



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Director of Community Development
Date: April 25, 2015
Re: Case C 2015-36: Premium Composite Technology North America (PCTNA)

Summary:

1. On April 20th, 2009, the Franklin Common Council passed Resolution No. 2009-02, approving a 10-year tax abatement on real property with a 2% Economic Development Fee and a 10-year tax abatement on personal property with a 5% Economic Development Fee at 2101 Commerce Parkway (formerly Musicland Drive).
2. Actual and estimated benefits, as projected for 2014:

	Estimated on SB-1	Actual in 2013	Difference
New Employees	37	45	8
Salaries	\$2,100,000	\$1,807,711	-\$292,289
Average Hourly Salaries	\$27.29	\$19.31	-\$7.97
Real Property Improvements	\$5,350,000	\$6,880,885	\$1,530,885
Personal Property Improvements	\$8,630,000	\$10,784,232	\$2,154,232

3. The company indicated they would hire all 37 new employees by the end of 2010. There were 10 employees at the end of 2010, 21 employees by the end of 2011, and 23 employees at the end of 2012. At the end of 2013 they has 45 employees and the average hourly salary was \$7.97 lower than estimated. They explained last year that 18 of the employees are temp to hire in various stages of the hiring process. In addition to the jobs mentioned above, their parent company has located an additional 5 employees at this location. These 5 employees are not included in the above employment and salary figures.
4. The company has exceeded their estimate provided on their SB-1 Form for real property.
5. The company was behind schedule on their personal property investment and requested an extended completion date. In 2013 they managed to exceed their estimate.
6. The tax abatements for PCTNA are scheduled to expire in tax year 2023 payable 2024. The final compliance review will take place in 2024.

Staff Recommendation: Approval



Premium Composite Technology

Premium Composite Technology North America, Inc.

27 February 2015

Mrs. Krista Linke, Director
Department of Planning & Economic Development
70 E. Monroe Street
Franklin, IN 46131

Dear Mrs. Linke:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatements granted to Premium Composite Technology, North America, Inc. in 2009 under Franklin Common Council resolution 2009-02

Premium Composite Technology NA is continuing to move forward and has achieved our goals set in our original proposal. Our employees have increased from the 45 in 2013 to 56 at the end of December 2014. In addition to the employees hired by PCTNA, our Parent company has located 5 staff to our office. The Tax Abatement provided by Franklin, has resulted in more job creation overall.

We have also increased our production from 24 hours per day, 6 days per week to 24 hours per day, 7 days per week. This increased production started 7 July 2014.

We continue to work hard to exceed the goals set forth in our Tax Abatement application and request that the City of Franklin be favorable upon our activities and grant us an extension of time to be in full compliance with our tax abatement commitments.

Respectfully


Steven E. Tames, Vice President



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)
Prescribed by the Department of Local Government Finance

20 14 PAY 20 15

FORM CF-1 / Real Property

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 under the following Indiana Code (check one box):

- Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
- Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:

1. This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
2. Property owners must file this form with the County Auditor and the Designating Body for their review regarding the compliance of the project with the Statement of Benefits (SB-1 / Real Property).
3. This form must accompany the initial deduction application that is filed with the County Auditor.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must file an updated form with the County Auditor and the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.1)
5. The updated form must be filed annually by May 15, or by the due date for the real property owner's personal property return that is filed in the township where the project is located, whichever is later. (IC 6-1.1-12.1-5.1 (b))
6. With the approval of the Designating Body, compliance information for multiple projects may be consolidated on one (1) compliance form (CF-1 / Real Property).

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer PREMIUM COMPOSITE TECHNOLOGY NORTH AMERICA, INC.	
Address of taxpayer (number and street, city, state, and ZIP code) 2101 COMMERCE PARKWAY, FRANKLIN, IN 46131	
Name of contact person STEVEN TAMES, VICE-PRESIDENT	Telephone number (317) 736-0011

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY

Name of designating body THE CITY OF FRANKLIN COMMON COUNCIL		Resolution number 2009-02
Location of property FRANKLIN	County JOHNSON	DLGF taxing district number 41009
Description of real property improvements:		Estimated starting date (month, day, year) 06/01/2009
		Estimated completion date (month, day, year) 06/30/2010

SECTION 3 EMPLOYEES AND SALARIES

EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	0	70
Salaries	0.00	2,201,127.30
Number of employees retained	37	55
Salaries	2,100,000.00	1,878,302.76
Number of additional employees	37	46
Salaries	2,100,000.00	1,173,960.54

SECTION 4 COST AND VALUES

COST AND VALUES	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
AS ESTIMATED ON SB-1		
Values before project	0.00	0.00
Plus: Values of proposed project	5,350,000.00	5,350,000.00
Less: Values of any property being replaced	0.00	0.00
Net values upon completion of project	5,350,000.00	5,350,000.00
ACTUAL		
Values before project	0.00	0.00
Plus: Values of proposed project	6,880,855.00	2,039,800.00
Less: Values of any property being replaced	0.00	0.00
Net values upon completion of project	6,880,855.00	2,039,800.00

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 <i>Steven Tames</i>	Title VICE-PRESIDENT	Date signed (month, day, year) 02/27/2015
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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 Premium Composite Technology North America, Inc.		
Address of taxpayer (number and street, city, state, and ZIP code) 2101 Commerce Parkway, Franklin, IN 46131		
Name of contact person Steven Tames, Vice-President	Telephone number (317) 736-0011	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body The City of Franklin Commn Council		Resolution number 2009-02
Location of property Franklin	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. Office and Manufacturing Facility		Estimated starting date (month, day, year) 06/01/2009
		Estimated completion date (month, day, year) 06/30/2010

SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		0.00	70
Salaries		0.00	2,201,127.30
Number of employees retained		37.00	55
Salaries		2,100,000.00	1,878,302.76
Number of additional employees		37.00	46
Salaries		2,100,000.00	1,173,960.54

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	0.00							
Plus: Values of proposed project	8,630,000.00							
Less: Values of any property being replaced	0.00							
Net values upon completion of project	8,630,000.00							
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	10,784,233.00							
Plus: Values of proposed project	13,782.00							
Less: Values of any property being replaced								
Net values upon completion of project	10,798,015.00	<i>total</i>						

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	
Amount of hazardous waste converted		0	
Other benefits:		0	

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative <i>Steven Tames</i>	Title VICE-PRESIDENT	Date signed (month, day, year) <i>27 FEB 02/27/2015</i>

Attachment to Form CF-1 (Compliance with Statement of Benefits)
 Expansion Investment Schedule by Quarter
 Calendar Year January 1, 2014 thru December 31, 2014

	Actual Amount of Investment	2014 Added during Year 2013 by Quarter				Total Amount of Investment Year 2014	Total Amount of Investment Year 2014	Proposed Amount of Total Investment	Difference Proposal vs Actual
		1st Quarter 3/31/2014	2nd Quarter 6/30/2014	3rd Quarter 9/30/2014	4th Quarter 12/31/2014				
Real Property	\$ 6,880,885.13	\$ -	\$ -	\$ -	\$ -	\$ 6,880,885.13	\$ 5,350,000.00	\$ 1,530,885.13	
Personal Property	\$ 10,784,232.70	\$ -	\$ 3,060.66	\$ -	\$ 10,721.61	\$ 13,782.27	\$ 8,630,000.00	\$ 2,168,014.97	
Totals	<u>\$ 17,665,117.83</u>					<u>\$ 17,678,900.10</u>	<u>\$ 13,980,000.00</u>	<u>\$ 3,698,900.10</u>	

13,782.27
 + 10,784,232.70

 10,798,014.97

at 12/31/2014

by 06/30/2010

Attachment to Form CF-1 (Compliance with Statement of Benefits)
 Job Creation Schedule by Quarter
 Calendar Year January 1, 2014 thru December 31, 2014

Actual Number of Employees as of 12-31-2014 (From SB-1)	Actual Number of Employees Added During Year					Actual total Number of Employees as of 12-31-2014	Difference Between Actual and Proposed Number of Employees
	Proposed Employee Total by 12-31-2014 (From SB-1)	3/31/2014	6/30/2014	9/30/2014	12/31/2014		
45	37	2	1	3	4	55	18