CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission

From: Krista Linke, Director of Planning & Economic Development

Date: April 25, 2014

Re: Case C 2014-35: Superior Essex (Formerly FEMCO Magnet Wire)

Summary:

1. On October 24th, 2005, the Franklin Common Council passed Resolution No. 2005-20, approving a 7-year tax abatement on personal property for FEMCO Magnet Wire Corporation (now Superior Essex) located at 1900 Earlywood Drive.
2. Actual and estimated benefits, as projected for 2013:

	Estimated on SB-1	Actual in 2013	Difference
Employees Retained	4	4	0
Salaries	$132,870	$147,026	$14,156
Average Hourly Salaries	$15.97	$17.67	$1.70
Personal Property Improvements	$1,000,000	$1,651,372	$651,372

3. The company has exceeded their estimate provided on their SB-1 Form for personal property investment.
4. The company has met their estimate for the number of employees retained as well as exceeded the average hourly wage.
5. The personal property tax abatement is scheduled to expire in tax year 2013 payable 2014. The final compliance review will take place in 2014.

Staff Recommendation:

Approval

SUPERIOR ESSEX

14-35

Essex Group, Inc.
1601 Wall Street
Fort Wayne, IN 4802
260-461-4000

February 17, 2014

Mrs. Krista Linke, Director
Dept of Planning & Economic Development
Franklin, IN 46131

Re: Tax Abatement Compliance for Superior Essex

Dear Mrs. Linke:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the real estate and personal property tax abatements which were granted to FEMCO Magnet Wire Corporation in 2005 under Franklin Common Council Resolution No. 2005-20.

As can be seen from reviewing the enclosed documents, our company has been highly successful in meeting or exceeding:

- The retained jobs projection
- The total payroll projection
- The average hourly wage
- The personal property improvement projection

These benchmarks were proposed in the Statement of Benefits (Form SB-1) which was approved on October 24, 2005.

Please review all the enclosed documents, and if you have any questions or concerns regarding this matter, please feel free to contact me at 260-461-4091.

Thank you,

ESSEX GROUP, INC.

Melissa Staton

Melissa Staton
Accountant

MS
Enclosures

SUPERIOR ESSEX is a marketing name for Essex Group, Inc.

SUPERIOR ESSEX

Statement of Benefits
Personal Property
Attachment 1

Abatement is requested for the following items of manufacturing equipment with a total cost of $1,000,000:

1. One Five Line Wire Drawing Machine
2. Five Layer Take-up Machines
3. Enamel Dies and Drawing Dies
4. Portable Enamel Systems
5. Flat Groove Oven Sheaves
6. Cold Room
7. Enamel Applicator

FEMCO Magnet Wire
1900 Earlywood Drive
Franklin, IN
Capital Investment Schedule by Quarter

	A Actual Amount of Investment as of 12/31/07 (From SB-1)	B Proposed Amount of Investment by 12/31/08 (From SB-1)	C Actual Amount of Investment as of 12/31/08 12/31/2008	D Actual Amount of Investment as of 12/31/09 (From SB-1)	E Actual Amount of Investment as of 12/31/10 (From SB-1)	G Actual Total Amount of Investment as of 12/31/10	H Difference Between Actual and Proposed Amount of Investment
Buildings and Improvements	$ -	$ -				$ -	$ -
Machinery and Equipment	$ 1,921,718	$ 1,000,000	$ 1,651,372	$ 1,651,372	$ 1,651,372	$ 1,651,372	$ 651,372
Total	$ 1,921,718	$ 1,000,000	$ 1,651,372	$ 1,651,372	$ 1,651,372	$ 1,651,372	$ 651,372

Note:
Asset # AA71675, AA71699, AA71737, and AA71737A sold to Furukawa America Inc. (FAI) in 4th quarter. ($355,743)

12-31-13.
Investment 1,651,372

FEMCO Magnet Wire
1900 Earlywood Drive
Franklin, IN
Job Retention Schedule

A Actual Number of Employees as of 12/31/07 (From SB-1)	B Proposed Total Number of Employees by 12/31/07 (From SB-1)	C Actual Number of Employees as of 12/31/2008 (From SB-1)	D Actual Number of Employees as of 12/31/2009 (From SB-1)	E Actual Number of Employees as of 12/31/2010 (From SB-1)	F Actual Total Amount of Employees as of 12/31/10	(F-B) G Difference Between Actual and Proposed Amount of Employees
4	4	4	4	4	4	0

12/31/13.
4 employees