

RESOLUTION NO. 41 - 2015

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA GRANTING PRATT PAPER (IN), 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 certain areas located within the City as an economic revitalization area (an "ERA");

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

WHEREAS, Pratt Paper (IN), LLC (the "Company") has filed with the Common Council a **Statements of Benefits Real Property Improvements (FORM SB-1/Real Property)** dated **November 23, 2015** proposing real property improvements, more specifically related to the expansion of its current operations for an approximate 250,000 square foot paper mill recycling facility including office building and various other land improvements (the "Project"), estimated to be completed on or prior to March 31, 2016 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 pursuant to a Memorandum of Understanding dated September 17, 2013 between the City and the Company executed before and prior to the construction, renovation, redevelopment or installation of real property improvements related to the Project for which the Company desired to request an ERA assessed valuation deduction;

WHEREAS, The Company's real property located at 3155 State Road 49 (to be addressed as 3050 Anthony Pratt Drive) in the City (real property parcel number 64-10-32-301-002.000-029) 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 ERA 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 Pratt Paper (IN), 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 (further, the South 49 Sub-Allocation Area).

BE IT FURTHER RESOLVED that the Common Council hereby grants an ERA assessed valuation deduction (Tax Abatement) from tangible real property limited to a cost of \$55,060,000 from new real property improvements to be constructed between March 1, 2014 and March 31, 2016 for full assessment on the January 1, 2017 (pursuant to a Memorandum of Understanding dated September 17, 2013 between the City and the Company) for an abatement period of nine (9) years to the Company, being Pratt Paper (IN), 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 ERA 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 3155 State Road 49 (to be addressed as 3050 Anthony Pratt Drive) in the City (being real property parcel number 64-10-32-301-002.000-029).

BE IT FURTHER RESOLVED that the Common Council hereby grants an ERA 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:	
<i>Tangible real property improvements:</i>	
a. To be installed and placed into service between March 1, 2014 and March 31, 2016;	
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 \$55,060,000.	
Year of Abatement Period	Deduction Percentage
Year One (1)	100%
Year Two (2)	88%
Year Three (3)	77%
Year Four (4)	66%
Year Five (5)	55%
Year Six (6)	44%
Year Seven (7)	33%
Year Eight (8)	22%
Year Nine (9)	11%

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), a copy of which is attached hereto as EXHIBIT A and is made a part hereof as incorporated herein, 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 ERA 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 fifteen percent (15%) of the additional amount of real property taxes that would have been paid by the Company during that year if the ERA deduction approved in this Resolution had not been in effect (i.e., 15% of the Company's real property tax savings attributable to the ERA 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 ERA 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 ERA assessed valuation deduction in order to insure the application of an ERA 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.

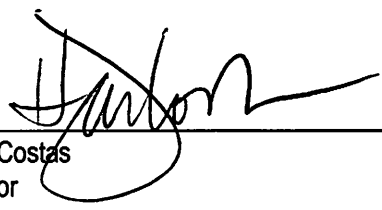
RESOLUTION NO. 41A - 2015

December 14, 2015

Page 4 of 4

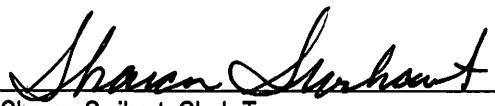
PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA,

by a vote of 7 "Ayes" and 0 "Nays" of those Council members present on this day,
December 14, 2015.



Jon Costas
Mayor

ATTEST:



Sharon Swihart, Clerk-Treasurer