AGENDA RESERVATION REQUEST

CITY OF FRANKLIN
COMMON COUNCIL
Please type or print

Date Submitted:	March 11, 2015	**Meeting Date:**	March 16, 2015
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 2015-07: Establishing an Economic Revitalization Area and Granting a Vacant Building Tax Abatement for Electro-Spec, Inc.			
List Supporting Documentation Provided:			
City Council Memo			
Staff Report			
Tax Abatement Application			
Resolution 2015-07			
Who will present the request?			
Name:	Cheryl Morphew	**Telephone:**	317-736-4300

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: March 11, 2015

Re: Economic Revitalization Area and Vacant Building Deduction – Electro-Spec, Inc.

The City of Franklin Economic Development Commission (EDC) reviewed and acted on a vacant building deduction request from Electro-Spec, Inc., at a meeting held on March 10th, 2015. The board voted to forward a favorable recommendation to the City Council for a three year vacant building deduction at 100%.

The new tenant in the building owned by Electro-Spec, Inc. will be Trueblood Oil Company, Inc. They requested a personal property abatement. The board voted to forward a favorable recommendation to the City Council for a five year personal property tax abatement with a 5% economic development fee.

The property was designated an Economic Revitalization Area, but it has expired. Therefore, two resolutions and two meetings are needed. Because the requests are from two separate companies, the vacant building deduction will be handled separately from the personal property tax abatement. The property has to first be designated and Economic Revitalization Area at the March 16th City Council Meeting. It will then be confirmed by Resolution 2015-08 at the April 6th City Council Meeting. Once the Economic Revitalization Area has been established, the personal property tax abatement request from Trueblood Oil Company can be heard at the April 6th City Council Meeting.

Attached to this memo are:

1. Case EDC 2015-02 Staff Report
2. Application and requested forms
3. Sample Tax Phase-In Savings Schedules
4. Resolution 2015-07 (to be heard at the March 16th meeting)
5. Exhibit “A” – Legal Description
6. Exhibit “B” - Forms SB-1 Real Property

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

CITY OF FRANKLIN

Community Development Department

Staff Report

To: Economic Development Commission Members

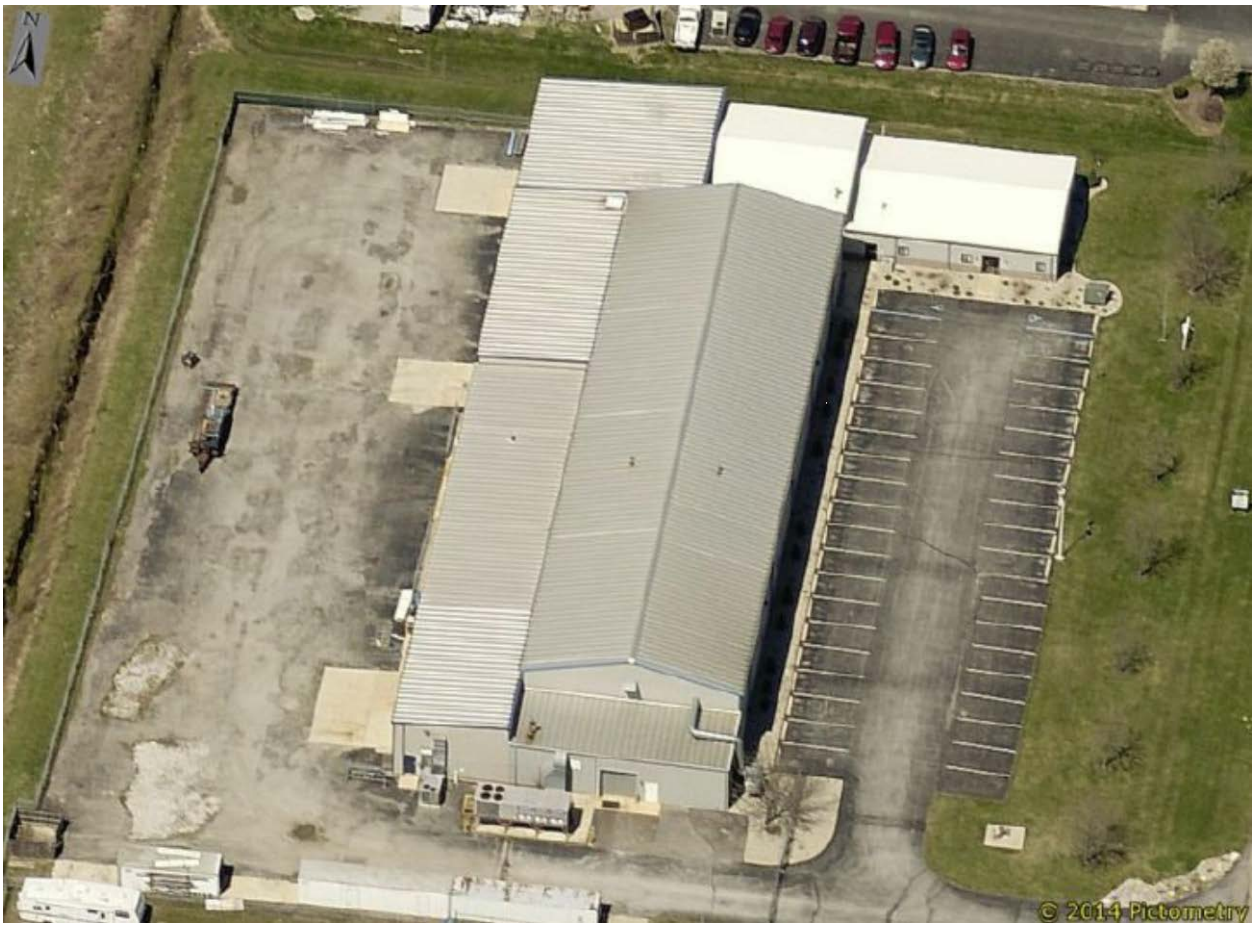
From: Krista Linke, Director

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. <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).

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

Electro-Spec, 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

Electro-Spec, 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

Electro-Spec, Inc.

Sample Property Tax (3 Year)

Vacant Building Deduction: $980,500

Tax Rate: 3.0%

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

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%	***Total***
Tax w/o Abatement	$15,480	$21,672	$16,254	$12,384	$9,288	***$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 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	$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***

											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

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 empolyees 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 empolyees to our operation.

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				
2016 of Abatement				
1st Quarter				
2nd Quarter	1.00			
3rd Quarter				
4th Quarter				
2017 of Abatement				
1st Quarter				
2nd Quarter			1.00	
3rd Quarter				
4th Quarter				
2018 of Abatement				
1st Quarter				
2nd Quarter				1.00
3rd Quarter				
4th Quarter				
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			
1st Quarter			$56,250.00
2nd Quarter	$56,250.00		$56,250.00
3rd Quarter	$56,250.00		$56,250.00
4th Quarter	$56,250.00	$25,000.00	$81,250.00
2017 of Abatement			
1st Quarter			$56,250.00
2nd Quarter	$56,250.00		$56,250.00
3rd Quarter	$56,250.00		$56,250.00
4th Quarter	$56,250.00	$25,000.00	$81,250.00
2018 of Abatement			
1st Quarter			$56,250.00
2nd Quarter	$56,250.00		$56,250.00
3rd Quarter	$56,250.00		$56,250.00
4th Quarter	$56,250.00	$25,000.00	$81,250.00
2019 of Abatement			
1st Quarter			$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

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2015-07

A RESOLUTION ESTABLISHING AN ECONOMIC REVITALIZATION AREA AND GRANTING A VACANT BUILDING TAX ABATEMENT FOR ELECTRO-SPEC INC. (EDC 2015-02)

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 March 10th, 2015 held a public meeting and considered the economic revitalization area and the vacant building tax abatement request of Electro-Spec Inc. (3070 RJ Parkway) 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, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.8 and recommends that Electro-Spec Inc. receive a 3 year vacant building tax abatement, and that the percentage amount of the deduction for each year shall be 100%, 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 port 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 specifically including the following findings:

ERA and Vacant Building Deduction Tax Abatement Findings (IC 6-1.1-12.1-4.8):

1) Whether the estimate of the value 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;

2) 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;

3) 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;

4) Whether the occupation of the eligible vacant building will increase the tax base and assist in the rehabilitation of the economic revitalization area;

5) Whether the totality of benefits is sufficient to justify the deduction.

NOW THEREFORE BE IT RESOLVED THAT:

(1) The abatement of property tax for the property described as Exhibit "A" shall extend for a period of _____ years. The percentage amount of the deduction for each year shall be ____%, pursuant to IC 6-1.1-12.1-17.

(2) Electro-Spec, Inc. 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.

(3) 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 _____, 2015.

DULY PASSED on this _____ day of _____, 2015, 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
_____	_____
Stephen D. Hougland	Stephen D. Hougland
_____	_____
Dr. William T. Murphy	Dr. William T. Murphy
_____	_____
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 _____, 2015 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 _____, 2015 at _____ o'clock a.m./p.m.

_____
Joseph E. McGuinness
Mayor

Attest:

_____
Janet P. Alexander,
City Clerk-Treasurer

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

EXHIBIT A

Property Address: 3070 RJ Parkway
Franklin, IN 46131

Legal Description: Johnson Industrial Park Lot 2

STATEMENT OF BENEFITS
VACANT BUILDING DEDUCTION

State Form 55182 (R / 2-14)
Prescribed by the Department of Local Government Finance

20____ PAY 20____
FORM SB-1 / VBD

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).

This statement is being completed for real property that qualifies as an "eligible vacant building" as defined by IC 6-1.1-12.1-1(17).

EXHIBIT B

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 occupation of the eligible vacant building for which the person wishes to claim a deduction.*
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. *A property owner who files the Form 322/VBD 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 each year in which the deduction is applicable.*

SECTION 1 — TAXPAYER INFORMATION

Name of taxpayer: Electro-Spec, Inc.

Address of taxpayer *(number and street, city, state, and ZIP code)*: 1800 Commerce Parkway Franklin, IN 46131

Name of contact person	Telephone number	E-mail address
Jeffrey Smith	(317) 738-9199	jsmith@electro-spec.com

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body:

Resolution number:

Location of property	County	DLGF taxing district number
3070 RJ Parkway Franklin, IN 46131	Johnson	41009

Description of eligible vacant building that the property owner or tenant will occupy *(use additional sheets if necessary)*.
See Attachment (Parcel # 41-08-02-012-014.000-009)

Estimated occupancy date *(month, day, year)*:

Estimated date placed-in-use *(month, day, year)*:

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
4	200,000.00	4	200,000.00	5	135,000.00

SECTION — ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	980,500.00	
Plus estimated values of proposed project	75,000.00	
Less values of any property being replaced		
Net estimated values upon completion of project	1,055,500.00	

SECTION 5 — EFFORTS TO SELL OR LEASE VACANT BUILDING

Described efforts by the owner or previous owner to sell, lease, or rent the building during period of vacancy:
Building was listed with Cassidy Turley in October 2011 and has been for sale/lease for over 3 years. Listing agreement with amendments are attached.

Show amount for which the building was offered for sale, lease, or rent during period of vacancy.
2011 and 2012 - $1,495,000 2013 - $1,395,000 2014 - $1,370,000

List any other benefits resulting from the occupancy of the eligible vacant building.
Making use of an existing facility that has been vacant for three years and adding a new company and new employees to the City of Franklin is beneficial to the local economy.

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)*
	President	March 5th, 2015

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

A. The designated area has been limited to a period of time not to exceed _____ calendar years* *(see below)*. The date this designation expires is _____.

B. The amount of the deduction applicable is limited to $ _____.

C. Other limitations or conditions *(specify)* _____

D. Number of years allowed: ☐ Year 1 ☐ Year 2 ☐ Year 3 ☐ Year 4 ☐ Year 5 *(* see below)* ☐ Year 6 ☐ Year 7 ☐ Year 8 ☐ Year 9 ☐ Year 10

E. For a statement of benefits approved after June 30, 2013, did the designating body adopt an abatement schedule per IC 6-1.1-12.1-17?
☐ Yes ☐ No
If yes, attach a copy of the abatement schedule to this form.
If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

We have also reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved *(signature and title of authorized member of designating body)*	Telephone number	Date signed *(month, day, year)*
Council President	(317) 736-3631	3-16-15
Printed name of authorized member of designating body	Name of designating body	
Steve Barnett	Franklin Common Council	
Attested by *(signature and title of attester)*	Printed name of attester	
Director of Community Development	Krista Linke	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

IC 6-1.1-12.1-1(17) "Eligible vacant building" means a building that:
(A) is zoned for commercial or industrial purposes; and
(B) is unoccupied for at least one (1) 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.

IC 6-1.1-12.1-17
Abatement schedules
Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:
(1) The total amount of the taxpayer's investment in real and personal property.
(2) The number of new full-time equivalent jobs created.
(3) The average wage of the new employees compared to the state minimum wage.
(4) The infrastructure requirements for the taxpayer's investment.
(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.
(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.