

## AGENDA RESERVATION REQUEST

### CITY OF FRANKLIN COMMON COUNCIL

Please type or print

<b>Date Submitted:</b>	October 15, 2014	<b>Meeting Date:</b>	October 20, 2014
<b>Contact Information:</b>			
<b>Requested by:</b>	Krista Linke		
<b>On Behalf of Organization or Individual:</b>			
		Economic Development Commission	
<b>Telephone:</b>	317-736-3631		
<b>Email address:</b>	<a href="mailto:klinke@franklin.in.gov">klinke@franklin.in.gov</a>		
<b>Mailing Address:</b>	70 E. Monroe St., Franklin, IN 46131		
<b>Describe Request:</b>			
Resolution 2014-13: A Resolution Granting Tax Abatement for Faulkenberg Printing			
<b>List Supporting Documentation Provided:</b>			
Memorandum to the City Council			
Staff Report & Attachments			
Resolution 2014-13 & Exhibits			
<b>Who will present the request?</b>			
<b>Name:</b>	Krista Linke	<b>Telephone:</b>	317-736-3631
	Jim Faulkenberg, Faulkenberg Printing		

*The Franklin City Council meets on the 1st and 3rd Monday of each month at 6:30 p.m. in the Council Chambers of City Hall located at 70 E. Monroe Street. In order for an individual and/or agency to be considered for new business on the agenda, this reservation form and supporting documents must be received in the Mayor's office no later than 12:00 p.m. on the Wednesday before the meeting.*



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

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## Memorandum

**To:** City Council

**From:** Krista Linke, Director

**Date:** October 15, 2014

**Re:** Real and Personal Property Tax Abatement Request – Faulkenberg Printing

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The City of Franklin Economic Development Commission (EDC) reviewed and acted on a real and personal property tax abatement request from Faulkenberg Printing, at a meeting held on October 14<sup>th</sup>, 2014. The board voted unanimously to forward a favorable recommendation to the City Council for a three year tax abatement on real property with a 2% Economic Development Fee and a five year tax abatement on personal property with a 2% Economic Development Fee.

The property has not been designated an Economic Revitalization Area. Therefore, two resolutions and two meetings are needed.

Attached to this memo are:

1. Case EDC 2014-05 Staff Report
2. Application and requested forms
3. Sample Tax Phase-In Savings Schedules
4. Resolution 2014-13
5. Exhibit "A" – Legal Description
6. Exhibit "B" - Forms SB-1 Real and Personal Property

If you have any questions regarding this request please contact me directly at 346-1250.



# CITY OF FRANKLIN

DEPARTMENT OF COMMUNITY DEVELOPMENT

## Staff Report

**To:** Economic Development Commission Members  
**From:** Krista Linke, Director  
**Date:** October 6<sup>th</sup>, 2014  
**Re:** Case EDC 2014-05 – Faulkenberg Printing

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**Case EDC 2014-05 – Faulkenberg Printing:** A request for a 5-year tax abatement on \$170,000 in real property and a 5-year abatement on \$400,000 in personal property investment.

**Location:** 1670 Amy Lane

**Summary:**

1. Characteristics of this location:

The building at Hurricane Industrial Park Lot 10 was built in 2011. It is 11,600 square feet. Parking is available onsite.

2. Characteristics of this petitioner:

Faulkenberg Printing was founded in 1946 and is a family owned company. There are currently 10 employees and they plan to add five by the end of 2015.

3. Characteristics of this project:

The applicant plans to build out the facility at 1670 Amy Lane to suit their needs. Work includes: air conditioning, gas furnace, office area, electrical upgrades, additional lighting and racks for presses. The company is selling their existing facility on West Michigan Street in Indianapolis and moving their operation to Franklin. They plan to purchase a used high-end printing press for their new location.

4. Economic Revitalization Area (ERA):

This property has not previously been designated an ERA.

5. ERA & Tax Abatements Findings (Real Property):

Indiana Code Section 6-1.1-12.1-3 states that the following findings must be made when considering an ERA designation and the granting of a tax abatement for real property:

- a. Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;

- b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

6. ERA & Tax Abatements Findings (Personal Property):

Indiana Code Section 6-1.1-12.1-4.5 states that the following findings must be made when considering an ERA designation and the granting of tax abatement for personal property:

- a. Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the instillation of new manufacturing equipment;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

7. City of Franklin "Tax Abatement Policy" criteria:

The "Tax Abatement Policy" section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and this request follows:

- a. *Diversification of Local Occupations:* There are 10 employees at the existing West Michigan Street location in Indianapolis. These jobs will be relocated to Franklin, and five additional jobs will be created over the first year. The average hourly salary for these 10 employees is \$23.99. The average hourly salary for the additional 5 employees is \$24.04. Wage figures do not include benefits. Faulkenberg Printing pays for 80% of all medical insurance for employees. They also offer bonuses two times per year if there are profits.
- b. *Diversification of Local Employment:* According to the 2011 U.S. Census Bureau, there were 9 printing and related support establishments in Johnson County and 39 employees.

- c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for the first quarter of 2012 was \$14.98. The average hourly wage in Johnson County for printing and related support employees in 2011 was \$17.59 per hour. The average hourly wage (without benefits) for the 10 jobs being retained with Faulkenberg Printing is \$23.99. The average hourly wage (without benefits) for the 5 new jobs with Faulkenberg Printing is \$24.04.
- d. *Sustainable Land Use:* The petitioner proposes to make this investment at an existing building in Franklin that has been available since it was built in 2012.
- e. *Future Community Investment:* The applicant should share with the EDC their plans for future community investment. The company has indicated on their application that they are agreeable to a 2% economic development fee on real and personal property improvements. They also indicated on their application that they regularly donate printing to Child Abuse Indiana.
- f. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Land Use Map identifies this property as a Business Development Area. Business development areas are intended to serve as both the permanent home of small scale businesses and incubators for new local companies. Land uses in business development areas include manufacturing, light industrial operations, contractors' offices, and product suppliers. In many instances the types of businesses in these areas are those that have both commercial and industrial qualities. The business development areas provide these uses the ability to serve customers in a setting that allows outdoor storage and the operation of heavy equipment and machinery that often are involved.

The property is zoned IBD, Industrial: Business Development. The "IBD," Industrial: Business Development zoning district is intended to provide locations for small scale manufacturing, construction, production, and assembly uses, as well as other light industrial uses. This district is specifically intended to provide appropriate setbacks and standards for small-scale businesses, entrepreneurial operations, start-up businesses, and similar operations.

8. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:

- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and
- d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

9. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be effective for the tax year 2015, payable 2016.

**Staff Comments:**

This tax abatement application proposes the use of an existing industrial warehouse building that was built in anticipation of attracting this type of end user. This company will bring good paying jobs with it and create an additional 5 new jobs. The average hourly wage is higher than the average for all industries in Johnson County. This particular use appears to be the right kind of fit for this location.



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Tax Abatement Application

### Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: Faulkenberg Printing  
 Primary Contact Name: Jim Faulkenberg  
 Contact Address: 116 West Michigan Street  
 City: Indpls State: IN. Zip: 46204  
 Phone Number: 317 638-1358  
 Email: Jim@Faulkenberg.net  
 Three possible dates before the EDC meeting to conduct a site visit: Any Time  
 Name of Owner: Jim Faulkenberg  
 Parent Company (If Applicable): \_\_\_\_\_

### Primary Contact for Yearly Compliance Reports

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_  
 Email: \_\_\_\_\_

### Description of Project

Project Location/Address: 1670 Amy Lane Franklin IN.  
 Parcel Number: \_\_\_\_\_  
 Brief Description of Project: Relocate Printing Company, Install Air Conditioning

Furnace, Electrical, Build offices + Prepress

### Current Assessed Value (AV) of the Property:

1. Land 7590,000
2. Building 5000
3. Inventory 120,000
4. Equipment \_\_\_\_\_

Have building permits been applied for (if applicable): Yes  No  In the Process  
 Has equipment been installed (if applicable): Yes  No

### Required Attachments:

- |   |  |
|---|--|
| <input type="checkbox"/> Completed SB-1 Form(s)                     | <input type="checkbox"/> Summary of Benefits (if applicable) |
| <input type="checkbox"/> Legal Description of the Property          | <input type="checkbox"/> Employment Phase-In Schedule        |
| <input type="checkbox"/> Company Financial Statement                | <input type="checkbox"/> Company Investment Timetable        |
| <input type="checkbox"/> Job and Wage Description Information Sheet | <input type="checkbox"/> Compliance Affidavit                |

**Type of Abatement Requested**

Real Property  Personal Property   
Length of Abatement Requested: 5 Years  
Project Size (square feet): 14600 Size of Site (acres): \_\_\_\_\_  
Type of Building:  
Multiple Tenants (leased)  Single Tenant (leased)  Owner Occupied  Corporate Headquarters

Capital Investment  
1. Real property capital investment only: \$ 590,000  
2. Personal property capital investment only: \$ 400,000  
3. Total capital investment for proposed project: \$ 990,000

Jobs Created and/or Retained  
1. Estimated number of full time jobs created by the proposed project: 4  
2. Estimated number of full time jobs retained as a direct result of the proposed project: 10  
3. Total number of full time jobs upon project completion: 14

Wages Created and Retained  
1. Average hourly wage rate for new jobs (w/o benefits) \$ 24 -  
2. Average hourly wage rate for jobs retained (w/o benefits) \$ 24 -

\*\*\*In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.  
Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.

Help us Fund the transition from Indy to Franklin

**Company Information**

How long has the company been in existence? Since 1946  
Current address of company headquarters and duration at that address: 116 West Michigan Street, Been @ this Address Since 1964

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: No Employee's

Have you ever received tax abatement at your current location? Yes  No

If yes, when and for what term?  
What specifically has the company done to give back to the community: We Donate Printing to Child Abuse Indiana

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website ([www.franklin.in.gov](http://www.franklin.in.gov)) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes  No   
If yes, at what percent(s)? 2% Real Property  
2% Personal Property

**EMPLOYMENT PHASE-IN SCHEDULE  
SAMPLE JOB CREATION/RETENTION TIMETABLE**

Year of Abatement 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter	Job Type 1	Job Type 2	Job Type 3	Job Type 4	Total
	<i>press operator + Helper</i>	<i>Sales Person</i>			<i>4 Total New Employees</i>
		<i>Birdsey Operator</i>			<i>\$50,000 each per year</i>
Year of Abatement 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter					
Year of Abatement 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter					
<b>TOTAL</b>					

**JOB AND WAGE DESCRIPTION  
FOR TAX ABATEMENT APPLICATION**

Please provide the following job and wage earning information that is associated with this Tax Abatement Petition (*Please specify all wages in an hourly format without benefits*):

- (1) Company NAICS code: \_\_\_\_\_.
- (2) The total number of jobs current at the site: 10, the number of those jobs that will be retained as a direct result of the proposed investment 10, and the number of new jobs which will be created as a direct result of the proposed investment 4.
- (3) The total number of full-time employees at the site: 10.
- (4) The total number of temporary and/or contract employees currently at the site: 1.
- (5) The average hourly wages for the new jobs: \$24.
- (6) Will the new jobs being created begin as temporary and/or contract employees? \_\_\_\_\_  
If yes, please provide an explanation of the typical transition process to full time:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (7) Number of new and/or retained jobs in:
  - (a) Managerial/Professional Specialty Occ.: 1 Average Hourly Wage: \$24
  - (b) Technical/Sales/Admin. Support Occ.: \_\_\_\_\_ Average Hourly Wage: \_\_\_\_\_
  - (c) Service Occ.: \_\_\_\_\_ Average Hourly Wage: \_\_\_\_\_
  - (d) Precision Production/Craft/Repair Occ.: \_\_\_\_\_ Average Hourly Wage: \_\_\_\_\_
  - (e) Operators/Fabricators/Laborers: 9 Average Hourly Wage: \$24

Note: The total number of jobs specified above should correspond with the Statement of Benefits Form SB-1.

(8) Attach detailed information on the types of benefits offered for new employees. A description of all possible bonuses and incentives should also be given if provided.

*We give Bonuses 2x Year if there are Profits. March 12th 2017 50% of the Company will Be turned over to Employees once my partner stock is paid up.*

**JOB AND WAGE DESCRIPTION  
FOR TAX ABATEMENT APPLICATION**

Please provide the following job and wage earning information that is associated with this Tax Abatement Petition (*Please specify all wages in an hourly format without benefits*):

- (1) Company NAICS code: 323111.
- (2) The total number of jobs current at the site: 10, the number of those jobs that will be retained as a direct result of the proposed investment 10, and the number of new jobs which will be created as a direct result of the proposed investment 4.
- (3) The total number of full-time employees at the site: 10.
- (4) The total number of temporary and/or contract employees currently at the site: 0.
- (5) The average hourly wages for the new jobs: \$24.
- (6) Will the new jobs being created begin as temporary and/or contract employees? NO  
If yes, please provide an explanation of the typical transition process to full time:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (7) Number of new and/or retained jobs in:
  - (a) Managerial/Professional Specialty Occ.: 1 Average Hourly Wage: \$24
  - (b) Technical/Sales/Admin. Support Occ.: none Average Hourly Wage: \_\_\_\_\_
  - (c) Service Occ.: \_\_\_\_\_ Average Hourly Wage: \_\_\_\_\_
  - (d) Precision Production/Craft/Repair Occ.: \_\_\_\_\_ Average Hourly Wage: \_\_\_\_\_
  - (e) Operators/Fabricators/Laborers: 9 Average Hourly Wage: \$24

Note: The total number of jobs specified above should correspond with the Statement of Benefits Form SB-1.

- (8) Attach detailed information on the types of benefits offered for new employees. A description of all possible bonuses and incentives should also be given if provided.

We Pay 80% of All Medical Insr.

**SAMPLE COMPANY INVESTMENT TIMETABLE**

Year of Abatement	Buildings	Equip. Type 1	Equip. Type 2	Equip. Type 3	Total
1st Quarter	\$570,000 Will Be Completed By 6-1-2015				\$990,000
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
<b>TOTAL</b>					

# Payroll Summary

Check Date	Name	Hours	Total Paid	Tax Withheld	Deductions	Net Pay	Check No	Employer Liability	Total Expense
<b>Pay Frequency: Weekly</b>									
09/18/2014	ANKNEY, DANIEL R	22.75	546.00	65.56	135.26	345.18	DD	39.56	585.56
09/18/2014	BORDERS, VICKI	38.75	930.00	201.87	89.36	638.77	DD	65.07	995.07
09/18/2014	BUTLER, BRIAN T	38.00	912.00	182.75	194.04	535.21	DD	60.28	972.28
09/18/2014	CHARLESTON, THOMAS	45.50	1,194.25	242.67	211.77	739.81	DD	82.81	1,277.06
09/18/2014	FAULKENBERG, JAMES E	0.00	1,300.00	398.00	40.00	862.00	DD	96.39	1,396.39
09/18/2014	Faulkenberg, Vance E	25.00	250.00	56.71	0.00	193.29	DD	22.95	272.95
09/18/2014	KREUZMAN, PATRICK	71.50	1,715.00	382.88	356.35	976.77	DD	122.37	1,838.37
09/18/2014	KREUZMAN, THOMAS	93.00	2,232.00	443.27	289.08	1,499.65	DD	150.54	2,382.54
09/18/2014	THOMPSON, TRENT	40.75	978.00	190.59	0.00	787.41	DD	74.82	1,052.82
09/18/2014	Venable, Cole M	45.50	728.00	171.25	0.00	556.75	DD	55.70	783.70
09/18/2014	Venable, Jill K	3.75	61.88	7.59	0.00	54.29	DD	5.68	67.56
09/18/2014	VENABLE, RANDY D	49.50	1,188.00	226.41	73.72	887.87	DD	85.25	1,273.25
<b>Pay Frequency Totals: Weekly</b>		<b>474.00</b>	<b>\$12,036.13</b>	<b>\$2,569.55</b>	<b>\$1,389.58</b>	<b>\$8,077.00</b>		<b>\$861.42</b>	<b>\$12,897.55</b>
<b>Total Net Pays for Weekly frequency: 12</b>			<b>\$12,036.13</b>	<b>\$2,569.55</b>	<b>\$1,389.58</b>	<b>\$8,077.00</b>		<b>\$861.42</b>	<b>\$12,897.55</b>
<b>Company Totals:</b>									
<b>Total Net Pays for Company: 12</b>									

This is the Print out from  
A.D.P. Payroll

**3 YEAR**

***Faulkenberg Printing***

Sample Property Tax on Real Property (3 Year) with 2% Economic Development Fee

Real Property Tax Investment: \$170,000

Tax Rate: 3.0%

	<b>2015 Payable 2016</b>	<b>2016 Payable 2017</b>	<b>2017 Payable 2018</b>	
<b>True Cash Value</b>	\$170,000	\$170,000	\$170,000	
<b>Assessed Value</b>	\$170,000	\$170,000	\$170,000	
<b>Net Tax Rate</b>	3.0%	3.0%	3.0%	<b>Total</b>
<b>Tax w/o Abatement</b>	\$5,100	\$5,100	\$5,100	<b>\$15,300</b>
<b>Abatement Rate</b>	100%	66%	33%	
<b>Amount Abated</b>	\$5,100	\$3,366	\$1,683	<b>Total</b>
<b>Taxes Paid w/Abatement</b>	\$0	\$1,734	\$3,417	<b>\$5,151</b>

***Total Fees Paid***

<b>2% Fee</b>	\$102	\$67	\$34	<b>\$203</b>
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***Total Tax Saving without Economic Development Fee***

**\$10,149**

***Total Tax Savings with 2% Economic Development Fee***

**\$9,946**

**5 YEAR**

***Faulkenberg Printing***

**Sample Property Tax on Real Property (5 Year Period) with 2% Economic Development Fee**

Real Property Tax Investment: \$170,000

Tax Rate: 3.0%

	<b>2015 Payable 2016</b>	<b>2015 Payable 2016</b>	<b>2016 Payable 2017</b>	<b>2017 Payable 2018</b>	<b>2018 Payable 2019</b>	
<b>True Cash Value</b>	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	
<b>Assessed Value</b>	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	
<b>Net Tax Rate</b>	3.0%	3.0%	3.0%	3.0%	3.0%	<b>Total</b>
<b>Tax w/o Abatement</b>	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	<b>\$25,500</b>
<b>Abatement Rate</b>	100%	80%	60%	40%	20%	
<b>Amount Abated</b>	\$5,100	\$4,080	\$3,060	\$2,040	\$1,020	<b>Total</b>
<b>Taxes Paid w/Abatement</b>	\$0	\$1,020	\$2,040	\$3,060	\$4,080	<b>\$10,200</b>

						<b>Total Fees Paid</b>
<b>2% Fee</b>	\$102	\$82	\$61	\$41	\$20	<b>\$306</b>

**Total Tax Saving without Economic Development Fee  
\$15,300**

**Total Tax Savings with 2% Economic Development Fee  
\$14,994**

**7 YEAR**

**Faulkenberg Printing**

**Sample Property Tax on Real Property (7 Year) with 2% Economic Development Fee**

Real Property Tax Investment: \$170,000

Tax Rate: 3.0%

	<b>2015 Payable 2016</b>	<b>2016 Payable 2017</b>	<b>2017 Payable 2018</b>	<b>2018 Payable 2019</b>	<b>2019 Payable 2020</b>	<b>2020 Payable 2021</b>	<b>2021 Payable 2022</b>	
<b>True Cash Value</b>	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	
<b>Assessed Value</b>	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	
<b>Net Tax Rate</b>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	<b>Total</b>
<b>Tax w/o Abatement</b>	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	<b>\$35,700</b>
<b>Abatement Rate</b>	100%	85%	71%	57%	43%	29%	14%	
<b>Amount Abated</b>	\$5,100	\$4,335	\$3,621	\$2,907	\$2,193	\$1,479	\$714	<b>Total</b>
<b>Taxes Paid w/Abatement</b>	\$0	\$765	\$1,479	\$2,193	\$2,907	\$3,621	\$4,386	<b>\$15,351</b>
								<b>Total Fees Paid</b>
<b>2% Fee</b>	\$102	\$87	\$72	\$58	\$44	\$30	\$14	<b>\$407</b>

**Total Tax Saving without Economic Development Fee  
\$20,349**

**Total Tax Savings with 2% Economic Development Fee  
\$19,942**

**10 YEAR**

**Faulkenberg Printing**

**Sample Property Tax on Real Property (10 Year Period) Schedule with 2% Fee**

Real Property Tax Investment: \$170,000

Tax Rate: 3.0%

	<i>2015 Payable 2016</i>	<i>2016 Payable 2017</i>	<i>2017 Payable 2018</i>	<i>2018 Payable 2019</i>	<i>2019 Payable 2020</i>	<i>2020 Payable 2021</i>	<i>2021 Payable 2022</i>	<i>2022 Payable 2023</i>	<i>2023 Payable 2024</i>	<i>2024 Payable 2025</i>	
<b>True Cash Value</b>	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	
<b>Assessed Value</b>	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	
<b>Net Tax Rate</b>	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	3.6195%	<b>Total</b>
<b>Tax w/o Abatement</b>	\$6,153	\$6,153	\$6,153	\$6,153	\$6,153	\$6,153	\$6,153	\$6,153	\$6,153	\$6,153	<b>\$61,532</b>
<b>Abatement Rate</b>	100%	95%	80%	65%	50%	40%	30%	20%	10%	5%	
<b>Amount Abated</b>	\$6,153	\$5,845	\$4,923	\$4,000	\$3,077	\$2,461	\$1,846	\$1,231	\$615	\$308	<b>Total</b>
<b>Taxes Paid w/Abatement</b>	\$0	\$308	\$1,231	\$2,154	\$3,077	\$3,692	\$4,307	\$4,923	\$5,538	\$5,845	<b>\$31,073</b>

											<b>Total Fees Paid</b>
<b>2% Fee</b>	\$123	\$117	\$98	\$80	\$62	\$49	\$37	\$25	\$12	\$6	<b>\$609</b>

**Total Tax Saving without Economic Development Fee**

**\$30,458**

**Total Tax Savings with 2% Economic Development Fee**

**\$29,849**

**3 YEAR**

***Faulkenberg Printing***

**Sample Property Tax on Personal Property (3 Year)**

Personal Property Tax Investment: \$400,000

Tax Rate: 3.0%

	<b>2015 Payable 2016</b>	<b>2016 Payable 2017</b>	<b>2017 Payable 2018</b>	
<b>Cost of Equipment</b>	\$400,000	\$400,000	\$400,000	
<b>True Cash Percentage Rate</b>	65%	50%	35%	
<b>True Cash Value</b>	\$260,000	\$200,000	\$140,000	
<b>Net Tax Rate</b>	3.0%	3.0%	3.0%	<b>Total</b>
<b>Tax w/o Abatement</b>	\$7,800	\$6,000	\$4,200	<b>\$18,000</b>
<b>Abatement Rate</b>	100%	66%	33%	
<b>Amount Abated</b>	\$7,800	\$3,960	\$1,386	<b>Total</b>
<b>Taxes Paid w/Abatement</b>	\$0	\$2,040	\$2,814	<b>\$4,854</b>

**Total Fees Paid**

<b>5% Fee</b>	\$390	\$198	\$69	<b>\$657</b>
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**Total Tax Savings without Economic Development Fee  
\$13,146**

**Total Tax Savings with 5% Economic Development Fee  
\$12,489**

**5 YEAR**

***Faulkenberg Printing***

**Sample Property Tax on Personal Property (5 Year Period)**

Personal Property Tax Investment: \$400,000

Tax Rate: 3.0%

	<b>2015 Payable 2016</b>	<b>2016 Payable 2017</b>	<b>2017 Payable 2018</b>	<b>2018 Payable 2019</b>	<b>2019 Payable 2020</b>	
<b>Cost of Equipment</b>	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	
<b>True Cash Percentage Rate</b>	40%	56%	42%	32%	24%	
<b>True Cash Value</b>	\$160,000	\$224,000	\$168,000	\$128,000	\$96,000	
<b>Net Tax Rate</b>	3.0%	3.0%	3.0%	3.0%	3.0%	
<b>Tax w/o Abatement</b>	\$4,800	\$6,720	\$5,040	\$3,840	\$2,880	<b>Total \$23,280</b>
<b>Abatement Rate</b>	100%	80%	60%	40%	20%	
<b>Amount Abated</b>	\$4,800	\$5,376	\$3,024	\$1,536	\$576	<b>Total \$7,968</b>
<b>Taxes Paid w/Abatement</b>	\$0	\$1,344	\$2,016	\$2,304	\$2,304	

						<b>Total Fees Paid</b>
<b>5% Fee</b>	\$240	\$269	\$151	\$77	\$29	<b>\$766</b>

**Total Tax Savings without Economic Development Fee  
\$15,312**

**Total Tax Savings with 5% Economic Development Fee  
\$14,546**

**7 YEAR**

**Faulkenberg Printing**

**Sample Property Tax on Personal Property (7 Year Period)**

Personal Property Tax Investment: \$400,000

Tax Rate: 3.0%

	<b>2015 Payable 2016</b>	<b>2016 Payable 2017</b>	<b>2017 Payable 2018</b>	<b>2018 Payable 2019</b>	<b>2019 Payable 2020</b>	<b>2020 Payable 2021</b>	<b>2021 Payable 2022</b>	
<b>Cost of Equipment</b>	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	
<b>True Cash Percentage Rate</b>	40%	56%	42%	32%	24%	18%	15%	
<b>True Cash Value</b>	\$160,000	\$224,000	\$168,000	\$128,000	\$96,000	\$72,000	\$60,000	
<b>Net Tax Rate</b>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	<b>Total</b>
<b>Tax w/o Abatement</b>	\$4,800	\$6,720	\$5,040	\$3,840	\$2,880	\$2,160	\$1,800	<b>\$27,240</b>
<b>Abatement Rate</b>	100%	85%	71%	57%	43%	29%	14%	
<b>Amount Abated</b>	\$4,800	\$5,712	\$3,578	\$2,189	\$1,238	\$626	\$252	<b>Total</b>
<b>Taxes Paid w/Abatement</b>	\$0	\$1,008	\$1,462	\$1,651	\$1,642	\$1,534	\$1,548	<b>\$8,844</b>

								<b>Total Fees Paid</b>
<b>5% Fee</b>	\$240	\$286	\$179	\$109	\$62	\$31	\$13	<b>\$920</b>

**Total Tax Savings without Economic Development Fee  
\$18,396**

**Total Tax Savings with 5% Economic Development Fee  
\$17,476**

**10 YEAR**

**Faulkenberg Printing**

**Sample Property Tax on Personal Property (10 Year Period)**

Personal Property Tax Investment: \$400,000

Tax Rate: 3.0%

	2015 <i>Payable 2016</i>	2016 <i>Payable 2017</i>	2017 <i>Payable 2018</i>	2018 <i>Payable 2019</i>	2019 <i>Payable 2020</i>	2020 <i>Payable 2021</i>	2021 <i>Payable 2022</i>	2022 <i>Payable 2023</i>	2023 <i>Payable 2024</i>	2024 <i>Payable 2025</i>		
<b>Cost of Equipment</b>	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	
<b>True Cash Percentage Rate</b>	40%	60%	55%	45%	37%	30%	25%	20%	16%	12%		
<b>True Cash Value</b>	\$160,000	\$240,000	\$220,000	\$180,000	\$148,000	\$120,000	\$100,000	\$80,000	\$64,000	\$48,000		
<b>Net Tax Rate</b>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%		<b>Total</b>
<b>Tax w/o Abatement</b>	\$4,800	\$7,200	\$6,600	\$5,400	\$4,440	\$3,600	\$3,000	\$2,400	\$1,920	\$1,440		<b>\$40,800</b>
<b>Abatement Rate</b>	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%		
<b>Amount Abated</b>	\$4,800	\$6,480	\$5,280	\$3,780	\$2,664	\$1,800	\$1,200	\$720	\$384	\$144		<b>Total</b>
<b>Tax Paid w/Abatement</b>	\$0	\$720	\$1,320	\$1,620	\$1,776	\$1,800	\$1,800	\$1,680	\$1,536	\$1,296		<b>\$13,548</b>

												<b>Total Fees Paid</b>
<b>5% Fee</b>	\$240	\$324	\$264	\$189	\$133	\$90	\$60	\$36	\$19	\$7		<b>\$1,363</b>

**Total Tax Savings without Economic Development Fee  
\$27,252**

**Total Tax Savings with 5% Economic Development Fee  
\$25,889**

**CITY OF FRANKLIN, INDIANA**

**RESOLUTION NUMBER 2014-13**

**A RESOLUTION GRANTING TAX ABATEMENT  
FOR FAULKENBERG PRINTING (EDC 2014-05)**

**WHEREAS**, the economic growth and development of the City of Franklin, Johnson County, Indiana is the primary goal of the community;

**WHEREAS**, the Franklin Economic Development Commission has on October 14<sup>th</sup>, 2014, held a public meeting and considered the tax abatement request of Faulkenberg Printing, in a manner consistent with the *City of Franklin Community Investment Incentives Summary* and the applicable sections of the Indiana Code.

**WHEREAS**, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5 and recommends that Faulkenberg Printing receive a three (3) year tax abatement on real property, with a 2% Economic Development Fee; and a five (5) year tax abatement on personal property, with a 2% Economic Development Fee, for the real estate described as Exhibit "A" and described in the tax abatement request.

**WHEREAS**, a copy of the Statement of Benefits recommended for approval by the Franklin Economic Development Commission is attached hereto as Exhibit "B;"

**WHEREAS**, it appears that said real estate as described as Exhibit "A" is an area where the site is undesirable for or impossible of normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, sub-standard buildings and other factors which have impaired values or prevented normal development of or use of the property;

**WHEREAS**, the Common Council has received and reviewed Exhibit "B" with all attachments, and that such attachments are made a part hereof and incorporated herein, all which together contain the necessary statements of benefits and description of the project, along with the recommendation of the Economic Development Commission for tax abatement for real property; and

**WHEREAS**, the Common Council has given careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5, and specifically including the following findings:

As to **real property** the following findings are made:

- 1) Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
- 2) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- 3) Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;

- 4) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and
- 5) Whether the totality of the benefits is sufficient to justify the tax abatement.

As to **personal property** the following findings are made:

- 1) The estimate of the cost of new equipment is reasonable for equipment of that type;
- 2) The estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new equipment;
- 3) The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new equipment;
- 4) Any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new equipment; and
- 5) The totality of the benefits is sufficient to justify the tax abatement.

**NOW THEREFORE BE IT RESOLVED THAT:**

- (1) The abatement of real property tax for the property described as Exhibit "A" shall extend for a period of \_\_\_\_ years with a 2% Economic Development Fee, pursuant to the deduction schedule set forth in IC 6-1.1-12.1-3(e)(10).
- (2) The abatement of personal property tax shall extend for a period of \_\_\_\_ years with a 2% Economic Development Fee, pursuant to the deduction schedule set forth in IC 6-1.1-12.1-4.5(e)(10).
- (3) Faulkenberg Printing shall be required to provide the City of Franklin with information showing the extent to which there has been compliance with the statement of benefits submitted in their request for tax abatement within sixty (60) days after the end of each year in which the deduction is applicable, all as require by IC 6-1.1-12.1-5.1.
- (4) A copy of this resolution and a description of the affected area will be available and can be inspected in the office of the Johnson County Assessor and the City Clerk/Treasurer.

Introduced and Filed on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

DULY PASSED on this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by the Common Council of the City of Franklin, Johnson County, Indiana, having been passed by a vote of \_\_\_\_\_ in Favor and \_\_\_\_\_ Opposed.

City of Franklin, Indiana, By its Common Council:

Voting Affirmative:

Voting Opposed:

\_\_\_\_\_  
Stephen Barnett, Council President

\_\_\_\_\_  
Stephen Barnett, Council President

\_\_\_\_\_  
Kenneth W. Austin, Vice President

\_\_\_\_\_  
Kenneth W. Austin, Vice President

\_\_\_\_\_  
Joseph P. Abban

\_\_\_\_\_  
Joseph P. Abban

\_\_\_\_\_  
Joseph R. Ault

\_\_\_\_\_  
Joseph R. Ault

\_\_\_\_\_  
Robert D. Henderson

\_\_\_\_\_  
Robert D. Henderson

\_\_\_\_\_  
Stephen D. Hougland

\_\_\_\_\_  
Stephen D. Hougland

\_\_\_\_\_  
Richard L. Wertz

\_\_\_\_\_  
Richard L. Wertz

Attest:

\_\_\_\_\_  
Janet P. Alexander  
City Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to  
Indiana Code § 36-4-6-15, 16, this \_\_\_\_\_ day of \_\_\_\_\_, 2014 at  
\_\_\_\_\_ o'clock a.m./p.m.

\_\_\_\_\_  
Janet P. Alexander,  
City Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me [Approved by  
me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana

Code § 36-4-6-16(a)(2)], this \_\_\_\_\_ day of \_\_\_\_\_, 2014 at \_\_\_\_\_  
o'clock a.m./p.m.

\_\_\_\_\_  
Joseph E. McGuinness  
Mayor

Attest:

\_\_\_\_\_  
Janet P. Alexander,  
City Clerk-Treasurer

"I affirm, under the penalties for perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law."

Name: \_\_\_\_\_  
Krista M. Linke, Director of Community Development

Prepared by: \_\_\_\_\_  
Krista M. Linke, Director of Community Development

## EXHIBIT A

**Property Address:** 1670 Amy Ln  
Franklin, IN 46131

**Legal Description:** HURRICANE INDUSTRIAL PARK LOT 10



# STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R / 1-06)

Prescribed by the Department of Local Government Finance

## EXHIBIT B

FORM SB-1 / PP

### PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

#### INSTRUCTIONS:

- This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved
- To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1		TAXPAYER INFORMATION						
Name of taxpayer		Faulkenberg Painting						
Address of taxpayer (number and street, city, state, and ZIP code)		116 West Michigan Street, Indianapolis, IN 46204						
Name of contact person		Telephone number		317-638-1359				
Jim Faulkenberg								
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT						
Name of designating body		Resolution number (s)						
Location of property		County		DLGF taxing district number				
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (use additional sheets if necessary)		ESTIMATED						
		START DATE		COMPLETION DATE				
Manufacturing Equipment		Jan 2015		10 Years Plus				
R & D Equipment								
Logist Dist Equipment								
IT Equipment								
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT						
Current number	Salaries	Number retained	Salaries	Number additional	Salaries			
10	49,900	10	49,900	5	750,000			
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT						
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values	120,000	120,000						
Plus estimated values of proposed project	400,000	400,000						
Less values of any property being replaced								
Net estimated values upon completion of project	520,000	520,000						
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER						
Estimated solid waste converted (pounds)		Estimated hazardous waste converted (pounds)						
Other benefits:								
SECTION 6		TAXPAYER CERTIFICATION						
I hereby certify that the representations in this statement are true.								
Signature of authorized representative		Title		Date signed (month, day, year)				
James J. J.		President		9-23-19				



**STATEMENT OF BENEFITS  
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R5 / 12-13)  
Prescribed by the Department of Local Government Finance

**EXHIBIT B**

20 \_\_\_ PAY 20 \_\_\_

FORM SB-1 / Real Property

**PRIVACY NOTICE**

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
- Residentially distressed area (IC 6-1.1-12.1-4.1)

**INSTRUCTIONS:**

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise, this statement must be submitted to the designating body **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
3. To obtain a deduction, a Form 322/RE must be filed with the County Auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between March 1 and May 10 of a subsequent year.
4. A property owner who files for the deduction must provide the County Auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5.1(b)
5. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/Real Property that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. IC 6-1.1-12.1-17

SECTION 1		TAXPAYER INFORMATION			
Name of taxpayer <i>Faulkenberg Printing Company Inc.</i>					
Address of taxpayer (number and street, city, state, and ZIP code) <i>116 West Michigan Street, Indpls. IN 46204</i>					
Name of contact person <i>Jim Faulkenberg</i>		Telephone number <i>(317) 638-1359</i>		E-mail address <i>Jim@Faulkenberg-Net</i>	
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT			
Name of designating body				Resolution number	
Location of property <i>1670 Amy Lane</i>		County <i>Johnson</i>		DLGF taxing district number	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) <i>Add Aircondition, install gas furnace, Build 40' x 90' office Bring in more electric, Add lighting, Build Racks for Messes</i>				Estimated start date (month, day, year) <i>November 4 2014</i>	
				Estimated completion date (month, day, year) <i>January 1st 2015</i>	
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT			
Current number <i>10</i>	Salaries <i>24 per hour</i>	Number retained <i>10</i>	Salaries	Number additional <i>up to 5</i>	Salaries <i>424</i>
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT			
		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
Current values		<i>590,000</i>		<i>590,000</i>	
Plus estimated values of proposed project		<i>170,000</i>			
Less values of any property being replaced					
Net estimated values upon completion of project		<i>760,000</i>		<i>760,000</i>	
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER			
Estimated solid waste converted (pounds) _____		Estimated hazardous waste converted (pounds) _____			
Other benefits					
SECTION 6		TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.					
Signature of authorized representative <i>Jim Faulkenberg</i>				Date signed (month, day, year) <i>9-12-14</i>	
Printed name of authorized representative <i>Jim Faulkenberg</i>			Title <i>President</i>		