

**SPONSOR(S):**  
Councilman: Jack Uylaki  
Councilman: Daniel Spitale

## **RESOLUTION NO.: R25**

### **A RESOLUTION OF THE HAMMOND CITY COUNCIL GRANTING MUNSTER STEEL COMPANY, INC. AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR TANGIBLE PERSONAL PROPERTY PURSUANT TO INDIANA CODE 6-1.1-12.1**

- WHEREAS,** Deduction for Rehabilitated or Redevelopment of Real Property in Economic Revitalization Areas is authorized under Indiana Code ("IC") 6-1.1-12.1*et seq.*, (the "Act") in the form of deductions of assessed value for the qualified real property improvements and the installation of qualified personal property that results from development, redevelopment and rehabilitation; and
- WHEREAS,** Munster Steel Company, Inc. ("Munster Steel" or the "Company") filed with the Common Council a **Statements of Benefits Personal Property (FORM SB-1/PP)** dated **July 31, 2014** pursuant to IC 6-1.1-12.1-4.5(a) that proposes personal property investments, more specifically related to the installation of manufacturing equipment and information technology equipment to be located at the Company's facility at 1501 Huehn Avenue, anticipated to cost \$2,266,278 (the "Project") and estimated to be placed into service by or on November 30, 2014 for the March 1, 2015 assessment date;
- WHEREAS,** Munster Steel completed and submitted an Application and Approval Process to Obtain an Assessed Valuation ("Tax Abatement") in the City of Hammond, Indiana to the Mayor's Office of Economic Development on July 31, 2014 to which a Statements of Benefits Personal Property (FORM SB-1/PP) was attached;
- WHEREAS,** The Mayor's Office of Economic Development reviewed said Application as dated July 31, 2014 and determined it to be complete and properly executed by Munster Steel;
- WHEREAS,** The Mayor's Office of Economic Development submitted said application and a Statements of Benefits Personal Property (FORM SB-1/PP) to the Common Council as the designating body before and prior to the installation of the Project for which the Company desires to request an assessed valuation deduction; and
- WHEREAS,** Pursuant to Resolution No. R22 (14R – 22) (the "Declaratory Resolution") approved on August 11, 2014, as confirmed by Resolution No. R22(14R – 22) (the "Confirmatory Resolution") approved on September 8, 2014, the Common Council of the City of Hammond, Indiana (the "City") designated and established a certain area located within the City as an economic revitalization area (an "ERA");
- WHEREAS,** The Declaratory Resolution remains in full force and effect; and
- WHEREAS,** The new manufacturing equipment and information technology equipment to be installed as it relates to the Project will be used by the Company consistent with IC 6-1.1-12.1-1(3) and (14); and
- WHEREAS,** The new manufacturing equipment and information technology equipment - tangible personal property - to be 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(3)(C)(i) and (14(D) respectively; and
- WHEREAS,** Pursuant to IC 6-1.1-12.1-4.5(b), the Company's facility located at located at 1501 Huehn Avenue in the City (real property key numbers 45-03-30-276-011.000-023) is within the

boundaries of an ERA, and therefore the Common Council may make a determination pursuant to IC 6-1.1-12.1-4.5 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 Hammond, Indiana are based upon the evidence as presented by the Company after review of the Statement of Benefits (FORM SB-1/PP) as well as other pertinent information provided by the Department of Planning and Development and upon the following findings pursuant to IC 6-1.1-12.1-4.5(b), such that:

- (1) The Project and the estimates and expectations are 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 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 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 and understands that the Project is located within a designated allocation area of the Hammond Redevelopment District, namely the West Point Allocation Area as confirmed by Resolution No. 04-2013 on May 7, 2013 – for which approved deductions of assessed valuation in said allocation area will impact the capture of assessment and the amount of tax increment generated and distributed to the Commission.

**BE IT FURTHER RESOLVED** that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from tangible personal property – machinery and equipment (“PPME”) and information technology equipment (“IT”) limited to a total investment cost of \$2,266,278 as installed and placed into service no later than February 28, 2015 for a period of ten (10) years to Munster Steel Company, Inc. (Munster Steel), in accordance with IC 6-1.1-12.1-4.5(e) and IC 6-1.1-12.1-17(b) as it relates to the Project.

**BE IT FURTHER RESOLVED** that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from 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.

<b>Approved Abatement Schedule:</b>				
<b>Year One (1)</b>	<b>100%</b>		<b>Year Six (6)</b>	<b>100%</b>
<b>Year Two (2)</b>	<b>100%</b>		<b>Year Seven (7)</b>	<b>100%</b>
<b>Year Three (3)</b>	<b>100%</b>		<b>Year Eight (8)</b>	<b>100%</b>
<b>Year Four (4)</b>	<b>100%</b>		<b>Year Nine (9)</b>	<b>100%</b>
<b>Year Five (5)</b>	<b>100%</b>		<b>Year Ten (10)</b>	<b>100%</b>

**BE IT FURTHER RESOLVED** that the Company has agreed to the following imposed reasonable condition for approval of an assessed valuation deduction for PPME as herein specified and authorized under I.C. 6-1.1-12.1-2(i)(6) and as included under Item G (page 2) of the approved FORM SB-1/PP (Statement of Benefits Personal Property):

Condition: The Company by May 10 of each calendar year during the period for which an assessed valuation deduction is applicable shall submit to the City as it applies to the Project, the FORM 103,

FORM 103-EL and/or FORM 103-ERA to supplement the FORM CF-1/PP (Compliance with Statement of Benefits) that is annually filed with the City for each personal property assessed valuation deduction so that the City may verify and confirm the assessed valuation deductions reported by the Company and/or approved by the Office of the Lake County Assessor.

**BE IT FURTHER RESOLVED** that the City agrees to comply with the privacy notices of said FORM 103, FORM 103-EL and FORM 103-ERA as confidential filings in accordance with I.C. 6-1.1-35-9 and that said documents: (i) are not statutorily required filings to the City to review a personal property assessed valuation deduction of the Company but as a reasonable condition as herein specified and included under Item G (page 2) of an approved FORM SB-1/PP (Statement of Benefits Personal Property) and (ii) are submitted to supplement the Company's annually filed FORM CF-1/PP(Compliance with Statement of Benefits) for each personal property assessed valuation deduction such that City may only utilize said forms to verify and confirm the assessed valuation deductions reported by the Company and/or approved by the Office of the Lake County Assessor; and, therefore said documents are deemed not to be public record(s) and shall not be made available to the public.

**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 personal property tax liability is reduced by an assessed valuation deduction related specifically to the Project, the Company shall pay to the Lake County Treasurer a fee in the amount computed and determined by the Lake 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 City Council hereby determines that fifteen percent (15%) shall be the percentage to be applied by the Lake 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 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 Hammond Redevelopment Commission as a public entity established to promote economic development within the corporate limits of the City as determined by the City Council as the designating body.

**BE IT FURTHER RESOLVED** that the final determination of the amount of assessed valuation deduction of the Project for tangible real property shall be made by the appropriate Lake County assessing agency, review board or State of Indiana agency.

**BE IT FURTHER RESOLVED** that the Clerk of the City is hereby directed to cause the filing with the Office of the Lake 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 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.

**HAMMOND COMMON COUNCIL**

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Michael Opinker, President /s/  
Common Council

**ATTEST:**

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Robert J. Golec, City Clerk /s/  
City of Hammond, Indiana.

**PRESENTED BY ME**, the undersigned City Clerk of the City of Hammond to the Mayor of said City for his approval on the 9<sup>th</sup> day of August, 2014.

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Robert J. Golec, City Clerk /s/

The foregoing Resolution No. R25 consisting of two (3) typewritten pages, including this page was approved by the Mayor on the 10<sup>th</sup> day of September, 2014.

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Thomas McDermott, Jr., Mayor /s/  
City of Hammond, Indiana

**PASSED** by the City of Hammond Common Council on the 8<sup>th</sup> day of September, 2014 and approved by the Mayor on the 10<sup>th</sup> day of September, 2014.

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Robert J. Golec, City Clerk /s/