

RESOLUTION NO. 6, 2016

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA GRANTING NUCO STEEL BAR TECHNOLOGIES, LLC AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR TANGIBLE PERSONAL 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,** NUCO Steel Bar Technologies, LLC (the "Company") has filed with the Common Council a Statements of Benefits Personal Property (FORM SB-1/PP) dated January 25, 2016 proposing the installation of new personal property manufacturing and IT equipment as detailed in said form (the "Project") anticipated to cost \$22,000,000, estimated to be installed and placed-in-service on or prior to March 1, 2017 and to be fully assessed on January 1, 2018;
- WHEREAS,** The Company submitted said Statements of Benefits Personal Property ("FORM SB-1/PP") to the Common Council as the designating body prior to the installation of the Project for which the Company desires to request an assessed valuation deduction;
- WHEREAS,** The new personal property manufacturing and IT equipment as installed as it relates to the Project will be used by the Company consistent with IC 6-1.1-12.1-1(3);
- WHEREAS,** The new personal property manufacturing and IT equipment as tangible personal property installed as it relates to the Project has never been used for any purpose in Indiana before consistent with IC 6-1.1-12.1-1(1); and
- 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 NUCO Steel Bar Technologies, LLC upon review of the (FORM SB-1/PP as well as other pertinent information provided by the Valparaiso Economic Development Corporation and upon the following findings 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 installation 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 installation 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 **personal property – manufacturing and IT equipment (“PPME”)** **limited to a cost of 22,000,000 to be installed and placed into service between October 1, 2016 and March 1, 2017 as fully assessed on January 1, 2018** for an abatement period of **ten (10) years** to the Company, being NUCO Steel Bar Technologies, LLC, in accordance with IC 6-1.1-12.1 as it relates to the Project.

BE IT FURTHER RESOLVED that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from tangible personal property – manufacturing and IT equipment (“PPME”) 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>Depreciable personal property – machinery and equipment (“PPME”):</i>		
<i>a. To be installed and placed into service on or prior to March 1, 2017 as fully assessed on January 1, 2018;;</i>		
<i>b. Limited to a cost of \$22,000,000.</i>		
Year of Abatement Period	Assessment Deduction	Deduction Percentage
Year One (1)	January 1, 2018	100%
Year Two (2)	January 1, 2019	90%
Year Three (3)	January 1, 2020	80%
Year Four (4)	January 1, 2021	70%
Year Five (5)	January 1, 2022	60%
Year Six (6)	January 1, 2023	50%
Year Seven (7)	January 1, 2024	40%
Year Eight (8)	January 1, 2025	30%
Year Nine (9)	January 1, 2026	20%
Year Ten(10)	January 1, 2027	10%

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;
- (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 personal 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., 15% of the Company's personal 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 PPME 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 Assessor the following information as it applies to this Resolution and the approval of the Company's assessed valuation deduction:

1. The FORM SB-1/PP, 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/PP.

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/PP, 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/PP.

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 Common Council and upon the signature of the Mayor of the City as the executive of the City.

RESOLUTION NO. 6 2016

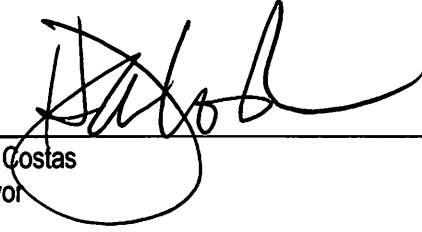
March 28, 2016

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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,

March 28th, 2016.



Jon Costas
Mayor

ATTEST:



Sharon Swihart, Clerk-Treasurer

TAX ABATEMENT
Personal Property

THIS TAX ABATEMENT AGREEMENT ("Agreement") is made and entered into as of the 28 day of March, 2016 ("Effective Date"), by the **Common Council of the City of Valparaiso** ("City"); and **Nuco Steel Bar Technologies, LLC** ("Applicant").

WITNESSETH:

WHEREAS, Applicant has worked with Chester, Inc. concerning the establishment of its business operations in Eastport Centre Business Park, Valparaiso, Indiana. Chester, Inc. is constructing a ±92,000 square foot facility that applicant will rent and install the equipment and other items of personal property that form the basis of the applicant's request of tax abatement;

WHEREAS, Applicant has submitted a completed Statement of Benefits forms for personal property tax abatement ("SB-1/PP"). Such form is incorporated by referenced into this Agreement;

WHEREAS, the City, after due and careful consideration, has concluded that the Project (as defined below) is consistent with the overall vision for commercial development and job creation and specifically finds that it is in the best interest of the City and its inhabitants to approve the requested tax abatement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE I. The Project

1.1 The Project. The Applicant commits to investing at least **\$22M** towards personal property investments in Valparaiso. The personal property is as follows: **Danieli Corporation built and installed new state of the art cold finish bar bench and other equipment utilized in Applicant's business.** ("Project"). Such Project investments shall be of a quality, size, character and appearance substantially similar to Applicant's representations to the City.

1.2 Project Assessment. Applicant represents and commits that the personal property investment, once completed, will have a yearly minimum gross assessment of no less than the values listed on **Exhibit A**. ("Minimum Assessed Value").

1.3 Development of Project. The Applicant commits to commence the investment within **45 days** of this Agreement and agrees to complete the investment within **one year** of this Agreement ("Completion Date").

ARTICLE II. Tax Abatement

2.1 Tax Abatement: Subject to full compliance with the procedures required by law and to ongoing compliance by the Applicant for maintaining a tax abatement, the City will offer tax

abatement on the Project for a term of 10 years commencing tax year 2017/payable 2018 (having a schedule of 100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, 10%).

2.2 Annual Information. During the term of the tax abatement and for a period of two (2) years thereafter, the City or its authorized agent may annually request information from the Applicant concerning the nature of the Project, the approved capital expenditures for the Project, the number of full-time permanent positions retained and newly created by the Project, and the average wage rates and salaries (excluding benefits and overtime) associated with the positions, and the Applicant shall provide the City with adequate written evidence thereof within **15 days** of such request ("Annual Survey"). The City shall utilize this information and the information required to be filed by the Applicant in the CF-1 Compliance with the SB-1/PP form to verify that the Applicant has complied with the all commitments during the duration of the tax abatement. The Applicant further agrees to provide the City with such additional information requested by the City related to the information provided in the Annual Survey and the CF-1 form within a reasonable time following any such request.

2.3. Termination, Reduction and Repayment.

A. Right to Terminate, Reduce and Seek Repayment. The City, by and through the Council reserves the right to terminate the tax abatement deductions, reduce the tax abatement and/or seek repayment of any tax abatement benefit if it determines that the Applicant has not substantially complied with all of the commitments (**including, but not limited to, the commitments of Sections 1.1-1.3 and 2.4**).

B. Notice of Termination and Repayment. In the event that the City determines that the tax abatement deductions should be terminated, reduced and/or that any of the tax abatement savings should be repaid, it will give the Applicant notice of such determination, including a written statement calculating the amount due from the Applicant, and will provide the Applicant with an opportunity to meet with the City's designated representatives to show cause why the abatement should not be terminated, reduced and/or the tax benefits repaid. Such notice shall state the names of the person with whom the Applicant may meet and will provide that the Applicant shall have **thirty (30) days** from the date of such notice to arrange such meeting and to provide its evidence concerning why the abatement termination, reduction and/or tax benefits repayment should not occur. If, after giving such notice and receiving such evidence, if any, the City determines that the abatement termination, reduction and/or tax benefits repayment action is proper, the Applicant shall be provided with written notice and a hearing before the Council before any final action shall be taken concerning the termination, reduction and/or repayment of tax benefits. If the Council adopts a resolution terminating, reducing and/or requiring repayment of tax benefits, the Applicant shall be entitled to appeal that determination to the Porter County Superior or Circuit Court.

C. Time of Repayment. In the event that the City requires repayment of the tax abatement benefits as provided hereunder, it shall provide Applicant with a written statement calculating the amount due ("Statement"), and the Applicant shall make such repayment to the City within thirty (30) days of the date of delivery of the Statement, unless such repayment has been stayed pending an appeal. If the Applicant does not make timely repayment, the City shall be entitled to all reasonable costs and attorneys fees incurred in the enforcement and collection of the tax abatement savings required to be repaid hereunder.

D. Special Provision as to Default under Section 1.2. If, after completion of the Project or at any time during the term of the tax abatement, the Assessed Value of the personal property, as determined by the Porter County Assessor, is greater than **ten percent (10%) below** the Minimum Assessed Value, Applicant shall have the right, but not the obligation, to enter into a Payment in-lieu-of-Taxes ("PILOT") agreement with the City for the purpose of insuring full tax payments, as represented to the City, are paid during the term of the tax abatement. Absent entry of a PILOT agreement within sixty (60) days after notice is provided to the Applicant, the City may proceed under the terms of Section 2.3.

2.4 Local Contractors, Suppliers and Vendors. Applicant acknowledges the use of local incentives for this Project and recognizes the benefits of utilizing local contractors and suppliers. The City strongly urges Applicant to maximize the employment opportunities of the citizens, and resources found within Northwest Indiana. As a material part of this Agreement, Applicant agrees that it will use commercially reasonable best efforts to employ price competitive contractors, suppliers and vendors located within Northwest Indiana (Porter, Lake, and LaPorte counties) with respect to the Project, and will additionally use such efforts to purchase materials and supplies from price competitive suppliers and vendors located within Northwest Indiana (Porter, Lake, and LaPorte counties). Upon request, Applicant shall provide the City an accounting of the Project as to the: i) contractors and suppliers used; and, ii) "commercially reasonable efforts" used by the Applicant. **Failure to comply with this provision shall result in the revocation of Applicant's tax abatement as provided under Section 2.3.**

2.5 Community Engagement. Applicant acknowledges, as a business within Valparaiso, its obligation (and that of its employees) to fully engage with the community and support groups, organizations, initiatives and institutions that contribute towards the betterment of Valparaiso. 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 Valparaiso. As a part of its annual filing of its CF-1, Applicant shall include an overview outlining what actions the Applicant and its employees have taken to satisfy its obligation.

2.6 Tax Abatement Fee. As provided by Indiana Code § 6-1.1-12.1-14, the City is imposing a **fifteen percent (15%)** fee on the tax abatement. Applicant consents to such fee. To the extent an Imposed Fee Letter is executed, such is incorporated by reference into this Agreement.

Article III. Additional Provisions

3.1 Indemnity: No Joint Venture or Partnership. The Applicant covenants and agrees at its expenses to pay and to indemnify and save the City, and their officers and agents, including the Economic Development Director ("Indemnitees") harmless of, from and against, any and all claims, damages, demands, expense and liabilities relating to bodily injury or property damage resulting directly or indirectly from the Applicant's (and/or any affiliate's thereof) activities with respect to the Project unless such claims, damages, demands, expenses or liabilities arise by reason for the negligent act or omission for the City or other Indemnitees or arise from the City's breach of this

Agreement. The parties further agree that this Agreement does not constitute a joint venture or partnership.

3.2 Amendment. This Agreement can only be amended by the mutual consent of the parties to this Agreement.

3.3 No Other Agreement. Except 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.

3.4 Severability. If any provision, covenant, agreement or portion of this Agreement or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants, agreements or portions of this Agreement and, to that end, any provisions, covenants, agreements or portions of this Agreement are declared to be severable.

3.5 Indiana Law/Venue/Attorneys' Fees. This Agreement shall be construed in accordance with the laws of the State of Indiana. Any action to enforce any provision of this Agreement shall be filed in the state courts of Indiana, Porter County. The successful party in any action to enforce this Agreement shall be entitled to reimbursement of court costs and attorney fees.

3.6 Notices. All notices and requests required pursuant to this Agreement shall be deemed sufficiently made if delivered, as follows:

Applicant:

With a Copy to:

Nuco Steel Bar Technologies, LLC
c/o Jim Sarwark
1333 Burr Ridge Parkway, Suite 200
Burr Ridge, IL 60527

To City:

With a Copy to:

Patrick Lyp
Economic Development Director
162 W. Lincolnway
Valparaiso, IN 46383

Ethan Lowe
Blachly, Tabor, Bozik & Hartman, LLC
56 South Washington St.
Valparaiso, IN 46383

or at such other addresses as the parties may indicate in writing to the other either by personal delivery, courier, or by registered mail, return receipt requested, with proof of delivery thereof. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

3.7 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

3.8 Recordation of Agreement. At the request of any party hereto, the parties hereby agree to execute and deliver the original of this Agreement or a Memorandum thereof in property form for recording in the appropriate property or governmental records.

3.9 Consent or Approval. Except as otherwise provided herein, whenever consent or approval of any party is required, such consent or approval shall not be unreasonably withheld.

3.10 Assignment. The rights and obligations contained in this Agreement may not be assigned by the Applicant without the express prior written consent of the Commission; provided, however, that the Applicant may assign its rights and obligations hereunder to an affiliate of the Applicant upon notice and consent of the City, but any such assignment to an affiliate of the Applicant shall not have the effect of releasing the Applicant from its obligations hereunder.

3.11 No Third Party Beneficiaries. This Agreement shall be deemed to be for the benefit solely of the parties hereto and shall not be deemed to be for the benefit of any third party.

3.12 Authority. Each individual executing this Agreement represents that they possess the requisite authority to sign this Agreement.

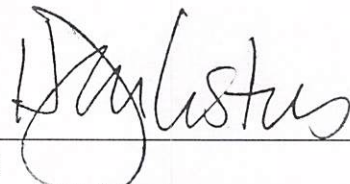
IN WITNESS WHEREOF, the parties have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

Applicant:

Nuco Steel Bar Technologies, LLC

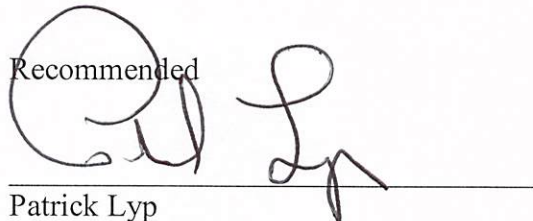


City:



Jon Costas
Mayor, City of Valparaiso

Recommended



Patrick Lyp
Economic Development Director

DEPARTMENT OF ECONOMIC DEVELOPMENT
CITY OF VALPARAISO, INDIANA

NUCO Steel Bar Technologies, LLC AV Deduction

Estimated Assessed Valuation of Personal Property:
Initial Personal Property Investment - Summary of All Pools

			See: Worksheet of		Assessed Valuation Deduction (Tax Abatement)								
Fully Assessed March 1, xxxx			Total	Investments	Abatement Years:	(Tax Abatement)	Estimated	Estimated	Estimated	Application			
			Estimated	(No Abatement)	10	Assessed	Net	Net	Net	of Legislative			
Project	Assessment	Collection	Assessed	Estimated	Abatement	Valuation	Assessed	Bus PP	Bus PP	Circuit	Anticipated	Accumulated	Tax
Year	Year	Year	Valuation	Taxes Due	Percentages (2)	Deduction	Valuation	Tax Rate (3)	Taxes Due	Breaker	Taxes Due	Taxes Due	Savings
1	2017	2018	\$ 8,800,000	\$ 238,392	100%	\$ 8,800,000	\$ -	\$ 2.7090	\$ -	n/a	\$ -	\$ -	\$ 238,392
2	2018	2019	12,320,000	333,749	90%	11,088,000	1,232,000	2.7090	33,375	n/a	33,375	33,375	300,374
3	2019	2020	9,240,000	250,312	80%	7,392,000	1,848,000	2.7090	50,062	n/a	50,062	83,437	200,249
4	2020	2021	7,040,000	190,714	70%	4,928,000	2,112,000	2.7090	57,214	n/a	57,214	140,651	133,500
5	2021	2022	6,600,000	178,794	60%	3,960,000	2,640,000	2.7090	71,518	n/a	71,518	212,169	107,276
6	2022	2023	6,600,000	178,794	50%	3,300,000	3,300,000	2.7090	89,397	n/a	89,397	301,566	89,397
7	2023	2024	6,600,000	178,794	40%	2,640,000	3,960,000	2.7090	107,276	n/a	107,276	408,842	71,518
8	2024	2025	6,600,000	178,794	30%	1,980,000	4,620,000	2.7090	125,156	n/a	125,156	533,998	53,638
9	2025	2026	6,600,000	178,794	20%	1,320,000	5,280,000	2.7090	143,035	n/a	143,035	677,033	35,759
10	2026	2027	6,600,000	178,794	10%	660,000	5,940,000	2.7090	160,915	n/a	160,915	837,948	17,879
TOTALS:				\$ 2,085,930					\$ 837,948		\$ 837,948		\$ 1,247,982

Totals may not sum as a result of rounding; however, said rounding is immaterial.

Notes:

- (1) House Enrollment Act (HEA) 1001-2008 amends the 2006 legislative circuit breaker. The circuit breakers applicable to Pay 2010 taxes for tangible personal property is 3.0 percent plus the Exempt debt tax levy in Lake/St. Joseph Counties. The statutory circuit breaker percentage applies to gross assessed valuation before deductions NOT net assessed valuation while the Exempt debt tax levy
- (2) See Worksheet titled "Schedule of Abatement Percentages Applied Pursuant to Indiana Code 6-1.1-12.1-17(b)."
- (3) Changes (increases or decreases) in the net tax rate may or have not been factored into this analysis.

Model Developed for the
Department of Economic Development by:



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**DEPARTMENT OF ECONOMIC DEVELOPMENT
CITY OF VALPARAISO, INDIANA**

NUCO Steel Bar Technologies, LLC AV Deduction

Not Factoring the Applicable Statutory Circuit Breaker tax Cap, as may be Adjusted for Exempt Debt
Estimated Assessed Valuation of Personal Property - Summary of Investment(s)

Abatement Period Year	Fully Assessed January 1, xxxx	Collection Year	Estimated Assessed Valuation		Total: Estimated Assessed Valuation	Estimated Bus PP Tax Rate	Estimated Taxes Due	Accumulated Taxes Due
	Assessment Year		Initial Investment	Additional Investment				
1	2017	2018	\$ 8,800,000	\$ -	\$ 8,800,000	\$ 2.7090	\$ 238,392	\$ 238,392
2	2018	2019	12,320,000	-	12,320,000	2.7090	333,749	572,141
3	2019	2020	9,240,000	-	9,240,000	2.7090	250,312	822,452
4	2020	2021	7,040,000	-	7,040,000	2.7090	190,714	1,013,166
5	2021	2022	6,600,000	-	6,600,000	2.7090	178,794	1,191,960
6	2022	2023	6,600,000	-	6,600,000	2.7090	178,794	1,370,754
7	2023	2024	6,600,000	-	6,600,000	2.7090	178,794	1,549,548
8	2024	2025	6,600,000	-	6,600,000	2.7090	178,794	1,728,342
9	2025	2026	6,600,000	-	6,600,000	2.7090	178,794	1,907,136
10	2026	2027	6,600,000	-	6,600,000	2.7090	178,794	2,085,930
Total may not sum as a result of rounding; however, said rounding is immaterial.						TOTAL:	\$ 2,085,930	

Note:

(1) House Enrollment Act (HEA) 1001-2008 amends the 2006 legislative circuit breaker. The circuit breakers applicable to Pay 2010 taxes for tangible personal property is 3.0 percent plus the Exempt debt tax levy in Lake/St. Joseph Counties. The statutory circuit breaker percentage applies to gross assessed valuation before deductions NOT net assessed valuation while the Exempt debt tax levy applies to the net assessed valuation, when summed

Model Developed for the
Department of Economic Development By:

