

20R-22

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

SPONSOR(S): Daniel Spitale, Councilman-At-Large

RESOLUTION NO.: 20R- 22

A RESOLUTION OF THE HAMMOND CITY COUNCIL GRANTING HAMMOND DUAL HOTELS 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 City of Hammond, Indiana ("City") Common Council Ordinance (the "Common Council") No. 9485 as approved on November 9, 2020, the Common Council as the designating body pursuant to a resolution making a favorable recommendation of the Hammond Economic Development Commission (Resolution No. 2020-01 approved on October 5, 2020) designated a certain area with it jurisdiction as the Oxbow Landing Economic Development Target Area #2 (the "Oxbow Land EDTA #2"); and
- WHEREAS, Pursuant to Resolution No. 20R.-17 (the "Declaratory Resolution") approved on November 23, 2020, as confirmed by Resolution No. 20R- 21 (the "Confirmatory Resolution") approved on December 14, 2020, the Common Council designated and established a certain area located within the City as an economic revitalization area, the Oxbow Landing Economic Revitalization Area #2 (the "Oxbow Land ERA #2"); and
- WHEREAS, The Declaratory Resolution and Confirmatory Resolution remain in full force and effect; and
- WHEREAS, Hammond Dual Hotels LLC (the "Company") filed with the Mayor's Office of Economic Development and the City a **Statements of Benefits Real Property Improvements (FORM SB-1/RE)** dated **August 27, 2020**, a copy of which is attached hereto as **EXHIBIT A** and is made a part hereof as incorporated herein, proposing real property improvements, more specifically related to the construction and occupation of a new five-story hotel building located at 2847 Carlson Drive, anticipated to cost \$6,437,300 (the "Project") and estimated to be completed by the February 1, 2022 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 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 facility located at located at 2847 Carlson Drive in the City (real property key numbers 45-07-16-404-012.000-023, 45-07-16-404-013.000-023 and 45-07-16-404-014.000-023, to be combined into parcel number 45-07-16-404-015.000-023) is within the boundaries of the duly designated Oxbow #3 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;
- (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 has determined that the Project is currently located within a designated allocation area of the Hammond Redevelopment District, the Gateways Allocation Area.

BE IT FURTHER RESOLVED that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from qualified tangible real property for a period of **ten (10) years to Hammond Dual Hotels LLC** 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.

Approved Abatement Schedule, pursuant to I.C. 6-1.1-12.1-17(b)			
<i>NOTE: Assessment Dates are anticipated based upon the FORM SB-1/Real. Year One of the Abatement Period shall be the first Assessment Date proceeding the date of full (110%) assessment, which may vary from the Assessment Dates identified below.</i>			
Year One (1): January 1, 2023	100%	Year Six (6): January 1, 2028	40%
Year Two (2): January 1, 2024	95%	Year Seven (7): January 1, 2029	30%
Year Three (3): January 1, 2025	80%	Year Eight (8): January 1, 2030	20%
Year Four (4): January 1, 2026	65%	Year Nine (9): January 1, 2031	10%
Year Five (5): January 1, 2027	50%	Year Ten (10): January 1, 2032	5%

BE IT FURTHER RESOLVED that the calculation and determination of the amount of assessed valuation deduction of the Project for tangible real property shall be based upon the Project investment and limited to first year of full assessment of new improvements, anticipated to be January 1, 2023.

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, Indiana 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 B** 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, Indiana Treasurer a fee in the amount computed and determined by the Lake County, Indiana 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, Indiana Auditor for purposes of STEP TWO of Section 14(c) of the Act; and
- (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 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 Clerk of the City is hereby directed to file with the Office of the Lake County, Indiana 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

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RESOLUTION NO.: 20R- 22

A RESOLUTION OF THE HAMMOND CITY COUNCIL GRANTING HAMMOND DUAL HOTELS LLC
AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR QUALIFIED TANGIBLE REAL PROPERTY
PURSUANT TO INDIANA CODE 6-1.1-12.1

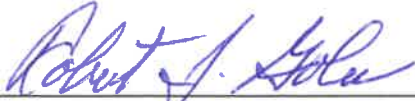
SIGNATURE PAGE

CITY OF HAMMOND, INDIANA COMMON COUNCIL



Dave Woerpel, President

ATTEST:



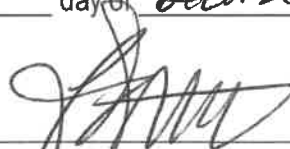
Robert J. Golec, City Clerk
City of Hammond, Indiana.

PRESENTED BY ME, the undersigned City Clerk of the City of Hammond to the Mayor of said City
for his approval on the 15th day of December, 2020.



Robert J. Golec, City Clerk

The foregoing Resolution No. 22 consisting of (6) typewritten pages, including this page was
Approved by the Mayor on the 15th day of December, 2020.



Thomas M. McDermott, Jr., Mayor
City of Hammond, Indiana

PASSED by the City of Hammond Common Council on the 14th day of December, 2020
and Approved by the Mayor on the 15th day of December, 2020.



Robert J. Golec, City Clerk

RESOLUTION NO.: 20R- 22

**A RESOLUTION OF THE HAMMOND CITY COUNCIL GRANTING HAMMOND DUAL HOTELS LLC
AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR QUALIFIED TANGIBLE REAL PROPERTY
PURSUANT TO INDIANA CODE 6-1.1-12.1**

EXHIBIT A

Statements of Benefits Real Property Improvements (FORM SB-1/RE):
Hammond Dual Hotels LLC dated August 27, 2020

RESOLUTION NO.: 20R. - 22

**A RESOLUTION OF THE HAMMOND CITY COUNCIL GRANTING HAMMOND DUAL HOTELS LLC
AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR QUALIFIED TANGIBLE REAL PROPERTY
PURSUANT TO INDIANA CODE 6-1.1-12.1**

EXHIBIT B

Imposed Fee Consent Letter:
Hammond Dual Hotels LLC

Pursuant to I.C. 6-1.1-12.1-14(b)



**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R6 / 10-14)

Prescribed by the Department of Local Government Finance

20 20 PAY 20 21

FORM SB-1 / Real Property

PRIVACY NOTICE

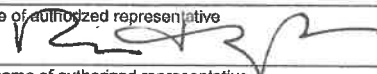
Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
- Residentially distressed area (IC 6-1.1-12.1-4.1)

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise, this statement must be submitted to the designating body BEFORE the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
3. To obtain a deduction, a Form 322/RE must be filed with the County Auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between March 1 and May 10 of a subsequent year.
4. A property owner who files for the deduction must provide the County Auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5.1(b)
5. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/Real Property that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. IC 6-1.1-12.1-17

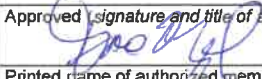
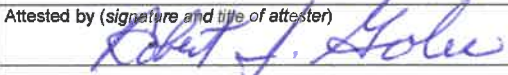
SECTION 1 TAXPAYER INFORMATION					
Name of taxpayer Hammond Dual Hotels LLC (d.b.a. Home2 Suites by Hilton)					
Address of taxpayer (number and street, city, state, and ZIP code) 2842 Carlson Drive, Hammond, Indiana 46323					
Name of contact person Nash Patel, Manager		Telephone number (770) 904-0765		E-mail address ypatel@indy.rr.com	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body Hammond Common Council				Resolution number 20R. - _____	
Location of property 847 Carlson Drive		County LAKE		DLGF taxing district number 023	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) Hammond Dual Hotels LLC proposes an investment of > \$7,000,000 to construct a new 5-story Home2 Suites by Hilton hotel on real property in an area designated as a redevelopment project area (Gateways Redevelopment Area) which exhibits blighting conditions. The hotel is anticipated to create 30+ new employment positions.				Estimated start date (month, day, year) November 2021	
				Estimated completion date (month, day, year) February 2022	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 0	Salaries \$ 0	Number retained 0	Salaries \$ 0	Number additional 34	Salaries \$ 1,044,000
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
REAL ESTATE IMPROVEMENTS					
			COST		ASSESSED VALUE
Current values			\$ 370,700		\$ 370,700
Plus estimated values of proposed project			\$ 6,808,000		\$ 4,959,000
Less values of any property being replaced			\$ 0		\$ 0
Net estimated values upon completion of project			\$ 6,437,300		\$ 4,589,000
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER					
Estimated solid waste converted (pounds) <u>Not applicable</u>			Estimated hazardous waste converted (pounds) <u>Not applicable</u>		
Other benefits Not applicable.					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative 				Date signed (month, day, year) August 27, 2020	
Printed name of authorized representative John Tampa			Title (jtampa@ascent-hospitality.com) Registered Agent		

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

- A. The designated area has been limited to a period of time not to exceed 10 calendar years* (see below). The date this designation expires is December 31, 2030.
- B. The type of deduction that is allowed in the designated area is limited to:
 1. Redevelopment or rehabilitation of real estate improvements Yes No
 2. Residentially distressed areas Yes No
- C. The amount of the deduction applicable is limited to \$ \$6,000,000 (Improvement Cost).
- D. Other limitations or conditions (specify) Limited to AV of \$6,000,000 of improvement costs. Imposition of a Fee pursuant to IC 6.1.1-12.1-14.
- E. Number of years allowed: Year 1 Year 2 Year 3 Year 4 Year 5 (* see below)
 Year 6 Year 7 Year 8 Year 9 Year 10
- F. For a statement of benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?
 Yes No
 If yes, attach a copy of the abatement schedule to this form.
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

We have also reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved (signature and title of authorized member of designating body) 	Telephone number (219) 853-6404	Date signed (month, day, year) December 14, 2020
Printed name of authorized member of designating body Dave Woerpel, President	Name of designating body Hammond Common Council	
Attested by (signature and title of attester) 	Printed name of attester Robert J. Golec, City Clerk	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4.1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. The deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
 - (2) The number of new full-time equivalent jobs created.
 - (3) The average wage of the new employees compared to the state minimum wage.
 - (4) The infrastructure requirements for the taxpayer's investment.
- (b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.
- (c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

EXHIBIT B

December 1, 2020

Anne Anderson
Director of Economic Development
Mayor's Office of Economic Development
5925 Calumet Avenue
Hammond, Indiana 46320

Dear Ms. Anderson:

Hammond Dual Hotels LLC (the "Company") as the property owner of real property located at 2847 Carlson Drive (45-07-16-404-015.000-023) that has submitted a **FORM SB-1/Real Property (Statement of Benefits)** dated August 27, 2020 to the Mayor's Office of Economic Development for submission to and consideration by the City of Hammond, Indiana (the "City") Common Council, as the designating body, for approval of an assessed valuation deduction ("Tax Abatement") consents to the imposition of a fee (the "Imposed Fee") pursuant to Indiana Code ("IC") 6-1.1-12.1-14.

The Company understands that the City's Common Council will incorporate the following statements into a resolution as its approval of the Company's statement of benefits and assessed valuation deduction for qualified real property improvements identified in the FORM SB-1/Real Property:

- 1) The Common Council's intent to subject the Company to an Imposed Fee pursuant to IC 6-1.1-12.1-14(b);
- 2) The percentage to be applied by the Lake County Auditor for purposes of STEP TWO of IC 6-1.1-12.1-14(c), which may not exceed fifteen percent (15%) and which shall remain in effect throughout the term of the assessed valuation deduction; and
- 3) The one or more public or nonprofit entities established to promote economic development within the City served by the City Common Council as the designating body identified to receive distributions of the Imposed Fee and the proportions of those distributions by the Lake County Auditor

The Company understands that for each year in which its property tax liability is reduced as the result of the application of a real property assessed valuation deduction pursuant to IC 6-1.1-12.1-3, the Company shall pursuant to IC 6-1.1-12.1-14 pay to the Lake County, Indiana Treasurer upon notification the Imposed Fee in an amount calculated by the Lake County, Indiana Auditor for distribution to the one or more public or nonprofit entities as designated by the City's Common Council. The Company shall pay the Imposed Fee within 30 days of notification.

Furthermore the Company understands that pursuant to IC 6-1.1-12.1-14(e), if the City's Common Council determines that the Company has not paid the Imposed Fee in accordance with IC 6-1.1-12.1-14, the Common Council may adopt a resolution terminating the Company's assessed valuation deduction under Sections 3. And, if the Common Council adopts such a resolution, the assessed valuation deduction previously approved under Sections 3 as now terminated does not apply to the next installment of property taxes owed by the Company or to any subsequent installment of property taxes.

Very truly yours,



Signature



Print Name



Title