



CITY OF FRANKLIN
COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Director of Community Development
Date: April 24, 2014
Re: Case C 2014-31: Electro-Spec

Summary:

1. On April 16th, 2012, the Franklin Common Council passed Resolution No. 2012-074, approving a 10-year tax abatement on personal property tax abatement for Electro-Spec located at 1800 Commerce Parkway.
2. Actual and estimated benefits, as projected for 2013:

	Estimated on SB-1	Actual in 2013	Difference
Employees Retained	62	62	0
Salaries	\$2,428,138	\$2,428,138	\$0
New Employees	22	22	0
Salaries	\$600,000	\$1,235,259	\$635,259
Total Employees	84	84	0
Total Salaries	\$3,028,138	\$3,663,397	\$635,259
Average Hourly Salaries	\$17.33	\$20.97	\$3.64
Personal Property Improvements	\$2,170,000	\$1,893,900	-\$276,100

3. The company stated they would make a total personal property investment of \$2,170,000. \$1,170,000 was to be made in 2012, \$500,000 in 2013, and \$500,000 in 2014. They exceeded their estimate for 2012 and 2013.
4. The company stated they would create 10 jobs in 2012, 5 to 7 jobs in 2013, and 5 to 8 jobs in 2014. They have exceeded the estimated number of jobs created. The average hourly salary also exceeds what was estimated on the SB-1 Form.
5. The personal property tax abatement is scheduled to expire in 2024 pay 2025. The final compliance will take place in 2025.

Staff Recommendation: Approval



February 20, 2014

Mrs. Krista Linke, Director
Dept. Of Planning & Economic Development
70 East Monroe Street
Franklin, IN 46131

RE: Tax Abatement Compliance for Electro-Spec, Inc.

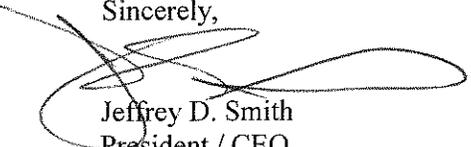
Dear Ms. Linke:

Enclosed please find the CF-1 (Compliance with Statement of Benefits) regarding compliance with personal property tax abatements which were granted to Electro-Spec, Inc. under Franklin Common Council Resolution No. 12-07.

As you can see from reviewing the enclosed documents, our company has been successful in (1) exceeding the initial capital investment set for 2012, and (2) exceeding the number of jobs which had been proposed for 2012 in the job creation schedule. Although this project is not completed yet, it is on track to exceed the projections set on the Statement of Benefits (SB-1) which was approved on April 16, 2012.

Please review all of the enclosed documents, and if you have any questions or concerns regarding this matter, please feel free to contact me.

Sincerely,



Jeffrey D. Smith
President / CEO
(317) 738-9199 ext. 204
jsmith@electro-spec.com

1800 Commerce Parkway
Franklin, IN 46131
(317) 738-9199 phone
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COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R / 1-06)
Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

- INSTRUCTIONS:**
1. Property owners whose Statement of Benefits was approved must file this form with the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
 2. This form must be filed with the Form 103-ERA Schedule of Deduction from Assessed Value between March 1, and May 15, of each year, unless a filing extension under IC 6-1.1-3.7 has been granted. A person who obtains a filing extension must file between March 1, and the extended due date of each year.
 3. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance (CF-1).

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer Electro-Spec, Inc.	
Address of taxpayer (number and street, city, state, and ZIP code) 1800 Commerce Parkway Franklin, IN 46131	
Name of contact person Jeffrey D. Smith	Telephone number (317) 738-9199

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY

Name of designating body Franklin City Council	Resolution number 12-07
Location of property 1800 Commerce Parkway Franklin, IN 46131	County Johnson
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. New Manufacturing Equipment	DLGF taxing district number 41-009
	Estimated starting date (month, day, year) 05/01/2012
	Estimated completion date (month, day, year) 12/31/2014

SECTION 3 EMPLOYEES AND SALARIES

EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	62.00	84
Salaries	2,428,138.00	3,663,397.00
Number of employees retained	62.00	62
Salaries	2,428,138.00	2,428,138.00
Number of additional employees	22.00	22
Salaries	600,000.00	1,235,259.00

SECTION 4 COST AND VALUES

AS ESTIMATED ON SB-1	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project	2,170,000.00							
Less: Values of any property being replaced								
Net values upon completion of project								
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	0.00							
Plus: Values of proposed project	1,893,900.00							
Less: Values of any property being replaced								
Net values upon completion of project	1,893,900.00							

NOTE: The **COST** of the property is confidential pursuant to IC 6-1.1-12.1-5.6 (d).

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

WASTE CONVERTED AND OTHER BENEFITS	AS ESTIMATED ON SB-1	ACTUAL
Amount of solid waste converted		
Amount of hazardous waste converted		
Other benefits:		

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative 	Title PRESIDENT	Date signed (month, day, year) 02/20/14
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Electro-Spec, Inc.
 1800 Commerce Parkway
 Franklin, IN 46131

Attachment to Form CF-1 (Compliance with Statement of Benefits)
 Employees by Quarter

Number of Employees As 05/01/2012 (Form SB-1)	Proposed Total Number of Employees by 12/31/2014 (Form SB-1)	3/31/2013	6/30/2013	9/30/2013	12/31/2013	Actual Number of Employees (By Quarter 9/30/2013	12/31/2013	Actual Total Number of Employees as of 12/31/13	Difference Between Actual and Proposed Number of Employees
62	84	82	84	83	84	84	84	84	0

Resolution Number 12-07

Electro-Spec, Inc.
 1800 Commerce Parkway
 Franklin, IN 46131

Attachment to Form CF-1 (Compliance with Statement of Benefits)
 Expansion Investment Schedule by Quarter

	Proposed Amount of Total Investment by 12/31/2014 (Form SB-1)	Actual Amount of Investment Added During the Year (By Quarter)				Actual Total Investment as of 12/31/13	Sum of Prior Years Investments + Current Year	Difference Between Actual and Proposed Investment
		3/31/2013	6/30/2013	9/30/2013	12/31/2013			
Machinery & Equipment	\$ 2,170,000	\$ 140,199	\$ 203,228	\$ 71,702	\$ 113,575	\$ 528,704	\$ 1,893,900	\$ (276,100)
Totals:	\$ 2,170,000					\$ 528,704	\$ 1,893,900	\$ (276,100)

Resolution Number 12-07

** Sum of Prior Years' Investments 2012 (1,365,196)