMPRESSOR #2	\$ 400	10/02/11	7	\$ 120	X		03/01/22		84	0.0
AIR DRYER FOR COMPRESSOR	\$ 4,300	12/23/10	7	\$ 1,290	X		03/01/22		84	0.0
AUTOMATIC BRUSH TUBE	\$ 144,180	01/15/11	7	\$ 43,254	X		03/01/22		84	0.0
BLISS 125 TON PRESS	\$ 100	12/23/10	7	\$ 30	X		03/01/22		84	0.0
BLISS PRESS OVERHAUL	\$ 27,000	12/23/10	7	\$ 8,100	X		03/01/22		84	0.0
CONCRETE INSERT PRESS	\$ 224,374	11/15/12	7	\$ 67,312	X		03/01/22		84	0.0
DIMPLEX 20TON WATER CHILL	\$ 27,300	12/23/10	7	\$ 8,190	X		03/01/22		84	0.0
FABLOK HEM SAW MBV100HLA3	\$ 30,200	12/23/10	7	\$ 9,060	X		03/01/22		84	0.0
FOUR POST MANDREL DIES	\$ 500	12/23/10	3	\$ 150	X		03/01/22		36	0.0
HM3751 INDUSTRIAL HOSE	\$ 37,300	12/23/10	7	\$ 11,190	X		03/01/22		84	0.0
HOODS FOR PEER WELDER	\$ 35,400	12/23/10	7	\$ 10,620	X		03/01/22		84	0.0
LATHE #2	\$ 900	10/02/11	7	\$ 270	X		03/01/22		84	0.0
LINCOLN WELDER	\$ 400	12/23/10	7	\$ 120	X		03/01/22		84	0.0
LORS WELD FEEDER	\$ 49,111	02/15/15	7	\$ 14,733	X		03/01/22		84	0.0
REBUILD 125 TON PRES	\$ 6,100	12/23/10	7	\$ 1,830	X		03/01/22		84	0.0
REFURBISH 100 TON PRESS	\$ 51,900	12/23/10	7	\$ 15,570	X		03/01/22		84	0.0
SOHO 60 TON BLISS REFURB	\$ 24,480	09/15/19	7	\$ 7,344	X		03/01/22		84	4.6
VEGAS WELDER	\$ 623,217	06/15/18	7	\$ 186,965	X		03/01/22		84	3.3
VEGAS WELDER	\$ 35,785	03/15/19	7	\$ 10,736	X		03/01/22		84	4.1
WELD CONTROL PEER PSW	\$ 23,555	03/15/11	7	\$ 7,066	X		03/01/22		84	0.0
WELDER UPGRADE	\$ 12,000	12/23/10	7	\$ 3,600	X		03/01/22		84	0.0
WRIGHT K WELDER	\$ 457,439	05/15/11	7	\$ 137,232	X		03/01/22		84	0.0
NEW LATHE SOUTH HOLLAND	\$ 13,600	12/23/10	7	\$ 4,080	X		03/01/22		84	0.0
SOHO AIR COMPRESSOR	\$ 32,493	04/15/20	7	\$ 9,748	X		03/01/22		84	5.2
Compressed Air System	\$ 150,000	09/01/22	7	\$ 45,000	X		03/01/22		84	7.0
Electrical Distribution	\$ 250,000	03/01/22	7	\$ 75,000	X		03/01/22		84	7.0
Water Distribution	\$ 25,000	03/01/22	7	\$ 7,500	X		03/01/22		84	7.0
Overhead Tarping System	\$ 50,000	03/01/22	7	\$ 15,000	X		03/01/22		84	7.0
Striping and Floor Epoxy	\$ 200,000	03/01/22	7	\$ 60,000	X		03/01/22		84	7.0
	\$ 2,564,389			\$ 769,317					0	0.0

11.13.2020

Logistics Distribution Equipment

Asset Description	Acquisition Cost	Original In Service Date	Useful Life	Assessed Value	Transferred from out of state	Check if New	Estimated in Service Date at New Facility	Estimated Retirement Date (if planned/known)	Original Depreciable Months	Remaining Depreciation (Years)
5000# TOYOTA FORKLIFT	\$ 10,700	12/23/10	7	\$ 3,210	X		03/01/22		84	0.0
5000LB TOYOTA FORKLIFT	\$ 12,100	12/23/10	7	\$ 3,630	X		03/01/22		84	0.0
8000LB TOYOTA FORKTRUCK	\$ 15,100	12/23/10	7	\$ 4,530	X		03/01/22		84	0.0
8000LB TOYOTA FORKTRUCK	\$ 15,100	12/23/10	7	\$ 4,530	X		03/01/22		84	0.0
8000LB TOYOTA FORKTRUCK	\$ 15,100	12/23/10	7	\$ 4,530	X		03/01/22		84	0.0
CK75 SCANNER	\$ 2,574	04/15/19	5	\$ 772	X		03/01/22		60	2.2
CK75 SCANNER	\$ 2,574	04/15/19	5	\$ 772	X		03/01/22		60	2.2
CK75 SCANNER	\$ 2,574	04/15/19	5	\$ 772	X		03/01/22		60	2.2
CK75 SCANNER	\$ 2,574	04/15/19	5	\$ 772	X		03/01/22		60	2.2
CLARK 10,000# FORKLIFT	\$ 5,400	12/23/10	7	\$ 1,620	X		03/01/22		84	0.0
COMBLIFT	\$ 52,600	12/23/10	7	\$ 15,780	X		03/01/22		84	0.0
COMBLIFT #C8000	\$ 49,100	12/23/10	7	\$ 14,730	X		03/01/22		84	0.0
DOUBLE SIDED CANTILEVER	\$ 6,659	06/15/14	7	\$ 1,998	X		03/01/22		84	0.0
ENGINE UNIT #H80C	\$ 500	12/23/10	7	\$ 150	X		03/01/22		84	0.0
NISSAN FORKLIFT 12K LB	\$ 7,200	12/23/10	7	\$ 2,160	X		03/01/22		84	0.0
NISSAN FORKLIFT JP100YLP	\$ 17,200	12/23/10	7	\$ 5,160	X		03/01/22		84	0.0
PALLET WRAPPER	\$ 100	10/02/11	7	\$ 30	X		03/01/22		84	0.0
PEER WELDER	\$ 19,000	12/23/10	7	\$ 5,700	X		03/01/22		84	0.0
PRCHASE 5 NEW FORK TRUCKS	\$ 96,000	12/23/10	7	\$ 28,800	X		03/01/22		84	0.0
SCISSOR LIFT REPLACEMENT	\$ 8,970	06/15/17	7	\$ 2,691	X		03/01/22		84	2.3
SIDE SHIFTER & INSTALLTN	\$ 4,900	12/23/10	7	\$ 1,470	X		03/01/22		84	0.0
SOHO COMBLIFT REPLACEMENT	\$ 82,145	11/15/19	7	\$ 24,644	X		03/01/22		84	4.8
TOYOTA FORKLIFT	\$ 45,954	11/15/15	7	\$ 13,786	X		03/01/22		84	0.8
TOYOTA FORKLIFT	\$ 78,993	11/15/15	7	\$ 23,698	X		03/01/22		84	0.8
ZEBRA ZT 400 PRINTER	\$ 1,705	04/15/19	5	\$ 512	X		03/01/22		60	2.2
ZEBRA ZT 400 PRINTER	\$ 1,705	04/15/19	5	\$ 512	X		03/01/22		60	2.2
CTI RACKING	\$ 10,378	10/15/16	7	\$ 3,113	X		03/01/22		84	1.7
CTI RACKING/CANTILEVERS	\$ 15,894	06/15/15	7	\$ 4,768	X		03/01/22		84	0.3
PALLET RACKS FOR ECN	\$ 7,822	05/15/12	7	\$ 2,347	X		03/01/22		84	0.0
PALLET RACKS FOR ECN	\$ 7,822	05/15/12	7	\$ 2,347	X		03/01/22		84	0.0
PALLET RACKS FOR ECN	\$ 7,822	05/15/12	7	\$ 2,347	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0

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Logistics Distribution Equipment

Asset Description	Acquisition Cost	Original In Service Date	Useful Life	Assessed Value	Check if		Estimated In Service Date at New Facility	Estimated Retirement Date (if planned/known)	Original Depreciable Months	Remaining Depreciation (Years)
					Transferred from out of state	New				
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICKER TRUCK BATTERY CHARG	\$ 3,800	12/23/10	7	\$ 1,140	X		03/01/22		84	0.0
PICKER TRUCK BATTERY CHAR	\$ 3,800	12/23/10	7	\$ 1,140	X		03/01/22		84	0.0
RAYMOND SWING LIFT TRUCK	\$ 83,400	12/23/10	7	\$ 25,020	X		03/01/22		84	0.0
SWING LIFT TRUCK BATTERY	\$ 5,400	12/23/10	7	\$ 1,620	X		03/01/22		84	0.0
CK 75 SCANNER #1	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #10	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #11	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #12	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #13	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #14	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #15	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #16	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #17	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #18	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #19	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #2	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3

11.13.2020

Logistics Distribution Equipment

Asset Description	Acquisition Cost	Original In Service Date	Useful Life	Assessed Value	Check if		Estimated in Service Date at New Facility	Estimated Retirement Date (if planned/known)	Original Depreciable Months	Remaining Depreciation (Years)
					Transferred from out of state	New				
CK 75 SCANNER #20	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #21	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #22	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
Forklift - Hyster Yale, R30XM3, H118N04825T	\$ 37,895	10/01/19	7	\$ 11,369	X		03/01/22		84	4.6
Forklift - Hyster Yale, R30XM3, H118N04831T	\$ 37,895	10/01/19	7	\$ 11,369	X		03/01/22		84	4.6
Warehouse Racking	\$ 100,000	03/01/22	7	\$ 30,000		X	03/01/22		84	7.0
Forklift - Hyster Yale, R30XM3 (QTY 6)	\$ 227,370	03/01/22	7	\$ 68,211		X	03/01/22		84	7.0
Forklift - Hyster Yale, S50FT (QTY 2)	\$ 56,390	03/01/22	7	\$ 16,917		X	03/01/22		84	7.0
Forklift - Hyster Yale, V30ZMU (QTY 1)	\$ 101,395	03/01/22	7	\$ 30,419		X	03/01/22		84	7.0
Vehicle - Autocar, ACTT42 (QTY 1)	\$ 120,495	03/01/22	5	\$ 36,149		X	03/01/22		60	5.0
	\$ 1,491,284			\$ 447,385					0	0.0

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Information Technology Equipment

Asset Description	Acquisition Cost	Original In Service Date	Useful Life	Assessed Value	Check if		Estimated In Service Date at New Facility	Estimated Retirement Date (if planned/known)	Original Depreciable Months	Remaining Depreciation (Years)
					Transferred from out of state	New				
Telecom/Network	\$ 150,000	03/01/22	5	\$ 45,000		X	03/01/22		60	5.0
Security- Cameras/Access Control/Timeclocks	\$ 125,000	03/01/22	5	\$ 37,500		X	03/01/22		60	5.0
JDE Infrastructure	\$ 308,000	03/01/22	5	\$ 92,400		X	03/01/22		60	5.0
	\$ 583,000			\$ 174,900						

11.13.2020

Research & Development Equipment

Asset Description	Acquisition Cost	Original In Service Date	Useful Life	Assessed Value	Check if		Estimated In Service Date at Facility	Estimated Retirement Date (if planned/known)	Original Depreciable Months	Remaining Depreciation (Years)
					Transferred from out of state	New				
TENSILE TESTER	\$ 53,248	01/15/15	7	\$ 15,974	X		03/01/22		84	0.0
Lab Equipment	\$ 337,181	03/01/22	7	\$ 101,154		X	03/01/22		84	7.0
	\$ 390,429			\$ 117,129						

Headcount Projections- Project MC

Group	Job Title	2021 (Baseline)			2022			2023			2024			2025			
		# of Jobs	Hourly	Annual	# of Jobs	Hourly	Annual	# of Jobs	Hourly	Annual	# of Jobs	Hourly	Annual	# of Jobs	Hourly	Annual	
Group 1	Coordinator - Inventory	1	\$ 15.68	\$ 32,618	1	\$ 16.07	\$ 33,424	1	\$ 16.48	\$ 34,269	1	\$ 16.89	\$ 35,126	1	\$ 17.31	\$ 36,004	
	Coordinator - Logistics	1	\$ 15.63	\$ 32,515	1	\$ 16.02	\$ 33,328	1	\$ 16.42	\$ 34,161	1	\$ 16.83	\$ 35,015	1	\$ 17.26	\$ 35,891	
	Coordinator - Logistics	1	\$ 15.26	\$ 31,736	1	\$ 15.64	\$ 32,530	1	\$ 16.03	\$ 33,343	1	\$ 16.43	\$ 34,176	1	\$ 16.84	\$ 35,031	
	Generalist - Human Resource	1	\$ 36.69	\$ 76,312	1	\$ 37.61	\$ 78,220	1	\$ 38.55	\$ 80,175	1	\$ 39.51	\$ 82,180	1	\$ 40.50	\$ 84,234	
	Handler I - Materials	1	\$ 19.20	\$ 39,938	1	\$ 19.68	\$ 40,937	1	\$ 20.17	\$ 41,960	1	\$ 20.68	\$ 43,009	1	\$ 21.19	\$ 44,084	
	Inspector IV - Quality A	1	\$ 19.12	\$ 39,772	1	\$ 19.60	\$ 40,766	1	\$ 20.09	\$ 41,785	1	\$ 20.59	\$ 42,830	1	\$ 21.10	\$ 43,901	
	Inventory Analyst	1	\$ 15.88	\$ 33,096	1	\$ 16.28	\$ 33,862	1	\$ 16.69	\$ 34,709	1	\$ 17.10	\$ 35,576	1	\$ 17.53	\$ 36,466	
	Mgr. - Customer Service	1	\$ 35.26	\$ 73,341	1	\$ 36.14	\$ 75,175	1	\$ 37.05	\$ 77,054	1	\$ 37.97	\$ 78,980	1	\$ 38.92	\$ 80,955	
	Mgr. Inventory Control	1	\$ 30.40	\$ 63,240	1	\$ 31.15	\$ 64,821	1	\$ 31.94	\$ 66,424	1	\$ 32.74	\$ 68,050	1	\$ 33.56	\$ 69,705	
	Mgr. Purchasing	1	\$ 30.36	\$ 63,140	1	\$ 31.11	\$ 64,719	1	\$ 31.89	\$ 66,336	1	\$ 32.69	\$ 67,987	1	\$ 33.51	\$ 69,675	
	Mgr Sr Product Management	1	\$ 69.68	\$ 144,924	1	\$ 71.42	\$ 148,547	1	\$ 73.20	\$ 152,261	1	\$ 75.03	\$ 156,067	1	\$ 76.91	\$ 159,969	
	Planner Demand	1	\$ 26.64	\$ 55,401	1	\$ 27.30	\$ 56,796	1	\$ 27.98	\$ 58,206	1	\$ 28.68	\$ 59,661	1	\$ 29.40	\$ 61,152	
	Product Engineer Manager	1	\$ 17.31	\$ 36,000	1	\$ 17.74	\$ 36,900	1	\$ 18.18	\$ 37,823	1	\$ 18.64	\$ 38,768	1	\$ 19.10	\$ 39,737	
	Production Laborer	1	\$ 22.50	\$ 46,800	1	\$ 23.06	\$ 47,970	1	\$ 23.64	\$ 49,195	1	\$ 24.23	\$ 50,468	1	\$ 24.84	\$ 51,788	
	Production Laborer	1	\$ 15.64	\$ 32,539	1	\$ 16.03	\$ 33,352	1	\$ 16.44	\$ 34,186	1	\$ 16.85	\$ 35,041	1	\$ 17.27	\$ 35,917	
	Production Laborer	1	\$ 16.07	\$ 33,415	1	\$ 16.47	\$ 34,251	1	\$ 16.88	\$ 35,107	1	\$ 17.30	\$ 35,985	1	\$ 17.73	\$ 36,884	
	Production Laborer	1	\$ 19.74	\$ 41,064	1	\$ 20.24	\$ 42,091	1	\$ 20.74	\$ 43,143	1	\$ 21.26	\$ 44,221	1	\$ 21.79	\$ 45,327	
	Rep. - Customer Service	1	\$ 17.86	\$ 37,150	1	\$ 18.31	\$ 38,079	1	\$ 18.76	\$ 39,031	1	\$ 19.23	\$ 40,007	1	\$ 19.71	\$ 41,007	
	Rep. - Customer Service	1	\$ 17.95	\$ 37,331	1	\$ 18.40	\$ 38,265	1	\$ 18.86	\$ 39,221	1	\$ 19.33	\$ 40,202	1	\$ 19.81	\$ 41,207	
	Rep. - Customer Service	1	\$ 14.78	\$ 30,743	1	\$ 15.15	\$ 31,512	1	\$ 15.53	\$ 32,300	1	\$ 15.92	\$ 33,107	1	\$ 16.31	\$ 33,935	
	Rep Sales	1	\$ 39.37	\$ 81,893	1	\$ 40.35	\$ 83,930	1	\$ 41.36	\$ 86,028	1	\$ 42.39	\$ 88,179	1	\$ 43.45	\$ 90,384	
	Rep Sales	1	\$ 36.27	\$ 75,442	1	\$ 37.18	\$ 77,328	1	\$ 38.11	\$ 79,261	1	\$ 39.06	\$ 81,243	1	\$ 40.04	\$ 83,274	
	Shipper/Receiver	1	\$ 16.00	\$ 33,280	1	\$ 16.40	\$ 34,112	1	\$ 16.81	\$ 34,965	1	\$ 17.23	\$ 35,839	1	\$ 17.66	\$ 36,735	
	Shipper/Receiver	1	\$ 15.57	\$ 32,379	1	\$ 15.96	\$ 33,188	1	\$ 16.35	\$ 34,018	1	\$ 16.76	\$ 34,868	1	\$ 17.18	\$ 35,740	
	Shipper/Receiver	1	\$ 18.71	\$ 38,927	1	\$ 19.18	\$ 39,900	1	\$ 19.66	\$ 40,892	1	\$ 20.15	\$ 41,920	1	\$ 20.65	\$ 42,988	
Shipper/Receiver	1	\$ 16.75	\$ 34,860	1	\$ 17.17	\$ 35,711	1	\$ 17.60	\$ 36,604	1	\$ 18.04	\$ 37,519	1	\$ 18.49	\$ 38,457		
Shipper/Receiver	1	\$ 16.36	\$ 34,057	1	\$ 16.77	\$ 34,888	1	\$ 17.19	\$ 35,760	1	\$ 17.62	\$ 36,654	1	\$ 18.06	\$ 37,571		
Shipper/Receiver	1	\$ 18.16	\$ 37,775	1	\$ 18.62	\$ 38,719	1	\$ 19.08	\$ 39,687	1	\$ 19.56	\$ 40,680	1	\$ 20.05	\$ 41,697		
Shipping Lead	1	\$ 15.50	\$ 32,240	1	\$ 15.89	\$ 33,046	1	\$ 16.28	\$ 33,872	1	\$ 16.69	\$ 34,719	1	\$ 17.11	\$ 35,587		
Technician I - Maintenance	1	\$ 20.00	\$ 41,600	1	\$ 20.50	\$ 42,640	1	\$ 21.01	\$ 43,706	1	\$ 21.54	\$ 44,799	1	\$ 22.08	\$ 45,919		
Mgr General Manager	1	\$ 24.91	\$ 51,813	1	\$ 25.53	\$ 53,108	1	\$ 26.17	\$ 54,436	1	\$ 26.83	\$ 55,797	1	\$ 27.50	\$ 57,182		
Sub-Total Group 1		37	\$ 96.15	\$ 200,000	37	\$ 98.56	\$ 205,600	37	\$ 101.02	\$ 210,215	37	\$ 103.55	\$ 215,378	37	\$ 106.14	\$ 220,763	
Group 2	Senior Engineer	1	\$ 48.08	\$ 100,006	1	\$ 49.28	\$ 102,507	1	\$ 50.51	\$ 105,060	1	\$ 51.78	\$ 107,666	1	\$ 53.07	\$ 110,348	
	Warehouse Supervisor	2	\$ 33.65	\$ 139,984	2	\$ 34.49	\$ 143,484	2	\$ 35.35	\$ 147,071	2	\$ 36.24	\$ 150,747	2	\$ 37.14	\$ 154,516	
	Pick/Pack Technician	18	\$ 17.54	\$ 656,698	18	\$ 17.88	\$ 673,115	18	\$ 18.43	\$ 689,943	18	\$ 18.89	\$ 707,191	18	\$ 19.36	\$ 724,871	
	UL Lab/Product Engineer	1	\$ 35.00	\$ 72,800	1	\$ 35.88	\$ 74,620	1	\$ 36.77	\$ 76,486	1	\$ 37.69	\$ 78,398	1	\$ 38.63	\$ 80,358	
	Maintenance Mechanic	1	\$ 23.30	\$ 48,464	1	\$ 23.88	\$ 49,676	1	\$ 24.48	\$ 50,917	1	\$ 25.09	\$ 52,190	1	\$ 25.72	\$ 53,495	
	Checker - Group Leader	1	\$ 19.95	\$ 41,496	1	\$ 20.45	\$ 42,533	1	\$ 20.96	\$ 43,597	1	\$ 21.48	\$ 44,687	1	\$ 22.02	\$ 45,804	
	Press Set Up Operator	2	\$ 19.37	\$ 80,579	2	\$ 19.85	\$ 82,594	2	\$ 20.35	\$ 84,659	2	\$ 20.86	\$ 86,775	2	\$ 21.38	\$ 88,944	
	Repack	2	\$ 19.37	\$ 80,579	2	\$ 19.85	\$ 82,594	2	\$ 20.35	\$ 84,659	2	\$ 20.86	\$ 86,775	2	\$ 21.38	\$ 88,944	
	Strut Set Up	1	\$ 20.60	\$ 42,848	1	\$ 21.12	\$ 43,919	1	\$ 21.64	\$ 45,017	1	\$ 22.18	\$ 46,143	1	\$ 22.74	\$ 47,296	
	Strut Set Up Leadman	1	\$ 21.85	\$ 45,448	1	\$ 22.40	\$ 46,584	1	\$ 22.96	\$ 47,749	1	\$ 23.53	\$ 48,943	1	\$ 24.12	\$ 50,166	
	Strut Welder Operator	8	\$ 18.55	\$ 308,672	8	\$ 19.01	\$ 316,389	8	\$ 19.49	\$ 324,229	8	\$ 19.98	\$ 332,406	8	\$ 20.48	\$ 340,716	
	Production Welder	1	\$ 21.60	\$ 44,928	1	\$ 22.14	\$ 46,051	1	\$ 22.69	\$ 47,202	1	\$ 23.26	\$ 48,383	1	\$ 23.84	\$ 49,592	
	Senior MFG Supervisor	1	\$ 38.44	\$ 79,955	1	\$ 39.40	\$ 81,954	1	\$ 40.39	\$ 84,003	1	\$ 41.40	\$ 86,103	1	\$ 42.43	\$ 88,256	
	MFG Supervisor	1	\$ 33.65	\$ 69,992	1	\$ 34.49	\$ 71,742	1	\$ 35.35	\$ 73,535	1	\$ 36.24	\$ 75,374	1	\$ 37.14	\$ 77,258	
	Warehouse Supervisor	1	\$ 33.65	\$ 69,992	1	\$ 34.49	\$ 71,742	1	\$ 35.35	\$ 73,535	1	\$ 36.24	\$ 75,374	1	\$ 37.14	\$ 77,258	
	Plant Manager	1	\$ 67.31	\$ 140,005	1	\$ 68.99	\$ 143,505	1	\$ 70.72	\$ 147,093	1	\$ 72.49	\$ 150,770	1	\$ 74.30	\$ 154,539	
	Electronic Technician	1	\$ 34.83	\$ 72,451	1	\$ 35.70	\$ 74,262	1	\$ 36.60	\$ 76,119	1	\$ 37.51	\$ 78,022	1	\$ 38.45	\$ 79,977	
	Manufacturing Engineer	1	\$ 44.59	\$ 92,755	1	\$ 45.71	\$ 95,074	1	\$ 46.85	\$ 97,451	1	\$ 48.02	\$ 99,887	1	\$ 49.22	\$ 102,384	
	Sub-Total Group 2		45	\$ 44.59	\$ 2,187,652	45	\$ 45.71	\$ 2,242,344	45	\$ 46.85	\$ 2,298,402	45	\$ 48.02	\$ 2,355,862	45	\$ 49.22	\$ 2,414,759
	Total Current/Retired		37	\$ 2,038,705	\$ 2,038,705	37	\$ 2,038,492	\$ 2,038,492	37	\$ 2,038,402	\$ 2,038,402	37	\$ 2,038,682	\$ 2,038,682	37	\$ 2,039,310	\$ 2,039,310
	Total New Positions		45	\$ 2,187,652	\$ 2,187,652	45	\$ 2,242,344	\$ 2,242,344	45	\$ 2,298,402	\$ 2,298,402	45	\$ 2,355,862	\$ 2,355,862	45	\$ 2,414,759	\$ 2,414,759
	Total Positions		82	\$ 4,226,357	\$ 4,226,357	82	\$ 4,280,836	\$ 4,280,836	82	\$ 4,336,804	\$ 4,336,804	82	\$ 4,394,544	\$ 4,394,544	82	\$ 4,454,069	\$ 4,454,069

- Assume an annual increase of 2.50%
 * Beginning in 2025, no longer projecting headcount. Provided a low/mid/high range of salary expectations

Headcount Projections- Project MC

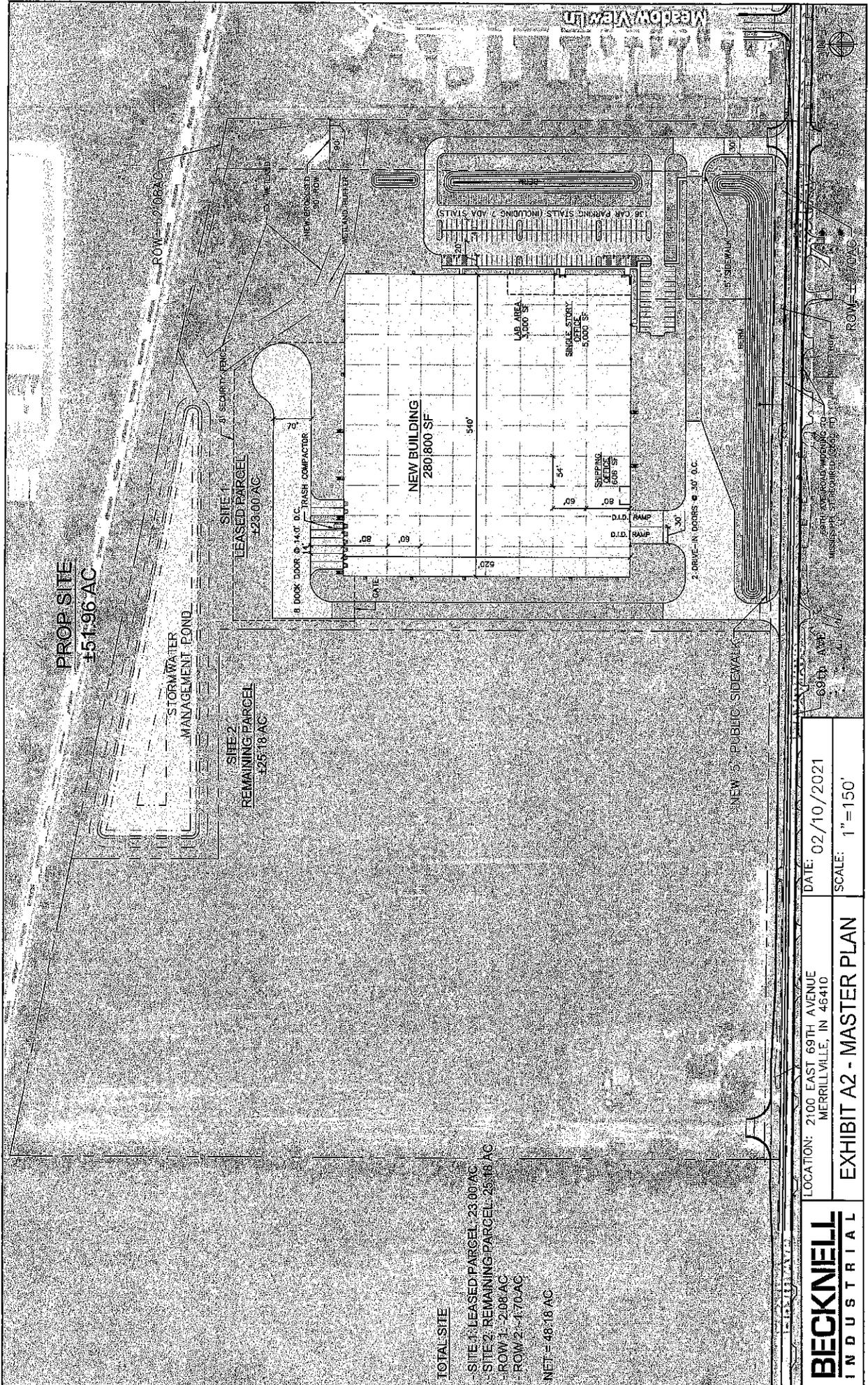
Group	Job Title	2026*			2027*			2028*			2029*		
		Low	Mid	High									
Group 1	Coordinator Inventory												
	Coordinator Logistics												
	Generalist Human Resource												
	Handler I - Materials												
	Inspector IV - Quality A												
	Inventory Analyst												
	Mgr - Customer Service												
	Mgr Inventory Control												
	Mgr Logistics												
	Mgr Plant 1												
	Mgr Purchasing												
	Mgr Sr Product Management												
	Planner Demand												
	Product Engineer Manager												
	Production Laborer												
	Production Laborer												
	Production Laborer												
	Rep - Customer Service												
	Rep - Customer Service												
	Rep Sales												
Rep Sales													
Shipper/Receiver													
Shipper/Receiver													
Shipper/Receiver													
Shipper/Receiver													
Shipper/Receiver													
Shipping Lead													
Technician I - Maintenance													
VP General Manager													
Sub-Total Group 1		\$ 2,065,764	\$ 2,295,293	\$ 2,524,823	\$ 2,137,408	\$ 2,352,676	\$ 2,587,943	\$ 2,170,343	\$ 2,411,492	\$ 2,652,642	\$ 2,224,602	\$ 2,471,780	\$ 2,718,958
Group 2	Senior Engineer												
	Warehouse Supervisor												
	Pkty/Pack Technician												
	UL Lab/Product Engineer												
	Maintenance Mechanic												
	Checker - Group Leader												
	Press Set Up Operator												
	Repack												
	Strut Set Up												
	Strut Set Up Leadman												
	Strut Welder Operator												
	Production Welder												
	Senior MFG Supervisor												
	MFG Supervisor												
	Warehouse Supervisor												
Plant Manager													
Electronic Technician													
Manufacturing Engineer													
Sub-Total Group 2		\$ 2,227,615	\$ 2,475,128	\$ 2,722,641	\$ 2,283,305	\$ 2,537,676	\$ 2,790,707	\$ 2,340,338	\$ 2,600,432	\$ 2,850,474	\$ 2,398,898	\$ 2,665,442	\$ 2,931,986
Total Current/Retained		\$ 4,293,379	\$ 4,770,421	\$ 5,247,463	\$ 4,420,713	\$ 4,895,352	\$ 5,378,650	\$ 4,510,731	\$ 5,011,924	\$ 5,513,116	\$ 4,623,500	\$ 5,137,222	\$ 5,650,944
Total New Positions													

* Assume an annual increase of 2.50%
 * Beginning in 2026, no longer projecting headcount. Provided a low/

Headcount Projections- Project MC

Group	Job Title	2030*			2031*			2032*		
		Low	Mid	High	Low	Mid	High	Low	Mid	High
	Coordinator - Inventory									
	Coordinator - Logistics									
	Generalist Human Resource									
	Handler I - Materials									
	Inspector IV - Quality A									
	Inventory Analyst									
	Mgr - Customer Service									
	Mgr Inventory Control									
	Mgr Logistics									
	Mgr Plant 1									
	Mgr Purchasing									
	Mgr Sr Product Management									
	Planner Demand									
	Product Engineer Manager									
	Production Laborer									
	Production Laborer									
	Production Laborer									
	Production Laborer									
	Production Laborer									
	Rep - Customer Service									
	Rep - Customer Service									
	Rep - Customer Service									
	Rep Sales									
	Rep Sales									
	Shipper/Receiver									
	Shipper/Receiver									
	Shipper/Receiver									
	Shipper/Receiver									
	Shipper/Receiver									
	Shipper/Receiver									
	Shipper/Receiver									
	Shipping Lead									
	Technician I - Maintenance									
	VP General Manager									
	Sub-Total Group 1	\$ 2,280,217	\$ 2,553,574	\$ 2,786,932	\$ 2,337,222	\$ 2,596,914	\$ 2,856,605	\$ 2,395,653	\$ 2,661,836	\$ 2,928,020
	Senior Engineer									
	Warehouse Supervisor									
	Pick/Pack Technician									
	UL Lab/Product Engineer									
	Maintenance Mechanic									
	Checker - Group Leader									
	Press Set Up Operator									
	Repack									
	Strut Set Up									
	Strut Set Up Leadman									
	Strut Welder Operator									
	Production Welder									
	Senior MFG Supervisor									
	MFG Supervisor									
	Warehouse Supervisor									
	Plant Manager									
	Electronic Technician									
	Manufacturing Engineer									
	Sub-Total Group 2	\$ 2,458,870	\$ 2,732,078	\$ 3,006,266	\$ 2,570,342	\$ 2,800,380	\$ 3,080,418	\$ 2,583,351	\$ 2,870,390	\$ 3,157,428
	Total Current/Retained	\$ 2,280,217	\$ 2,553,574	\$ 2,786,932	\$ 2,337,222	\$ 2,596,914	\$ 2,856,605	\$ 2,395,653	\$ 2,661,836	\$ 2,928,020
	Total New Positions	\$ 2,458,870	\$ 2,732,078	\$ 3,006,266	\$ 2,570,342	\$ 2,800,380	\$ 3,080,418	\$ 2,583,351	\$ 2,870,390	\$ 3,157,428
	Total Positions	\$ 4,739,087	\$ 5,285,652	\$ 5,793,198	\$ 4,907,564	\$ 5,397,294	\$ 5,937,023	\$ 4,979,003	\$ 5,532,225	\$ 6,085,448

* Assume an annual increase of 2.50%
 * Beginning in 2026, no longer projecting headcount. Provided a low/



PROP SITE
±51.96 AC

STORM WATER
MANAGEMENT POND

SITE 2
REMAINING PARCEL
±25.18 AC

SITE 1
LEASED PARCEL
±23.00 AC

NEW BUILDING
280,800 SF

LAB AREA
3,000 SF

SINGLE STORY
3,100 SF

SHIPPING
YARD
608 SF

136 CAR PARKING STALLS (INCLUDING 7 ADA STALLS)

TRASH COMPACTOR

NEW S' PUBLIC SIDEWALK

DATE: 02/10/2021
SCALE: 1"=150'

LOCATION: 2100 EAST 69TH AVENUE
MERRILLVILLE, IN 46410
EXHIBIT A2 - MASTER PLAN

BECKNELL
INDUSTRIAL

TOTAL SITE

- SITE 1 - LEASED PARCEL - 23.00 AC

- SITE 2 - REMAINING PARCEL - 25.18 AC

- ROW 1 - 2.08 AC

- ROW 2 - 1.70 AC

NET = 48.18 AC



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DEVELOPMENT AGREEMENT

by and between

THE CITY OF HOBART, INDIANA,

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

and

2100 69th AVENUE, LLC

a Delaware Limited Liability Company admitted as a foreign business
organization in Indiana, and doing business as _____

_____, 2021

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SCHEDULE OF EXHIBITS

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Exhibit B: Analysis by Baker Tilly Municipal Advisors, LLC, Dated
March 4, 2021 (3 pages) 30

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DEVELOPMENT AGREEMENT

THIS AGREEMENT is made and entered into on the _____ day of _____, 2021 by and between 2100 69th AVENUE, LLC, a Delaware limited liability company, doing business as _____ with principal offices located at 2171 Executive Drive, Addison, Illinois 60601 (“2100 69th” or 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 a manufacturer of electrical products for use in the non-residential construction industry; and

WHEREAS, the Company is currently seeking a financial incentive from the City in the form of personal property tax abatement to enable it to establish a new manufacturing and office facility to be constructed and leased to the Company long-term (15 years) in the City of Hobart. The equipment to be subject to the tax abatement include manufacturing equipment, logistics distribution equipment, information technology equipment and research and development equipment; and

WHEREAS, said equipment will be located inside the Company’s new facility at 2100 69th Avenue in the City. The acquisition cost of the equipment is estimated at \$7,078,914.36 and its estimated assessed valuation is \$2,123,674.31. Some of this equipment is being transferred to the new Hobart facility from the Company’s other plants out of State, some is being transferred to Hobart from other locations in Indiana, and the rest is newly acquired. Equipment otherwise qualifying for abatement but transferred to Hobart from another Indiana location is not eligible for property tax abatement pursuant to I.C. §6-1.1-12.1-1 (3) (D), - (12) (E) ; - (13) (D) and - (14) (D); 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, U.S. Highway 30 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 City and the Company have reached agreement upon the promises, terms and conditions upon which the City will grant such personal property tax abatement to the Company, which abatement is important to the Company in assuring the financial viability of the equipment acquisition and its subsequent profitability, and the parties now wish to document their agreements in this instrument.

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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, for itself and for its officers, directors and employees, agrees to undertake and perform the following duties:

- a. Timely complete the purchase, or acquisition or transfer and installation of the equipment at the Company's new manufacturing facility in Hobart, Indiana as specified on the exhibit which is attached hereto and made a part hereof as Exhibit "A." Equipment which is being transferred from other locations in the State of Indiana does not qualify for personal property tax abatement under Indiana law. The items of equipment described in said exhibit qualify for abatement and are referred to herein as the "Equipment;"
- b. Acquire, transfer and install the Equipment in substantial and material conformance with the written application, Statements of Benefit forms, and representations submitted to and approved by the City;
- c. Comply with all applicable requirements of the City's Municipal Code and all other applicable building codes in the installation and operation of the Equipment;
- d. Pay in full, when required, all City fees prescribed by ordinance or resolution in connection with the installation of the Equipment, and the tax deduction and abatement process, including, but not limited to building permit fees, abatement application fees, exaction fee, financial impact and analysis fees, compliance review fee and monitoring fee. The Company shall pay the exaction fee required by City Council Resolution No.2008-16 in the amount of one percent of the value of the Equipment (\$50,291.00) on or before the date of final approval by the Common Council of the personal property abatement provided for herein.
- e. Make 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 all property taxes levied upon the personal property of the Company in connection with the facility when due subject only to Section 3 (b) below on property tax appeals. The Company shall pay in full, when due, the amount of any personal property taxes resulting from partial or interim assessments for tax years prior to the commencement of the effective period of the personal property abatement on the Equipment as specified in Section 2 (a) below;
- 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, and signs an

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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 operations at the new facility;

i. Comply with all applicable laws of the City of Hobart, the State of Indiana and the United States in the operation and maintenance of the New Equipment;

j. Comply with all provisions of this Agreement.

This Agreement, when executed by all parties, shall be recorded by the City in the Office of the Recorder of Lake County, Indiana. The Company agrees to reimburse the City for the recordation fee. The Agreement shall take effect upon recording.

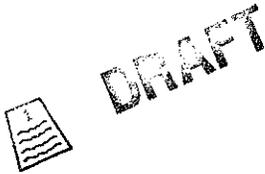
2. Duties and Representations of the City. The City, the Board, their officials and employees make the following representations and agree to undertake and perform the following duties:

a. Approve or reaffirm 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 Equipment for the grant of personal 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 tax abatement period will commence on January 1 of the year the first-scheduled items of Equipment are fully assessed for taxes payable the following year. The Company expects all of the Equipment to be fully installed and assessed for 2023 taxes payable in 2024. The Company agrees to notify the City in writing if installation completion is delayed or accelerated, which may affect the tax years in the following table:

Total Estimated Net Assessed Value of Equipment to be Installed (30% of estimated acquisition cost) Qualifying for Abatement: \$ 1,508,730.71.

Deduction Period: Ten Years

Deduction Schedule:	Year One	100%
	Year Two	90%
	Year Three	80%
	Year Four	70%
	Year Five	60%

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Year Six	50%
Year Seven	50%
Year Eight	50%
Year Nine	50%
Year Ten	49%

The foregoing deduction schedule will be included in Section Six of Hobart City Council Resolution No. 2021-_____ as per page 3 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 is required to consult persons not employed by the City in assisting the Company. The Company will pay the reasonable cost of the City's employee's time in consulting with others.

c. All necessary action has been or will be taken to authorize the City's execution of this Agreement and the performance of the City's obligations hereunder, the City has the power and authority under all federal, state and local law to enter into this Agreement and perform its obligations hereunder, and this Agreement constitutes a legal, valid and binding obligation enforceable against the City according to its terms;.

d. Neither the execution and delivery by the City 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 any statute or regulation of the State of Indiana or the United States governing the City, or any provision of any existing contract, bond, indenture, license, lease, instrument, decree, order or judgment to which the Company is a party or by which it may be bound or affected;

e. The City will cooperate reasonably with Company's effort to obtain any applicable permits, reviews, licenses, actions, consents, and approvals which may be necessary for the installation and commissioning of the Equipment;

f. The City has no legal responsibility to assess equipment and other personal property for taxation, and plays no role in the determination of the eligibility of equipment for property tax abatement under the laws of the State of Indiana. These matters are within the responsibility of the Office of the Ross Township Assessor and the Lake County Assessor. Accordingly, the City parties specifically disclaim any responsibility and liability for any error or omission in the determination of the eligibility of equipment for abatement, and the determination of the final amount of any personal property taxes due or to become due.

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g. There is no action, suit, proceeding, or investigation, at law or in equity or by or before any United States court, arbitrator, administrative agency or other federal, state or local government authority, pending or, to the actual knowledge or the City, threatened against the City, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the validity of this Agreement or material adverse effect on the transactions contemplated hereby.

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 Commitment. The Company agrees that:

(i) it will employ a total of 82 permanent full-time employees (inclusive of employees newly hired, transferred from other locations, or already working at the Company's sister plant in Hobart) by the end of 2023 and that the Company will have a total annual payroll in that year of not less than \$4,429,810.00. For the purposes of this Agreement, a full-time job is defined as a permanent, non-seasonal employment position requiring the employee to work not less than 40 hours per week, excluding periods of vacation, illness or personal time off. The Company agrees to retain said employees under normal economic conditions for the duration of the abatement period; and

(ii) in each calendar year during the abatement period, the Company agrees that its total payroll shall be not less than the sums listed below for each year. Annual payroll is the total of wage or salary compensation paid to all full-time employees of the new facility for the period from January 1 through December 31 in each of those years:

2023	\$	4,429,810.00
2024		4,540,555.00
2025		4,654,069.00
2026		4,770,421.00
2027		4,889,682.00
2028		5,011,924.00
2029		5,137,222.00
2030		5,265,652.00
2031		5,397,294.00
2032		5,532,226.00

b. Reporting Requirements. The Company agrees to deliver a written report to the City Department of Economic Development as of December 31, 2023 and thereafter as of the end of each calendar year during the abatement period through and including December 31, 2032. Such report shall be delivered

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not later than fifteen days after the conclusion of the annual period for which the report is made, and shall include the following items:

(i) Such report need not contain the number of persons employed full-time by the Company and the total of wage or salary compensation paid to all full-time employees of the new facility for the reported year if this information is reported and filed on the Company's Form CF-1. Determination of compliance with the employment commitments made in Sub-subsection (a) above shall be made in accordance with Section 4 (b) below.

(ii) At the time the company's CF-1 is filed, and during the abatement period, the Company shall give, in writing, a general status report on the installation of Equipment completed to date and an update on the project schedule. This information will be given until all abated Equipment is installed.

(iii) Upon substantial completion of the installation and commissioning of the Equipment, the Company agrees to report or cause to be reported to the City, in writing, through the office of the Mayor and Department of Development:

(A) the total number of local contractors or sub-contractors (as defined in Subsection (c) below) involved in such installation; and

(B) the number of contractor jobs required for such installation; and

(C) the total cost of installation of the Equipment by the Company.

(iv) In addition, the Company agrees to give the City, through the office of the Mayor and Department of Development, written notice of any removal, replacement or significant modification to the Equipment or any part thereof at least 30 days prior thereto, unless:

(A) said removal, replacement or modification reduces the then-current assessed value of the equipment by less than ten percent (10%); or

(B) the equipment is being replaced in the ordinary course of business.

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Such removal, replacement or modification, other than those exempted under sub-sub sections (A) and (B) above may result in the denial of the amount of tax abatement due in any year, in whole or in part.

c. Equipment Installation. The Company agrees that, during the abatement period (January 1, 2023 through December 31, 2032), it will adhere to the following policy on installation of equipment in the newly constructed building:

(i) Installation of racking, shelving, relocated inventory and installation of equipment that does not require electrical hookup will be performed by the Company's own employees;

(ii) Utility and equipment installations performed during the construction of the new facility will be done by Becknell Industrial's suggested contractors;

(iii) Once the Company has taken possession of the building, the Company will be using OEMs (Original Equipment Manufacturers) and the Company's preferred contractors. OEMs will be providing equipment, installation services and commissioning as turnkey projects for a fixed price. Similarly, preferred contractors will quote an "all in" cost, which includes equipment, material, and labor.

d. Local Contractors. The Company further represents and agrees that during the period of the tax abatement incentives granted by the City pursuant to this Agreement, any local suppliers or contractors based in the City of Hobart with suitable expertise and competitive bids shall be preferred for all work contracted by the Company at the Hobart location. Local suppliers and local contractors are defined as contractors and suppliers primarily engaged, reside in or have their principal office in Hobart or employ a significant number of Hobart residents.

e. Payments and Appeals. The Company shall pay, when due, all personal property taxes assessed for the Equipment, less those personal property taxes for which an abatement (deduction) has been granted under this Agreement. Personal property tax appeals for the Equipment or any part thereof shall be governed by the following requirements:

(i) The Company agrees to refrain from materially reducing the reported acquisition cost, acquisition year or depreciation pool (as per the Baker Tilly Municipal Advisors, LLC analysis of March 4, 2021 attached as Exhibit "B" to this Agreement) for the Equipment for any year in which the personal property tax abatement granted under this Agreement is in effect which would have the effect of reducing the net personal property taxes payable for the Equipment for that year below the amounts as stated in the following table, provided that the current value of the Equipment is greater

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than or equal to \$ 1,508,730.71. In the event that the current value of the proposed Equipment is less than \$ 1,508,730.71, the amount indicated in the table below for that year will be reduced by the percentage by which the actual acquisition cost is less than \$ 1,508,730.71 so that the net taxes to be paid under this Agreement are reduced proportionately. The types of equipment to be installed, the timing of installation, and the estimated value of each group of equipment are specified upon Exhibit "A." It is expected that the Company will annually pay taxes for all personal property, including that which is not eligible for property tax abatement, in an amount not less than those listed in the table below, and in the event that actual personal property taxes due are less than the minimum amount listed in the table the difference between actual personal property taxes due and the minimum personal property tax amount will be payable to the City:

Taxes Payable Year	Minimum Property Taxes to be paid on the Proposed Personal Property Investment (per page 3 of the March 4, 2021 Analysis by Baker Tilly Municipal Advisors LLC attached as Exhibit "B")
2024	\$ 11,540
2025	12,990
2026	18,680
2027	24,130
2028	29,290
2029	34,110
2030	34,560
2031	34,560
2032	34,560
2033	34,940

Because changes in the assessed value of the proposed personal 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 personal 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 three (3) years thereafter are necessary. The above and

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foregoing table is also subject to adjustment by the City to reflect the actual acquisition costs of the Equipment demonstrated by the Company. The City will notify the Company of any such adjustments in writing.

Annual Recalculation. On or before March 1 of each year during the effective period of the above-stated minimum net personal 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 Equipment 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) 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 or affiliated companies for any personal property owned within the City of Hobart by the Company or affiliated companies now or to be acquired during the next twelve (12) months. With respect to any appeal to be filed by the Company or its affiliated companies for personal property located in the City within the period commencing with the taking effect of this Agreement and ending fifteen (15) years later, the Company agrees to provide to the City through its Mayor and Director of Development, fifteen (15) days in advance of filing any personal property tax appeal for the Equipment or any part thereof, a written explanation as to why the appeal is being filed, along with complete copies of the appeal documents, including all schedules and exhibits. Likewise, the Company shall give written notice to the City fifteen (15) days in advance of making or filing any material changes in the reporting of the acquisition cost, acquisition year, depreciation classification or other characteristic of the Equipment that may affect the net assessed value of that personal property, including the filing of an amended personal property tax return. If any of the changes described in the preceding sentence are made, a copy of the personal property assessment forms shall be provided to the City together with a description of the changes.

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(iii) The Company agrees to pay the compliance review fee required by HMC §32.002 (B) which states that: “An applicant for personal property tax abatement pursuant to I.C. 6-1.1-12.1, or a party that has been previously granted a personal property tax abatement under that chapter of the Indiana Code, prior to the action of the Common Council finalizing the abatement or approving annual compliance, for as long as the abatement remains in effect, shall annually pay to the Clerk-Treasurer of the City a fee in the amount of \$1,500 [or such increased fee as the Municipal Code of the City of Hobart may prescribe in each future year during the abatement period] for the services of the City’s financial consultant in reviewing the documents and supporting information submitted by the applicant or party holding a personal property abatement, to determine whether the minimum assessed valuation requirements and the resulting personal property tax payments of the abatement have been satisfied.”

(iv) The material representations and agreements made by the Company and contained in its Application 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.

f. Commitment to Remain in Hobart. The Company promises to maintain its current facilities, including the Equipment (unless retired or replaced by new equipment) through the expiration or termination of its lease with the building owner.

g. 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 and throughout its term:

(i) The Company is a validly organized and existing Delaware corporation admitted to do business 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

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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, Operating Agreement or any shareholder 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 best 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 facility and installation of the Equipment on the site described above subject to and in accordance with the terms and conditions of this Agreement.

4. Imposition of Sanctions. Upon the grant of the personal property tax abatement (deduction) by the Council described in Section 2, above, and from and after their implementation by the taxing authorities of Lake County, in whole or in part, and such grant results in the reduction of the amount of such personal property taxes for which the Company would otherwise have been liable in any year in which such deduction or deductions were in effect, then the Company, its successors by merger or acquisition, or its assigns shall be subject to the following sanctions, in the form of the cash repayment to the City in an amount equal to the actual amount of the reduction of the personal property tax deductions granted herein, multiplied by the percentage of the sanction specified upon the occurrence of any one or more than one of the events stated below in Sub-Section (a):

a. Events Allowing the Imposition of Sanctions. The City may impose a cash payment to be made by the Company as a sanction upon the occurrence of any one or more than one of the following events:

(i) The closure or suspension of manufacturing operations in the Company's new manufacturing facility, including the Equipment, for a period of more than 180 consecutive days during the term of this agreement unless such closure or suspension is caused by events of casualty or the need to renovate the building;

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(ii) The seizure, attachment or foreclosure of the facility or the Equipment which results in suspension or cessation of manufacturing operations for a period of more than 180 consecutive days during the term of this agreement.

(iii) Failure to comply with the employment commitments contained in Section 3 (a) of this Agreement (number of employees and minimum annual payroll);

(iv) Failure repeatedly to conform to the policy on installation of equipment contained in Section 3 (c) of this Agreement; and

(v) Failure to comply with the tax payment and appeals provisions contained in Section 3 (d) of this Agreement.

b. Manner of Imposing Sanctions. In the event that the City preliminarily determines that any one or more than one of the events allowing the imposition of sanctions upon the Company has occurred under sub-subsections (i) through (iv) of subsection (a) of this section, the City shall proceed to notice and hearing of the matter as prescribed in I.C. §6-1.1-12.1-5.9 before the Common Council of the City. The Council shall determine whether one or more than one of said events has occurred and determine, in accordance with subsection (c) below, whether and to what extent a sanction should be imposed upon the Company.

c. Amount of Sanctions to be Applied.

(i) *Employment.* The total number of employment positions at the Company's Hobart manufacturing facility will be reported by the Company on its Form CF-1, which is filed with the City in the Spring of the subsequent year, and will be used by the Common Council of the City to judge compliance with that employment commitment contained in Section 3 (a). Any sanction that is imposed will be applied to reduce the saving in personal property taxes for the year reported, due and payable in the following year. No sanctions will be applied for failure to comply with the employment commitment for the period between the taking effect of this Agreement and January 1, 2023. The sanction to be applied for failure to meet the Company's employment commitment will be determined as follows:

Number of Jobs Actually reported Each Year during the Abatement Period	Sanction: (% of abatement savings actually received for reported year of deduction Beginning with Tax Payable Year 2024 to be repaid in cash through Tax Payable Year 2033 to City)
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82 to 75	0
74 to 67	15%
66 to 59	25%
58 to 51	50%
50 to 42	75%
41 or fewer	100%

After tax year 2032 payable in 2033 (employment reporting year 2034), there shall be no sanctions applied to abatement of personal property taxes.

The failure of the Company to meet its payroll commitment under Section 3 (a) (ii) of this Agreement in any one year may result in the imposition of a sanction in any one year calculated as follows:

Percentage by which the Actual annual payroll fails to Amount to the minimum Amount specified in Section 3 (a) (i)	Sanction: (% of abatement savings actually received for reported year of deduction Beginning with Tax Payable Year 2024 through Tax Payable Year 2033 to City)
0 to 9%	0
10 to 19%	15%
20 to 29%	25%
30 to 39%	35%
40 to 49%	45%
50 to 100%	60%

The sanctions for failing to meet both the employment commitment for number of jobs and payroll in a single year shall be cumulative, but the total of such sanctions shall not exceed 100% of the personal property taxes saved by the abatement deduction in any one year.

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(ii) *Payments and Appeals.* Violation of the requirements contained in Section 3 (e) on Payments and Appeals may result in the imposition by the Common Council of the City of a repayment by the Company to the City in cash in an amount to be determined by the Council, not to exceed the actual amount of tax abatement savings for personal property taxes for the year or years appealed, up to or equal to the full amount of the tax reduction sought by the Company through the appeal, provided the Company seeks reduction below the anticipated assessed value in Section 3 (e) (i).

(iii) *Closure, Suspension of Operations, Sale, Seizure, Foreclosure or Attachment of the Equipment.* In the event of the occurrence of any one or more than one of the events described in Section 4 (a) (i) & (ii) above, the Common Council of the City, in its sole discretion, may reduce, suspend or terminate the amount of the personal property deductions granted pursuant to this Agreement. Any such reduction, suspension or termination shall be effective as of the date of such determination and shall not apply retroactively to any personal property deductions granted pursuant to this Agreement.

d. Terms and Manner of Payment. When the City determines that sanctions under this section are due from the Company, the City Clerk-Treasurer shall prepare a written invoice containing the amount due and a description of the method used in determining said amount, and shall transmit such invoice to the person or persons in the Company designated to receive notices and demands under Section 16 of this Agreement. The full amount of the invoice is due thirty (30) days from the date of receipt, and payment shall be made to the Clerk-Treasurer, City of Hobart, 414 Main Street, Hobart, Indiana 46342. Except in the case of manifest error, the calculation by the City with respect to sanctions under this section shall be final and binding.

e. Termination of Section 4. The effectiveness of the provisions of this Section 4 shall expire December 31, 2034.

5. 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.

6. 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.

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7. 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 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, which shall survive such invalidation, nullification, or setting aside.

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. 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.

10. No Agency, Joint Venture or Partnership. It is specifically understood and agreed to by and between the Parties that the Equipment acquisition and installation by the Company 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.

11. 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.

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12. 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.

13. 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, and 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.

14. 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.

15. 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 as otherwise expressly provided herein, this agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the parties.

16. 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.

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17. 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 nationally-recognized overnight courier, 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: Name: _____
 Title: _____
 2171 Executive Drive
 Suite 100
 Addison, Illinois 60101

With a copy to: Husch Blackwell LLP
 190 Carondelet Plaza, Suite 600
 St. Louis, Missouri 63105

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
City of 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.

18. 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.

19. 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.

20. 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.

21. 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. Notwithstanding the foregoing language of this section, the Company, upon thirty (30) days prior written notice to the City, may, without the City's consent, which notice shall be accompanied by a reasonably satisfactory explanation as to why the City's consent is not required hereunder, to assign this Agreement to an Affiliate of the Company or an entity that results from a merger or corporate reorganization of the Company. As used in this section, the term "Affiliate" shall mean and refer to an entity which is controlled by, controls or is under common control with the Company.

22. 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.

23. 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.

24. Effect of Delay. The Company agrees to use its best efforts to occupy its new building by December 31, 2022 and to install the Equipment by dates specified for first assessment on page 2 of the January 8, 2021 Analysis by Baker Tilly Municipal Advisors LLC attached as Exhibit "B." In the event that the building or installation of the Equipment is delayed such that the assessment of the Equipment for personal property tax purposes cannot be

accomplished by such dates, 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 (e) (1) of this Agreement. 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 for business by December 31, 2023, the City may, upon its sole determination, terminate this Agreement and the property tax incentive granted herein in the manner provided by law.

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

2100 69th AVENUE, LLC, a Delaware Limited Liability Company d/b/a _____ (“Company”)

By: _____

Name Printed: _____

Title: _____

CITY OF HOBART, INDIANA (“CITY”),
an Indiana Municipal Corporation

By: _____
BRIAN K. SNEDECOR, Mayor

CITY OF HOBART BOARD OF PUBLIC
WORKS AND SAFETY (“Board”):

BRIAN K. SNEDECOR, Presiding Officer

DEBORAH A. LONGER, Member

RICH LAIN, Member

ATTEST: _____
Assistant Clerk-Treasurer



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STATE OF INDIANA)
) ss:
LAKE COUNTY)

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared _____, _____ of 2100 69th AVENUE, LLC d/b/a _____, a party to the above instrument and a person known to me, who acknowledged execution of same in such capacity, as his free and voluntary act, 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 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, 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.

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



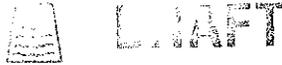
EXHIBIT "A"—Equipment List

Manufacturing Equipment

Asset Description	Acquisition Cost	Original In Service Date	Useful Life	Assessed Value	Check if		Estimated In Service Date at New Facility	Estimated Retirement Date (if planned/known)	Original Depreciable Months	Remaining Depreciation (Years)
					Transferred from out of state	New				
2 LIGHT CURTAINS	\$ 11,000	12/23/10	7	\$ 3,300	X		03/01/22		84	0.0
60 TON PUNCH PRESS MACHIN	\$ 14,400	12/23/10	7	\$ 4,320	X		03/01/22		84	0.0
ABRASIVE BLAST MACHINE	\$ 1,455	07/15/11	7	\$ 436	X		03/01/22		84	0.0
AIR COMPRESSOR #1	\$ 500	10/02/11	7	\$ 150	X		03/01/22		84	0.0
AIR COMPRESSOR #2	\$ 400	10/02/11	7	\$ 120	X		03/01/22		84	0.0
AIR DRYER FOR COMPRESSOR	\$ 4,300	12/23/10	7	\$ 1,290	X		03/01/22		84	0.0
AUTOMATIC BRUSH TUBE	\$ 144,180	01/15/11	7	\$ 43,254	X		03/01/22		84	0.0
BLISS 125 TON PRESS	\$ 100	12/23/10	7	\$ 30	X		03/01/22		84	0.0
BLISS PRESS OVERHAUL	\$ 27,000	12/23/10	7	\$ 8,100	X		03/01/22		84	0.0
CONCRETE INSERT PRESS	\$ 224,974	11/15/12	7	\$ 67,312	X		03/01/22		84	0.0
DIMPLEX 20TON WATER CHILL	\$ 30,200	12/23/10	7	\$ 9,060	X		03/01/22		84	0.0
FABLOK HEM SAW MHW100HLA3	\$ 500	12/23/10	3	\$ 150	X		03/01/22		36	0.0
FOUR POST MANDREL DIES	\$ 37,300	12/23/10	7	\$ 11,190	X		03/01/22		84	0.0
HMM3751 INDUSTRIAL HOSE	\$ 35,400	12/23/10	7	\$ 10,620	X		03/01/22		84	0.0
HOODS FOR PEER WELDER	\$ 900	10/02/11	7	\$ 270	X		03/01/22		84	0.0
LATHE #2	\$ 400	12/23/10	7	\$ 120	X		03/01/22		84	0.0
LINCOLN WELDER	\$ 49,111	02/15/15	7	\$ 14,733	X		03/01/22		84	0.0
LONG WELD FEEDER	\$ 6,100	12/23/10	7	\$ 1,830	X		03/01/22		84	0.0
REBUILD 125 TON PRES	\$ 51,900	12/23/10	7	\$ 15,570	X		03/01/22		84	0.0
REFURBISH 100 TON PRESS	\$ 24,480	09/15/19	7	\$ 7,344	X		03/01/22		84	4.6
SOHO 60 TON BLISS REFURB	\$ 623,217	06/15/18	7	\$ 186,965	X		03/01/22		84	3.3
VEGAS WELDER	\$ 35,785	03/15/11	7	\$ 10,736	X		03/01/22		84	4.1
WELD CONTROL PEER RSW	\$ 23,555	03/15/11	7	\$ 7,066	X		03/01/22		84	0.0
WELDER UPGRADE	\$ 12,000	12/23/10	7	\$ 3,600	X		03/01/22		84	0.0
WRIGHT K WELDER	\$ 457,439	05/15/11	7	\$ 137,232	X		03/01/22		84	0.0
NEW LATHE SOUTH HOLLAND	\$ 13,600	12/23/10	7	\$ 4,080	X		03/01/22		84	0.0
SOHO AIR COMPRESSOR	\$ 32,493	04/15/20	7	\$ 9,748	X		03/01/22		84	5.2
Compressed Air System	\$ 150,000	03/01/22	7	\$ 45,000	X		03/01/22		84	7.0
Electrical Distribution	\$ 250,000	03/01/22	7	\$ 75,000	X		03/01/22		84	7.0
Water Distribution	\$ 25,000	03/01/22	7	\$ 7,500	X		03/01/22		84	7.0
Overhead Tarping System	\$ 50,000	03/01/22	7	\$ 15,000	X		03/01/22		84	7.0
Stringing and Floor Epoxy	\$ 200,000	03/01/22	7	\$ 60,000	X		03/01/22		84	7.0
	\$ 2,564,389			\$ 769,317					0	0.0

Logistics Distribution Equipment

Asset Description	Acquisition Cost	Original In Service Date	Useful Life	Assessed Value	Check If		Estimated In Service Date at New Facility	Estimated Retirement Date (if planned/known)	Original Depreciable Months	Remaining Depreciation (Years)
					Transferred from out of state	New				
5000# TOYOTA FORKLIFT	\$ 10,700	12/23/10	7	\$ 3,210	X		03/01/22		84	0.0
5000LB TOYOTA FORKLIFT	\$ 12,100	12/23/10	7	\$ 3,630	X		03/01/22		84	0.0
8000LB TOYOTA FORKTRUCK	\$ 15,100	12/23/10	7	\$ 4,530	X		03/01/22		84	0.0
8000LB TOYOTA FORKTRUCK	\$ 15,100	12/23/10	7	\$ 4,530	X		03/01/22		84	0.0
8000LB TOYOTA FORKTRUCK	\$ 15,100	12/23/10	7	\$ 4,530	X		03/01/22		84	0.0
8000LB TOYOTA FORKTRUCK	\$ 15,100	12/23/10	7	\$ 4,530	X		03/01/22		84	0.0
CK75 SCANNER	\$ 2,574	04/15/19	5	\$ 772	X		03/01/22		60	2.2
CK75 SCANNER	\$ 2,574	04/15/19	5	\$ 772	X		03/01/22		60	2.2
CK75 SCANNER	\$ 2,574	04/15/19	5	\$ 772	X		03/01/22		60	2.2
CK75 SCANNER	\$ 2,574	04/15/19	5	\$ 772	X		03/01/22		60	2.2
CK75 SCANNER	\$ 2,574	04/15/19	5	\$ 772	X		03/01/22		60	2.2
CLARK 10,000# FORKLIFT	\$ 5,400	12/23/10	7	\$ 1,620	X		03/01/22		84	0.0
COMBILIFT	\$ 52,600	12/23/10	7	\$ 15,780	X		03/01/22		84	0.0
COMBILIFT #C8000	\$ 49,100	12/23/10	7	\$ 14,730	X		03/01/22		84	0.0
DOUBLE SIDED CANTILEVER	\$ 6,659	06/15/14	7	\$ 1,998	X		03/01/22		84	0.0
ENGINE UNIT #H80C	\$ 500	12/23/10	7	\$ 150	X		03/01/22		84	0.0
NISSAN FORKLIFT 12K LB	\$ 7,200	12/23/10	7	\$ 2,160	X		03/01/22		84	0.0
NISSAN FORKLIFT JP100YLP	\$ 17,200	12/23/10	7	\$ 5,160	X		03/01/22		84	0.0
PALLET WRAPPER	\$ 100	10/02/11	7	\$ 30	X		03/01/22		84	0.0
PEER WELDER	\$ 19,000	12/23/10	7	\$ 5,700	X		03/01/22		84	0.0
PRCHASE 5 NEW FORK TRUCKS	\$ 96,000	12/23/10	7	\$ 28,800	X		03/01/22		84	0.0
SCISSOR LIFT REPLACEMENT	\$ 8,970	06/15/17	7	\$ 2,691	X		03/01/22		84	2.3
SIDE SHIFTER & INSTALLTN	\$ 4,900	12/23/10	7	\$ 1,470	X		03/01/22		84	0.0
SOHO COMBILIFT REPLACEMENT	\$ 82,145	11/15/19	7	\$ 24,644	X		03/01/22		84	4.8
TOYOTA FORKLIFT	\$ 45,954	11/15/15	7	\$ 13,786	X		03/01/22		84	0.8
TOYOTA FORKLIFT	\$ 78,993	11/15/15	7	\$ 23,698	X		03/01/22		84	0.8
ZEBRA ZT 400 PRINTER	\$ 1,705	04/15/19	5	\$ 512	X		03/01/22		60	2.2
ZEBRA ZT 400 PRINTER	\$ 1,705	04/15/19	5	\$ 512	X		03/01/22		60	2.2
CTI RACKING	\$ 10,378	10/15/16	7	\$ 3,113	X		03/01/22		84	1.7
CTI RACKING/CANTILEVERS	\$ 15,894	05/15/15	7	\$ 4,768	X		03/01/22		84	0.3
PALLET RACKS FOR ECN	\$ 7,822	05/15/12	7	\$ 2,347	X		03/01/22		84	0.0
PALLET RACKS FOR ECN	\$ 7,822	05/15/12	7	\$ 2,347	X		03/01/22		84	0.0
PALLET RACKS FOR ECN	\$ 7,822	05/15/12	7	\$ 2,347	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICK PACK/WAREHOUSE SHELV	\$ 3,000	12/23/10	7	\$ 900	X		03/01/22		84	0.0
PICKER TRUCK BATTER CHARG	\$ 3,800	12/23/10	7	\$ 1,140	X		03/01/22		84	0.0
PICKER TRUCK BATTERY CHAR	\$ 3,800	12/23/10	7	\$ 1,140	X		03/01/22		84	0.0
RAYMOND SWING LIFF TRUCK	\$ 83,400	12/23/10	7	\$ 25,020	X		03/01/22		84	0.0
SWING LIFF TRUCK BATTERY	\$ 5,400	12/23/10	7	\$ 1,620	X		03/01/22		84	0.0
CK 75 SCANNER #1	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #10	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #11	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #12	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #13	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3



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CK 75 SCANNER #14	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #15	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #16	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #17	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #18	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #19	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #2	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #20	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #21	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
CK 75 SCANNER #22	\$ 2,574	05/15/19	5	\$ 772	X		03/01/22		60	2.3
Forklift - Hyster Yale, R30XM3, H118N04825T	\$ 37,895	10/01/19	7	\$ 11,369	X		03/01/22		84	4.6
Forklift - Hyster Yale, R30XM3, H118N04831T	\$ 37,895	10/01/19	7	\$ 11,369	X		03/01/22		84	4.6
Warehouse Racking	\$ 100,000	03/01/22	7	\$ 30,000		X	03/01/22		84	7.0
Forklift - Hyster Yale, R30XM3 (QTY 6)	\$ 227,370	03/01/22	7	\$ 68,211		X	03/01/22		84	7.0
Forklift - Hyster Yale, S50FT (QTY 2)	\$ 56,390	03/01/22	7	\$ 16,917		X	03/01/22		84	7.0
Forklift - Hyster Yale, V30ZMU (QTY 1)	\$ 101,395	03/01/22	7	\$ 30,419		X	03/01/22		84	7.0
Vehicle - Autocar, ACTT42 (QTY 1)	\$ 120,495	03/01/22	5	\$ 36,149		X	03/01/22		60	5.0
									0	0.0
	\$ 1,491,284			\$ 447,385						



Information Technology Equipment

Asset Description	Acquisition Cost	Original In Service Date	Useful Life	Assessed Value	Check if		Estimated In Service Date at New Facility	Estimated Retirement Date (if planned/known)	Original Depreciable Months	Remaining Depreciation (Years)
					Transferred from out of state	New				
Telecom/Network	\$ 150,000	03/01/22	5	\$ 45,000		X	03/01/22		60	5.0
Security- Cameras/Access Control/Timedlocks	\$ 125,000	03/01/22	5	\$ 37,500		X	03/01/22		60	5.0
JDE Infrastructure	\$ 308,000	03/01/22	5	\$ 92,400		X	03/01/22		60	5.0
	\$ 683,000			\$ 174,900						



Research & Development Equipment

Asset Description	Acquisition Cost	Original In Service Date	Useful Life	Assessed Value	Check if		Estimated In Service Date (New Facility)	Estimated Retirement Date (if planned/known)	Original Depreciable Months	Remaining Depreciation (Years)
					Transferred from out of state	New				
TENSILE TESTER	\$ 53,248	01/15/15	7	\$ 15,974	X		03/01/22		84	0.0
Lab Equipment	\$ 337,181	03/01/22	7	\$ 101,154		X	03/01/22		84	7.0
	\$ 390,429			\$ 117,129						



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Draft No. 4-March 30, 2021

EXHIBIT B

Analysis by Baker Tilly Municipal Advisors, LLC
Dated March 4, 2021



March 4, 2021

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

Baker Tilly Municipal Advisors,
8365 Keystone Crossing, Ste 3
Indianapolis, IN 46240
United States of America

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

Re: Proposed Project MC – Personal 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.

<u>Page</u>	
2	Assumptions
3	Estimated Property Tax Liability for the Proposed Investment in Personal 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



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CITY OF HOBART, INDIANA

Proposed Project MC

ASSUMPTIONS

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

	<u>Estimated Cost</u>
Depreciable Personal Property: (1)	
Existing Facilities - Transferred Property (2)	
Out-of-State	
- First assessed January 1, 2023 for taxes payable in 2024	\$2,828,271
In-State (3)	
- First assessed January 1, 2023 for taxes payable in 2024	<u>2,049,812</u>
Subtotal	4,878,083
 Proposed Investment (1)	
Pool #2 (4)	
- First assessed January 1, 2023 for taxes payable in 2024	<u>2,200,831</u>
 Total Investment	 <u><u>\$7,078,914</u></u>

- (1) Per investment information provided by Company officials.
- (2) Represents the total acquisition cost of equipment estimated to be transferred to the project site from existing facilities. Information on acquisition cost, original in-service year, and depreciable life for the estimated transferred equipment provided by Company officials.
- (3) Personal property transferred to the project site from within the state of Indiana is not eligible for property tax abatement.
- (4) For the purposes of this analysis, it has been assumed that the proposed new equipment will be purchased as new and be depreciated in Pool # 2 (5 - 8 year useful life) for property tax purposes. Once installed, the Company may report the depreciation in a different pool, which may have a material effect on the resulting tax increment calculations. No assumption has been made for future equipment retirement/replacement.

Property Tax Rates	
Certified Pay 2021 Tax Rate	
- Hobart-Ross Township Taxing District	\$3.0161

Note: Indiana Code 6-1.1-20.6 provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property (the "Circuit Breaker Tax Credit"). For commercial and industrial property, the Circuit Breaker Tax Credit reduces a taxpayer's tax liability to 3% of their property's gross assessed value. The Indiana property tax caps, in combination with other potential future changes, such as increases in budgets and tax rates of overlapping taxing units, a loss of a major taxpayer, the adoption of local option income tax for property tax relief purposes, or future changes in Indiana property tax law and regulations, could affect the actual assessed value of the proposed development and the applicable property tax rates, and cause the actual property tax liability to differ significantly from the estimates shown in these schedules.

(Subject to the attached letter dated March 4, 2021)
(Preliminary - Subject to Change)
(For Internal Use Only)

CITY OF HOBART, INDIANA

Proposed Project MC

ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN PERSONAL PROPERTY
Assumes a 10-year personal property tax abatement

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (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	
2024	\$467,280	\$2,123,670	2.5241	\$11,540	\$53,600	\$42,060	
2025	514,590	2,123,670	2.5241	12,990	53,600	40,610	
2026	739,930	2,123,670	2.5241	18,680	53,600	34,920	
2027	955,790	2,123,670	2.5241	24,130	53,600	29,470	
2028	1,160,430	2,123,670	2.5241	29,290	53,600	24,310	
2029	1,351,300	2,123,670	2.5241	34,110	53,600	19,490	
2030	1,369,310	2,123,670	2.5241	34,560	53,600	19,040	
2031	1,369,310	2,123,670	2.5241	34,560	53,600	19,040	
2032	1,369,310	2,123,670	2.5241	34,560	53,600	19,040	
2033	1,394,390	2,123,670	2.5241	34,940	53,600	18,660	
Totals				\$269,360	\$536,000	\$266,640	

- (1) Based on the assumptions outlined on page 2.
- (2) Assumes a 10-year personal property tax abatement on the new personal property and out-of-state transferred personal property with the following deduction percentages: 100%, 90%, 80%, 70%, 60%, 50%, 50%, 50%, 50%, and 49%. Personal property transferred to the project site from within the state of Indiana is not eligible for property tax abatement.
- (3) Represents the certified pay 2021 tax rate for the Hobart Corp.-Ross Twp. 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 and on page 2 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)