



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Director of Community Development
Date: April 2nd, 2015
Re: Case C 2015-14: Holbrook Manufacturing, Inc.

Summary:

1. On February 25th, 2008, the Franklin Common Council passed Resolution No. 2007-14, approving a 7-year tax abatement on personal property for Holbrook Manufacturing at 291 Province Street.
2. Actual and estimated benefits, as projected for 201:

	Estimated on SB-1	Actual in 2014	Difference
Employees Retained	40	22	-18
Salaries	\$1,899,280	\$1,298,737	-\$600,543
Average Hourly Salaries	\$22.83	\$28.38	\$5.55
Personal Property Improvements	\$750,000	\$710,970	-\$39,030

3. Holbrook Manufacturing came very close to meeting their proposed capital investment in their first year of their tax abatement. They also proposed a total of 40 jobs and had created 36 by the end of 2008.
4. The average hourly salary reported in 2010 was \$20.84 per hour and has increased to \$28.38 in 2014 (as shown in the table above).
5. Additional information has been provided on Page 2 regarding past employment figures and equipment purchases made in 2011 and 2012 **without abatements**.
6. The personal property tax abatement is expired in tax year 2014 payable 2015. This is the final compliance review.

Staff Recommendation: Approval

Holbrook Manufacturing, Inc. (Resolution 2007-14)

	Employees Retained	Salaries	New Employees	Salaries	Average Hourly Salary
2007 SB-1	36	\$1,800,000	4	\$99,280	\$24.00
2008 CF-1	36	\$1,800,000	4	\$212,203	\$24.18
2009 CF-1	33	\$1,209,057	0	\$0	\$17.61
2010 CF-1	34	\$1,474,255	0	\$0	\$20.84
2011 CF-1	31	\$1,655,407	0	\$0	\$25.67
2012 CF-1	30	\$1,530,602	0	\$0	\$24.53
2013 CF-1	24	\$1,375,555	0	\$0	\$27.56
2014 CF-1	22	\$1,298,737	0	\$0	\$28.38

EQUIPMENT PURCHASES MADE WITHOUT ABATEMENTS

2011 Equipment Purchases:

Haas Machining Center	5/4/2011	\$126,466.00
Sullair Air Compressor	8/8/2011	\$9,440.00
	Subtotal:	<u>\$135,906.00</u>

2012 Equipment Purchases:

Triple J Ironworks	5/15/2012	\$31,287.00
Capital Machinery	7/30/2012	\$9,800.00
	Subtotal:	<u>\$41,087.00</u>
	Total:	\$145,706.00

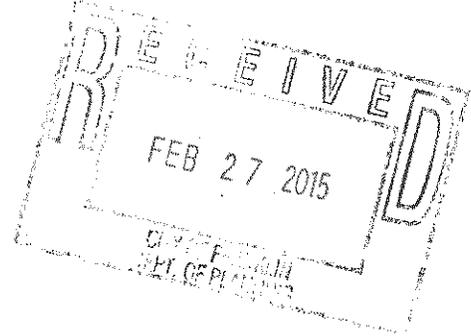
HOLBROOK MANUFACTURING, INC.
SHEET METAL FABRICATORS

291 PROVINCE STREET • P.O. BOX NO. 95 • FRANKLIN, INDIANA 46131

PHONE (317) 736-9387 • FAX (317) 736-4395

February 10, 2015

Krista Linke, Director
Franklin Economic Development Department
70 E. Monroe Street
Franklin, IN 46131



RE: Expansion Investment Schedule and Job Creation or Retention Schedule

Dear Economic Development Commission Members:

Enclosed for your records is Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatements that were granted to Holbrook Manufacturing, Inc. in 2008 under Franklin Common Council Resolution number 07-12, 07-13, 07-14.

Holbrook Manufacturing, Inc. was able to make the capital investment and create the number of jobs that were originally proposed in the first year. Due to a sharp downturn in the economy, resulting in a decrease in sales and cash flow that continues through today, the company did not make any further capital investments. The above circumstance also forced Holbrook Manufacturing, Inc. to cut back its workforce to 22 employees, as opposed to the originally projected 40.

Please review the enclosed documents. If you have any questions or concerns, you may contact me at (317) 736-9387.

Sincerely,

Avis M. Holbrook, President

Enclosures



**COMPLIANCE WITH STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51765 (R2 / 5-13)
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
HOLBROOK MANUFACTURING, INC.

Address of taxpayer (number and street, city, state, and ZIP code)
291 PROVINCE ST, FRANKLIN IN 46131

Name of contact person
AVIS M. HOLBROOK

Telephone number
(317) 736-9387

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY

Name of designating body
FRANKLIN CITY COUNCIL

Resolution number
07-12, 07-13, 07-14

Location of property
291 PROVINCE ST

County
JOHNSON

DLGF taxing district number
41009

Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.

Estimated starting date (month, day, year)

Estimated completion date (month, day, year)

SECTION 3 EMPLOYEES AND SALARIES

EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		40	22
Salaries		1,899,280	1,298,737
Number of employees retained		40	22
Salaries		1,899,280	1,298,737
Number of additional employees			
Salaries			

SECTION 4 COST AND VALUES

AS ESTIMATED ON SB-1	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	1,642,742	483,820						
Plus: Values of proposed project	750,000	300,000						
Less: Values of any property being replaced								
Net values upon completion of project	2,362,742	783,820						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	2,362,472	783,820						
Plus: Values of proposed project	710,970							
Less: Values of any property being replaced								
Net values upon completion of project								

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
Avis M. Holbrook

Title
PRESIDENT

Date signed (month, day, year)
02/10/2015