



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Director of Community Development  
**Date:** April 1<sup>st</sup>, 2015  
**Re:** Case C 2015-10: Electro-Spec

### Summary:

1. On April 16<sup>th</sup>, 2012, the Franklin Common Council passed Resolution No. 2012-074, approving a 10-year tax abatement on personal property tax abatement for Electro-Spec located at 1800 Commerce Parkway.
2. Actual and estimated benefits, as projected for 2014:

	Estimated on SB-1	Actual in 2014	Difference
Employees Retained	62	62	0
Salaries	\$2,428,138	\$2,428,138	\$0
New Employees	22	18	-4
Salaries	\$600,000	\$1,073,129	\$473,129
Total Employees	84	80	-4
Total Salaries	\$3,028,138	\$3,501,267	\$473,129
Average Hourly Salaries	\$17.33	\$21.04	\$3.71
Personal Property Improvements	\$2,170,000	\$2,244,219	\$74,219

3. The company stated they would make a total personal property investment of \$2,170,000. \$1,170,000 was to be made in 2012, \$500,000 in 2013, and \$500,000 in 2014. They exceeded their estimate for 2012 and 2013.
4. The company stated they would create 10 jobs in 2012, 5 to 7 jobs in 2013, and 5 to 8 jobs in 2014. They met the number of jobs retained and created as originally estimated in 2013. That number declined by 4 in 2014. However, in Jeff Smith's cover letter dated February 18<sup>th</sup>, 2015, he explained that Electro-Spec has already hired 3 new employees as of February 2015 and they will continue to hire more employees throughout the year. The average hourly salary also exceeds what was estimated on their SB-1 Form.
5. The personal property tax abatement is scheduled to expire in 2024 pay 2025. The final compliance will take place in 2025.

**Staff Recommendation:** Approval



# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

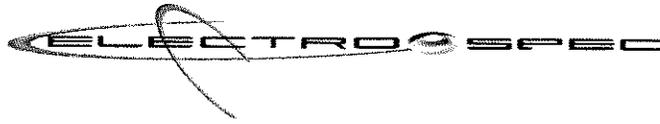
State Form 51765 (R / 1-06)

Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

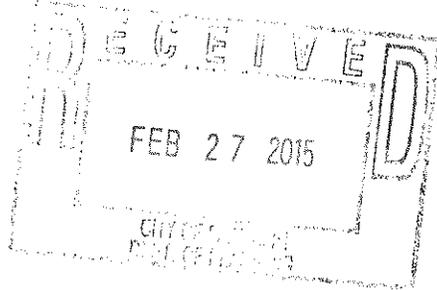
- INSTRUCTIONS:**
1. Property owners whose Statement of Benefits was approved must file this form with the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
  2. This form must be filed with the Form 103-ERA Schedule of Deduction from Assessed Value between March 1, and May 15, of each year, unless a filing extension under IC 6-1.1-3.7 has been granted. A person who obtains a filing extension must file between March 1, and the extended due date of each year.
  3. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance (CF-1).

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 Jeffrey D Smith						Telephone number (317) 738-9199			
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY							
Name of designating body Franklin City Council						Resolution number 12-07			
Location of property 1800 Commerce Parkway Franklin, IN 46131				County Johnson		DLGF taxing district number 41-009			
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.  New Manufacturing Equipment						Estimated starting date (month, day, year) 05/01/2012			
						Estimated completion date (month, day, year) 12/31/2014			
SECTION 3		EMPLOYEES AND SALARIES							
		EMPLOYEES AND SALARIES			AS ESTIMATED ON SB-1		ACTUAL		
Current number of employees					62.00		80		
Salaries					2,428,138.00		3,501,267.00		
Number of employees retained					62.00		62		
Salaries					2,428,138.00		2,428,138.00		
Number of additional employees					22.00		18		
Salaries					600,000.00		1,073,129.00		
SECTION 4		COST AND VALUES							
		MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project									
Plus: Values of proposed project		2,170,000.00							
Less: Values of any property being replaced									
Net values upon completion of project									
ACTUAL		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project		0.00							
Plus: Values of proposed project		2,244,219.00							
Less: Values of any property being replaced									
Net values upon completion of project		2,244,219.00							
NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6 (d).									
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER							
		WASTE CONVERTED AND OTHER BENEFITS			AS ESTIMATED ON SB-1		ACTUAL		
Amount of solid waste converted									
Amount of hazardous waste converted									
Other benefits:									
SECTION 6		TAXPAYER CERTIFICATION							
I hereby certify that the representations in this statement are true.									
Signature of authorized representative 				Title PRESIDENT		Date signed (month, day, year) 2/19/15			



February 18, 2015

Mrs. Krista Linke, Director  
Dept. Of Planning & Economic Development  
70 East Monroe Street  
Franklin, IN 46131



RE: Tax Abatement Compliance for Electro-Spec, Inc.

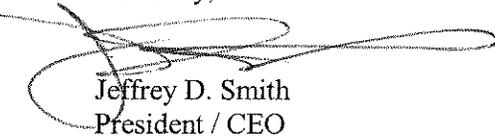
Dear Ms. Linke:

Enclosed please find the CF-1 (Compliance with Statement of Benefits) regarding compliance with personal property tax abatements which were granted to Electro-Spec, Inc. under Franklin Common Council Resolution No. 12-07.

As you can see from reviewing the enclosed documents, our company has been successful in exceeding the initial capital investment set for 2012. Although our number of jobs dropped below the amount we had proposed in the September and December quarter ends, Electro-Spec has already hired 3 more people as of February 2015 and continuing to hire.

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

Sincerely,

  
Jeffrey D. Smith  
President / CEO  
(317) 738-9199 ext. 204  
jsmith@electro-spec.com

1800 Commerce Parkway  
Franklin, IN 46131  
(317) 738-9199 phone  
(317) 738-9491 fax

Electro-Spec, Inc.  
 1800 Commerce Parkway  
 Franklin, IN 46131

Attachment to Form CF-1 (Compliance with Statement of Benefits)  
 Employees by Quarter

Number of Employees As 05/01/2012 (Form SB-1)	Proposed Total Number of Employees by 12/31/2014 (Form SB-1)	3/31/2014	6/30/2014	9/30/2014	12/31/2014	Actual Total Number of Employees as of 12/31/14	Difference Between Actual and Proposed Number of Employees
62	84	84	85	80	80	80	(4.00)

Resolution Number 12-07

Electro-Spec, Inc.  
 1800 Commerce Parkway  
 Franklin, IN 46131

Attachment to Form CF-1 (Compliance with Statement of Benefits)  
 Expansion Investment Schedule by Quarter

	Proposed Amount of Total Investment by 12/31/2014 (Form SB-1)	Actual Amount of Investment Added During the Year (By Quarter)				Actual Total Investment as of 12/31/13	Sum of Prior Years Investments + Current Year	Difference Between Actual and Proposed Investment
		3/31/2014	6/30/2014	9/30/2014	12/31/2014			
Machinery & Equipment	\$ 2,170,000	\$ 40,096	\$ 113,977	\$ 114,771	\$ 81,474	\$ 350,319	\$ 2,244,219	\$ 74,219
Totals:	\$ 2,170,000					\$ 350,319	\$ 2,244,219	\$ 74,219

Resolution Number 12-07

\*\* Sum of Prior Years' Investments 2012 (1,365,196) + 2013 (528,704)