



Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Director of Community Development
Date: April 24, 2014
Re: Case C 2014-33: Holbrook Manufacturing, Inc.

Summary:

1. On February 25th, 2008, the Franklin Common Council passed Resolution No. 2007-14, approving a 7-year tax abatement on personal property for Holbrook Manufacturing at 291 Province Street.
2. Actual and estimated benefits, as projected for 2013:

| | Estimated on SB-1 | Actual in 2013 | Difference |
|--------------------------------|-------------------|----------------|------------|
| Employees Retained | 40 | 24 | -16 |
| Salaries | \$1,899,280 | \$1,375,555 | -\$523,725 |
| Average Hourly Salaries | \$22.83 | \$27.56 | \$4.73 |
| Personal Property Improvements | \$750,000 | \$710,970 | -\$39,030 |

3. Holbrook Manufacturing came very close to meeting their proposed capital investment in their first year of their tax abatement. They also proposed a total of 40 jobs and had created 36 by the end of 2008.
4. The average hourly salary reported in 2010 was \$20.84 per hour. The company met their average hourly salary as estimated on their SB-1 form last year and this year.
5. Additional information has been provided on Page 2 regarding past employment figures and equipment purchases made in 2011 and 2012 without abatements.
6. The personal property tax abatement is scheduled to expire in tax year 2014 payable 2015. The final compliance review will take place in 2015.

Staff Recommendation:

Approval.

Holbrook Manufacturing, Inc. (Resolution 2007-14)

| | Employees Retained | Salaries | New Employees | Salaries | Average Hourly Salary |
|------------------|---------------------------|-----------------|----------------------|-----------------|------------------------------|
| 2007 SB-1 | 36 | \$1,800,000 | 4 | \$99,280 | \$24.00 |
| 2008 CF-1 | 36 | \$1,800,000 | 4 | \$212,203 | \$24.18 |
| 2009 CF-1 | 33 | \$1,209,057 | 0 | \$0 | \$17.61 |
| 2010 CF-1 | 34 | \$1,474,255 | 0 | \$0 | \$20.84 |
| 2011 CF-1 | 31 | \$1,655,407 | 0 | \$0 | \$25.67 |
| 2012 CF-1 | 30 | \$1,530,602 | 0 | \$0 | \$24.53 |
| 2013 CF-1 | 24 | \$1,375,555 | 0 | \$0 | \$27.56 |

2011 Equipment Purchases:

| | | | |
|------------------------|----------|---------------------|--|
| Haas Machining Center | 5/4/2011 | \$126,466.00 | |
| Sullair Air Compressor | 8/8/2011 | \$9,444.00 | |
| | | \$135,910.00 | |

2012 Equipment Purchases:

| | | | |
|--------------------|-----------|--------------------|------------|
| Triple J Ironworks | 5/15/2012 | \$31,287.00 | Crane |
| Capital Machinery | 7/30/2012 | \$9,800.00 | Compressor |
| | | \$41,087.00 | |

February 12, 2014

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

Re: Tax Abatement Compliance for Holbrook Manufacturing Inc.

Dear Mrs. Linke:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatements which were granted to Holbrook Manufacturing Inc. in 2008 under Franklin Common Council Resolution number 07-12, 07-13, 07-14.

Holbrook Manufacturing Inc. was able to make the capital investment and jobs originally proposed in the first year. Due to the economy, a decrease in orders and financial circumstances the company did not make any further capital investments. Due to the above circumstance there was also, a cut back in the total workforce to 24 employees, as opposed to the 40 which were originally projected.

Please review all of the enclosed documents and if you have any questions or concerns, please feel free to contact me at (317) 736-9387.

Sincerely,



Avis M. Holbrook
President



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R2 / 5-13)

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 HOLBROOK MANUFACTURING INC. | | | | | | | | |
| Address of taxpayer (number and street, city, state, and ZIP code) 291 PROVINCE ST., FRANKLIN, IN 46131 | | | | | | | | |
| Name of contact person AVIS M. HOLBROOK | | Telephone number 317.736-9387 | | | | | | |
| SECTION 2 | | LOCATION AND DESCRIPTION OF PROPERTY | | | | | | |
| Name of designating body FRANKLIN CITY COUNCIL | | Resolution number 07-12, 07-13, 07-14 | | | | | | |
| Location of property 291 PROVINCE ST. | County JOHNSON | DLGF taxing district number 41009 | | | | | | |
| Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. | | Estimated starting date (month, day, year) | | | | | | |
| | | Estimated completion date (month, day, year) | | | | | | |
| SECTION 3 | | EMPLOYEES AND SALARIES | | | | | | |
| EMPLOYEES AND SALARIES | | AS ESTIMATED ON SB-1 | ACTUAL | | | | | |
| Current number of employees | | 40 | 24 | | | | | |
| Salaries | | 1,899,280 | 1,375,555.14 | | | | | |
| Number of employees retained | | 40 | 24 | | | | | |
| Salaries | | 1,899,280 | 1,375,555.14 | | | | | |
| Number of additional employees | | 0 | 0 | | | | | |
| Salaries | | 0 | 0 | | | | | |
| 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 | 1,642,742 | 483,920 | | | | | | |
| Plus: Values of proposed project | 750,000 | 300,000 | | | | | | |
| Less: Values of any property being replaced | | | | | | | | |
| Net values upon completion of project | 2,362,742 | 783,920 | | | | | | |
| ACTUAL | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE |
| Values before project | 2,362,742 | 783,920 | | | | | | |
| Plus: Values of proposed project | 710,970 | | | | | | | |
| Less: Values of any property being replaced | | | | | | | | |
| Net values upon completion of project | | | | | | | | |
| 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 Avis M. Holbrook | | Title PRESIDENT | Date signed (month, day, year) | | | | | |