



CITY OF FRANKLIN

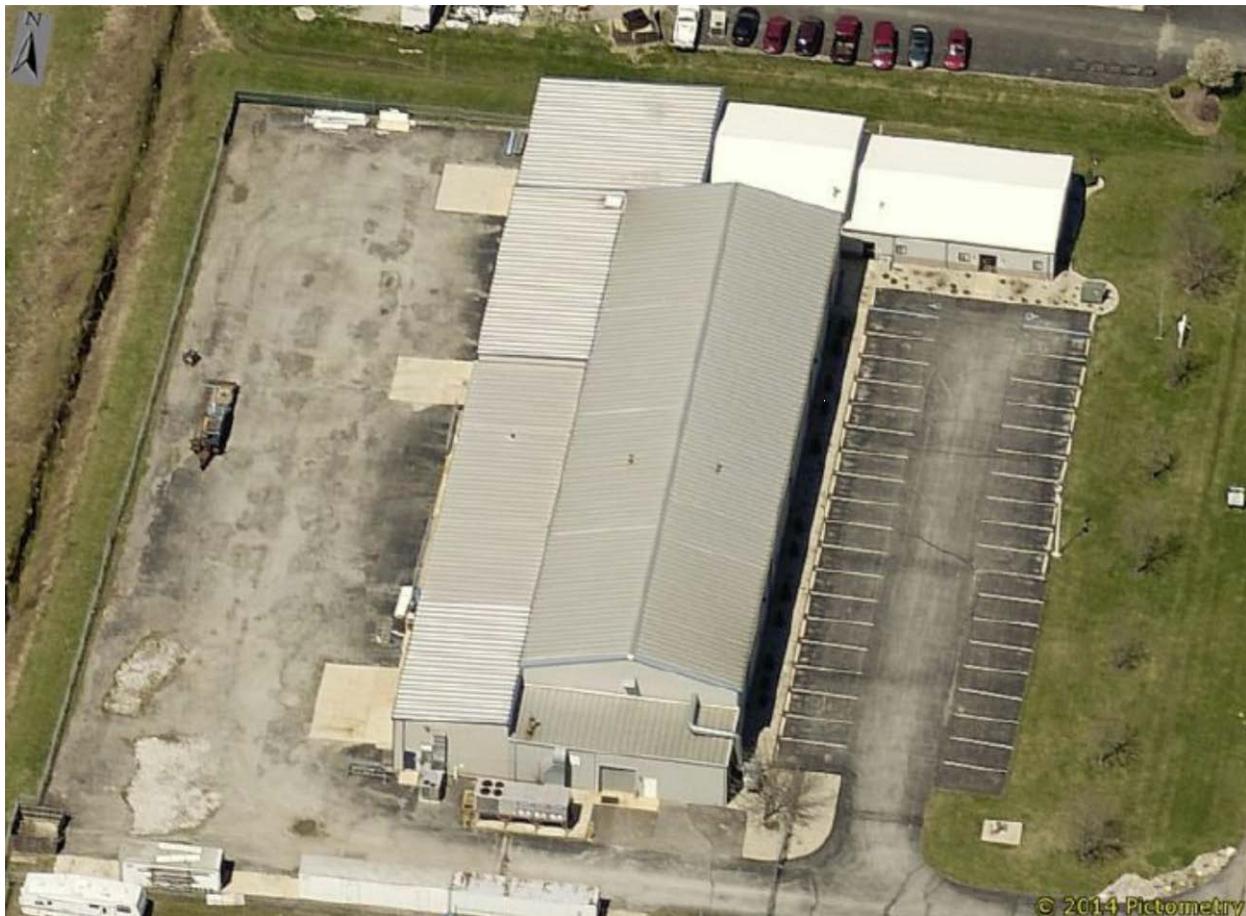
Community Development Department

Staff Report

To: Economic Development Commission Members
From: Krista Linke, Director
Date: March 3, 2015
Re: Case EDC 2015-02 – Electro-Spec, Inc. and Trueblood Oil Company, Inc.

Case EDC 2015-02 – Electro-Spec: A request for a 3-year tax abatement for a vacant building and a personal property tax abatement on \$1,290,000 of personal property.

Location: 3070 RJ Parkway



Summary:

1. Characteristics of this location:

Electro-Spec moved out of this location, and into their new location at 1800 Commerce Parkway in 2012. They received a 10 year tax abatement on \$2,170,000 of personal property in 2012, through Resolution 2012-07.

IC 6-1.1-12.1-1(17) An “eligible vacant building” means a building that (A) is zoned for commercial or industrial purposes; and (B) is unoccupied for at least one year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the department of local government finance requires.

2. Characteristics of this petitioner:

Trueblood Oil Company will be a tenant at 3070 RJ Parkway, owned by Electro-Spec, Inc.

Trueblood Oil Company is a regional oil compound blender that also distributes Shell and Phillips 66 products based out of Farmersburg, Indiana. Currently they have other locations in Leroy, IL and Richmond, Indiana. They employ approximately 21 people total. They are looking to move their company’s blending/manufacturing operation as well as establish a centralized location for shipping their products to customers in Indiana, Ohio, Illinois, and Kentucky. They will sign a 5 year lease in Franklin, with an option to buy at any time. They are planning to update the facility with containment and general overall maintenance. They plan to buy sixteen 10,000 gallon tanks to hold raw product (ie base oils). They will also be buying four 10,000 gallon heated blend tanks to use in their manufacturing process. They will be installing several hundred feet of piping for the tanks and cat walks. They will also have the expense of moving other assets from other locations. Trueblood Oil Company will be phasing this in over a 5 year period. Over that time, they will add 5 employees to their operation.

3. Characteristics of this project:

Trueblood Oil Company, Inc. main office is currently located south of Terre Haute in the small town of Farmersburg, Indiana. They also have offices in Leroy, Illinois and Richmond, Indiana. Trueblood Oil Company employs approximately 21 people total. They need to expand operation in their manufacturing/blending operating. Since they are a regional company with the majority of their customers in Illinois, Indiana, Ohio and Kentucky, they would like to locate their manufacturing/blending operation in more of a centralized location within Indiana. Moving their manufacturing/blending operation is going to take a lot of time and a lot of investment in equipment.

4. Economic Revitalization Area (ERA):

This property was designated an ERA by Resolution 2003-05, but it expired in 2010. It will need to be designated again as an ERA.

5. Previous Tax Abatement Received:

Trueblood Oil Company is new to Franklin, and has never received previous tax abatement. Electro-Spec currently has a tax abatement on personal property at their new location, mentioned earlier in the staff report (see #1 - Characteristics of this Location). Electro-Spec was also granted tax abatement at 3070 RJ Parkway in 2008. They received a 7 year abatement on personal property and a 10 year abatement on real property. In 2010, they amended this abatement, and extended the

completion date from 12/31/2009 to 12/31/2010. They also increased the real property investment amount from \$1,800,000 to \$2,200,000. The real property abatement was for a 6,590 square foot building addition.

6. ERA & Tax Abatement Findings (Vacant Building Deduction):

Indiana Code Section 6-1.1-12.1-4.8 states that the following findings must be made when considering a vacant building deduction:

- a. 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 occupation of the eligible vacant building;
- b. Whether 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 proposed occupation of the eligible vacant building;
- c. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed occupation of the eligible vacant building;
- d. Whether the occupation of the eligible vacant building will increase the tax base and assist in the rehabilitation of the economic revitalization area;
- e. Whether the totality of benefits is sufficient to justify the deduction.

7. 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:

- f. Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- g. 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 installation of new manufacturing equipment;
- h. 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;
- i. 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
- j. Whether the totality of the benefits is sufficient to justify the tax abatement.

8. 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 the proposed request follows:

- a. *Diversification of Local Occupations:* In 2014, 10.9% of all jobs in Johnson County were in the manufacturing sector. There were 5,239 manufacturing employees in Johnson County and none of them were petroleum lubricating oil and grease manufacturing employees. The applicant will retain 4 employees and add 5 new employees with this new location and equipment.
- b. *Diversification of Local Manufacturing Employment:* According to STATS Indiana, in the first quarter of 2014, petroleum lubricating oil and grease manufacturing made up 0% of the manufacturing jobs in Johnson County. Also according to STATS Indiana, there were 138 manufacturing establishments in Johnson County in 2014, and none of them were petroleum lubricating oil and grease manufacturing establishments.
- c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for the first quarter of 2014 was \$16.20. The average hourly wage in Johnson County for manufacturing in the first quarter of 2014 was \$24.01 per hour. Because there were no petroleum lubricating oil and grease manufacturing employees in Johnson County, there is no average hourly wage for this specific sub-sector of manufacturing. The average hourly wage (without benefits) for the 4 employees retained is \$24.04 (\$200,000 divided by 4 jobs, divided by 52 weeks, divided by 40 hours per week). The average hourly wage for the 5 new jobs is \$12.98 (\$135,000 divided by 5 jobs, divided by 52 weeks, divided by 40 hours per week).
- d. *Sustainable Land Use:* The petitioner proposes to make this investment at an existing location.
- e. *Future Community Investment:* The Company has indicated on their application that they are agreeable to a 5% Economic Development Fee on Personal Property.
- f. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Future Land Use Plan 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 of 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 machinery that often are involved.

The property is zoned IBD, Industrial: Business Development. The "IG," 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 operation.

9. 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).

10. Requested Effective Year:

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

Staff Comments:

Making use of an existing facility and adding a new company to the City of Franklin is beneficial to Franklin's economy. The average hourly wages for new employees are significantly lower than the average hourly manufacturing wage for Johnson County, and the four employees being retained by Trueblood Oil Company.

1 Year Vacant Building Deduction

Trueblood Oil Company, Inc.

Sample Property Tax (1 Year)

Vacant Building Deduction: \$980,500

Tax Rate: 3.0%

	2015 Payable 2016	
Total Assessed Value	\$980,500	
Percentage Abated	100%	
Net Tax Rate	3.0%	Total
Tax w/o Abatement	\$29,415	\$29,415

2 Year Vacant Building Deduction

Trueblood Oil Company, Inc.

Sample Property Tax (2 Year)

Vacant Building Deduction: \$980,500

Tax Rate: 3.0%

	2015 Payable 2016	2016 Payable 2017	
Total Assessed Value	\$980,500	\$980,500	
Percentage Abated	100%	100%	
Net Tax Rate	3.0%	3.0%	Total
Tax w/o Abatement	\$29,415	\$29,415	\$58,830

3 YEAR

Trueblood Oil Company, Inc.

Sample Property Tax (3 Year)

Vacant Building Deduction: \$980,500

Tax Rate: 3.0%

	<i>2015 Payable 2016</i>	<i>2016 Payable 2017</i>	<i>2017 Payable 2018</i>	
<i>Total Assessed Value</i>	\$980,500	\$980,500	\$980,500	
<i>Percentage Abated</i>	100%	100%	100%	
<i>Net Tax Rate</i>	3.0%	3.0%	3.0%	<i>Total</i>
<i>Tax w/o Abatement</i>	\$29,415	\$29,415	\$29,415	<i>\$88,245</i>

3 YEAR

Trueblood Oil Company, Inc.

Sample Property Tax on Personal Property (3 Year)

Personal Property Tax Investment: \$1,290,000

Tax Rate: 3.0%

	2015 Payable 2016	2016 Payable 2017	2017 Payable 2018	
Cost of Equipment	\$1,290,000	\$1,290,000	\$1,290,000	
True Cash Percentage Rate	65%	50%	35%	
True Cash Value	\$838,500	\$645,000	\$451,500	
Net Tax Rate	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$25,155	\$19,350	\$13,545	\$58,050
Abatement Rate	100%	66%	33%	
Amount Abated	\$25,155	\$12,771	\$4,470	Total
Taxes Paid w/Abatement	\$0	\$6,579	\$9,075	\$15,654

Total Fees Paid

5% Fee	\$1,258	\$639	\$223	\$2,120
---------------	---------	-------	-------	----------------

**Total Tax Savings without Economic Development Fee
\$42,396**

**Total Tax Savings with 5% Economic Development Fee
\$40,276**

5 YEAR

Trueblood Oil Company, Inc.

Sample Property Tax on Personal Property (5 Year Period)

Personal Property Tax Investment: \$1,290,000

Tax Rate: 3.0%

	2015 Payable 2016	2016 Payable 2017	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	
Cost of Equipment	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	
True Cash Percentage Rate	40%	56%	42%	32%	24%	
True Cash Value	\$516,000	\$722,400	\$541,800	\$412,800	\$309,600	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	
Tax w/o Abatement	\$15,480	\$21,672	\$16,254	\$12,384	\$9,288	Total \$75,078
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	\$15,480	\$17,338	\$9,752	\$4,954	\$1,858	Total
Taxes Paid w/Abatement	\$0	\$4,334	\$6,502	\$7,430	\$7,430	\$25,697

						Total Fees Paid
5% Fee	\$774	\$867	\$488	\$248	\$93	\$2,469

**Total Tax Savings without Economic Development Fee
\$49,381**

**Total Tax Savings with 5% Economic Development Fee
\$46,912**

7 YEAR

Trueblood Oil Company, Inc.

Sample Property Tax on Personal Property (7 Year Period)

Personal Property Tax Investment: \$1,290,000

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	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	
True Cash Percentage Rate	40%	56%	42%	32%	24%	18%	15%	
True Cash Value	\$516,000	\$722,400	\$541,800	\$412,800	\$309,600	\$232,200	\$193,500	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$15,480	\$21,672	\$16,254	\$12,384	\$9,288	\$6,966	\$5,805	\$87,849
Abatement Rate	100%	85%	71%	57%	43%	29%	14%	
Amount Abated	\$15,480	\$18,421	\$11,540	\$7,059	\$3,994	\$2,020	\$813	Total
Taxes Paid w/Abatement	\$0	\$3,251	\$4,714	\$5,325	\$5,294	\$4,946	\$4,992	\$28,522

								Total Fees Paid
5% Fee	\$774	\$921	\$577	\$353	\$200	\$101	\$41	\$2,966

**Total Tax Savings without Economic Development Fee
\$59,327**

**Total Tax Savings with 5% Economic Development Fee
\$56,361**

10 YEAR

Trueblood Oil Company, Inc.

Sample Property Tax on Personal Property (10 Year Period)

Personal Property Tax Investment: \$1,290,000

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>		
Cost of Equipment	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	\$1,290,000	
True Cash Percentage Rate	40%	60%	55%	45%	37%	30%	25%	20%	16%	12%		
True Cash Value	\$516,000	\$774,000	\$709,500	\$580,500	\$477,300	\$387,000	\$322,500	\$258,000	\$206,400	\$154,800		
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	\$15,480	\$23,220	\$21,285	\$17,415	\$14,319	\$11,610	\$9,675	\$7,740	\$6,192	\$4,644		\$131,580
Abatement Rate	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%		
Amount Abated	\$15,480	\$20,898	\$17,028	\$12,191	\$8,591	\$5,805	\$3,870	\$2,322	\$1,238	\$464		Total
Tax Paid w/Abatement	\$0	\$2,322	\$4,257	\$5,225	\$5,728	\$5,805	\$5,805	\$5,418	\$4,954	\$4,180		\$43,692

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total Fees Paid
5% Fee	\$774	\$1,045	\$851	\$610	\$430	\$290	\$194	\$116	\$62	\$23	\$4,394

Total Tax Savings without Economic Development Fee
\$87,888

Total Tax Savings with 5% Economic Development Fee
\$83,493



APPLICATION FOR DEDUCTION FROM ASSESSED VALUATION REAL PROPERTY VACANT BUILDING DEDUCTION

State Form 53179 (R / 3-13)

Prescribed by the Department of Local Government Finance

20__ PAY 20__
FORM 322 / VBD

INSTRUCTIONS:

1. This form is to be filed with the county auditor of the county in which the eligible vacant building is located.
2. To obtain a vacant building deduction, a Form 322/VBD must be filed with the county auditor before May 10 in the year in which the property owner or his tenant occupies the vacant building or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. If the property owner misses the May 10 deadline in the initial year of occupation, he can apply between March 1 and May 10 of a subsequent year.
3. The eligible vacant building must have been unoccupied for at least one (1) year and be zoned for commercial or industrial purposes.
4. A copy of the approved Form SB-1/VBD, the resolution adopted by the designating body, and the Form CF-1/VBD must be attached to this application.
5. A property owner who files this form must provide the county auditor and the designating body with a Form CF-1/VBD to show compliance with the approved Form SB-1/VBD. The Form CF-1/VBD must also be updated and provided to the county auditor and the designating body for each assessment year in which the deduction is applicable.

SECTION 1		PROPERTY INFORMATION	
Address of property (number and street, city, state, and ZIP code)			
3070 RJ Parkway Franklin, IN 46131			
County	Township	DLGF Taxing District number	Parcel number
Johnson	Franklin	41009	41-08-02-012-014.000-009
Name of owner		Name of contact person	
Electro-Spec, Inc.		Jeffrey Smith	
Mailing address of owner (number and street, city, state, and ZIP code)			
1800 Commerce Parkway Franklin, IN 46131			
Telephone number	Fax number	E-mail address (optional)	
(317) 738-9199	(317) 738-9491	jsmith@electro-spec.com	

SECTION 2				REQUEST FOR DEDUCTION AND DESCRIPTION OF BENEFIT TO TAXING JURISDICTION	
Describe the real property investment					
<ul style="list-style-type: none"> * Installing containment walls/curbs throughout the facility * Sealing the concrete floors * Installing containment walls/curbs around tanks * Painting throughout facility 					
Total cost of the real property investment					
\$75,000.00					
Is this property within an Economic Revitalization District (ERA)?			Is this property within a Tax Increment Financing (TIF) district as defined in IC 6-1.1-21.2-3?		
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
ASSESSED VALUE OF LAND	ASSESSED VALUE OF IMPROVEMENTS	ASSESSED VALUE OF LAND AND IMPROVEMENTS (TOTAL AV)	*ASSESSED VALUE OF ELIGIBLE VACANT BUILDING		
\$ 117,100.00	\$ 863,400.00	\$ 980,500.00	\$ 980,500.00		
*Note: The assessed value that qualifies for this deduction is the assessed value of the eligible vacant building as defined in IC 6-1.1-12.1.					
I hereby certify that the above named taxpayer is liable for property taxes at the above listed location on the indicated assessment date and that the representations on this application are true and correct. I further certify that the real property investment identified above is eligible for the vacant building deduction as outlined in IC 6-1.1-12.1-4.8 and IC 6-1.1-12.1-16.					
Signature of owner or representative (if representative, attach power of attorney)				Date signed (month, day, year)	
				February 27th, 2015	
Printed name of signatory		Title	Telephone number of preparer		
Jeffrey D. Smith		President - Electro-Spec, Inc.	(317) 738-9199		



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: Trueblood Oil Co., Inc.
Primary Contact Name: Alan Ballard
Contact Address: 11792 N US Hwy 41
City: Farmersburg State: IN Zip: 47850
Phone Number: 812-249-3407
Email: aballard@truebloodoil.com
Three possible dates before the EDC meeting to conduct a site visit: 3/11/15, 3/12/15 & 3/18/15
Name of Owner: William Thomas
Parent Company (If Applicable): _____

Primary Contact for Yearly Compliance Reports

Name: Alan Ballard
Title: VP-Head of Operation
Address: 11792 N US Hwy 41
City: Farmersburg State: IN Zip: 47850
Phone Number: 812-249-3407
Email: aballard@truebloodoil.com

Description of Project

Project Location/Address: 3070 RJ Parkway Franklin, IN 46131
Parcel Number: 41-08-02-012-014.000-009
Brief Description of Project:
SEE Attached Paper

Current Assessed Value (AV) of the Property:

1. Land _____
2. Building _____
3. Inventory _____
4. Equipment \$1,000,000.00

Have building permits been applied for (if applicable): Yes No
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 Personal Property
Length of Abatement Requested: 5 Years
Project Size (square feet): 28,000 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: _____
- 2. Personal property capital investment only: \$1,000,000.00
- 3. Total capital investment for proposed project: _____

Jobs Created and/or Retained

- 1. Estimated number of full time jobs created by the proposed project: 5
- 2. Estimated number of full time jobs retained as a direct result of the proposed project: 4
- 3. Total number of full time jobs upon project completion: 9

Wages Created and Retained

- 1. Average hourly wage rate for new jobs (w/o benefits) \$13.00/hr
- 2. Average hourly wage rate for jobs retained (w/o benefits) \$24.00/hr

***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.

See Attached

Company Information

How long has the company been in existence? 40 Years
Current address of company headquarters and duration at that address: 11792 N US Hwy 41 Farmersburg, IN 47850 20 years at current location
11792 N US Hwy 41 Farmersburg, IN 47850 20 years at current location

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: Uncertain

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: Cash donations to local charities in the communities where we are located. We also work with local school programs on providing them engine oil.

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 No
If yes, at what percent(s)? _____

Brief Description of Project:

Trueblood Oil Co., Inc. is a regional oil compound blender that also distributes Shell and Phillips 66 products based out of Farmersburg, Indiana. Currently we also have other locations in Leroy, IL and in Richmond, IN. We employ approximately 21 people. We are looking to move our company's blending/manufacturing operation as well as establishing a centralized locations for shipping our products out to our Indiana, Ohio, Illinois and Kentucky customers. We are looking to sign a 5 year lease in Franklin, IN with an option to buy at any time. We are looking to update the building with containment and general overall maintenance. We plan on buying sixteen 10K gallon tanks to hold raw product (ie base oils). We will be also be buying four 10k gallon heated blend tanks to use in our manufacturing process. We will be installing several hundred feet of piping for the tanks and cat walks. We will also have expense of moving other assets from other locations. TOC will be phasing this in over a 5 year period. Also over that same time frame will be adding 5 employees to our operation.

Please explain why the abatement incentive is necessary to this project:

Trueblood Oil Co., Inc. main office is currently located south of Terre Haute Indiana in a small town of Farmersburg, IN. We also have offices in Leroy IL & Richmond, IN. TOC employees approximately 21 people in total. We are needing to expand operation in our manufacturing/blending operation. Since we are a regional company with the majority of our customers being in Illinois, Indiana, Ohio and Kentucky. We are wanting to locate our Manufacturing/Blending operation in more of a centralized location within Indiana. In moving our manufacturing/blending operation is going to be in phases taking time and a lot of investment in equipment. We are looking for the abatement to help us with the ability to afford of moving our operation to Franklin, IN.

Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment.

Trueblood Oil Co., Inc. is a regional oil compound blender that also distributes Shell and Phillips 66 products based out of Farmersburg, Indiana. Currently we also have other locations in Leroy, IL and in Richmond, IN. We employ approximately 21 people. We are looking to move our company's blending/manufacturing operation as well as establishing a centralized locations for shipping our products out to our Indiana, Ohio, Illinois and Kentucky customers. We are looking to sign a 5 year lease in Franklin, IN with an option to buy at any time. We are looking to update the building with containment and general overall maintenance. We plan on buying sixteen 10K gallon tanks to hold raw product (i.e. base oils). We will be also be buying four 10k gallon heated blend tanks to use in our manufacturing process. We will be installing several hundred feet of piping for the tanks and cat walks. TOC will be phasing this in over a 5 year period. We also will have an expense of moving other logistic assets, office equipment, lab equipment and Inventory of products. Also over that same time frame will be adding 5 employees to our operation.



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

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 Trueblood Oil Co., Inc.										
Address of taxpayer (number and street, city, state, and ZIP code) 11792 N US Hwy 41 Farmersburg, IN 47850										
Name of contact person Alan Ballard							Telephone number (812) 249-3407			
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT										
Name of designating body							Resolution number (s)			
Location of property 3070 RJ Parkway Franklin, IN 46131					County Johnson		DLGF taxing district number 41009			
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) See Attached Sheet:					ESTIMATED					
							START DATE		COMPLETION DATE	
					Manufacturing Equipment		6/1/2015		6/1/2020	
					R & D Equipment		6/1/2015		6/1/2020	
					Logist Dist Equipment		6/1/2015		6/1/2020	
IT Equipment		06/01/2015		6/1/2020						
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT										
Current number \$4.00		Salaries \$200,000.00		Number retained \$4.00		Salaries \$200,000.00		Number additional \$5.00		Salaries \$135,000.00
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										
Plus estimated values of proposed project			\$1,000,000.00		\$80,000.00		\$200,000.00		\$10,000.00	
Less values of any property being replaced										
Net estimated values upon completion of project			\$1,000,000.00		\$80,000.00		\$200,000.00		\$10,000.00	
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER										
Estimated solid waste converted (pounds) <u>0.00</u> N/A					Estimated hazardous waste converted (pounds) <u>0.00</u> N/A					
Other benefits:										
SECTION 6 TAXPAYER CERTIFICATION										
I hereby certify that the representations in this statement are true.										
Signature of authorized representative <i>alballard</i>						Title VP-Head of Operation		Date signed (month, day, year) 02/27/2015		

**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: 324191.
- (2) The total number of jobs current at the site: 0, the number of those jobs that will be retained as a direct result of the proposed investment 4, and the number of new jobs which will be created as a direct result of the proposed investment 5.
- (3) The total number of full-time employees at the site: 9.
- (4) The total number of temporary and/or contract employees currently at the site: 0.
- (5) The average hourly wages for the new jobs: \$13.00.
- (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.: 2 Average Hourly Wage: \$30.00
 - (b) Technical/Sales/Admin. Support Occ.: 3 Average Hourly Wage: \$15.00
 - (c) Service Occ.: Average Hourly Wage:
 - (d) Precision Production/Craft/Repair Occ.: Average Hourly Wage:
 - (e) Operators/Fabricators/Laborers: 4 Average Hourly Wage: \$15.00

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.**
401K, Health Insurance, Life Insurance, Paid Vacations

Trueblood Oil Co., Inc. Investment Timetable

	Delivery Driver	Office	Production	Lab
2015 of Abatement				
1st Quarter				
2nd Quarter	1.00			
3rd Quarter		1.00		
4th Quarter				
<hr/>				
2016 of Abatement				
1st Quarter				
2nd Quarter	1.00			
3rd Quarter				
4th Quarter				
<hr/>				
2017 of Abatement				
1st Quarter				
2nd Quarter			1.00	
3rd Quarter				
4th Quarter				
<hr/>				
2018 of Abatement				
1st Quarter				
2nd Quarter				1.00
3rd Quarter				
4th Quarter				
<hr/>				
2019 of Abatement				
1st Quarter				
2nd Quarter				
3rd Quarter				
4th Quarter				

Trueblood Oil Co., Inc. Investment Timetable

	Storage Tanks/Piping/Header/Racking	Blending Tanks/Piping/Catwalks/Mixers/Heaters	Total
2015 of Abatement			
1st Quarter			\$25,000.00
2nd Quarter	\$25,000.00		\$25,000.00
3rd Quarter	\$25,000.00		\$50,000.00
4th Quarter	\$25,000.00	\$25,000.00	
2016 of Abatement			\$56,250.00
1st Quarter	\$56,250.00		\$56,250.00
2nd Quarter	\$56,250.00		\$56,250.00
3rd Quarter	\$56,250.00		\$81,250.00
4th Quarter	\$56,250.00	\$25,000.00	
2017 of Abatement			\$56,250.00
1st Quarter	\$56,250.00		\$56,250.00
2nd Quarter	\$56,250.00		\$56,250.00
3rd Quarter	\$56,250.00		\$81,250.00
4th Quarter	\$56,250.00	\$25,000.00	
2018 of Abatement			\$56,250.00
1st Quarter	\$56,250.00		\$56,250.00
2nd Quarter	\$56,250.00		\$56,250.00
3rd Quarter	\$56,250.00		\$81,250.00
4th Quarter	\$56,250.00	\$25,000.00	
2019 of Abatement			\$37,500.00
1st Quarter	\$37,500.00		\$37,500.00
2nd Quarter	\$37,500.00		\$37,500.00
3rd Quarter	\$37,500.00		\$37,500.00
4th Quarter	\$37,500.00		\$37,500.00