TAX ABATEMENT
Personal Property

THIS TAX ABATEMENT AGREEMENT ("Agreement") is made and entered into as of the 28 day of March, 2016 ("Effective Date"), by the Common Council of the City of Valparaiso ("City"); and Nuco Steel Bar Technologies, LLC ("Applicant").

WITNESSETH:

WHEREAS, Applicant has worked with Chester, Inc. concerning the establishment of its business operations in Eastport Centre Business Park, Valparaiso, Indiana. Chester, Inc. is constructing a ±92,000 square foot facility that applicant will rent and install the equipment and other items of personal property that form the basis of the applicant's request of tax abatement;

WHEREAS, Applicant has submitted a completed Statement of Benefits forms for personal property tax abatement ("SB-1/PP"). Such form is incorporated by referenced into this Agreement;

WHEREAS, the City, after due and careful consideration, has concluded that the Project (as defined below) is consistent with the overall vision for commercial development and job creation and specifically finds that it is in the best interest of the City and its inhabitants to approve the requested tax abatement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE I. The Project

1.1 The Project. The Applicant commits to investing at least $22M towards personal property investments in Valparaiso. The personal property is as follows: Danieli Corporation built and installed new state of the art cold finish bar bench and other equipment utilized in Applicant’s business. ("Project"). Such Project investments shall be of a quality, size, character and appearance substantially similar to Applicant's representations to the City.

1.2 Project Assessment. Applicant represents and commits that the personal property investment, once completed, will have a yearly minimum gross assessment of no less than the values listed on Exhibit A. ("Minimum Assessed Value").

1.3 Development of Project. The Applicant commits to commence the investment within 45 days of this Agreement and agrees to complete the investment within one year of this Agreement ("Completion Date").

ARTICLE II. Tax Abatement

2.1 Tax Abatement: Subject to full compliance with the procedures required by law and to ongoing compliance by the Applicant for maintaining a tax abatement, the City will offer tax
abatement on the Project for a term of 10 years commencing tax year 2017/payable 2018 (having a schedule of 100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, 10%).

2.2 **Annual Information.** During the term of the tax abatement and for a period of two (2) years thereafter, the City or its authorized agent may annually request information from the Applicant concerning the nature of the Project, the approved capital expenditures for the Project, the number of full-time permanent positions retained and newly created by the Project, and the average wage rates and salaries (excluding benefits and overtime) associated with the positions, and the Applicant shall provide the City with adequate written evidence thereof within 15 days of such request. The City shall utilize this information and the information required to be filed by the Applicant in the CF-1 Compliance with the SB-1/PP form to verify that the Applicant has complied with the all commitments during the duration of the tax abatement. The Applicant further agrees to provide the City with such additional information requested by the City related to the information provided in the Annual Survey and the CF-1 form within a reasonable time following any such request.

2.3. **Termination, Reduction and Repayment.**

A. **Right to Terminate, Reduce and Seek Repayment.** The City, by and through the Council reserves the right to terminate the tax abatement deductions, reduce the tax abatement and/or seek repayment of any tax abatement benefit if it determines that the Applicant has not substantially complied with all of the commitments (including, but not limited to, the commitments of Sections 1.1-1.3 and 2.4).

B. **Notice of Termination and Repayment.** In the event that the City determines that the tax abatement deductions should be terminated, reduced and/or that any of the tax abatement savings should be repaid, it will give the Applicant notice of such determination, including a written statement calculating the amount due from the Applicant, and will provide the Applicant with an opportunity to meet with the City's designated representatives to show cause why the abatement should not be terminated, reduced and/or the tax benefits repaid. Such notice shall state the names of the person with whom the Applicant may meet and will provide that the Applicant shall have thirty (30) days from the date of such notice to arrange such meeting and to provide its evidence concerning why the abatement termination, reduction and/or tax benefits repayment should not occur. If, after giving such notice and receiving such evidence, if any, the City determines that the abatement termination, reduction and/or tax benefits repayment action is proper, the Applicant shall be provided with written notice and a hearing before the Council before any final action shall be taken concerning the termination, reduction and/or repayment of tax benefits. If the Council adopts a resolution terminating, reducing and/or requiring repayment of tax benefits, the Applicant shall be entitled to appeal that determination to the Porter County Superior or Circuit Court.

C. **Time of Repayment.** In the event that the City requires repayment of the tax abatement benefits as provided hereunder, it shall provide Applicant with a written statement calculating the amount due, and the Applicant shall make such repayment to the City within thirty (30) days of the date of delivery of the Statement, unless such repayment has been stayed pending an appeal. If the Applicant does not make timely repayment, the City shall be entitled to all reasonable costs and attorneys fees incurred in the enforcement and collection of the tax abatement savings required to be repaid hereunder.
D. **Special Provision as to Default under Section 1.2.** If, after completion of the Project or at any time during the term of the tax abatement, the Assessed Value of the personal property, as determined by the Porter County Assessor, is greater than **ten percent (10%)** below the Minimum Assessed Value, Applicant shall have the right, but not the obligation, to enter into a Payment in-lieu-of-Taxes ("PILOT") agreement with the City for the purpose of insuring full tax payments, as represented to the City, are paid during the term of the tax abatement. Absent entry of a PILOT agreement within sixty (60) days after notice is provided to the Applicant, the City may proceed under the terms of Section 2.3.

2.4 **Local Contractors, Suppliers and Vendors.** Applicant acknowledges the use of local incentives for this Project and recognizes the benefits of utilizing local contractors and suppliers. The City strongly urges Applicant to maximize the employment opportunities of the citizens, and resources found within Northwest Indiana. As a material part of this Agreement, Applicant agrees that it will use commercially reasonable best efforts to employ price competitive contractors, suppliers and vendors located within Northwest Indiana (Porter, Lake, and LaPorte counties) with respect to the Project, and will additionally use such efforts to purchase materials and supplies from price competitive suppliers and vendors located within Northwest Indiana (Porter, Lake, and LaPorte counties). Upon request, Applicant shall provide the City an accounting of the Project as to the: i) contractors and suppliers used; and, ii) "commercially reasonable efforts" used by the Applicant. **Failure to comply with this provision shall result in the revocation of Applicant’s tax abatement as provided under Section 2.3.**

2.5 **Community Engagement.** Applicant acknowledges, as a business within Valparaiso, its obligation (and that of its employees) to fully engage with the community and support groups, organizations, initiatives and institutions that contribute towards the betterment of Valparaiso. Such engagement and support may include, but is not limited to, financial contributions, volunteering of time, and/or participating in social, cultural, civic and religious events within Valparaiso. As a part of its annual filing of its CF-1, Applicant shall include an overview outlining what actions the Applicant and its employees have taken to satisfy its obligation.

2.6 **Tax Abatement Fee.** As provided by Indiana Code § 6-1.1-12.1-14, the City is imposing a **fifteen percent** (15%) fee on the tax abatement. Applicant consents to such fee. To the extent an Imposed Fee Letter is executed, such is incorporated by reference into this Agreement.

**Article III. Additional Provisions**

3.1 **Indemnity: No Joint Venture or Partnership.** The Applicant covenants and agrees at its expenses to pay and to indemnify and save the City, and their officers and agents, including the Economic Development Director ("Indemnites") harmless of, from and against, any and all claims, damages, demands, expense and liabilities relating to bodily injury or property damage resulting directly or indirectly from the Applicant (and/or any affiliate thereof) activities with respect to the Project unless such claims, damages, demands, expenses or liabilities arise by reason for the negligent act or omission for the City or other Indemnities or arise from the City's breach of this
Agreement. The parties further agree that this Agreement does not constitute a joint venture or partnership.

3.2 Amendment. This Agreement can only be amended by the mutual consent of the parties to this Agreement.

3.3 No Other Agreement. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the parties.

3.4 Severability. If any provision, covenant, agreement or portion of this Agreement or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants, agreements or portions of this Agreement and, to that end, any provisions, covenants, agreements or portions of this Agreement are declared to be severable.

3.5 Indiana Law/Venue/Attorneys’ Fees. This Agreement shall be construed in accordance with the laws of the State of Indiana. Any action to enforce any provision of this Agreement shall be filed in the state courts of Indiana, Porter County. The successful party in any action to enforce this Agreement shall be entitled to reimbursement of court costs and attorney fees.

3.6 Notices. All notices and requests required pursuant to this Agreement shall be deemed sufficiently made if delivered, as follows:

Applicant:  With a Copy to:

**Nuco Steel Bar Technologies, LLC**  
c/o Jim Sarwark  
1333 Burr Ridge Parkway, Suite 200  
Burr Ridge, IL  60527

To City:  With a Copy to:

**Patrick Lyp**  
Economic Development Director  
162 W. Lincolnway  
Valparaiso, IN 46383

**Ethan Lowe**  
Blachly, Tabor, Bozik & Hartman, LLC  
56 South Washington St.  
Valparaiso, IN 46383

or at such other addresses as the parties may indicate in writing to the other either by personal delivery, courier, or by registered mail, return receipt requested, with proof of delivery thereof. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.
3.7 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

3.8 Recordation of Agreement. At the request of any party hereto, the parties hereby agree to execute and deliver the original of this Agreement or a Memorandum thereof in property form for recording in the appropriate property or governmental records.

3.9 Consent or Approval. Except as otherwise provided herein, whenever consent or approval of any party is required, such consent or approval shall not be unreasonably withheld.

3.10 Assignment. The rights and obligations contained in this Agreement may not be assigned by the Applicant without the express prior written consent of the Commission; provided, however, that the Applicant may assign its rights and obligations hereunder to an affiliate of the Applicant upon notice and consent of the City, but any such assignment to an affiliate of the Applicant shall not have the effect of releasing the Applicant from its obligations hereunder.

3.11 No Third Party Beneficiaries. This Agreement shall be deemed to be for the benefit solely of the parties hereto and shall not be deemed to be for the benefit of any third party.

3.12 Authority. Each individual executing this Agreement represents that they possess the requisite authority to sign this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

Applicant: Nuco Steel Bar Technologies, LLC

City: ____________________________

Jon Costas
Mayor, City of Valparaiso

Recommended

Patrick Lyp
Economic Development Director