

**PETITIONER(S):**

Department of Planning & Development  
Mayor's Office of Economic Development

**SPONSOR(S):**

Councilman: Dave Woerpel (5<sup>th</sup> District)  
Councilman:

**RESOLUTION NO.: (17) R18**

**A RESOLUTION OF THE HAMMOND CITY COUNCIL GRANTING KORELLIS HOLDINGS, LLC AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR QUALIFIED TANGIBLE REAL 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, the installation of qualified tangible personal property, and/or the occupation of an eligible vacant building that results from development, redevelopment and rehabilitation; and
- WHEREAS,** Pursuant to Resolution No.(17) R12 (the "Declaratory Resolution") approved on March 27, 2017, as confirmed by Resolution No. (17) R16 (the "Confirmatory Resolution") approved on April 24, 2017, 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"); and
- WHEREAS,** The Declaratory Resolution remains in full force and effect; and
- WHEREAS,** Korellis Holdings, LLC (d.b.a. Korellis Roofing, Inc., the "Company") filed with the City a **Statements of Benefits Real Property Improvements (FORM SB-1/RE)** dated **November 9, 2016** proposing real property improvements, more specifically related to the occupation, redevelopment and rehabilitation of vacant building located at 1247 169<sup>th</sup> Street and 1333 169<sup>th</sup> Street (including, but not limited to, the renovation of the structure to insure structural integrity for the purpose of renovating the material storage building, expanding sheet metal construction, and remodeling an office building), anticipated to cost \$1,240,000 (the "Project") and estimated to be completed by or on March 31, 2018 anticipated to be first assessed on January 1, 2019, as the assessment date; and
- WHEREAS,** A Statements of Benefits Real Property (FORM SB-1/RE) was submitted to the Common Council as the designating body before and prior to the occupation, construction, renovation, redevelopment, rehabilitation or installation of real property improvements related to the Project for which the Company desires to request an assessed valuation deduction; and
- WHEREAS,** The Company's facilities located at 1247 169<sup>th</sup> Street in the City are within the boundaries of the duly designated Korellis ERA, and therefore the Common Council may make a determination pursuant to Section 3(b) of the Act based upon the evidence as to whether Company shall be allowed an assessed valuation deduction of qualified real property improvements.

**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/RE) as well as other pertinent information provided by the Department of Planning and Development and the Mayor’s Office of Economic Development including the following findings pursuant to Section 3(b) of the Act, such that:

- (1) The Project and the estimates and expectations contained in the FORM SB-1/RE are reasonable for a project of its nature; and
- (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; and
- (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 has determined that the Project is not currently located within a designated allocation area of the Hammond Redevelopment District.

**BE IT FURTHER RESOLVED** that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) of an eligible real property improvements for a period of **ten (10) years** to **Korellis Holdings, LLC** (d.b.a. Korellis Roofing, Inc.”) in accordance with Section 3(c) and Section 17(b) of the Act as it relates to the Project.

**BE IT FURTHER RESOLVED** that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from qualified tangible real property with an abatement schedule provided below pursuant Section 17(b) of the Act consistent with the above abatement period as it relates to the Project.

<b>Approved Abatement Schedule:</b>			
<b>Year One</b> (1): January 1, 2019	<b>100%</b>	<b>Year Six</b> (6): January 1, 2024	<b>40%</b>
<b>Year Two</b> (2): January 1, 2020	<b>95%</b>	<b>Year Seven</b> (7): January 1, 2025	<b>30%</b>
<b>Year Three</b> (3): January 1, 2021	<b>80%</b>	<b>Year Eight</b> (8): January 1, 2026	<b>20%</b>
<b>Year Four</b> (4): January 1, 2022	<b>65%</b>	<b>Year Nine</b> (9): January 1, 2027	<b>10%</b>
<b>Year Five</b> (5): January 1, 2023	<b>50%</b>	<b>Year Ten</b> (10): January 1, 2028	<b>5%</b>

**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 having received the consent of the Company and in accordance with Section 14(b) of the Act, a copy of which is attached hereto as **EXHIBIT A** and is made a part hereof as incorporated herein, and pursuant to Section 14 of the Act for each year the Company’s tangible real 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 Section 14(c) of the Act (the “Imposed Fee”) such that:

- (1) The Common 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 Section 14(c) of the Act;
- (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 tangible real property tax savings of an eligible vacant building attributable to a deduction from the assessed valuation as a result of 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 Common Council as the designating body.

**BE IT FURTHER RESOLVED** that the Mayor's Office of Economic Development is hereby directed to file with the Office of the Lake County Auditor the following information as it applies to this Resolution and the approval of the Company's assessed valuation deduction:

- (1) The FORM SB-1/RE, 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/RE.

**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.

**See Signature Page**

*[Remainder of Page Intentionally Left Blank]*

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*SIGNATURE PAGE*

**CITY OF HAMMOND, INDIANA COMMON COUNCIL**

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Janet Venecz, 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 25<sup>th</sup> day of April, 2017.

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Robert J. Golec, City Clerk /s/

The foregoing Resolution No. 18 consisting of 4 typewritten pages, including this page was approved by the Mayor on the 25<sup>th</sup> day of April, 2017.

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

**PASSED** by the City of Hammond Common Council on the 24<sup>th</sup> day of April, 2017 and approved by the Mayor on the 25<sup>th</sup> day of April, 2017.

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Robert J. Golec, City Clerk /s/