

RESOLUTION NO.: R08

A RESOLUTION OF THE HAMMOND CITY COUNCIL GRANTING FJ BUILDING OF INDIANA, LLC (D.B.A. AMERICAN STAIR CORPORATION) AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR QUALIFIED 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, 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,** FJ Building of Indiana, LLC (d.b.a. American Stair Corporation, the “Company”) filed with the City **Statements of Benefits Personal Property (FORM SB-1/PP)** dated **March 18, 2015** pursuant to IC 6-1.1-12.1-4.5(a) that proposes tangible personal property investments, more specifically related to the installation of manufacturing equipment, logistical distribution equipment, and information technology equipment to be located at the Company’s facility at 3520 Calumet Avenue, anticipated to cost \$2,117,133 (the “Project”) and estimated to be placed into service by or on February 29, 2015 for the March 1, 2016 assessment date; and
- WHEREAS,** The Company 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 March 18, 2015 to which said Statements of Benefits Personal Property (FORM SB-1/PP) was attached; and
- WHEREAS,** The Mayor’s Office of Economic Development reviewed said Application as dated March 18, 2015 and determined it to be complete and properly executed by the Company; and
- 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 pursuant to the Act; and
- WHEREAS,** Pursuant to Resolution No. R15 (14R – 15) (the “Declaratory Resolution”) approved on May 12, 2014, as confirmed by Resolution No. R05 (15R – 05) (the “Confirmatory Resolution”) approved on April 27, 2015, 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,** The installation and placement into service of manufacturing equipment, logistical distribution equipment, and information technology equipment as it relates to the Project will be used by the Company as defined and consistent with Section 1(3), (13) and (14) of the Act; and

WHEREAS, The manufacturing equipment, logistical distribution equipment, and information technology equipment - tangible personal property - to be installed and placed into service at the Company's facility at 3520 Calumet Avenue as it relates to the Project has never been used for any purpose in Indiana before consistent with Section 1(3)(C), (13)(C) and (14)(D) of the Act respectively; and

WHEREAS, Pursuant to Section 4.5(b) of the Act, the at the Company's facility at 3520 Calumet Avenue in the City (real property key number 45-02-24-277-001.000-023) is within the boundaries of an ERA as established by the Declaratory Resolution and as confirmed by the Confirmatory Resolution, and therefore the Common Council may make a determination pursuant to Section 4.5 of the Act based upon the evidence as to whether Company shall be allowed an assessed valuation deduction for tangible personal property.

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 the Mayor's Office of Economic Development including the following findings pursuant to Section 4.5(b) of the Act, 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 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) from tangible personal property – machinery and equipment (“PPME”), logistical distribution equipment (“LDE”) and information technology equipment (“IT”) limited to a total investment cost of \$2,117,133 as installed and placed into service no later than March 1, 2016 for a period of **ten (10) years to FJ Building of Indiana, LLC** (d.b.a. American Stair Corporation”) in accordance with Section 4.5(e) 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 PPME 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:				
Year One (1): March 1, 2016	100%		Year Six (6): March 1, 2021	100%
Year Two (2): March 1, 2017	100%		Year Seven (7): March 1, 2022	100%
Year Three (3): March 1, 2018	100%		Year Eight (8): March 1, 2023	100%
Year Four (4): March 1, 2019	100%		Year Nine (9): March 1, 2024	100%
Year Five (5): March 1, 2020	100%		Year Ten (10): March 1, 2025	100%

BE IT FURTHER RESOLVED that the Company has agreed to the following imposed reasonable condition for approval of an assessed valuation deduction of tangible personal property as herein specified and authorized under Section 2(i)(6) of the Act 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 abatement period for which an assessed valuation deduction of tangible personal property 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 IC 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 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 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 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; 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 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 tangible personal 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 final determination of the amount of assessed valuation deduction of the Project for tangible personal 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 the Clerk of the City 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/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.

See Signature Page

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CITY OF HAMMOND, INDIANA COMMON COUNCIL

Michael Opinker, President /s/
Common Council

ATTEST:

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 28th day of April, 2015.

Robert J. Golec, City Clerk /s/

The foregoing Resolution No. R08 consisting of 5 typewritten pages, including this page was approved by the Mayor on the 29th day of April, 2015.

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

PASSED by the City of Hammond Common Council on the 27th day of April, 2015 and approved by the Mayor on the 29th day of April, 2015.

Robert J. Golec, City Clerk /s/