

## **RESOLUTION NO. 20, 2015**

### **A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA GRANTING DIAMOND RESIDENTIAL MORTGAGE COMPANY AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR TANGIBLE REAL PROPERTY UNDER INDIANA CODE 6-1.1- 12.1**

**WHEREAS**, Pursuant to Ordinance No. 31-2009, the Common Council of the City of Valparaiso, Indiana (the "City"), designated the U.S. Hwy. 30 corridor within the City as an economic development target area (an "EDTA") in accordance with Indiana Code 6-1.1-12.1-7;

**WHEREAS**, Pursuant to Resolution No. 5-2010, as confirmed by Resolution No. 7-2010, the Common Council of the City, designated a certain area located within the City as an economic revitalization area (an "ERA");

**WHEREAS**, Ordinance No. 31-2009 and Resolution No. 5-2010 remain in full force and effect;

**WHEREAS**, Diamond Residential Mortgage Company (the "Company") has filed with the Common Council a **Statements of Benefits Real Property Improvements (FORM SB-1/Real Property)** dated **July 15, 2015** proposing real property improvements, more specifically related to the construction of a new 4,000 square foot single story commercial office building for the operations of the Company (the "Project"), estimated to be completed for full assessment on or prior to March 1, 2016 assessment date;

**WHEREAS**, A Statements of Benefits Real Property (FORM SB-1/Real Property) was submitted to the Common Council as the designating body before and prior to the construction, renovation, redevelopment or installation of real property improvements related to the Project for which the Company desires to request an assessed valuation deduction;

**WHEREAS**, The Company's offices and facility to be located at 655 Washington Street (Common Address) in the City (real property parcel number 64-09-25-156-003.000-029 or subsequent real property key number assigned as additional property was purchased for the Project, as may be combined for taxation purposes) is within the boundaries of an ERA, and therefore the Common Council may make a determination pursuant to IC 6-1.1-12.1-3(b) 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 Valparaiso, Indiana are based upon the evidence as presented by Diamond Residential Mortgage Company upon review of the FORM SB-1/Real Property as well as other pertinent information provided by the Valparaiso Economic Development Corporation and upon the following findings and determinations pursuant to IC 6-1.1-12.1-3(b), such that:

- (1) The Project is 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 construction, renovation, redevelopment or installation of real property improvements related of 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 from the construction, renovation, redevelopment or installation of real property improvements related of 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 that the Project is not located within a designated allocation area of the Valparaiso Redevelopment District, pursuant to IC 6-1.1-12.1-2(k).

**BE IT FURTHER RESOLVED** that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from tangible real property limited to a cost of \$690,000 to be constructed between August 11, 2015 and December 31, 2016 limited to full assessment o n the following assessment date : March 1, 201 7 for an abatement period of five (5) years to the Company, being Diamond Residential Mortgage Company in accordance with IC 6-1.1-12.1-3(c) and IC 6-1.1-12.1-17(b) as it relates to the Project.

**BE IT FURTHER RESOLVED** that assessed valuation deduction(s) (Tax Abatement) from tangible real property shall be applied only to the Company's operational to be located at **655 Washington Street** (Common Address) in the City (real property parcel number **64-09-25-156-003.000-029** or subsequent real property key number assigned as additional property was purchased for the Project, as may be combined for taxation purposes).

**BE IT FURTHER RESOLVED** that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) of real property 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 Period Schedule :</b>	
<b>Tangible real property improvements:</b>	
a. To be installed and placed into service between August 11, 2015 and December 31, 2017;	
b. Construction as completed is limited t o the following assessment date : January 1, 2017; and	
c. Real property construction during the period under section (a) above and for the assessment dates identified under section (b) is limited to a cost of \$690,000.	
<b>Year of Abatement Period</b>	<b>Deduction Percentage</b>
<b>Year One (1)</b>	100%
<b>Year Two (2)</b>	80%
<b>Year Three (3)</b>	60%

<b>Year Four (4)</b>	40%
<b>Year Five (5)</b>	20%

**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 real property tax liability is reduced by an assessed valuation deduction related specifically to the Project, the Company shall pay to the Porter County Treasurer a fee in the amount computed and determined by the Porter 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 Common Council hereby determines that **fifteen percent (15%)** shall be the percentage to be applied by the Porter County Auditor for purposes of STEP TWO of subsection (c) of Indiana Code 6-1.1-12.1-14(c);
- (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 five percent (5%) 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., 5% 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 Valparaiso 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 as applied to the Project for real property improvements shall be made by the appropriate Porter County or State of Indiana agency.

**BE IT FURTHER RESOLVED** that the Clerk-Treasurer of the City is hereby directed to file with the Office of the Porter County Auditor the following information as it applies to this Resolution and the approval of the Company's assessed valuation deduction in order to insure the application of an assessed valuation deduction as calculated by the Office of the Porter County Assessor, assuming an annual FORM CF-1 is approved by the City Council and all required documents are filed in a timely manner:

1. The FORM SB-1/Real Property, as approved, properly completed and executed 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/Real Property.

**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.

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**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.

**PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO,  
INDIANA,**

by a vote of \_\_\_\_\_ "Ayes" and \_\_\_\_\_ "Nays" of those Council members present on this day,

**August 10, 2015.**

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Jon Costas  
Mayor

**ATTEST:**

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Sharon Swihart, Clerk-Treasurer