

RESOLUTION NO. 12-2018

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA GRANTING JADE CONSTRUCTION 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,** Jade Construction (the "Company") has filed with the Common Council a Statements of Benefits Real Property Improvements (FORM SB-1/Real Property) dated Oct 8, 2018 proposing real property improvements, more specifically related to constructing a building addition, remodel existing office structure and improve parking and façade/exterior renovation, anticipated to cost \$2,644,000 (the "Project"), estimated to be completed on or prior to December 31, 2019 and to be fully assessed on or prior to January 1, 2020;
- 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 real property located at 600 Vale Park Road in the City (real property parcel numbers 64-09-13-201-009.000-004, 64-09-13-201-010.000-004, 64-09-13-201-011.000-004, 64-09-13-201-012.000-004) 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 Jade Construction 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 \$2,644,000 to be completed by December 31, 2019 for full assessment on the January 1, 2020 for an abatement period of five (5) years to the Company, being Jade Construction 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 the Common Council hereby also grants an assessed valuation deduction (Tax Abatement) from tangible real property to a new commercial structure in excess of 10,000 s/f used primarily for medical related uses constructed on the Company's qualified real property that is completed prior to December 31, 2020 for an abatement period of five (5) years to the Company, being Jade Construction 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 2401 N Calumet Avenue in the City (real property parcel numbers 64-09-13-201-009.000-004, 64-09-13-201-010.000-004, 64-09-13-201-011.000-004, 64-09-13-201-012.000-004).

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 **by December 31, 2019;**
- b. Construction as completed is limited to the following assessment date: **January 1, 2020;**
- 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 \$2,644,000.**

Year of Abatement Period	Deduction Percentage
Year One (1)	100%
Year Two (2)	80%
Year Three (3)	70%
Year Four (4)	60%
Year Five (5)	50%

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 fifteen percent (15%) 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., 15% 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.

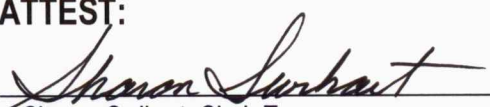
PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA,

by a vote of 7 "Ayes" and 0 "Nays" of those Council members present on this day,
October 8, 2018.



Jon Costas
Mayor

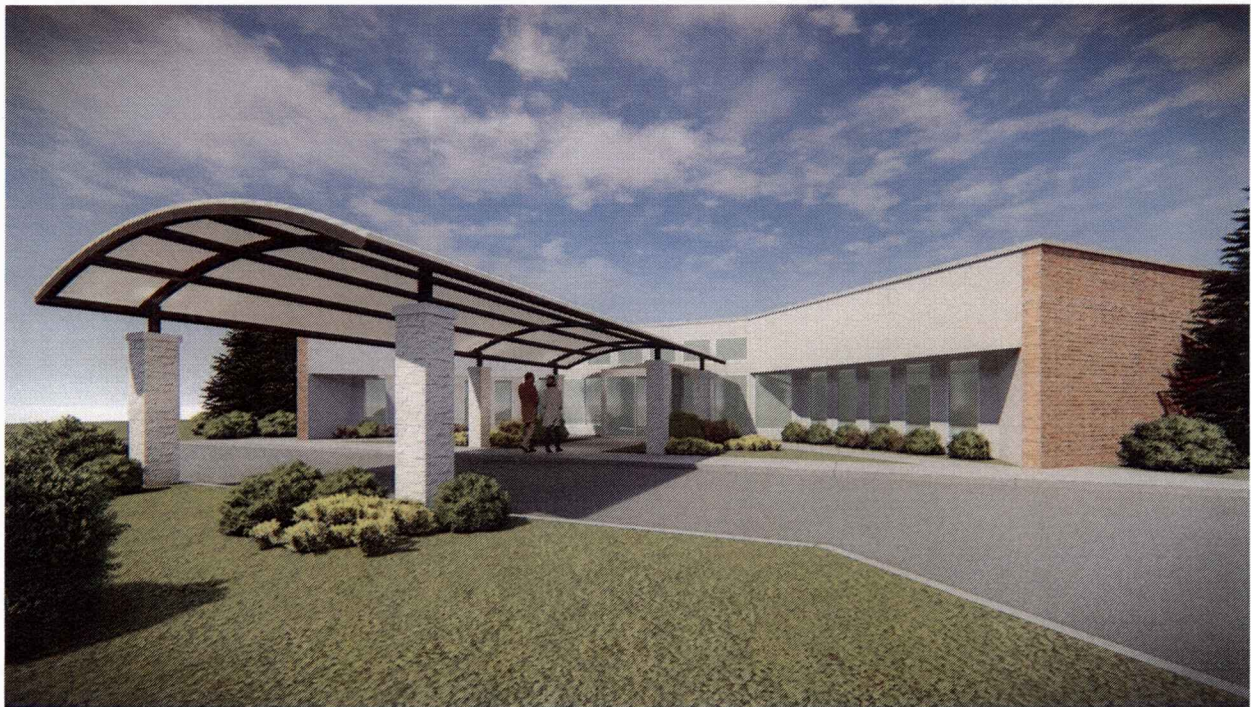
ATTEST:



Sharon Swihart, Clerk-Treasurer

Vale Park Medical

**600 Vale Park Road
2505 Valley Drive**



Presented By:

**Jade Construction
Region Development**

COMPANY BACKGROUND

Jade Constructions is a 15+ year old commercial construction company which gained traction by successfully completing the build out of 120 Subway restaurants. This experience provided Jade with a solid foundation for expanding into other avenues in commercial construction.

Since its inception Jade has been able to utilize its network to bring high quality work to other clients such as: Centers for Foot and Ankle, Family Surgical Solutions, Merrillville Dental, Griffith Blood Bank, Simple Greek Restaurant, Batteries and Bulbs, Papa Johns, Boost Mobile, Vascular Center, Smoothie King and many more.

As Jade Construction grew it began to invest in commercial assets and complete major renovation projects for clients who acquired multi-tenant properties which have lost its utility and desirability in the market. Taking the knowledge acquired over the years Jade was successful in converting these functionally obsolete buildings into modern spaces which have attracted and retained high quality tenants.

Mississippi Street: This building was an old Arby's which had been vacant for a few years but was in a great location. This project consisted of a complete interior rehab and a complete exterior update to ensure the building presented well in the market and met the high-quality standards of the franchises which were to occupy the building. After reworking and completing the exterior, Jade went on to complete the build out for Jimmy Johns, Smoothie King, and Rapid-Fire Pizza.

Surgery Center: This location is approximately 35,000 square feet. Jade was placed in charge of building maintenance nearly a decade ago. During these years Jade has completed over \$2 million in different projects such as roof repair, asphalt parking lot maintenance and repair, HVAC system maintenance and repair as well as general building maintenance and repair. Also, during this time Jade has performed nearly all the tenant build out requirements in the building. As Jade continued to manage the building maintenance ownership soon began to rely on Jade to acquire and retain tenants. Jade has been successful in maintaining near 100% occupancy year over year.

Southlake Medical: This building is 18,000 square feet and was the first project in which Jade was an investor as well as the General Contractor. Jade, along with their partners, helped find, acquire and renovate the entire building. The project lasted about a year and some of the major renovations and updates included: the introduction of an elevator, the design and installation of a canopy, new vestibule, new asphalt, new sewer lines, new HVAC, new on demand water heater system, 4 tenant build outs, major concrete work, repair of retaining walls, and window replacement. The building was purchased for 900K and had an additional \$1 million invested into the renovation. Through its vision and quality workmanship Jade was able to add significant value to the asset.

Learning from all these successes is what propelled Jade Construction to gather a team and form "Region Development". Region Development specializes in locating and acquiring non-performing or underperforming assets. We then analyze the buildings position in the market and formulate a plan to reposition the asset to maximize value for our investors.

EXECUTIVE SUMMARY

600 Vale Park Road and 2505 Valley Drive consist of two buildings each totaling 11,268 square feet positioned on a total of 2.81 acres. The buildings have been occupied by Purdue and have been off the tax roles for well over a decade. The acquisition cost of the property was \$1,600,000 and we plan to invest an additional \$1.5 million dollars into the site and structures.

Vale Park Medical, LLC saw an opportunity within the market to acquire and reposition the asset to accommodate high quality medical users. Given the functional obsolescence of the structures a significant financial investment will be required to attract and retain quality medical tenants. Ownership intends on undertaking a complete interior rehab in the south structure along with significant exterior upgrades and modifications which include the addition of a canopy and excavation around the west of the building to provide direct access to the lower level.

Currently Vale Park Medical, LLC has secured an oncology user not currently in the market to occupy approximately 4,200 square feet of the south building and is in the process of securing a lease with a major University also not in the market to operate a clinical lab in the south building as well. Our team is also in the process of securing an imaging center, an orthopedic group and other medical related tenants for the lower level of the south building as well as to occupy the north building.

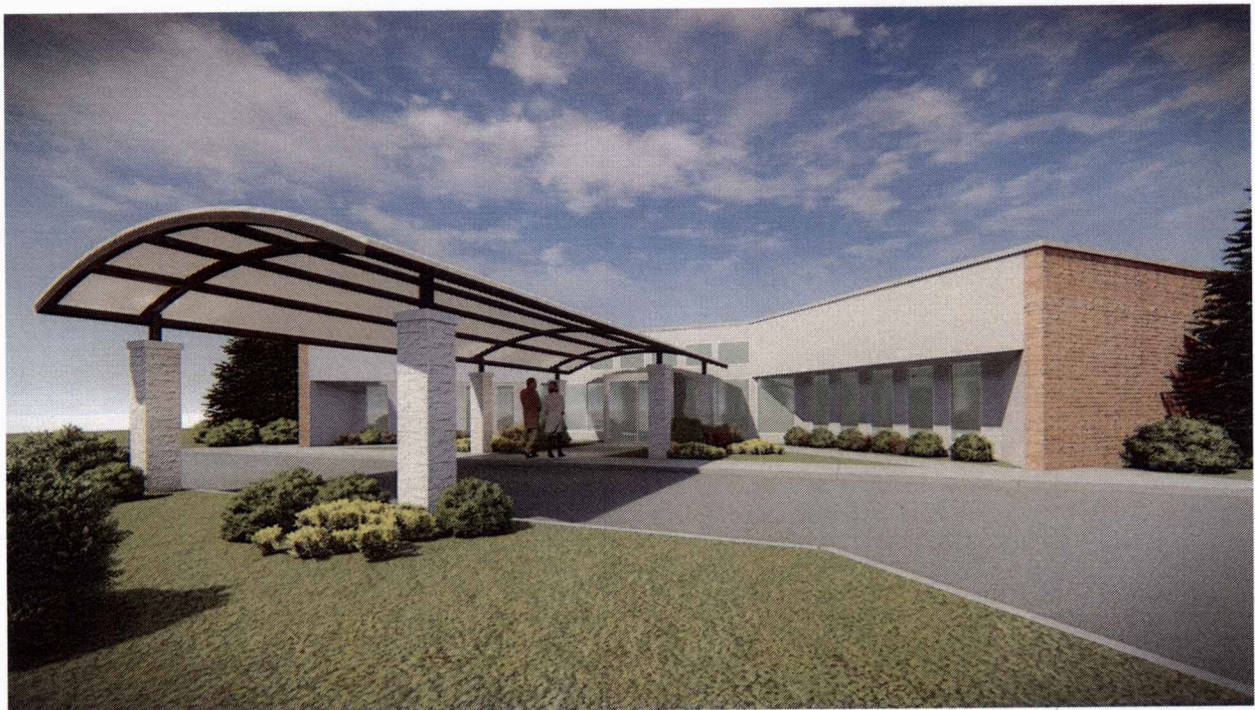
Planning is under way to develop the parcel located at 1 Valley Drive which is owned by the City of Valparaiso to construct an approximate 12,000 square foot building to accommodate one or more users in the medical field. It is believed an 8,000 square foot user can be attracted to this new building. Currently the estimated cost of the building is in the range of \$250 - \$350 per square foot depending on finishes and user requirements for a total cost in the range of \$3 - \$4 million.

Securing the requested tax abatement is necessary to allow Vale Park Medical, LLC to realize its vision and to have the ability to complete the improvements necessary to secure the medical tenants necessary to transform this property into a first in class medical campus to serve the residents of Valparaiso and surrounding communities.

INVESTMENT:

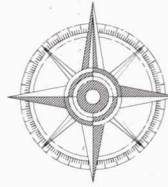
Acquisition:	\$ 1,600,000
Building Exterior Renovation:	\$ 659,900
Clinical Blood Lab Tenant Improvements:	\$ 50,000
Oncology Tenant Improvements:	\$ 231,000
Imaging Center Tenant Improvements:	\$ 275,000
Orthopedic Group Tenant Improvements:	\$ 275,000
Medical Office Space North Building:	<u>\$ 99,100</u>
Total:	\$ 3,190,000

CONCEPTUAL RENDERINGS





North



Site Address

600 Vale Park Rd
Valparaiso, IN 46383

Legal Description

PARCEL 1:
LOT 22, EXCEPTING THEREFROM THE SOUTH 79.9 FEET IN VALE PARK SOUTH, IN THE CITY OF VALPARAISO, AS PER PLAT THEREOF RECORDED IN PLAT FILE 15-D-2, IN THE OFFICE OF THE RECORDER OF PORTER COUNTY, INDIANA.

AND ALSO A TRIANGULAR PARCEL OF LAND IN LOT 22, IN VALE PARK SOUTH, A RECORDED SUBDIVISION, IN THE CITY OF VALPARAISO, AS RECORDED IN PLAT FILE 15-D-2, IN THE OFFICE OF THE RECORDER OF PORTER COUNTY, INDIANA, SAID PARCEL BEING DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE EAST LINE OF SAID LOT, WHICH POINT IS 39.9 FEET NORTH OF THE SOUTHEAST CORNER OF SAID LOT, AND RUNNING THENCE NORTH ALONG THE EAST LINE OF SAID LOT, A DISTANCE OF 48 FEET; THENCE RUNNING WESTERLY PARALLEL TO THE SOUTH LINE OF SAID LOT, A DISTANCE OF 180.39 FEET; THENCE RUNNING SOUTHEASTERLY IN A STRAIGHT LINE TO THE POINT OF COMMENCEMENT.

PARCEL 2:
THE SOUTH 79.90 FEET OF LOT 22 IN VALE PARK SOUTH, IN THE CITY OF VALPARAISO, AS PER PLAT THEREOF, RECORDED IN PLAT FILE 15-D-2, IN THE OFFICE OF THE RECORDER OF PORTER COUNTY, INDIANA, EXCEPTING THEREFROM A TRIANGULAR PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE EAST LINE OF SAID LOT 22, WHICH POINT IS 39.9 FEET NORTH OF THE SOUTHEAST CORNER OF SAID LOT 22, AND RUNNING THENCE NORTH ALONG THE EAST LINE OF SAID LOT 22, A DISTANCE OF 40 FEET; THENCE RUNNING WESTERLY PARALLEL TO THE SOUTH LINE OF SAID LOT 22, A DISTANCE OF 180.39 FEET; THENCE RUNNING SOUTHEASTERLY IN A STRAIGHT LINE TO THE POINT OF COMMENCEMENT.

PARCEL 3:
THE NORTH 147.16 FEET OF LOT 17 IN VALE PARK SOUTH, IN THE CITY OF VALPARAISO, AS PER PLAT THEREOF, RECORDED IN PLAT FILE 15-D-2, IN THE OFFICE OF THE RECORDER OF PORTER COUNTY, INDIANA.

PARCEL 4:
THE SOUTH 102.84 FEET OF LOT 17 IN VALE PARK SOUTH, IN THE CITY OF VALPARAISO, AS PER PLAT THEREOF, RECORDED IN PLAT FILE 15-D-2, IN THE OFFICE OF THE RECORDER OF PORTER COUNTY, INDIANA.

Parking Requirements

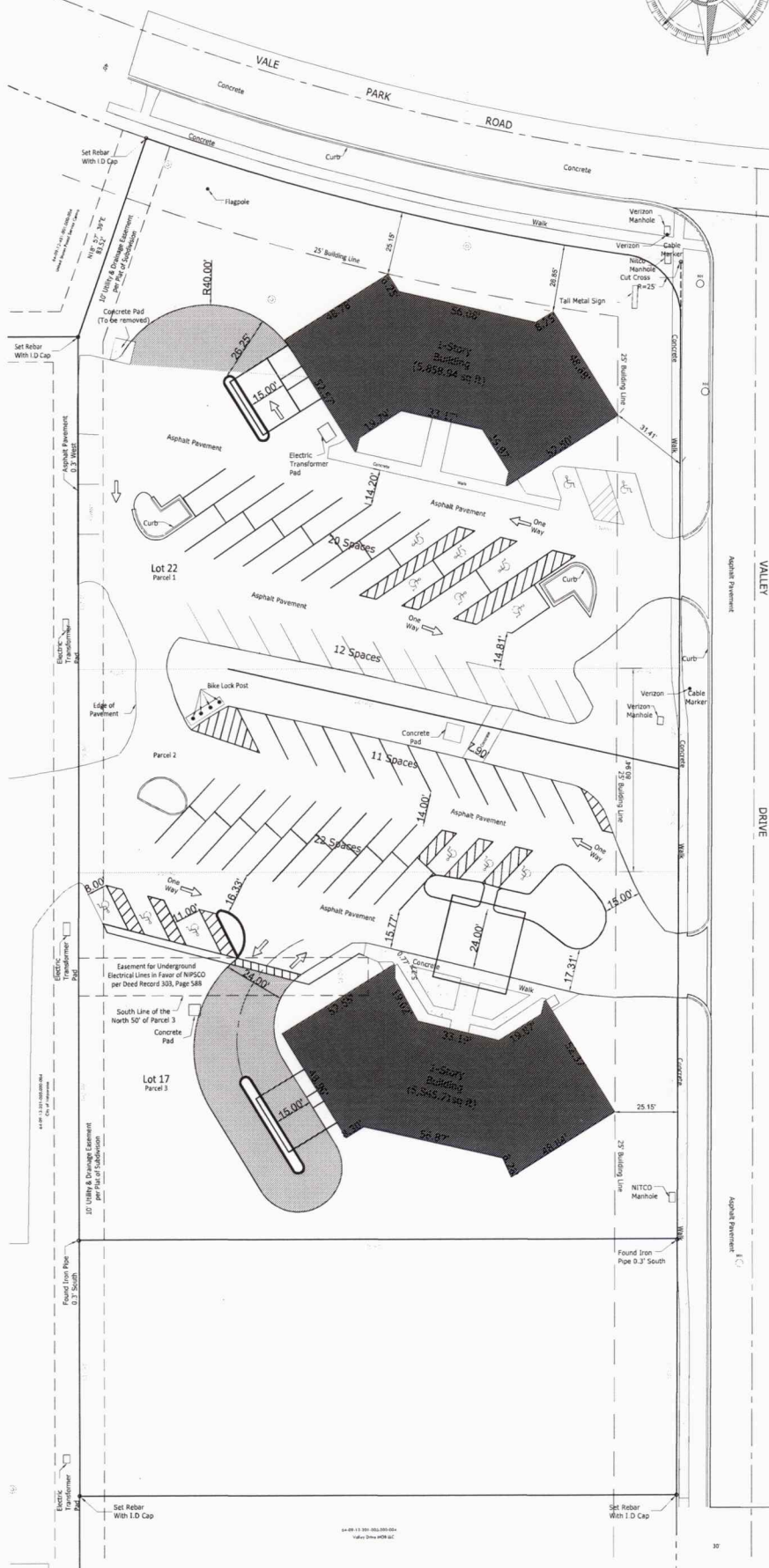
Parking Spaces: (5) spaces per 1,000 sq. ft.
Handicap Spaces: (2) spaces per 25-50 parking spaces (8' min width)
(1) Van-accessible space per 25-50 parking spaces (11' min width)
Bicycle Parking: (1) space per 10 parking spaces

Provided Parking (North Building)

Standard Spaces: 29
Handicapped Spaces: 8
Total Provided: 37
Total Required: 30

Provided Parking (South Building)

Standard Spaces: 30
Handicapped Spaces: 6
Total Provided: 36
Total Required: 30



PRELIMINARY
Site Plan



MECA Engineering Corporation
5655 Broadway, Merrillville, IN 46410
T: (219) 962-1011 F: (219) 962-3969

Streeter Construction
600 Vale Park Road - Valparaiso, IN 46383
Preliminary Site Plan

SCALE: 1" = 20'
DATE: 9/24/2018
JOB NO.: 61-750
DWG. NO.: 5000

