



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Community Development Director
Date: April 24, 2015
Re: Case C 2015-34: Tube Forming Systems, Inc. d/b/a Overton Industries

Summary:

1. On October 15th, 2012, the Franklin Common Council passed Resolution No. 2012-17, approving a 5-year tax abatement on \$321,456 of personal property for new equipment at 2155 McClain Drive.
2. Actual and estimated benefits, as projected for 2014:

| | Estimated on SB-1 | Actual in 2014 | Difference |
|--------------------------------|-------------------|----------------|------------|
| Employees Retained | 37 | 37 | 0 |
| Salaries | \$1,615,649 | \$1,615,649 | \$0 |
| New Employees | 2 | 3 | 1 |
| Salaries | \$95,680 | \$290,098 | \$194,418 |
| Total Employees | 39 | 40 | 1 |
| Total Salaries | \$1,711,329 | \$1,905,747 | \$194,418 |
| Average Hourly Salaries | \$21.10 | \$22.91 | \$1.81 |
| Personal Property Improvements | \$321,456 | \$321,456 | \$0 |

3. In 2012 there were 41 total employees and the average hourly salary was \$23.93.
4. In 2013 the company meets the estimated average hourly wage indicated on the SB-1 Form but is one employee lower than estimated on their SB-1 Form. Steve Overton explains in his cover letter the difficulty they are having finding and retaining skilled employees.
5. In 2014 the company meets the number of employees and salaries estimated on their SB-1.
6. The company has met their estimate provided on the SB-1 Form for personal property.
7. The personal property tax abatement for Overton is scheduled to expire in tax year 2017 payable 2018. The final compliance review will take place in 2018.

Staff Recommendation: Approval



OVERTON INDUSTRIES

INTERNATIONAL

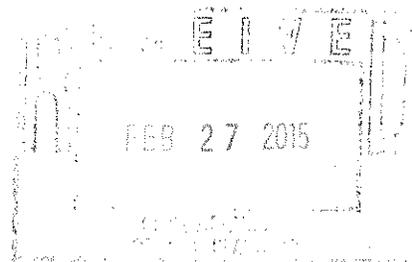
February 23, 2015

City of Franklin

Attn: Krista Linke

71 East Monroe Street

Franklin, IN 46131-2358



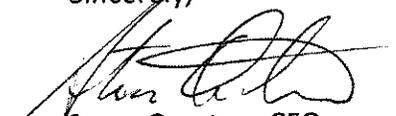
RE: Annual Tax Abatement Compliance Packet for Tube Forming Systems, Inc. d/b/a Overton Industries

Dear Ms. Linke,

Enclosed, please find Form CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the real property tax abatement which was granted to Overton & Sons in 2012 under Franklin Common Council Resolution number 12-17 and approved on October 15, 2012.

After reviewing the documents, you will see that we have been successful in (1) making all of the capital investments which had been projected, and (2) retaining the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1). Please review all of the enclosed documents and if you have any questions or concerns regarding this matter, please feel free to contact me at (317) 831-4542.

Sincerely,



Steve Overton, CFO

Overton Industries

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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 Tube Forming Systems, Inc. (dba) Overton Industries | | | | | | | | |
| Address of taxpayer (number and street, city, state, and ZIP code) 1250 Old State Road 67 South Mooresville, IN 46158 | | | | | | | | |
| Name of contact person Rita Z Shearer | | | | | | Telephone number (317) 831-4542 | | |
| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY | | | | | | | | |
| Name of designating body The City of Franklin Common Council | | | | | | Resolution number 12-17 | | |
| Location of property 2155 McClain Drive Franklin, IN 46131 | | | | County Johnson | | DLGF taxing district number Franklin | | |
| Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. EC1600 Horizontal Machining Mill ST-30 CNC Lathe | | | | | | Estimated starting date (month, day, year) 11/05/2012 | | |
| | | | | | | Estimated completion date (month, day, year) 11/12/2012 | | |
| SECTION 3 EMPLOYEES AND SALARIES | | | | | | | | |
| EMPLOYEES AND SALARIES | | | | | | AS ESTIMATED ON SB-1 | ACTUAL | |
| Current number of employees | | | | | | 37.00 | 40.00 | |
| Salaries | | | | | | 1,615,648.00 | 1,905,747.00 | |
| Number of employees retained | | | | | | 37.00 | 37.00 | |
| Salaries | | | | | | 1,615,648.00 | 1,615,649.00 | |
| Number of additional employees | | | | | | 2.00 | 3.00 | |
| Salaries | | | | | | 95,680.00 | 290,098.00 | |
| 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 | | | | | | | | |
| Plus: Values of proposed project | 321,456.00 | | | | | | | |
| Less: Values of any property being replaced | 0.00 | | | | | | | |
| Net values upon completion of project | 321,456.00 | | | | | | | |
| ACTUAL | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE |
| Values before project | | | | | | | | |
| Plus: Values of proposed project | 321,456.00 | | | | | | | |
| Less: Values of any property being replaced | 0.00 | | | | | | | |
| Net values upon completion of project | 321,456.00 | | | | | | | |
| 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 | | | | | | 0.00 | 0.00 | |
| Amount of hazardous waste converted | | | | | | 0.00 | 0.00 | |
| Other benefits: | | | | | | 0.00 | 0.00 | |
| SECTION 6 TAXPAYER CERTIFICATION | | | | | | | | |
| I hereby certify that the representations in this statement are true. | | | | | | | | |
| Signature of authorized representative | | | | Title CFO | | Date signed (month, day, year) 2-23-15 | | |

Expansion Investment Schedule

Overton Carbide Tool & Engineering
 1255 McClain Drive
 Franklin, IN 46131

*Attachment to Form CF-1 (Compliance with Statement of Benefits)
 Expansion Investment Schedule by Quarter Resolution 12-17*

| | Actual Amount of Investment (From SB-1) | Proposed Amount of Total Investment (From SB-1) | Actual Amount of Investment Added During Year (by Quarter) | | | | Actual Total Amount of Investment as of 12/31/14 | Difference Between Actual and Proposed Amount of Investment |
|--------------------------------|---|---|---|-----------|-----------|------------|---|--|
| | | | 3/31/2014 | 6/30/2014 | 9/30/2014 | 12/31/2014 | | |
| Buildings and Improvements: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Machinery and Equipment: | 321,456 | 321,456 | 0 | 0 | 0 | 0 | 321,456 | 0.0 |
| Totals | | | | | | | | |

Job Creation or Retention Schedule

Overton Carbide Tool & Engineering
 1255 McClain Drive
 Franklin, IN 46131

*Attachment to Form CF-1 (Compliance with Statement of Benefits)
 Expansion Investment Schedule by Quarter Resolution 12-17*

| Actual Number of Employees (From SB-1) | Proposed Total No. of Employees (From SB-1) | Actual Number of Employees Added During Year (by Quarter) | | | | Actual Total Number of Employees as of 12/31/14 | Difference Between Actual and Proposed Number of Employees |
|--|---|--|-----------|-----------|------------|--|---|
| | | 3/31/2014 | 6/30/2014 | 9/30/2014 | 12/31/2014 | | |
| 37 | 39 | 1 | 1 | 1 | 1 | 39 | 2 |