

**PETITIONER(S):** \_\_\_\_\_  
Mayor's Office of Economic Development  
Department of Planning & Development

**SPONSOR(S):** \_\_\_\_\_  
Councilman Dan Spitale

**RESOLUTION NO.: 17 R. - 07**

**A RESOLUTION OF THE HAMMOND CITY COUNCIL APPROVING THE APPLICATION OF EZ DEDUCTIONS TO REAL OR PERSONAL PROPERTY OF PARTICIPATING BUSINESSES LOCATED WITHIN THE HAMMOND ENTERPRISE ZONE THAT ARE ALSO LOCATED WITHIN DESIGNATED ALLOCATION AREAS AS IT APPLIES TO THE JANUARY 1, 2016 ASSESSMENT DATE FOR TAXES PAYABLE IN 2017**

- WHEREAS,** The Common Council of the City of Hammond, Indiana (the "Common Council") has a continuing interest in the economic and development of the City of Hammond, Indiana (the "City") and its residents; and
- WHEREAS,** The Hammond Urban Enterprise Association, Inc. (the "HUEA") administers and manages the Hammond Enterprise Zone Program which is governed by Indiana Code 5-28-15 (the "Act") as initially established on January 1, 1985 and re-designated on January 1, 2005 and then again re-designated on January 1, 2015 (pursuant to Resolution No. 14R-28 approved on October 27, 2014 as the "2014 Re-Designation Resolution") for a five-year period ending December 31, 2019, pursuant to Section 10(c) and (d) of the Act; and
- WHEREAS,** The Common Council pursuant to the 2014 Re-Designation Resolution supports the Indiana Enterprise Zone Program under the stewardship of the Indiana Economic Development Corporation as well as the goals and objectives of the HUEA, resulting in a private-public cooperative, and
- WHEREAS,** Pursuant to Indiana Code 6-1.1-45-9(a), a participating business that makes a qualified investment in the Hammond Enterprise Zone (the "Zone") and that submits a complete and timely FORM EZ-2 to the Office of the Lake County Auditor is qualified and entitled to an EZ Deduction upon verification of said qualified investments; and
- WHEREAS,** The Common Council pursuant to the 2014 Re-Designation Resolution acknowledges that the HUEA is self-funded through a thirty-five percent (35%) local compliance fee (the "Participation Fee") of realized tax saving as a result of an EZ Deduction applied by the Lake County Auditor based upon the submission of timely a FORM EZ-2 by enterprise zone program participating business for a deduction of a qualified investment in real and/or personal property for which said Participation Fees, in total, are utilized by the HUEA to further development, redevelopment, rehabilitation and the implementation of programs for the enhancement of opportunities for Zone residents and the quality of life of the Zone, and

**WHEREAS,** Pursuant to Indiana Code 6-1.1-45-9(d)(3), if said participating business's qualified investment is also located within a designated allocation area for the purposes of tax increment financing under Indiana Code 36-7-14, the legislative body of the unit that established the Hammond Department of Redevelopment, being the Common Council, must approve the application of an EZ Deduction (FORM EZ-2) to the Office of the Lake County Auditor for the purpose to ensure that any EZ Deductions applied does not impact the Hammond Redevelopment Commission's (the "Commission's) ability to make payment on outstanding obligations (leases, bonds or pay-as-you-go projects) from pledges of tax increment generated in an allocation area; and

**WHEREAS,** The Commission, with the assistance of the HUEA, has identified each participating business and its qualified investment in the Zone that is also located within an designated allocation area for which a FORM EZ-2 has been completed and timely submitted to determine if said EZ Deduction, if applied by the Office of the Lake County Auditor, would impact the Commission's ability to make payment on outstanding obligations for which a list of said participating businesses to be applied to the January 1, 2016 assessment date for taxes payable in 2017 have been attached at EXHIBIT A; and

**WHEREAS,** The Commission at a regular meeting on January 17, 2017: (i) determined that the application of said EZ Deductions to real or personal property of participating businesses as located within the Zone that are also located within designated allocation areas, identified in EXHIBIT A, do not impact the Commission's ability to make payment on outstanding obligations, and (ii) approved a letter of the Commission as attached hereto as EXHIBIT B to be submitted to the City Council recommending the approval of EXHIBIT A for submission to the Lake County, Auditor as it applies to the January 1, 2016 assessment date for taxes payable in 2017; and

**WHEREAS,** The Common Council now desires to take action on EXHIBIT A pursuant to Pursuant to Indiana Code 6-1.1-45-9(d)(3).

**NOW, THEREFORE, BE IT RESOLVED,** by the Common Council of the City of Hammond, Indiana, that the application of said EZ Deductions to real or personal property of participating businesses as located within the Zone which are also located within designated allocation areas, as identified in EXHIBIT A, are hereby approved in entirety for application to the January 1, 2016 assessment date for taxes payable in 2017.

**BE IT FURTHER RESOLVED** that this Resolution shall have full force and effect from and after its passage by the City Common Council, signing by the President thereof and approval by the Mayor.

**BE IT FURTHER RESOLVED** that this Resolution upon execution be submitted to the Office of the Lake County Auditor as its approval.

**HAMMOND 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 14<sup>th</sup> day of February, 2017.

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Robert J. Golec, City Clerk /s/

The foregoing Resolution No. R07 consisting of five (5) typewritten pages, including this page was approved by the Mayor on the 15<sup>th</sup> day of February, 2017.

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

**PASSED** by the City of Hammond Common Council on the 13<sup>th</sup> day of February, 2017 and approved by the Mayor on the 15<sup>th</sup> day of February, 2017.

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Robert J. Golec, City Clerk /s/

EXHIBIT A

HAMMOND, INDIANA  
 URBAN ENTERPRISE ASSOCIATION OF HAMMOND, INDIANA, INC.  
 January 1, 2016 FORM EZ-2 Enterprise Zone Investment Deductions  
 Office of the Lake County, Indiana Auditor  
 February 2, 2017

Line Item	Company	Property Type	Property Key Number	Allocation Area	1.1.2018 EZ Investment Deduction
1	AL WARREN OIL COMPANY	PP	45-123-34331-00	Hammond Central Allocation Area (Gibson Yard)	\$ 148,830
2	CALUMET FLEXICORE CORP.	PP	45-123-30996-00	Downtown Allocation Area	71,210
3	FEDEX GROUND PACKAGE SYSTEM, INC.	PP	45-123-30878-00	West Point Allocation Area	1,013,200
4	JUPITER ALUMINUM CORP.	PP	45-123-31952-00	Hammond Central Allocation Area	28,486,670
5	LANG ICE (a.k.a New City Ice) under Standard Bank & Trust Company	PP	45-123-32885-00	West Point Allocation Area	3,870
6	AL WARREN OIL COMPANY INC.	RP	45-07-05-153-002.000-023	Hammond Central Allocation Area (Gibson Yard)	806,000
7	DJURIC REAL ESTATE INVESTMENTS LLC	RP	45-02-25-377-005.000-023	Downtown Allocation Area	22,700
8	RAYMUNDO GARCIA	RP	45-02-36-182-004.000-023	Downtown Allocation Area	-
9	GROSS, DIETRIC/JUPITER ALUMINUM CORP.	RP	45-07-06-426-005.000-023	West Point Allocation Area	427,800
10	LINDE GAS NORTH AMERICA LLC	RP	45-07-03-200-008.000-023	Hammond Central Allocation Area (Gibson Yard)	444,000
11	THE STADIUM LLC	RP	45-02-36-326-007-000.023	Downtown Allocation Area	246,800
12	THE WESTMORELAND COMPANY, INC o/o FedEx Ground (lessee)	RP	45-03-30-277-001.000-023	West Point Allocation Area	3,238,700
13	LANG ICE (a.k.a New City Ice) under Standard Bank & Trust Company	RP	45-03-30-251-005.000-023	West Point Allocation Area	884,400

<b>Total - EZ Investment Deductions in Allocation Areas:</b>	<b>\$ 33,951,280</b>
Percent of EZ Investment Deduction in Allocation Areas to Total of Hammond EZ:	52.8%
<b>March 1, 2015 Certified NAV of City of Hammond<sup>1</sup>:</b>	<b>1.5%</b>
<b>Total - EZ Investment Deductions in Hammond Enterprise Zone:</b>	<b>\$ 84,327,264</b>
Percent of Total EZ Investment Deduction to Net Certified AV of Hammond:	2.9%
<b>March 1, 2015 Certified NAV of City of Hammond<sup>1</sup>:</b>	<b>\$ 2,180,161,988</b>

Note:  
 1. SOURCE: P2016 Budget Order. Department of Local Government Finance. February 15, 2016.



Thomas M. McDermott, Jr.  
Mayor

DEPARTMENT OF PLANNING AND DEVELOPMENT  
CITY OF HAMMOND

January 17, 2017

EXHIBIT B

PHILLIP  
Executive Director

Janet Venezia, President  
Hammond City Council  
5835 Calumet Avenue  
Hammond, IN 46320

President Venezia:

Pursuant to I.C. 5-1.1-48-9(a), a taxpayer that makes a qualified investment in the Hammond Enterprise Zone (Zone) and that submit a complete and timely FORM EZ-2 to the Office of the Lake County Auditor is entitled to an EZ Deduction.

However, subsection (a)(3) of said Section states that "said qualified investment is also located within a designated allocation area for the purposes of tax increment financing under I.C. 86-7-34, the legislative body of the unit that established the Hammond Department of Redevelopment, being the City of Hammond Common Council, must approve the application of the EZ Deduction to the Office of the Lake County Auditor. The purpose of this approval is to ensure that any EZ Deductions applied do not impact the Hammond Redevelopment Commission's ability to make payment on outstanding obligations (bonds, bonds or pay-as-you-go projects) from pledges of tax increment generated in an allocation area.

The Hammond Redevelopment Commission, with the assistance of the Hammond Urban Enterprise Zone Association, Inc. (HUEA), has identified each qualified investment in the Zone that are also located within designated allocation areas for which a FORM EZ-2 has been completed and timely submitted to determine if said EZ Deductions, if applied by the Office of the Lake County Auditor, would impact the Commission's ability to make payment on outstanding obligations. A list of the property owners that have submitted FORM EZ-2 for an EZ Deduction to be applied to the January 1, 2016 assessment date for taxes payable in 2017 have been attached for your reference.

The Commission has determined that the application of qualified investment EZ Deductions to real or personal property located within the Zone that are also located within designated allocation areas do not impact the Commission's ability to make payment on outstanding obligations. Therefore, the Commission recommends approval of each property owner's EZ Deduction for the January 1, 2016 assessment date for taxes payable in 2017 be applied by the Office of the Lake County Auditor.

In addition to the lists attached hereto, the Commission further requests that the City Council entertain a motion to approve the list for submission to Deanna Prince, Director of Taxation, for the Office of the Lake County Auditor, Dan Botica, Sr. Economic Development Professional for SEI of Indiana and Phillip Allon as the Director of the Department of Planning & Development and as president of the Hammond Urban Enterprise Association will make themselves available to answer any questions both prior to and during a City Council meeting for which a motion on the topic is entertained.

HAMMOND REDEVELOPMENT COMMISSION

Tony Hays, Commission President

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www.gohammond.com

PHILLIP  
1/17/2017