AGENDA RESERVATION REQUEST

CITY OF FRANKLIN
COMMON COUNCIL
Please type or print

Date Submitted:	October 29, 2014	**Meeting Date:**	November 3, 2014
Contact Information:			
Requested by:	Krista Linke		
On Behalf of Organization or Individual:	Economic Development Commission		
Telephone:	317-736-3631		
Email address:	klinke@franklin.in.gov		
Mailing Address:	70 E. Monroe St., Franklin, IN 46131		
Describe Request:			
Resolution 2014-13: A Resolution Establishing an Economic Revitalization Area and Designating a Tax Abatement for Faulkenberg Printing			
Resolution 2014-14: A Resolution Setting Forth Final Action in Determining an Economic Revitalization Area and Confirming Resolution 2014-13			
List Supporting Documentation Provided:			
Memorandum to the City Council			
Staff Report & Attachments			
Resolution 2014-13 & Exhibits			
Resolution 2014-14 (for consideration at the November 17th meeting)			
Who will present the request?			
Name:	Krista Linke	**Telephone:**	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

Memorandum

To: City Council

From: Krista Linke, Director

Date: October 15, 2014

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

---

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 14th, 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 6th, 2014

Re: Case EDC 2014-05 – Faulkenberg Printing

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. <u>Tax Abatement Duration:</u>

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. <u>Requested Effective Year:</u>

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: 317 638-1359
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 Conditioned Furnace, Electrical, Build offices + Prepress

Current Assessed Value (AV) of the Property:

1. Land
2. Building $590,000
3. Inventory $5000
4. Equipment 120,000

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

Required Attachments:

- ☐ Completed SB-1 Form(s)
- ☐ Legal Description of the Property
- ☐ Company Financial Statement
- ☐ Job and Wage Description Information Sheet
- ☐ Summary of Benefits (if applicable)
- ☐ Employment Phase-In Schedule
- ☐ Company Investment Timetable
- ☐ Compliance Affidavit

Type of Abatement Requested

Real Property [X] Personal Property [X]

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 [X] 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 (X)

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) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes (X) No ( )

If yes, at what percent(s)? 2% Real Property
2% Personal Property

EMPLOYMENT PHASE-IN SCHEDULE
SAMPLE JOB CREATION/RETENTION TIMETABLE

	Job Type 1	Job Type 2	Job Type 3	Job Type 4	Total
Year of Abatement					
1st Quarter	Press operator	+ Helper			4 Total New Employees
2nd Quarter		Sales Person			$50,000
3rd Quarter					
4th Quarter			Binding operator		each per Year
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL					

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 off

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: 8 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 Ins.

SAMPLE COMPANY INVESTMENT TIMETABLE

	Buildings	Equip. Type 1	Equip. Type 2	Equip. Type 3	Total
Year of Abatement					
1st Quarter	$590,000	5 color Printing Press		$400,000	$990,000
2nd Quarter					
3rd Quarter	Will Be Completed By 6-1-2015				
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL					

Payroll Summary

Check Date	Name	Hours	Total Paid	Tax Withheld	Deductions	Net Pay	Check No	Employer Liability	Total Expense
Pay Frequency:	Weekly								
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	1,716.00	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
Pay Frequency Totals: Weekly		474.00	$12,036.13	$2,569.55	$1,389.58	$8,077.00		$861.42	$12,897.55
Total Net Pays for Weekly frequency: 12									
Company Totals:		474.00	$12,036.13	$2,569.55	$1,389.58	$8,077.00		$861.42	$12,897.55

Total Net Pays for Company: 12

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%

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

				Total Fees Paid
2% Fee	$102	$67	$34	***$203***

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%

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

						Total Fees Paid
2% Fee	$102	$82	$61	$41	$20	***$306***

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%

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

								Total Fees Paid
2% Fee	$102	$87	$72	$58	$44	$30	$14	***$407***

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%

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

											Total Fees Paid
2% Fee	$123	$117	$98	$80	$62	$49	$37	$25	$12	$6	***$609***

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%

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

				Total Fees Paid
5% Fee	$390	$198	$69	***$657***

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%

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

						Total Fees Paid
5% Fee	$240	$269	$151	$77	$29	***$766***

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%

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

								Total Fees Paid
5% Fee	$240	$286	$179	$109	$62	$31	$13	***$920***

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

											Total Fees Paid
5% Fee	$240	$324	$264	$189	$133	$90	$60	$36	$19	$7	***$1,363***

Total Tax Savings without Economic Development Fee

$27,252

Total Tax Savings with 5% Economic Development Fee

$25,889

CITY OF FRANKLIN, INDIANA

RESOLUTION NO. 2014-13

A RESOLUTION ESTABLISHING AN ECONOMIC REVITALIZATION AREA AND DESIGNATING A 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 14th, 2014 held a public meeting and considered the economic revitalization area and the tax abatement request of Faulkenberg Printing (1670 Amy Lane) 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 recommended that the property described as Exhibit "A" be designated as an economic revitalization area;

WHEREAS, again making 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 Exhibits "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, letter of application, and description of manufacturing equipment which are involved, along with the recommendation on economic revitalization area designation and tax abatement for real and personal 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 manufacturing 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 manufacturing 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 manufacturing equipment; and
5) The totality of the benefits is sufficient to justify the tax abatement.

NOW THEREFORE BE IT RESOLVED THAT:

(1) The real estate described as Exhibit "A" is designated an economic revitalization area, as the term is defined under the provisions of IC 6-1.1-12.1.

(2) 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 and IC 6-1.1-12.1-14.

(3) 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 and IC 6-1.1-12.1-14.

(4) A public hearing shall be held on the 17th day of November, 2014 at 6:30 p.m. in the City Council Chambers, Franklin, Indiana, at which hearing the Common Council shall hear all remonstrance and objections from interested persons and consider whether to confirm, modify, or rescind this resolution under the provisions of IC 6-1.1-12.1-2.5(c).

(5) The company 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 required by IC 6-1.1-12.1-5.1 and IC 6-1.1-12.1-5.6.

(6) 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

EXHIBIT B

State Form 51764 (R / 1-06)
Prescribed by the Department of Local Government Finance

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:

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*** *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)*
2. *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*
3. *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.*
4. *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)*
5. *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 Printing

Address of taxpayer *(number and street, city, state, and ZIP code)*: 116 West Michigan Street, Indpls IN. 46204

Name of contact person: Jim Faulkenberg

Telephone number: 317-638-1359

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	ESTIMATED 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	49900	5	$50,000

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 E. F	President	9-23-19

EXHIBIT B

STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS

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

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: Faulkenberg Printing Company Inc.

Address of taxpayer (*number and street, city, state, and ZIP code*): 116 West Michigan Street, Indpls. IN. 46204

Name of contact person: Jim Faulkenberg

Telephone number: (317) 638-1359

E-mail address: Jim@Faulkenberg.Net

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body:

Resolution number:

Location of property: 1670 Amy Lane

County: Johnson

DLGF taxing district number:

Description of real property improvements, redevelopment, or rehabilitation (*use additional sheets if necessary*): Add Airconditioning, Install Gas Furnace, Build 40'x40' office, Bring in More Electric, Add Lighting, Build Rails for Presses

Estimated start date (*month, day, year*): November 4 2014

Estimated completion date (*month, day, year*): January 1st 2015

SECTION 3 — ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
10	24 per Hour	10		up to 5	24

SECTION 4 — ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	590,000	590,000
Plus estimated values of proposed project	170,000	
Less values of any property being replaced		
Net estimated values upon completion of project	760,000	760,000

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: [signature]

Date signed (*month, day, year*): 9-12-14

Printed name of authorized representative: Jim Faulkenberg

Title: President

CITY OF FRANKLIN, INDIANA

RESOLUTION NO. 2014-14

RESOLUTION SETTING FORTH FINAL ACTION IN DETERMINING AN ECONOMIC REVITALIZATION AREA AND CONFIRMING RESOLUTION 2014-13 OF NOVEMBER 3rd, 2014 (EDC 2014-05: FAULKENBERG PRINTING)

WHEREAS, the Common Council of the City of Franklin, Indiana has adopted a *Community Investment Incentives Summary and Application Procedure* on March 27th, 2000; and

WHEREAS, pursuant to said *Community Investment Incentives Summary and Application Procedure,* Faulkenberg Printing has filed a "Tax Abatement Request," pursuant to IC 6-1.1-2.1-1 et seq.; and

WHEREAS, at a regular meeting of the Common Council of the City of Franklin, Indiana held on November 3rd, 2014, said Common Council reviewed and approved said request and declared certain real estate within the City of Franklin, Indiana to be an "Economic Revitalization Area" pursuant to the specification of Resolution No. 2014-13, adopted and approved that date; and

WHEREAS, pursuant to IC 6-1.1-12.1-1 et seq. the Common Council of the City of Franklin, Indiana has properly published "Notice of Public Hearing by the Common Council of the City of Franklin, Indiana regarding the designation of the area as an Economic Revitalization Area;" and

WHEREAS, no remonstrance, written or oral, have been filed with regard to Resolution No. 2014-13 stating opposition of any type or character, to said Resolution, or the designation of the real estate described therein as an "Economic Revitalization Area;" and

Now, therefore be it resolved by the Common Council of the City of Franklin, Indiana as follows:

1. Final Action: After legally required public notice, and after a public hearing pursuant to such notice, the Common Council of the City of Franklin, Indiana hereby takes "final action," as that phrase is defined in IC 6-1.1-12.1-1 et seq. With regard to the tax abatement request by *Faulkenberg Printing* and the adoption of Resolution No. 2014-13 of November 3rd, 2014.

2. Confirmation of Resolution No. 2014-13: It is hereby declared by the Common Council of the City of Franklin, Indiana that Resolution No. 2014-13, adopted on November 3rd, 2014 is in all respects hereby affirmed, and it is hereby stated that the Economic Development Commission's determination that the real estate controlled by Faulkenberg Printing, as described in Resolution No. 2014-13 is designated as an Economic Revitalization Area.

3. Effective Date: This Resolution shall be effective immediately upon its passage subject to any right of appeal as provided by State Law.

4. Filing with Johnson County Authorities: Upon adoption of the Resolution, the Clerk-Treasurer of the City of Franklin, Indiana shall cause a certified copy of this Resolution to be filed with the Johnson County Assessor and/or such other Johnson County government officials as shall be necessary to make Faulkenberg Printing eligible to file for real estate tax abatement as to the

real and personal property and improvements contemplated by the tax abatement request reviewed and approved by Resolution No. 2014-13 and ratified and affirmed by this Resolution.

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