

PASSED 3/28/2016 BY A VOTE OF 7-0

RESOLUTION NO. 7 - 2016

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA
GRANTING CHESTER INC./PK INDUSTRIAL, LLC AN ASSESSED VALUATION
DEDUCTION
(TAX ABATEMENT) FOR TANGIBLE REAL PROPERTY UNDER INDIANA CODE 6-1.1-
12.1**

WHEREAS, Pursuant to Resolution No. 5-2010, as confirmed by Resolution No. 7-2010, the Common Council of the City of Valparaiso, Indiana (the "City"), designated a certain area located within the City as an economic revitalization area (an "ERA");

WHEREAS, Resolution No. 5-2010 remains in full force and effect;

WHEREAS, Chester Inc./PK Industrial, LLC (the "Company") has filed with the Common Council a **Statements of Benefits Real Property Improvements (FORM SB-1/Real Property)** dated **January 26, 2016** proposing real property improvements, more specifically related to the building improvements including a new 112,350 sq. ft. industrial steel bar processing facility, anticipated to cost \$7,411,300 (the "Project"), estimated to be completed on or prior to January 1, 2017 and to be fully assessed on or prior to January 1, 2017;

WHEREAS, A Statements of Benefits Real Property (FORM SB-1/Real Property) was submitted to the Common Council as the designating body before and prior to the construction, renovation, redevelopment or installation of real property improvements related to the Project for which the Company desires to request an assessed valuation deduction;

WHEREAS, The Company's facility will be located at 555 Eastport Centre Drive in the City (real property key numbers that will be re-subdivided: 64-10-29-220-008.000-029, 64-10-29-220-009.000-029, 64-10-29-220-010.000-029, and 64-10-29-220-011.000-029) is within the boundaries of an ERA, and therefore the Common Council may make a determination pursuant to IC 6-1.1-12.1-3(b) based upon the evidence as to whether Company shall be allowed an assessed valuation deduction.

NOW, THEREFORE, BE IT RESOLVED that the actions of the Common Council of the City of Valparaiso, Indiana are based upon the evidence as presented by Chester Inc./PK Industrial, LLC upon review of the FORM SB-1/Real Property as well as other pertinent information provided by the Valparaiso Economic Development Corporation and upon the following findings and determinations pursuant to IC 6-1.1-12.1-3(b), such that:

- (1) The Project is reasonable for a project of its nature;
- (2) The estimated number of individuals who will be employed or whose employment will be retained can reasonably be expected to result from the construction, renovation, redevelopment or installation of real property improvements related of the Project;

- (3) The estimated annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to result from the from the construction, renovation, redevelopment or installation of real property improvements related of the Project; and
- (4) The totality of the benefits is sufficient to justify an assessed valuation deduction on the Project.

BE IT FURTHER RESOLVED that the Common Council acknowledges that the Project is located within a designated allocation area of the Valparaiso Redevelopment District, more specifically the Consolidated Valparaiso Allocation Area.

BE IT FURTHER RESOLVED that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from tangible real property **limited to a cost of \$7,411,300 to be constructed between April 1, 2016 and January 1, 2017 for full assessment on January 1, 2017** for an abatement period of **ten (10) years** to the Company, being Chester Inc./PK Industrial, LLC in accordance with IC 6-1.1-12.1-3(c) and IC 6-1.1-12.1-17(b) as it relates to the Project.

BE IT FURTHER RESOLVED that assessed valuation deduction(s) (Tax Abatement) from tangible real property shall be applied only to the Company's qualified real property improvements to be located at 555 Eastport Centre Drive in the City (real property key numbers that will be re-subdivided: **64-10-29-220-008.000-029** , **64-10-29-220-009.000-029** , **64-10-29-220-010.000-029** , and **64-10-29-220-011.000-029**).

BE IT FURTHER RESOLVED that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) of real property with an abatement schedule provided below pursuant IC 6-1.1-12.1-17(b) consistent with the above abatement period as it relates to the Project.

Approved Abatement Period Schedule :	
Tangible real property improvements:	
a. To be installed and placed into service between April 1, 2016 and January 1, 2017;	
b. Construction as completed is limited to the following assessment date : January 1, 2017;	
c. Real property construction during the period under section (a) above and for the assessment dates identified under section (b) is limited to a cost of \$7,411,300 .	
Year of Abatement Period	Deduction Percentage
Year One (1)	100%
Year Two (2)	95%
Year Three (3)	80%
Year Four (4)	65%
Year Five (5)	50%
Year Six (6)	40%
Year Seven (7)	30%
Year Eight (8)	20%
Year Nine (9)	10%
Year Ten (10)	5%

BE IT FURTHER RESOLVED that having received the consent of the Company and in accordance with Indiana Code 6-1.1-12.1-14(b), as agreed upon in the Tax Abatement Agreement (**EXHIBIT A**), and pursuant to Indiana Code 6-1.1-12.1-14 for each year the Company's real property tax liability is reduced by an assessed valuation deduction related specifically to the Project, the Company shall pay to the Porter County Treasurer a fee in the amount computed and determined by the Porter County Auditor pursuant to the provisions of subsection (c) of Indiana Code 6-1.1-12.1-14 (the "Imposed Fee") such that:

- (1) The Common Council hereby determines that **fifteen percent (15%)** shall be the percentage to be applied by the Porter County Auditor for purposes of STEP TWO of subsection (c) of Indiana Code 6-1.1-12.1-14(c);
- (2) Accordingly, for each year the Imposed Fee is payable by the Company, the Imposed Fee shall be equal to the lesser of One Hundred Thousand Dollars (\$100,000) or five percent (5%) of the additional amount of real property taxes that would have been paid by the Company during that year if the deductions approved in this Resolution had not been in effect (i.e., 5% of the Company's real property tax savings attributable to a deduction from the assessed valuation from the Project); and
- (3) The Imposed Fee as collected shall be distributed to the **City of Valparaiso Redevelopment Commission** as a public entity established to promote economic development within the corporate limits of the City as determined by the Common Council as the designating body.

BE IT FURTHER RESOLVED that the final determination of the amount of assessed valuation deduction as applied to the Project for real property improvements shall be made by the appropriate Porter County or State of Indiana agency.

BE IT FURTHER RESOLVED that the Clerk-Treasurer of the City is hereby directed to file with the Office of the Porter County Auditor the following information as it applies to this Resolution and the approval of the Company's assessed valuation deduction in order to insure the application of an assessed valuation deduction as calculated by the Office of the Porter County Assessor, assuming an annual FORM CF-1 is approved by the City Council and all required documents are filed in a timely manner:

1. The FORM SB-1/Real Property, as approved, properly completed and executed consistent with this Resolution and as signed and attested by the appropriate City officials;
2. A certified copy of this Resolution; and
3. A copy of the meeting minutes which approved this Resolution and the FORM SB-1/Real Property.

BE IT FURTHER RESOLVED that if any part, clause, or portion of this Resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of this Resolution as a whole or any other part, clause, or portion of this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall be in full force and effect from and after its passage and adoption by the City's Common Council and upon the signature of the Mayor of the City as the executive of the City.

RESOLUTION NO. _7_ - 2016

March ___28___, 2016

Page 4 of 4

**PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO,
INDIANA,**

by a vote of _____ "Ayes" and _____ "Nays" of those Council members present
on this day,

March _____, 2016.

Jon Costas
Mayor

ATTEST:

Sharon Swihart, Clerk-Treasurer