

AGENDA RESERVATION REQUEST

CITY OF FRANKLIN COMMON COUNCIL

Please type or print

Date Submitted:	April 29, 2015	Meeting Date:	May 4, 2015
Contact Information:			
Requested by:	Krista Linke		
On Behalf of Organization or Individual:			
		Economic Development Commission & B2S Labs	
Telephone:	317-736-3631		
Email address:	klinke@franklin.in.gov		
Mailing Address:	70 E. Monroe St., Franklin, IN 46131		
Describe Request:			
Case EDC 2015-03: B2S Labs Vacant Building Tax Deduction			
Resolution 2015-12			
List Supporting Documentation Provided:			
Memo			
Case EDC 2015-03 B2S Labs Staff Report			
Resolution 2015-12			
Who will present the request?			
Name:	Krista Linke	Telephone:	317-736-3631

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: April 29th, 2015
Re: Vacant Building Deduction – B2S Labs

The City of Franklin Economic Development Commission (EDC) reviewed and acted on a vacant building deduction request from B2S Labs, at a special meeting held on April 28th, 2015. The board voted to forward a favorable recommendation to the City Council for a three year vacant building deduction at 100%.

The property was previously designated an Economic Development Target Area through Council Resolution 2009-13.

Attached to this memo are:

1. Case EDC 2015-03 Staff Report
2. Application and requested forms
3. Sample Tax Phase-In Savings Schedules
4. Resolution 2015-12
5. Exhibit A – Legal Description
6. Exhibit B - SB-1 Form

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

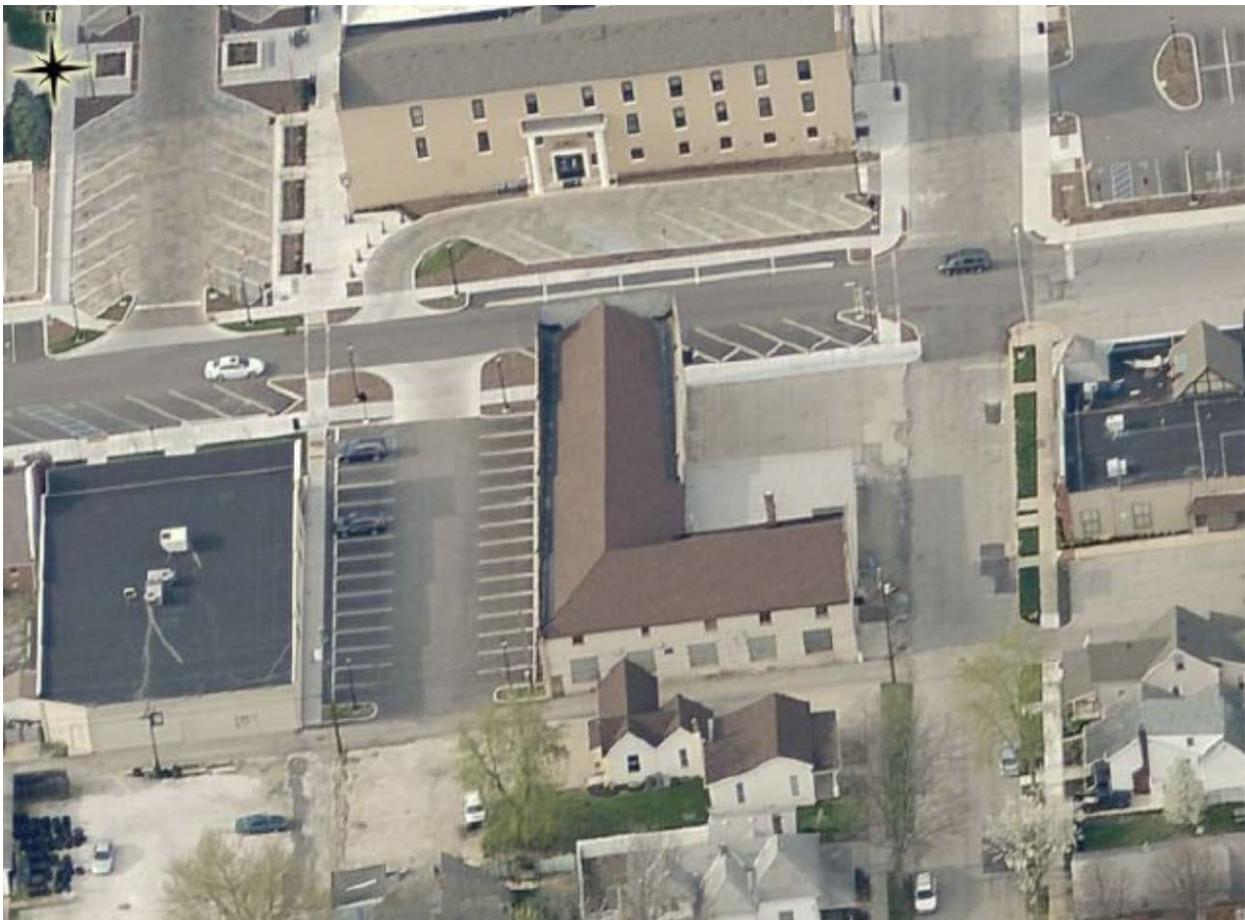
From: Krista Linke, Director

Date: April 25, 2015

Re: Case EDC 2015-03 – B2S Labs

Case EDC 2015-03 – B2S Labs: A request for a 3-year tax abatement for a vacant building located at 97 E. Monroe Street.

Location: 97 E. Monroe Street



Summary:

1. Characteristics of this location:

The building has not been occupied since 2012. The Franklin Development Corporation partnered with IndReno Development to develop this property in 2013. They were given a \$275,000 grant towards the buildout of the property, and a \$500,000 low interest loan. IndReno Development completed the interior demolition of the property in 2013, but due to permitting, water main issues, and several other contributing factors, the project was abandoned in 2014. The FDC purchased the property from WEB Partnership in December 2014. The FDC negotiated a purchase agreement with B2S Labs for the property in March 2015. B2S Labs will pay the FDC \$75,000 for the property. The FDC and the RDC will provide incentives to B2S Labs towards the buildout of the property. The RDC is in the process of negotiating a \$250,000 grant with B2S Labs through and Economic Development Agreement. The FDC is in the process of reviewing a façade grant application for the property for a maximum of \$50,000. The other incentive B2S Labs has requested is a 3 year vacant building property tax deduction at 100% in order to allow them to renovate the property and build their business at this location.

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:

B2S Labs was conceptualized in 2012 by Aleks Davis, Rob Bowsher, Jim VanHuyse, and Brock Bowsher. B2S Labs is a bio therapeutic company that produces custom biological reagents to support the discovery and development of bio therapeutics and diagnostics. They provide these reagents to support the entire drug development continuum. B2S Labs is an outgrowth of B2S Consulting, which was founded in 2002, and has nearly 100 global Pharma/Biotech clients to date.

B2S Labs will create a Biotechnology Accelerator at this location. It will be a public-private partnership designed to foster growth in biotech companies in Franklin and Johnson County. They will also provide practical educational opportunities for Franklin College students at this location.

Through a partnership with Franklin College, B2S Labs will apply for 2 business grant through the National Institute of Health (NIH). NIH grants alone will provide funding for equipment and summer stipends for 2 Franklin College Students and 1 faculty member. The total project budget is \$1,150,000, with a minimum of 33% to Franklin College.

3. Characteristics of this project:

B2S Labs expects to invest \$1 million dollars into the location. Initially there will be 4 jobs and within 3 years there will be 8 jobs total.

4. Economic Revitalization Area (ERA):

This property was designated an Economic Development Target Area by Resolution 2009-13.

5. Previous Tax Abatement(s) Received:

B2S Labs is new to Franklin and has not received any previous tax abatement.

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. 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 2012, 3.11% of all jobs in Johnson County were in the professional, scientific, and technical services sector. There were 42,501 employees in Johnson County and 1,322 of them were professional, scientific, and technical services employees. The applicant will retain 4 employees and add 4 new employees with this new location.
- b. *Increase in Local Salaries:* The average wage for all industries in Johnson County for the first quarter of 2012 was \$15.84. The average hourly wage in Johnson County for professional, scientific, and technical services employees in the first quarter of 2012 was \$19.84 per hour. 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 4 new jobs is \$24.04 (\$200,000 divided by 4 jobs, divided by 52 weeks, divided by 40 hours per week).
- c. *Sustainable Land Use:* The petitioner proposes to make this investment at an existing location.
- d. *Future Community Investment:* The applicant has repeatedly stressed the importance of maintaining a partnership with the City of Franklin, the Johnson County Development Corporation and Franklin College in order to make their business successful.
- e. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Future Land Use Plan identifies this property as "Downtown." Future land uses in the downtown area should support the function of the area as a unique focal point and gather place for the Franklin community. Downtown Franklin should serve the City as a dynamic activity center that includes retailers, professional offices, upper story residences, civic groups, government facilities, restaurants and

bars, and service providers. Future land uses in the downtown should contribute to the establishment of an activity center with a mix of land uses which enhance the current community character that the downtown provides.

The property is zoned MXD, Mixed Use: Downtown Center. The "MXD" zoning district is intended to provide locations for the continued viability of the historic central business district. This district is also intended to accommodate and support the use of existing structures within the downtown. It is further intended to permit the continued contextually appropriate development of the area through re-use and infill development.

8. Tax Abatement Duration:

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).

9. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be effective for the first year the increased assessed value is applicable.

Staff Comments:

This project is very unique to the City of Franklin. It has taken many attempts to find the appropriate fit for this downtown building. The partnership with B2S Labs is a new type of venture for not only the City of Franklin, but also the Franklin Development Corporation. This is an exceptional opportunity to create the potential for growing this type of industry in Johnson County.



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: B2S Life Science
Primary Contact Name: Aleks Davis
Contact Address: 6656 Flowstone way
City: Indianapolis State: IN Zip: 46237
Phone Number: 317 690 0609
Email: radavis@b2slabs.com
Three possible dates before the EDC meeting to conduct a site visit: _____
Name of Owner: _____
Parent Company (if Applicable): _____

Primary Contact for Yearly Compliance Reports

Name: Aleks Davis
Title: CEO
Address: 6656 Flowstone way
City: Indianapolis, IN State: IN Zip: 46237
Phone Number: 317 690 0609
Email: radavis@b2slabs.com

Description of Project

Project Location/Address: 97 E Monroe St.
Parcel Number: _____
Brief Description of Project:
Develop products and services that support biopharmaceutical drug development.

Current Assessed Value (AV) of the Property:

1. Land _____
2. Building _____
3. Inventory _____
4. Equipment _____

Have building permits been applied for (if applicable): Yes No

Has equipment been installed (if applicable): NA Yes No

Required Attachments:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Completed SB-1 Form(s) <u>VBD</u> | <input checked="" type="checkbox"/> Summary of Benefits (if applicable) |
| <input type="checkbox"/> Legal Description of the Property | <input checked="" type="checkbox"/> Employment Phase-In Schedule |
| <input type="checkbox"/> Company Financial Statement | <input checked="" type="checkbox"/> Company Investment Timetable |
| <input type="checkbox"/> Job and Wage Description Information Sheet | <input checked="" type="checkbox"/> Compliance Affidavit |

**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: 541711.
- (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 8.
- (3) The total number of full-time employees at the site: 12.
- (4) The total number of temporary and/or contract employees currently at the site: 0.
- (5) The average hourly wages for the new jobs: 24.04.
- (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.: 12 Average Hourly Wage: 24.04
- (b) Technical/Sales/Admin. Support Occ.: Average Hourly Wage:
- (c) Service Occ.: Average Hourly Wage:
- (d) Precision Production/Craft/Repair Occ.: Average Hourly Wage:
- (e) Operators/Fabricators/Laborers: Average Hourly Wage:

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.

Type of Abatement Requested

Real Property VBD Personal Property
Length of Abatement Requested: 3 Years
Project Size (square feet): _____ 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: 1,000,000
- 2. Personal property capital investment only: _____
- 3. Total capital investment for proposed project: _____

Jobs Created and/or Retained

- 1. Estimated number of full time jobs created by the proposed project: 8
- 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: 12

Wages Created and Retained

- 1. Average hourly wage rate for new jobs (w/o benefits) \$24.04
- 2. Average hourly wage rate for jobs retained (w/o benefits) \$24.04

***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.

Company Information

How long has the company been in existence? 2 yrs.
Current address of company headquarters and duration at that address: 4656 Flowstone Way
Indianapolis, IN 46237

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: _____

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: _____

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)? NA

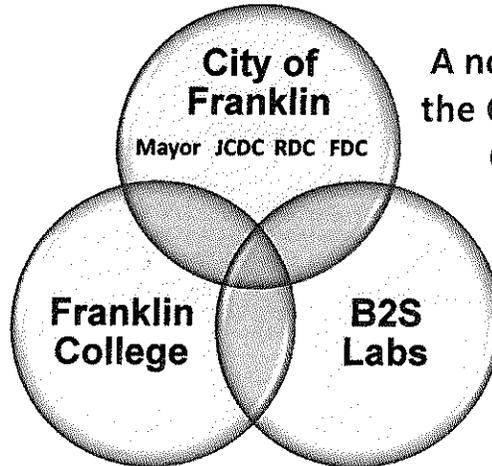
**EMPLOYMENT PHASE-IN SCHEDULE
SAMPLE JOB CREATION/RETENTION TIMETABLE**

	Job Type 1	Job Type 2	Job Type 3	Job Type 4	Total
2015					
Year of Abatement					
1st Quarter	4				
2nd Quarter					
3rd Quarter					
4th Quarter	1				
2016					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter	4				
2017					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter	3				
TOTAL	7				

SAMPLE COMPANY INVESTMENT TIMETABLE

Year of Abatement	Buildings	Equip. Type 1	Equip. Type 2	Equip. Type 3	Total
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter	750,000				
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter	2,500,000				
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL					

Franklin Biotechnology Accelerator (FBA)



A novel Partnership among
the City of Franklin, Franklin
College & B2S Labs™

R. Aleks Davis
28-Oct-2014



Key Discussion Topics

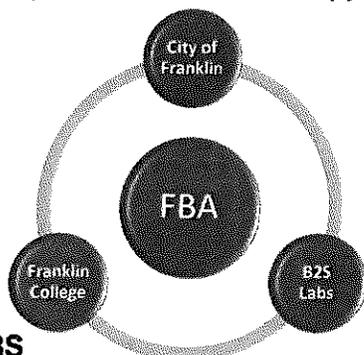
- Overview of proposal to create the FBA
- Introduce B2S Labs business model and strategy for supporting pharma/biotechnology & diagnostic industries
- Discuss various components of the Franklin College/B2S Labs collaboration
- Share prospective local economic impact
- Describe potential barriers and timelines
- Open dialog and questions



Franklin Biotechnology Accelerator (FBA)

FBA is a public-private partnership designed to:

- foster growth in biotech companies in Franklin & Johnson Co.
- increase job growth and business diversity for Franklin & JC
- provide practical educational opportunities for FC students



The partnership is among the City of Franklin, Franklin College, JCDC, & B2S Labs

Each will invest resources & derive benefits

B2S LABS
enabling excellence in biotechnology

3

About B2S Labs™

- **Executive Team:**
 - R. Aleks Davis, ECBLS (CEO)
 - Ron Bowsher, Ph.D. (Founder & CSO)
 - Jim VanHuyse, M.D., Ph.D. (Dir. Translational Research)
 - Brock Bowsher, MPA (CFO)
- **Conceptualized in 2012.** Looking to place business in Franklin near FC
- **B2SL is a Biotherapeutic Enablement Company™**
 - We produce custom biological reagents to support the discovery and development of biotherapeutics and diagnostics.
 - We provide these reagents to support entire drug development continuum (Life-Cycle Management)
 - Business model – we are a *partner*, not a *competitor*.
 - Outgrowth of B2S Consulting (founded in 2002; nearly 100 global Pharma/Biotech clients to date) *used to be US, now global*

*reagents used to evaluate drugs
tool to collect data is the drug working.*

*Provide products for drugs to go to market
Provide Services*

B2S LABS
enabling excellence in biotechnology

4

2014 US Pharma Industry Facts

- Biotechnology-derived drugs now predominate
- Organizational Downsizing = Companies are relinquishing core capabilities to external vendors to decrease costs
- Decentralized strategy with extensive outsourcing and increased dependency on external suppliers, e.g. B2S Labs
- Radically transformed over the past 2 decades
- Societal demand for cheaper & safer drugs
- Addressing chronic diseases = higher development costs
- Global endeavor and interactions



5

*IT
virtual mtgs
software inventory
over the phone*

Change Creates New Opportunities

Wall Street Journal (19-Oct-2014)

Lilly CEO Sees Light After a Difficult Year

John Lechleiter Says Lilly Is on the Mend, Tax Overhaul Is a Priority

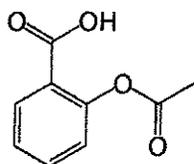
“The opportunities are just as significant. There continues to be a biomedical revolution, with opportunities like we’ve never had before to understand disease processes and human biology, and to apply new tools to discover and develop medicines that can make a difference in human health.”



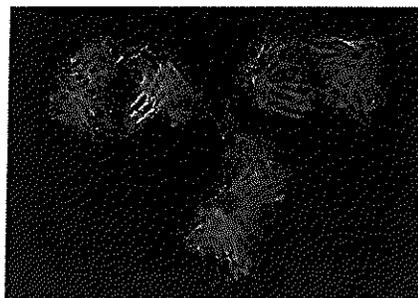
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Biotherapeutics = Large Biological Molecules

Biotherapeutic: biopolymer, such as a drug or vaccine that are derived from biologic sources



Aspirin
(180 Da)



Monoclonal Antibody
(150,000 Da)

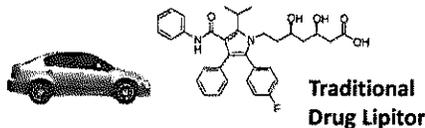
$$> 800 - \text{times larger!} = \frac{150 \text{ kDa}}{0.18 \text{ kDa}}$$



Biotherapeutic R&D

Biotherapeutics present different R&D challenges than traditional drugs

B2S Labs offers products and services for biotherapeutic R&D



*B2S Labs:
Provide a different
set of tools to
evaluate their drug
tools for diagnostics*

SCIENCE – Biotherapeutics are the 2013 Breakthrough of the Year!

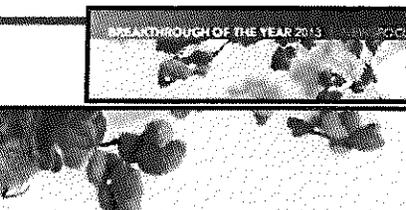
The NEW ENGLAND JOURNAL of MEDICINE

JUNE 28, 2013

Safety, Activity, and Immune Correlates of Anti-PD-1 Antibody in Cancer

Sharma L, Topalian SL, Hodi FS, Brahmer JR, Weiner H, Barlow JL, et al. N Engl J Med. 2012;366:914-27.

BREAKTHROUGH OF THE YEAR 2013



Cancer Immunotherapy

...you make a turning point in cancer as long-sought efforts to unleash the immune system against tumors are paying off—even if the future remains a question mark.

History's path is unpredictable when it's time to get it out of your mind, when we try withstanding in the middle of it. That's what made Johnson's work one of this year's Breakthrough of the Year such a topic of interest. It's not as if he's celebrating cancer immunotherapy—breaking the immune system to fight cancer—but he did, by using an approach where immune system remains active. "What we've done is to help us to break through a strategy that has been used for decades of cancer prevention and biology only some of them. This is a process when would something a breakthrough, any way?"

Recently, we used anti-PD-1 cancer immunotherapy against the tumor. It's done because the year ahead much here consider it as potential in patients and help at your side also. The field here with old us of both extended the immune with a growth of our tumor in the lung from the immune, that not healthy 10 years later, the 2-year-old age at all. When diagnosed, now it's that it's not so difficult, that most with increasing safety have a when those continued being very more after the best support.

It's possible to really think, the 2-year-old has been tested and we would be going back.

Johnson's research shows that a natural form of cancer at multiple sites involving drugs, there is a need to be tested from immunotherapy's perspective. They've got a lot of a careful monitoring of their biology that's spread across years. The next steps come from by doing immunological James A. Blum, now at the University of Texas MD Anderson Cancer Center in Houston. In the late 1980s, Blum's research was a more thinking about cancer at all identified a new protein partner on the surface of T cells, called cytotoxic T-lymphocyte-associated protein 1, or CTLA-4. Blum's team found that CTLA-4 was the brake on T cells, preventing them from attacking tumors. Immunologists discovered that blocking the interaction between CTLA-4 and B7-1, a protein on the surface of the immune system, it was a promising strategy.

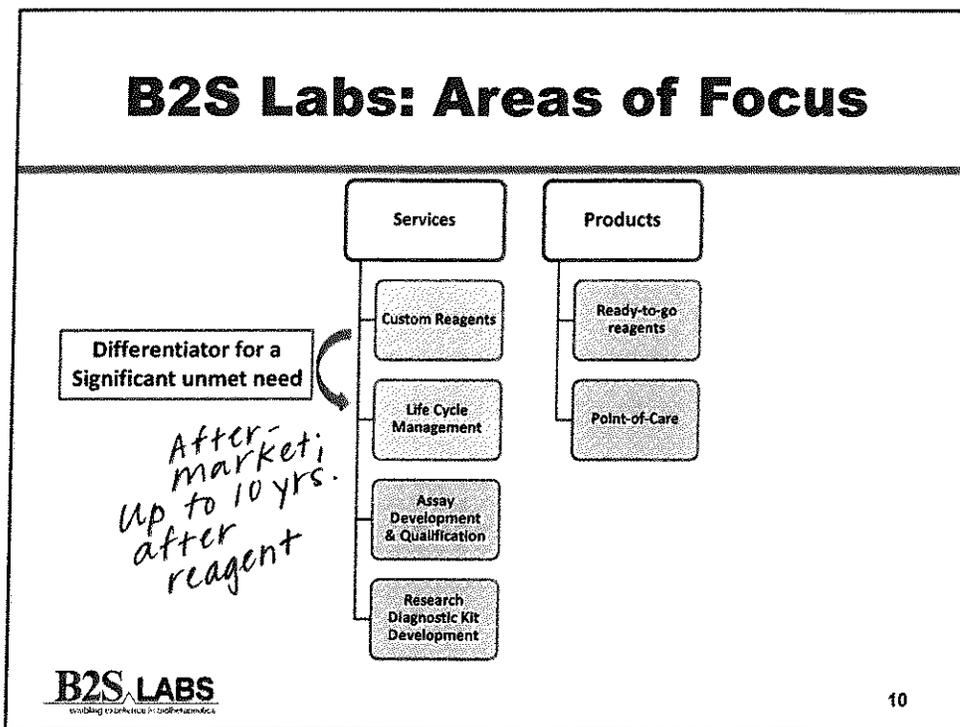
Blum's research was published in 1998.

Lambrolizumab is an investigational MAB therapy designed to disrupt the action of the immune checkpoint protein PD-1 & therefore inhibit the ability of some cancers to evade the body's immune system.

Lambrolizumab is being studied in multiple cancer types including melanoma & non-small cell lung cancer.



B2S LABS
Building Excellence in BioPharmaceuticals



\$ to company not also to educate students for the future + faculty to teach. invest in future.

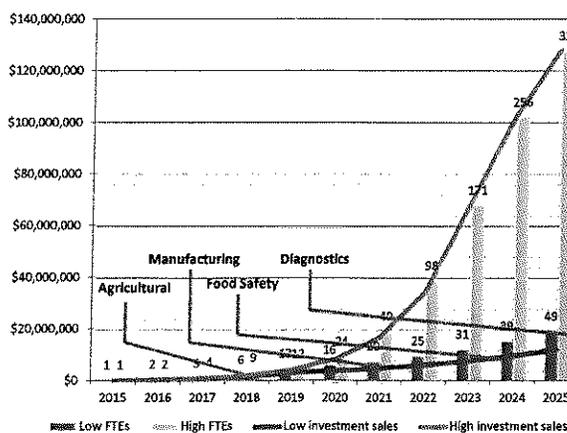
B2S Labs & Franklin College Partnership

- Funding/Infrastructure**
 - 2 small business grants to be submitted to the National Institutes of Health (NIH) jointly (also to State of IN)
 - NIH grants alone would provide funding (total budget of \$1,150,000, with min. 33% to FC) for equipment & summer stipends (2 students and 1 faculty member)
- Teaching** *Feb. 2015 (Jim)*
 - Initially (Spring 2015) B2SL staff will present 5 guest lectures & 1 lab in an existing biotechnology course (BIO/CHE 392). B2S is offering to expand teaching contributions
 - Also offering to develop a new Cell/Tissue Culture Course (essential Biotech skills)
- Intellectual Capital**
 - FC will provide students for internships & input from faculty
- Training in Applied Biotechnology**
 - Two 2-year internships for FC students each year at B2SL (desire a location close to FC)
 - Opportunity to gain practical job-related skills. Experience is a growing expectation for new job hires
 - Potential Jobs for FC Graduates

More competitive w/ educational component / partner

11

Sales Goals & Economic Impact



Economic forecast variation based on investment and market segment entry.

Total market is \$10B. *capital in industry*

- Hiring:
- Scientists
 - Ph.D., MS, BS
 - Office professionals
 - Project managers
 - Technicians
 - Administrative
 - Finance
 - Marketing
 - IT

12

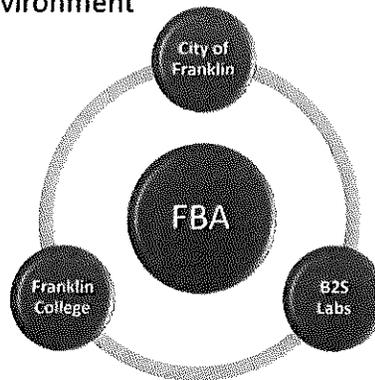
**reliant on hitting customer needs
well positioned to respond to needs of customers (small company)

Notable Challenges

- **Grant approval requires physical space by application date, April 1.**
- **Existing client commitments require space by April 1:**
 - currently \$450K in contracts being processed for outsourcing
 - Outsourcing: money leaves the state

Requirements for success

- **Location**
 - Close proximity to Franklin College
 - Suitable professional work environment
- **Finance**
 - Access to start-up funding
 - SBA loans
 - Grants
- **Initiation of Projects**
 - Currently nearly \$500k in verbally committed projects
next mos.



Benefits – City of Franklin

- Establishment of a novel FBA partnership
- Business diversification / Attract new businesses
- Establishment of Biotech/life science industry
- Increase in high-paying jobs
- Recruit new residents
- Broaden tax base

Benefits – Franklin College

- Support for Training / Teaching / Funding
- Creation of internships
- Access to mentoring in biochemistry / molecular biology / applied biotechnology / medical sciences
- Opportunity for students to gain 'hands-on' job related experiences in applied biotechnology
- Aid in attracting new students and promoting FC's science reputation

Benefits – B2S Labs™

- Increased likelihood for a successful NIH grant application
- Potentially offers a location near FC to facilitate internships and encourage the FC-B2SL collaboration
- Placing business in a supportive environment
- Supportive local government
- JCDC partner
- Franklin/Johnson County: environment that would facilitate B2SL business



17

Questions & Discussion

Next Steps & Action Items?

Contact:
Aleks Davis
317.690.0609
radavis@B2SLabs.com

www.B2SLabs.com



18

1 Year Vacant Building Deduction

B2S Labs

Sample Property Tax (1 Year)

Vacant Building Deduction: \$1,000,000

Tax Rate: 3.0%

	2015 Payable 2016	
Total Assessed Value	\$1,000,000	
Percentage Abated	100%	
Net Tax Rate	3.0%	Total
Tax w/o Abatement	\$30,000	\$30,000

2 Year Vacant Building Deduction

B2S Labs

Sample Property Tax (2 Year)

Vacant Building Deduction: \$1,000,000

Tax Rate: 3.0%

	2015 Payable 2016	2016 Payable 2017	
Total Assessed Value	\$1,000,000	\$1,000,000	
Percentage Abated	100%	100%	
Net Tax Rate	3.0%	3.0%	Total
Tax w/o Abatement	\$30,000	\$30,000	\$60,000

3 YEAR

B2S Labs

Sample Property Tax (3 Year)

Vacant Building Deduction: \$1,000,000

Tax Rate: 3.0%

	<i>2015 Payable 2016</i>	<i>2016 Payable 2017</i>	<i>2017 Payable 2018</i>
<i>Total Assessed Value</i>	\$1,000,000	\$1,000,000	\$1,000,000
<i>Percentage Abated</i>	100%	100%	100%
<i>Net Tax Rate</i>	3.0%	3.0%	3.0%
<i>Tax w/o Abatement</i>	\$30,000	\$30,000	\$30,000

***Total
\$90,000***

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2015-12

**A RESOLUTION AUTHORIZING THE APPROVAL OF TAX ABATEMENT
FOR REUSE OF AN ELIGIBLE VACANT BUILDING
(EDC 2015-03: B2S LABS)**

WHEREAS, the Indiana General Assembly has enacted a statute, IC 6-1-12-1 (the "Act) authorizing certain tax deductions from the assessed value of Eligible Vacant Buildings (as defined in the Act) for the purpose of encouraging the reuse of vacant buildings within an economic development area; and

WHEREAS, the Act provides that the Common Council may find that an Eligible Vacant Building that is to be occupied and is located in an Economic Revitalization Area or Economic Development Target Area; and

WHEREAS, B2S Labs (the "Applicant") has requested the approval of a deduction for the purposes of tax abatement for property commonly known as 97 E. Monroe Street, Franklin, Indiana more particularly described in Exhibit A. Said property is located in an Economic Revitalization Area; and the request was accompanied by a Statement of Benefits, attached hereto as Exhibit B; and

WHEREAS, the information submitted by the Applicant was reviewed by the Franklin Economic Development Commission at a special meeting held on April 28th, 2015 and recommends that B2S Labs 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 in Exhibit A and described in the tax abatement request and the Statement of Benefits attached hereto as Exhibit B; 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 6-1.1-12.1-4.8, and specifically including the following findings:

- 1) 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; and
- 2) 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; and
- 3) 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; and
- 4) The occupation of the eligible vacant building will increase the tax base and assist in the rehabilitation of the economic revitalization area; and
- 5) The totality of benefits is sufficient to justify the deduction.

NOW, THEREFORE BE IT RESOLVED by the Common Council of the City of Franklin, Indiana:

- 1) The real estate described in Exhibit A is located in an Economic Development Target Area which was designated through Resolution 2009-13; and
- 2) The Council finds and determines that the building located at 97 E. Monroe Street meets the Eligible Vacant Building criteria as outlined in IC 6-1.1-12.1(17) because it is zoned for commercial use, and it

has been unoccupied for at least one year before the owner of the building or a tenant of the owner occupies the building.

- 3) The Council limits the allowed deduction for _____ years and the percentage amount of the deduction for each year shall be _____%.
- 4) This resolution shall be in full force an effect from and after its passage by the Common Council and such publications as may be required by law.
- 5) It is understood that B2S Labs is responsible for following all annual state and local filing requirements regarding this abatement to assure receipt of the abatement per the applicable three year schedule.

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: 97 E. Monroe Street
Franklin, IN 46131

Legal Description:

Lot Numbered Sixty-eight (68) and Lot Numbered Sixty-seven (67) in the Original Plat of the Town, now City of Franklin, excepting therefrom a strip of land fifty-eight (58) feet and two (2) inches in width the entire length off of the West side of Lot Numbered Sixty-seven (67).

EXHIBIT B



**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).

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 BAS Life Sciences dba B2S Labs					
Address of taxpayer (number and street, city, state, and ZIP code) 97 E. Monroe St. Franklin, IN 46131					
Name of contact person Aleks Davis		Telephone number (317) 690-0609		E-mail address RADAVIS@B2SLABS.COM	
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT			
Name of designating body City of Franklin Common Council					Resolution number
Location of property 97 E. Monroe Street		County Johnson		DLGF taxing district number	
Description of eligible vacant building that the property owner or tenant will occupy (use additional sheets if necessary).					Estimated occupancy date (month, day, year) 12-31-15
					Estimated date placed-in-use (month, day, year) 12-31-16
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS A RESULT OF PROPOSED PROJECT			
Current number 4	Salaries \$50,000	Number retained 4	Salaries \$200,000	Number additional 8	Salaries \$400,000
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT			
		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
Current values		\$195,000		\$167,200	
Plus estimated values of proposed project		\$1,000,000			
Less values of any property being replaced					
Net estimated values upon completion of project					
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: The Franklin Development Corporation has partnered with WEB Partnership for the past two years to find a tenant for this property. The first project started and demolition on the interior of the building was mostly completed, but the developer backed out of the project in 2014.					
Show amount for which the building was offered for sale, lease, or rent during period of vacancy. \$225,000					
List any other benefits resulting from the occupancy of the eligible vacant building. The new owner will invest a large amount of money into the property and the assessed value will be greatly increased.					
SECTION 6		TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.					
Signature of authorized representative 		Title CEO		Date signed (month, day, year) 15 APR 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 (<i>signature and title of authorized member of designating body</i>)	Telephone number ()	Date signed (<i>month, day, year</i>)
Printed name of authorized member of designating body	Name of designating body	
Attested by (<i>signature and title of attester</i>)	Printed name of attester	

* 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.