

## AGENDA RESERVATION REQUEST

**CITY OF FRANKLIN  
COMMON COUNCIL**

Please type or print

|   |  |  |              |
|---|--|--|--------------|
| <b>Date Submitted:</b>                          | 04-13-16   | <b>Meeting Date:</b>                       | 04-18-16     |
| <b>Contact Information:</b>                     |  |  |              |
| <b>Requested by:</b>                            | Krista Linke   |  |              |
| <b>On Behalf of Organization or Individual:</b> |  |  |              |
|   |  | Economic Development Commission            |              |
| <b>Telephone:</b>                               | 317-736-3631   |  |              |
| <b>Email address:</b>                           | <a href="mailto:klinke@franklin.in.gov">klinke@franklin.in.gov</a> |  |              |
| <b>Mailing Address:</b>                         | 70 E. Monroe St., Franklin, IN 46131                               |  |              |
| <b>Describe Request:</b>                        |  |  |              |
| Yearly Tax Abatement Compliance Reports         |  |  |              |
| <b>List Supporting Documentation Provided:</b>  |  |  |              |
| C 2016-03: BPRex Healthcare Packaging           |  | C 2016-24 Laugle Properties                |              |
| C 2016-04: Caterpillar                          |  | C2016-25: Mitsubishi Heavy Industries      |              |
| C2016-15: Heartland Machine                     |  | C 2016-27: Mitsubishi Heavy Industries     |              |
| C 2016-16: Hetsco                               |  | C 2016-28: Mitsubishi Heavy Industries     |              |
| C 2016-19: JM Stevens Enterprises               |  | C 2016-29: Mitsubishi Heavy Industries     |              |
| C 2016-20: KYB                                  |  | C 2016-30: Mitsubishi Engine North America |              |
| C 2016-21: Laugle Properties                    |  | C 2016-31: Mitsubishi Heavy Industries     |              |
| C 2016-22: Dualtech, Inc.                       |  | C 2016-32 Mitsubishi Heavy Industries      |              |
| C 2016-23: Laugle Properties                    |  |  |              |
| <b>Who will present the request?</b>            |  |  |              |
| <b>Name:</b>                                    | Krista Linke   | <b>Telephone:</b>                          | 317-736-3631 |

*The Franklin City Council meets on the 1st and 3rd Monday of each month at 6:00 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

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## Memo

**To:** City Council Members  
**CC:** Mayor, Clerk-Treasurer, City Attorney  
**From:** Krista Linke, Community Development Director  
**Date:** April 13, 2016  
**Subject:** EDC – Tax Abatement Compliance

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The Economic Development Commission found the following tax abatement compliance reports to be in substantial compliance and forwarded them to the City Council with favorable recommendations at their April 12, 2016 meeting:

- C 2016-03 BPRex Healthcare Packaging (Resolution 2010-05)
- C 2016-04 Caterpillar Reman (Resolution 2010-15)
- C 2016-15 Heartland Machine (Resolution 2013-11)
- C 2016-16 Hetsco (Resolution 2014-09)
- C 2016-19 JM Stevens Enterprises (Resolution 2013-03)
- C 2016-20 KYB (Resolution 2006-09)
- C 2016-21 Laugle Properties (Resolution 2008-06)
- C 2016-22 Dualtech, Inc. (Resolution 2008-03)
- C 2016-23 Laugle Properties (Resolution 2008-07)
- C 2016-24 Laugle Properties (Resolution 2005-14)
- C 2016-26 Mitsubishi Heavy Industries (Resolution 2008-02)
- C 2016-27 Mitsubishi Heavy Industries (Resolution 2010-10)
- C 2016-28 Mitsubishi Heavy Industries (Resolution 2012-10)
- C 2016-29 Mitsubishi Heavy Industries (Resolution 2013-06/13-31)
- C 2016-30 Mitsubishi Engine North America (Resolution 2013-07/13-32)
- C 2016-31 Mitsubishi Heavy Industries (Resolution 2013-10)
- C 2016-32 Mitsubishi Heavy Industries (Resolution 2013-29)

Compliance documentation is attached for each case. Please contact me directly at 346-1250 if you have any questions regarding any of this information.

There will be a special EDC meeting on Tuesday, April 26<sup>th</sup> to review the remaining tax abatement compliance reports. Those will be forwarded to you for review at your May 2<sup>nd</sup> meeting.



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Director of Community Development  
**Date:** March 28, 2016  
**Re:** Case C 2016-03: BPRex Healthcare Packaging Inc. (formerly Rexam)

### Summary:

1. On March 23<sup>rd</sup>, 2010, the Franklin Common Council passed Resolution No. 2010-05, approving a 10-year tax abatement on personal property for Rexam Consumer Plastics, Inc., located 1900 Commerce Parkway (formerly Musicland Drive). In 2012 City Council passed Resolution 2012-08 to allow an amended SB-1 Form with an increased personal property amount to \$17,797,000 from \$14,500,000 that was originally estimated in 2010. In 2013 Rexam was granted a waiver of non-compliance through Resolution 2013-23, due to the fact that they failed to account for the tax abatement deduction when they filed their tax return. The City Council granted the waiver, allowing them to file an amended tax return claiming the deduction. Rexam was granted another amendment to their abatement in 2014. Their completion date was extended to 10/31/12 and 108 job retained with salaries of \$5,849,113.44 and 85 additional jobs with \$3,424,844.38 in salaries. The current value of manufacturing equipment was also adjusted from \$14,530,000 to \$36,348,981. The proposed project amount was also increased to \$22,834,940.

2. Actual and estimated benefits, as projected for 2015:

|                                | Estimated on SB-1 | Actual in 2015 | Difference   |
|--------------------------------|-------------------|----------------|--------------|
| Employees Retained             | 108               | 177            | -69          |
| Salaries                       | \$5,849,113       | \$7,735,062    | \$1,885,949  |
| New Employees                  | 85                | 0              | -85          |
| Salaries                       | \$3,424,844       | \$0            | -\$3,424,844 |
| Total Employees                | 193               | 177            | -16          |
| Total Salaries                 | \$9,273,957       | \$7,735,062    | -\$1,538,895 |
| Average Hourly Salaries        | \$23.10           | \$21.01        | -\$2.09      |
| Personal Property Improvements | \$22,834,940      | \$22,834,940   | \$0          |

3. Rexam was purchased in 2014 and is now BPRex Healthcare Packaging, Inc.
4. Rexam exceeded the number of total employees estimated on their SB-1 Form at one time. Since being purchased by BPRex Healthcare Packaging Inc., the number of employees has declined along with the average hourly salary. A representative of BPRex indicated through phone conversation that they did not anticipate increasing the employee count in the near future.
5. The tax abatement for Rexam is scheduled to expire in tax year 2020 payable 2021. The final compliance review will take place in 2021.

**Staff Recommendation:** Approval



# 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

RECEIVED

- 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<br><i>Bellex Healthcare Packaging, Inc.</i>   |                         | Telephone number<br><i>(812) 306-2520</i>                         |  |                |                       |                |              |                |
| Address of taxpayer (number and street, city, state, and ZIP code)<br><i>1900 Commerce Drive Franklin, IN 46131</i>  |                         |   |  |                |                       |                |              |                |
| Name of contact person<br><i>David Burkman</i>   |                         | Telephone number<br><i>(812) 306-2520</i>                         |  |                |                       |                |              |                |
| SECTION 2  |                         | LOCATION AND DESCRIPTION OF PROPERTY                              |  |                |                       |                |              |                |
| Name of designating body<br><i>City of Franklin, IN</i>  |                         | Resolution number<br><i>2014-03 (10-05)</i>                       |  |                |                       |                |              |                |
| Location of property<br><i>1900 Commerce Drive Franklin, IN 46131</i>  |                         | County<br><i>Johnson</i>  |  |                |                       |                |              |                |
| 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)<br><i>2/1/2010</i>     |  |                |                       |                |              |                |
|  |                         | Estimated completion date (month, day, year)<br><i>10/31/2012</i> |  |                |                       |                |              |                |
| SECTION 3  |                         | EMPLOYEES AND SALARIES  |  |                |                       |                |              |                |
| EMPLOYEES AND SALARIES   |                         | AS ESTIMATED ON SB-1  | ACTUAL   |                |                       |                |              |                |
| Current number of employees  |                         | <i>108</i>  | <i>177</i>                                       |                |                       |                |              |                |
| Salaries   |                         | <i>5,849,113</i>  | <i>7,735,062</i>                                 |                |                       |                |              |                |
| Number of employees retained   |                         | <i>108</i>  | <i>177</i>                                       |                |                       |                |              |                |
| Salaries   |                         | <i>5,849,113</i>  | <i>7,735,002</i>                                 |                |                       |                |              |                |
| Number of additional employees   |                         | <i>85</i>   | <i>85</i>  |                |                       |                |              |                |
| Salaries   |                         | <i>3,424,844</i>  | <i>3,424,844</i>                                 |                |                       |                |              |                |
| 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  | <i>26,248,981</i>       |   |  |                |                       |                |              |                |
| Plus: Values of proposed project   | <i>22,834,940</i>       |   |  |                |                       |                |              |                |
| Less: Values of any property being replaced  |                         |   |  |                |                       |                |              |                |
| Net values upon completion of project  | <i>59,183,921</i>       |   |  |                |                       |                |              |                |
| ACTUAL   | COST                    | ASSESSED VALUE  | COST   | ASSESSED VALUE | COST                  | ASSESSED VALUE | COST         | ASSESSED VALUE |
| Values before project  |                         |   |  |                |                       |                |              |                |
| Plus: Values of proposed project   | <i>22,834,940</i>       |   |  |                |                       |                |              |                |
| Less: Values of any property being replaced  |                         |   |  |                |                       |                |              |                |
| Net values upon completion of project  |                         |   |  |                |                       |                |              |                |
| <b>NOTE:</b> 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<br><i>[Signature]</i>   |                         | Title<br><i>Tax &amp; Accounting Mgr</i>                          | Date signed (month, day, year)<br><i>2-26-14</i> |                |                       |                |              |                |



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Director of Community Development  
**Date:** March 30, 2016  
**Re:** Case C 2016-04: Caterpillar Reman Powertrain Indiana LLC

### Summary:

1. On September 20<sup>th</sup>, 2010, the Franklin Common Council passed Resolution No. 2010-15, approving a 10-year tax abatement with a 5% economic development fee on personal property for Caterpillar Reman Powertrain Indiana, LLC, located at 751 International Drive.
2. Actual and estimated benefits, as projected for 2015:

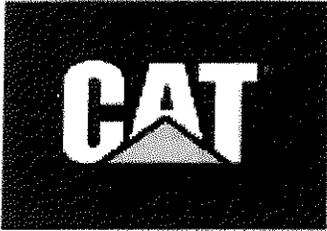
|                                | Estimated on SB-1 | Actual in 2014 | Difference   |
|--------------------------------|-------------------|----------------|--------------|
| Employees Retained             | 338               | 338            | 0            |
| Salaries                       | \$10,278,445      | \$10,658,086   | \$379,641    |
| New Employees                  | 0                 | 0              | 0            |
| Salaries                       | \$0               | \$0            | \$0          |
| Total Employees                | 338               | 338            | 0            |
| Total Salaries                 | \$10,278,445      | \$10,658,086   | \$379,641    |
| Average Hourly Salaries        | \$14.62           | \$15.16        | \$0.54       |
| Personal Property Improvements | \$13,568,000      | \$10,577,840   | -\$2,990,160 |

3. The company estimated in their original application that they would spend \$4,700,000 on equipment in 2010, \$2,092,000 on equipment in 2011, \$3,276,000 in 2012, and \$3,500,000 in 2013. The total for all four years is \$13,568,000. They reported having spent \$7,762,540 at the end of 2012. They were given until the end of 2013 to purchase all of the equipment. They indicated in their application that they would purchase \$3,276,000 in 2012 but only purchased \$1,907,869. They indicated on their original application they would purchase an additional \$3,500,000 in 2013 but only purchased \$932,163. The completion date for the abatement was the end of 2013. Because the completion date on the SB-1 Form is the end of 2013, they are receiving abatement on \$10,616,923 in personal property. They have purchased additional equipment since the end of 2013 (they have now purchased more than \$13,568,000), but they cannot include all of it in the abatement because it was not purchased in time.
4. The company has met their number of employees retained and added 54 employees that were not estimated on their original applications. All employees (retained and new) have higher than estimated average hourly salaries. Additionally, they have 221 agency employees that are not

included in their reported employee figures. The employees reported are full time CAT employees.

5. The tax abatement is scheduled to expire in tax year 2023 payable 2024. The final compliance review should take place in 2023.

**Staff Recommendation:** Approval



March 14, 2016

Ms. Krista Linke, AICP  
Department of Planning & Economic Development  
70 E. Monroe Street  
Franklin, Indiana 46131

*Re: Tax Abatement Compliance for Caterpillar Reman Powertrain Indiana LLC*

Dear Ms. Linke:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements which were granted to Caterpillar Reman Powertrain Indiana LLC in 2010 under Franklin Common Council Resolution No. 2010-15.

As can be seen from reviewing the enclosed documents, our company has been highly successful in a) making capital investment which had been projected for the past year, and b) retaining the full complement of jobs which had been proposed in the Statement of Benefits (From SB-1) which was approved on October 4, 2010.

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,

A handwritten signature in cursive script, appearing to read 'Lee Anspaugh', is written in black ink.

Lee Anspaugh  
Accounting Supervisor  
Caterpillar Reman Powertrain Indiana

Enclosures

# Caterpillar Reman Powertrain Indiana

Resolution 2010-15

## Machinery Investment Schedule

|     | Actual Amount of Investment (From SB-1) as of 06/2010 | Proposed Amount of total Investment | Prior Period Investment | 3/31/2015 | 6/30/2015 | 9/30/2015 | 12/31/2015 | Actual Total Amount of Investment as of 12/31/15 | Difference Between Actual and Proposed Amount of Investment |
|-----|---|-------------------------------------|-------------------------|-----------|-----------|-----------|------------|--|---|
| M&E | \$ 12,613,870   | \$ 13,568,000                       | \$ 9,303,054            | -         | -         | -         | -          | \$ 9,303,054                                     | \$ 4,264,946  |

## Headcount Addition Schedule

|           | Actual Number of Employees (From SB-1) | Proposed Total No. of Employees | 3/31/2015 | 6/30/2015 | 9/30/2015 | 12/31/2015 | Actual total No. of Employees Added for Project | Difference Between Actual and Proposed Number of Employees |
|-----------|--|---------------------------------|-----------|-----------|-----------|------------|---|--|
| Headcount | 338                                    | 0                               | 54        | 0         | 0         | 0          | 0   | 54   |



# 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<br>Caterpillar Reman Powertrain Indiana LLC   |                         |                |                 |                                |                       |  |              |                |
| Address of taxpayer (number and street, city, state, and ZIP code)<br>751 International Drive Franklin, IN 46131   |                         |                |                 |                                |                       |  |              |                |
| Name of contact person<br>Lee A. Anspaugh  |                         |                |                 |                                |                       | Telephone number<br>( 317 ) 346-3211                     |              |                |
| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY   |                         |                |                 |                                |                       |  |              |                |
| Name of designating body<br>Franklin Common Council  |                         |                |                 |                                |                       | Resolution number<br>2010-15                             |              |                |
| Location of property<br>same as above  |                         |                |                 | County<br>Johnson              |                       | DLGF taxing district number<br>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)<br>06/10/2010 |              |                |
|  |                         |                |                 |                                |                       | Estimated completion date (month, day, year)<br>12/31/13 |              |                |
| SECTION 3 EMPLOYEES AND SALARIES   |                         |                |                 |                                |                       |  |              |                |
| EMPLOYEES AND SALARIES   |                         |                |                 |                                |                       | AS ESTIMATED ON SB-1                                     |              | ACTUAL         |
| Current number of employees  |                         |                |                 |                                |                       | 338.00   |              | 392 338.00     |
| Salaries   |                         |                |                 |                                |                       | 10,278,445.00  |              | 11,782,950.00  |
| Number of employees retained   |                         |                |                 |                                |                       | 338.00   |              | 338.00         |
| Salaries   |                         |                |                 |                                |                       | 10,278,445.00  |              | 11,782,950.00  |
| Number of additional employees   |                         |                |                 |                                |                       | 0.00   |              | 54.00          |
| Salaries   |                         |                |                 |                                |                       | 0.00   |              | 1,882,483.00   |
| 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  | 12,613,870.             | 4,946,825.0    |                 |                                |                       |  |              |                |
| Plus: Values of proposed project   | 13,568,000.             | 5,427,200.0    |                 |                                |                       |  |              |                |
| Less: Values of any property being replaced  |                         |                |                 |                                |                       |  |              |                |
| Net values upon completion of project  | 26,181,870.             | 10,374,025.    |                 |                                |                       |  |              |                |
| ACTUAL   | COST                    | ASSESSED VALUE | COST            | ASSESSED VALUE                 | COST                  | ASSESSED VALUE   | COST         | ASSESSED VALUE |
| Values before project  | 12,613,870.             | 2,270,497.0    |                 |                                |                       |  |              |                |
| Plus: Values of proposed project   | 10,616,922.0            | 6,349,942.0    |                 |                                |                       |  |              |                |
| Less: Values of any property being replaced  |                         |                |                 |                                |                       |  |              |                |
| Net values upon completion of project  | 23,230,792.0            | 8,620,439.0    |                 |                                |                       |  |              |                |
| 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<br><i>Lee A. Anspaugh</i>   |                         |                |                 | Title<br>Accounting Supervisor |                       | Date signed (month, day, year)<br>03/14/15               |              |                |

13,665,433



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 3, 2016  
**Re:** Case C 2016-15: Heartland Machine & Engineering, LLC

### Summary:

1. On March 18<sup>th</sup>, 2013, the Franklin Common Council passed Resolution No. 2013-11, approving a 10-year tax abatement on real property with a 2% Economic Development Fee for Heartland Machine & Engineering, located at 2848 N. Graham Road.
2. Actual and estimated benefits, as projected for 2015:

|                            | Estimated on SB-1 | Actual in 2015 | Difference |
|----------------------------|-------------------|----------------|------------|
| Employees Retained         | 18                | 32             | 14         |
| Salaries                   | \$1,080,144       | \$1,968,607    | \$888,463  |
| New Employees              | 7                 | 0              | -7         |
| Salaries                   | \$364,000         | \$0            | -\$364,000 |
| Total Employees            | 25                | 32             | 7          |
| Total Salaries             | \$1,444,144       | \$1,968,607    | \$524,463  |
| Average Hourly Salaries    | \$27.77           | \$29.58        | \$1.80     |
| Real Property Improvements | \$800,000         | \$1,102,251    | \$302,251  |

3. Heartland Machine & Engineer planned to construct this building in 2013. It was not finished in 2013, but it was finished in 2014. They have exceeded their estimated real property improvement value.
4. Sandy Bennett, Controller for Heartland Machine, explains in her letter dated February 23<sup>rd</sup> that the company has been successful in retaining the 18 jobs estimated on their SB-1 Form, and the average hourly wage is higher than estimated. The numbers reported on the CF-1 form for employees retained and new employees included turnover, therefore the total current employees number and salaries was only used.
5. The real property tax abatement for Heartland Machine & Engineering, LLC, is scheduled to expire in tax year 2024 payable 2025. The final compliance review will take place in 2025.

**Staff Recommendation:** Approval

February 23, 2016

City of Franklin  
Krista Linke, Community Development Director  
70 E. Monroe Street  
Franklin, IN 46131

RE: 2015 Tax Abatement Compliance Reports

Dear Ms. Linke:

Enclosed please find Form CF-1/RE and other required documents per your instructions listed in your letter dated January 14, 2016. The enclosed documentation pertains to our compliance with the real property tax abatements which were granted to Heartland Machine & Engineering, LLC (HME) in 2013 under Franklin Common Council Resolution number ~~2013-11~~. The tax abatement deduction was granted for the redevelopment or rehabilitation of real estate improvements for the construction of a 20,000 square foot facility located at 2848 Graham Road in Franklin, Indiana. The facility will provide office space, showroom facilities and warehousing for machine tools (whole goods) and spare parts for aftermarket/warranty fulfillment.

Our company has been successful in creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1). Eighteen employees have been retained at our headquarters location in Franklin, and although we had increased turnover in 2015, we still managed to keep our total employees at thirty-two. Also worth noting is that due to the recent upturn in the market, we added four new employees to our sales and service departments all starting in February. As the year progresses, we anticipate a growing need for more employees to strengthen our sales force.

Please do not hesitate to contact me if you have any questions or concerns regarding this matter.

Sincerely,

Heartland Machine & Engineering, LLC



Sandy Bennett  
Controller



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)  
Prescribed by the Department of Local Government Finance

20\_\_ PAY 20\_\_

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).

### INSTRUCTIONS:

1. This form does not apply to property located in a residentially distressed area or any deduction for which the Statement of Benefits was approved before July 1, 1991.
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 (Form SB-1/Real Property).
3. This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
4. This form must also be updated each year in which the deduction is applicable. It is filed with the county auditor and the designating body before May 15, or by the due date of the real property owner's personal property return that is filed in the township where the property is located. (IC 6-1.1-12.1-5.1(b))
5. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance form (Form CF-1/Real Property).

| SECTION 1 TAXPAYER INFORMATION   |  |   |           |
|--|--|---|-----------|
| Name of taxpayer<br><b>Heartland Machine &amp; Engineering LLC</b>   | County<br><b>Johnson</b>                     |   |           |
| Address of taxpayer (number and street, city, state, and ZIP code)<br><b>2850 Graham Road, Franklin, IN 46131</b>  | DLGF taxing district number                  |   |           |
| Name of contact person<br><b>Sandy Bennett</b>   | Telephone number<br><b>( 317 ) 346-0463</b>  |   |           |
| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY   |  |   |           |
| Name of designating body<br><b>The City of Franklin Common Council</b>   | Resolution number<br><b>13-11</b>            | Estimated start date (month, day, year)           |           |
| Location of property<br><b>2848 Graham Road, Franklin, IN 46131</b>  | Actual start date (month, day, year)         |   |           |
| Description of real property improvements<br><b>Construction of 20k square foot building to support machine tool distribution. The building provides office space, showroom facilities, and warehousing.</b> | Estimated completion date (month, day, year) |   |           |
|  | Actual completion date (month, day, year)    |   |           |
| SECTION 3 EMPLOYEES AND SALARIES   |  |   |           |
| EMPLOYEES AND SALARIES   |  | AS ESTIMATED ON SB-1                              | ACTUAL    |
| Current number of employees  |  | 18  | 32        |
| Salaries   |  | 1,080,144   | 1,968,607 |
| Number of employees retained   |  | 18  | 32        |
| Salaries   |  | 1,080,144   | 1,648,598 |
| Number of additional employees   |  | 7   | 14        |
| Salaries   |  | 364,000   | 320,009   |
| SECTION 4 COST AND VALUES  |  |   |           |
| COST AND VALUES  |  | REAL ESTATE IMPROVEMENTS                          |           |
| AS ESTIMATED ON SB-1   | COST   | ASSESSED VALUE                                    |           |
| Values before project  | 63,000                                       | 92,600  |           |
| Plus: Values of proposed project   | 800,000                                      | 800,000   |           |
| Less: Values of any property being replaced  |  |   |           |
| Net values upon completion of project  | 863,000                                      | 892,600   |           |
| ACTUAL   | COST   | ASSESSED VALUE                                    |           |
| Values before project  | 63,000                                       | 92,600  |           |
| Plus: Values of proposed project   | 1,102,251                                    | 1,200,000   |           |
| Less: Values of any property being replaced  |  |   |           |
| Net values upon completion of project  | 1,162,251                                    | 1,292,600   |           |
| 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<br>   | Title<br><b>Controller</b>                   | Date signed (month, day, year)<br><b>02/23/16</b> |           |



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 27, 2016  
**Re:** Case C 2016-16: Hetsco

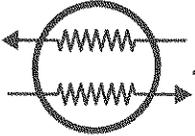
### Summary:

- On July 21<sup>st</sup>, 2014, the Franklin Common Council passed Resolution No. 2014-09, approving a 10-year tax abatement on real property and a 5-year tax abatement on personal property for Hetsco, Inc., located at 1725 N. Graham Road.
- Actual and estimated benefits, as projected for 2015:

|                                | Estimated on SB-1 | Actual in 2015 | Difference   |
|--------------------------------|-------------------|----------------|--------------|
| Employees Retained             | 49                | 49             | 0            |
| Salaries                       | \$3,066,000       | \$3,066,000    | \$0          |
| New Employees                  | 40                | 19             | (21)         |
| Salaries                       | \$2,271,000       | \$744,648      | -\$1,526,352 |
| Total Employees                | 89                | 68             | (21)         |
| Total Salaries                 | \$5,337,000       | \$3,810,648    | -\$1,526,352 |
| Average Hourly Salaries        | \$28.83           | \$26.94        | -\$1.89      |
| Personal Property Improvements | \$400,000         | \$795,426      | \$395,426    |
| Real Property Improvements     | \$2,770,000       | \$2,134,978    | -\$635,022   |

- Hetsco estimated in their application that they would hire 10 employees in 2015, 10 employees in 2016, 10 employees in 2017, and another 10 employees in 2018, for a total of 40 additional employees. They have exceeded their estimate for 2015 by almost double.
- Their personal property investment was also almost double what was estimated on their SB-1 Form.
- Hetsco estimated in their application that they would invest \$2,770,000 in real property improvements by the end of 2015. As stated in the table above, they have not yet met their estimate.
- The personal property tax abatement for Hetsco is scheduled to expire in 2019 payable 2020. The real property tax abatement for Hetsco is scheduled to expire in tax year 2024 payable 2025. The final compliance review will take place in 2025.

**Staff Recommendation:** Approval



## HETSCO, INC.

---

1725 N Graham Road Franklin, IN 46131  
Phone (317) 535-4315 • Fax (317)739-3349

February 25, 2016

City of Franklin  
Attn: Krista Linke  
70 East Monroe Street  
Franklin, IN 46131

Re: 2015 Tax Abatement Compliance Packet for Hetsco, Inc.

Dear Ms. Linke,

Enclosed please find Forms CF-1/RE and CF-1/PP (Compliance with Statement of Benefits) regarding compliance with real property and personal property tax abatements which were granted to Hetsco, Inc. in 2014 under Franklin Common Council Resolution number 14-09.

As indicated with the enclosed documents, Hetsco has completed approximately 77% of the estimated real property investment and exceeded the personal property estimate by almost 99%.

Additionally we have added 19 employees, just short of 50% of our long range estimate.

We would anticipate the City of Franklin to view our accomplishments favorably as we continue to move forward with the creation of jobs and to invest in our real and personal property.

Please review all of the enclosed documents and if you have any questions or concerns regarding this matter, feel free to contact me at 317-535-4315.

Sincerely

W.S. Willard  
President/COO  
Hetsco, Inc.



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

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

20 15 PAY 20 16

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<br><b>HETSCO, INC.</b>   |  |   |   |
| Address of taxpayer (number and street, city, state, and ZIP code)<br><b>1725 N GRAHAM ROAD FRANKLIN IN 46131</b>   |  |   |   |
| Name of contact person<br><b>W. S. Willard (President/COO)</b>  |  | Telephone number<br><b>(317) 535-4315</b>                         |   |
| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY  |  |   |   |
| Name of designating body<br><b>THE CITY OF FRANKLIN COMMON COUNCIL</b>  |  | Resolution number<br><b>14-09</b>                                 |   |
| Location of property<br><b>1725 N GRAHAM ROAD FRANKLIN IN 46131</b>   |  | County<br><b>JOHNSON</b>  | DLGF taxing district number<br><b>41009</b>         |
| Description of real property improvements:<br><b>COMPLETED CONSTRUCTION OF SHELL BUILDING, PARKING, LANDSCAPING</b> |  | Estimated starting date (month, day, year)<br><b>08/01/2014</b>   |   |
|   |  | Estimated completion date (month, day, year)<br><b>12/31/2015</b> |   |
| SECTION 3 EMPLOYEES AND SALARIES  |  |   |   |
| EMPLOYEES AND SALARIES  |  | AS ESTIMATED ON SB-1  | ACTUAL  |
| Current number of employees   |  | 49  | 49  |
| Salaries  |  | 3,066,000.00  | 3,066,000.00  |
| Number of employees retained  |  | 49  | 49  |
| Salaries  |  | 3,066,000.00  | 3,066,000.00  |
| Number of additional employees  |  | 40  | 19  |
| Salaries  |  | 2,271,000.00  | 744,647.99  |
| SECTION 4 COST AND VALUES   |  |   |   |
| COST AND VALUES   |  | REAL ESTATE IMPROVEMENTS  |   |
| AS ESTIMATED ON SB-1  |  | COST  | ASSESSED VALUE                                      |
| Values before project   |  | 0.00  |   |
| Plus: Values of proposed project  |  | 2,770,000.00  |   |
| Less: Values of any property being replaced   |  | 0.00  |   |
| Net values upon completion of project   |  | 2,770,000.00  |   |
| ACTUAL  |  | COST  | ASSESSED VALUE                                      |
| Values before project   |  | 0.00  |   |
| Plus: Values of proposed project  |  | 2,134,977.76  |   |
| Less: Values of any property being replaced   |  | 0.00  |   |
| Net values upon completion of project   |  | 2,134,977.76  |   |
| 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   |  | N/A   | N/A   |
| Amount of hazardous waste converted   |  | N/A   | N/A   |
| Other benefits:   |  | N/A   | N/A   |
| SECTION 6 TAXPAYER CERTIFICATION  |  |   |   |
| I hereby certify that the representations in this statement are true.   |  |   |   |
| Signature of authorized representative<br><i>W.S. Willard</i>   |  | Title<br><b>President/COO</b>                                     | Date signed (month, day, year)<br><b>02/25/2016</b> |



**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<br><b>HETSCO INC</b>   |   |
| Address of taxpayer (number and street, city, state, and ZIP code)<br><b>1725 N GRAHAM ROAD FRANKLIN IN 46131</b> |   |
| Name of contact person<br><b>W. S. Willard (President/COO)</b>  | Telephone number<br><b>(317) 535-4315</b> |

**SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY**

|  |                          |   |
|--|--------------------------|---|
| Name of designating body<br><b>THE CITY OF FRANKLIN COMMON COUNCIL</b>   |                          | Resolution number<br><b>14-09</b>                                 |
| Location of property<br><b>1725 N GRAHAM ROAD FRANKLIN IN 46131</b>  | County<br><b>JOHNSON</b> | DLGF taxing district number<br><b>41009</b>                       |
| Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.<br><b>WELDING MACHINES, MANIPULATOR, OFFICE EQUIPMENT, VEHICLES</b> |                          | Estimated starting date (month, day, year)<br><b>08/01/2014</b>   |
|  |                          | Estimated completion date (month, day, year)<br><b>12/31/2015</b> |

**SECTION 3 EMPLOYEES AND SALARIES**

| EMPLOYEES AND SALARIES         | AS ESTIMATED ON SB-1 | ACTUAL       |
|--------------------------------|----------------------|--------------|
| Current number of employees    | 49.00                | 49           |
| Salaries                       | 3,066,000.00         | 3,066,000.00 |
| Number of employees retained   | 49.00                | 49           |
| Salaries                       | 3,066,000.00         | 3,066,000.00 |
| Number of additional employees | 40.00                | 19           |
| Salaries                       | 2,271,000.00         | 744,647.99   |

**SECTION 4 COST AND VALUES**

|   | MANUFACTURING EQUIPMENT |                | R & D EQUIPMENT |                | LOGIST DIST EQUIPMENT |                | IT EQUIPMENT |                |
|---|-------------------------|----------------|-----------------|----------------|-----------------------|----------------|--------------|----------------|
|   | COST                    | ASSESSED VALUE | COST            | ASSESSED VALUE | COST                  | ASSESSED VALUE | COST         | ASSESSED VALUE |
| <b>AS ESTIMATED ON SB-1</b>                 |                         |                |                 |                |                       |                |              |                |
| Values before project                       | 0.00                    |                | 0.00            |                | 0.00                  |                | 0.00         |                |
| Plus: Values of proposed project            | 400,000.00              |                | 0.00            |                | 0.00                  |                | 0.00         |                |
| Less: Values of any property being replaced | 0.00                    |                | 0.00            |                | 0.00                  |                | 0.00         |                |
| Net values upon completion of project       | 400,000.00              |                | 0.00            |                | 0.00                  |                | 0.00         |                |
| <b>ACTUAL</b>                               |                         |                |                 |                |                       |                |              |                |
| Values before project                       | 0.00                    |                | 0.00            |                | 0.00                  |                | 0.00         |                |
| Plus: Values of proposed project            | 400,000.00              |                | 0.00            |                | 0.00                  |                | 0.00         |                |
| Less: Values of any property being replaced | 0.00                    |                | 0.00            |                | 0.00                  |                | 0.00         |                |
| Net values upon completion of project       | 795,426.21              |                | 0.00            |                | 0.00                  |                | 0.00         |                |

**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     | N/A                  | N/A    |
| Amount of hazardous waste converted | N/A                  | N/A    |
| Other benefits:                     | N/A                  | N/A    |

**SECTION 6 TAXPAYER CERTIFICATION**

I hereby certify that the representations in this statement are true.

|  |                               |   |
|--|-------------------------------|---|
| Signature of authorized representative<br><i>W. S. Willard</i> | Title<br><b>President/COO</b> | Date signed (month, day, year)<br><b>02/25/2016</b> |
|--|-------------------------------|---|



## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 27, 2016  
**Re:** C 2016-19: JM Stevens Enterprises

### Summary:

1. On February 4<sup>th</sup>, 2015, the Franklin Common Council passed Resolution No. 2013-03, approving a 7-year tax abatement on real property for JM Stevens Enterprises, located at 215 Industrial Drive.
2. Actual and estimated benefits, as projected for 2015:

|                            | Estimated on SB-1 | Actual in 2015 | Difference |
|----------------------------|-------------------|----------------|------------|
| Employees Retained         | 15                | 21             | 6          |
| Salaries                   | \$935,353         | \$1,112,492    | \$177,139  |
| New Employees              | 3                 | 0              | -3         |
| Salaries                   | \$133,120         | \$0            | -\$133,120 |
| Total Employees            | 18                | 21             | 3          |
| Total Salaries             | \$1,068,473       | \$1,112,492    | \$44,019   |
| Average Hourly Salaries    | \$28.54           | \$25.47        | -\$3.07    |
| Real Property Improvements | \$200,000         | \$205,000      | \$5,000    |

3. The abatement was granted on a 4,000 square foot addition to an existing building. The original building did not receive a tax abatement when it was built. The property is owned by JM Stevens Enterprises, LLC. Sargent Aerospace leases the property and the employment figures are for Sargent Aerospace employees.
4. The company has met their estimate provided on the SB-1 Form for real property.
5. The company reported 18 employees in 2014 with an average hourly salary of \$28.59. The total number of employees has increased in 2015, but the average hourly salary decreased to \$25.47.
6. The real property tax abatement is scheduled to expire in tax year 2020 payable 2021. The final compliance review will take place in 2021.

**Staff Recommendation:** Approval



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)  
Prescribed by the Department of Local Government Finance

RECEIVED  
JAN 25 2016

20 15 PAY 20 16

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).

#### INSTRUCTIONS:

1. This form does not apply to property located in a residentially distressed area or any deduction for which the Statement of Benefits was approved before July 1, 1991.
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 (Form SB-1/Real Property).
3. This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
4. This form must also be updated each year in which the deduction is applicable. It is filed with the county auditor and the designating body before May 15, or by the due date of the real property owner's personal property return that is filed in the township where the property is located. (IC 6-1.1-12.1-5.1(b))
5. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance form (Form CF-1/Real Property).

### SECTION 1 TAXPAYER INFORMATION

|  |                                       |
|--|---------------------------------------|
| Name of taxpayer<br>JM Stevens Enterprises, LLC  | County<br>Johnson                     |
| Address of taxpayer (number and street, city, state, and ZIP code)<br>2840 N Mitthoeffer Place Suite #100 Indianapolis, IN 46229 | DLGF taxing district number<br>41-009 |
| Name of contact person<br>Jonas Stevens  | Telephone number<br>( 317 ) 714-4848  |

### SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY

|  |                              |  |
|--|------------------------------|--|
| Name of designating body                     | Resolution number<br>2013-03 | Estimated start date (month, day, year)      |
| Location of property<br>215 Industrial Drive |                              | Actual start date (month, day, year)         |
| Description of real property improvements    |                              | Estimated completion date (month, day, year) |
|  |                              | Actual completion date (month, day, year)    |

### SECTION 3 EMPLOYEES AND SALARIES

| EMPLOYEES AND SALARIES         | AS ESTIMATED ON SB-1 | ACTUAL    |
|--------------------------------|----------------------|-----------|
| Current number of employees    |                      | 21        |
| Salaries                       |                      | 1,112,492 |
| Number of employees retained   | 15                   |           |
| Salaries                       | 935,353              |           |
| Number of additional employees | 3                    |           |
| Salaries                       | 133,120              |           |

### SECTION 4 COST AND VALUES

| COST AND VALUES                             | REAL ESTATE IMPROVEMENTS |                |
|---|--------------------------|----------------|
|   | COST                     | ASSESSED VALUE |
| <b>AS ESTIMATED ON SB-1</b>                 |                          |                |
| Values before project                       | 381,600                  |                |
| Plus: Values of proposed project            | 200,000                  |                |
| Less: Values of any property being replaced |                          |                |
| Net values upon completion of project       |                          |                |
| <b>ACTUAL</b>                               |                          |                |
| Values before project                       |                          |                |
| Plus: Values of proposed project            | 205000                   |                |
| Less: Values of any property being replaced |                          |                |
| Net values upon completion of project       |                          |                |

### 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<br>                            | Title<br>MANAGER | Date signed (month, day, year)<br>01/20/2016 |



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 27, 2016  
**Re:** Case C 2016-20: KYB Manufacturing North America

### Summary:

1. On October 23<sup>rd</sup>, 2006, the Franklin Common Council passed Resolution No. 2006-09, approving a 10-year tax abatement on real property and a 10-year tax abatement on personal property for KYB Manufacturing located at 2625 N. Morton Street.
2. Actual and estimated benefits, as projected for 2015:

|                                | Estimated on SB-1 | Actual in 2015 | Difference   |
|--------------------------------|-------------------|----------------|--------------|
| Employees Retained             | 660               | 660            | 0            |
| Salaries                       | \$21,794,240      | \$21,794,240   | \$0          |
| New Employees                  | 51                | 158            | 107          |
| Salaries                       | \$1,500,000       | \$12,533,337   | \$11,033,337 |
| Total Employees                | 711               | 818            | 107          |
| Total Salaries                 | \$23,294,240      | \$34,327,577   | \$11,033,337 |
| Average Hourly Salaries        | \$15.75           | \$20.18        | \$4.42       |
| Personal Property Improvements | \$8,000,000       | \$8,316,068    | \$316,068    |
| Real Property Improvements     | \$16,000,000      | \$18,112,347   | \$2,112,347  |

3. The company has exceeded their estimate provided on their SB-1 Form for personal property investment.
4. The company has exceeded their estimate provided on their SB-1 Form for real property.
5. This is the second year that the company has exceeded their estimate for the total number of employees. The average hourly wage continues to exceed what was estimated on their SB-1 Form.
6. The tax abatements are scheduled to expire in tax year 2017 payable 2018. The final compliance review will take place in 2018.

**Staff Recommendation:** Approval



**COMPLIANCE WITH STATEMENT OF BENEFITS  
REAL ESTATE IMPROVEMENTS**

State Form 51786 (R3 / 2-13)  
Prescribed by the Department of Local Government Finance

20 16 PAY 20 17  
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).

**INSTRUCTIONS:**

1. This form does not apply to property located in a residentially distressed area or any deduction for which the Statement of Benefits was approved before July 1, 1991.
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 (Form SB-1/Real Property).
3. This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
4. This form must also be updated each year in which the deduction is applicable. It is filed with the county auditor and the designating body before May 15, or by the due date of the real property owner's personal property return that is filed in the township where the property is located. (IC 6-1.1-12.1-5.1(b))
5. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance form (Form CF-1/Real Property).

| SECTION 1 TAXPAYER INFORMATION   |                                      |
|--|--------------------------------------|
| Name of taxpayer<br>KYB MANUFACTURING NORTH AMERICA, INC.  | County<br>JOHNSON                    |
| Address of taxpayer (number and street, city, state, and ZIP code)<br>2625 NORTH MORTON STREET, FRANKLIN, IN 46131 | DLGF taxing district number<br>41009 |
| Name of contact person<br>BRIAN MOORE  | Telephone number<br>( 317 ) 346-4858 |

| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY  |                              |  |
|---|------------------------------|--|
| Name of designating body<br>CITY OF FRANKLIN COMMON COUNCIL   | Resolution number<br>2006-09 | Estimated start date (month, day, year)<br>10/24/2006      |
| Location of property<br>2625 NORTH MORTON STREET, FRANKLIN, IN 46131  |                              | Actual start date (month, day, year)<br>10/24/2006         |
| Description of real property improvements<br>264,300 sf addition to building, entry drive and parking enhancements, remodeling of existing areas, additional improvements |                              | Estimated completion date (month, day, year)<br>03/01/2009 |
|   |                              | Actual completion date (month, day, year)<br>03/01/2009    |

| SECTION 3 EMPLOYEES AND SALARIES |                      |            |
|----------------------------------|----------------------|------------|
| EMPLOYEES AND SALARIES           | AS ESTIMATED ON SB-1 | ACTUAL     |
| Current number of employees      | 660                  | 818        |
| Salaries                         | 21,794,240           | 34,327,577 |
| Number of employees retained     | 660                  | 660        |
| Salaries                         | 21,794,240           | 21,794,240 |
| Number of additional employees   | 51                   | 158        |
| Salaries                         | 1,500,000            | 12,533,337 |

| SECTION 4 COST AND VALUES                   |                          |                |
|---|--------------------------|----------------|
| COST AND VALUES                             | REAL ESTATE IMPROVEMENTS |                |
| AS ESTIMATED ON SB-1                        | COST                     | ASSESSED VALUE |
| Values before project                       | 11,405,428               | 7,983,800      |
| Plus: Values of proposed project            | 16,000,000               | 11,200,000     |
| Less: Values of any property being replaced |                          |                |
| Net values upon completion of project       | 27,405,428               | 19,183,800     |
| ACTUAL                                      | COST                     | ASSESSED VALUE |
| Values before project                       | 11,405,428               | 5,985,624      |
| Plus: Values of proposed project            | 18,112,347               | 8,396,876      |
| Less: Values of any property being replaced |                          |                |
| Net values upon completion of project       | 29,517,775               | 14,382,500     |

| 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<br>                            | Title<br>Controller | Date signed (month, day, year)<br>02 26 2016 |



**COMPLIANCE WITH STATEMENT OF BENEFITS  
PERSONAL PROPERTY**

State Form 51765 (R3 / 11-15)

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 January 1, and May 15, of each year, unless a filing extension under 1C 6-1.1-3.7 has been granted. A person who obtains a filing extension must file between January 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<br>KYB MANUFACTURING NORTH AMERICA, INC   | County<br>JOHNSON                  |
| Address of taxpayer (street and number, city, state and ZIP code)<br>2625 MORTON STREET<br>FRANKLIN IN 46131 | DLGF taxing district number<br>009 |
| Name of contact person<br>BRIAN MOORE  | Telephone number<br>317-346-4858   |

| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY   |                              |  |
|--|------------------------------|--|
| Name of designating body<br>CITY OF FRANKLIN COMMON COUNCIL  | Resolution number<br>2006-09 | Estimated start date (month, day, year)<br>10/24/2006      |
| Location of property<br>2625 MORTON STREET<br>FRANKLIN IN 46131  |                              | Actual start date (month, day, year)<br>10/24/2006         |
| Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.<br><br>SEE ATTACHED |                              | Estimated completion date (month, day, year)<br>03/01/2009 |
|  |                              | Actual completion date (month, day, year)<br>03/01/2009    |

| SECTION 3 EMPLOYEES AND SALARIES |                      |            |  |
|----------------------------------|----------------------|------------|--|
| EMPLOYEES AND SALARIES           | AS ESTIMATED ON SB-1 | ACTUAL     |  |
| Current number of employees      | 660                  | 818        |  |
| Salaries                         | 21,794,240           | 34,327,577 |  |
| Number of employees retained     | 660                  | 660        |  |
| Salaries                         | 21,794,240           | 21,794,240 |  |
| Number of additional employees   | 51                   | 158        |  |
| Salaries                         | 1,500,000            | 12,533,337 |  |

| 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                       | 39,214,863              | 14,920,379     |                 |                |                       |                |              |                |
| Plus: Values of proposed project            | 8,000,000               | 3,200,000      |                 |                |                       |                |              |                |
| Less: Values of any property being replaced |                         |                |                 |                |                       |                |              |                |
| Net values upon completion of project       | 47,214,863              | 18,120,379     |                 |                |                       |                |              |                |
| ACTUAL                                      | COST                    | ASSESSED VALUE | COST            | ASSESSED VALUE | COST                  | ASSESSED VALUE | COST         | ASSESSED VALUE |
| Values before project                       | 92,760,943              | 24,420,321     |                 |                |                       |                |              |                |
| Plus: Values of proposed project            | 8,316,068               | 2,494,820      |                 |                |                       |                |              |                |
| Less: Values of any property being replaced |                         |                |                 |                |                       |                |              |                |
| Net values upon completion of project       | 101,077,011             | 26,915,141     |                 |                |                       |                |              |                |

**NOTE:** The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.8 (c).

| 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<br>                            | Title<br>CONTROLLER | Date signed (month, day, year)<br>02 26 2016 |



CITY OF FRANKLIN  
COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 28, 2016  
**Re:** Case C 2016-21: Laugle Properties

### Summary:

1. On April 28<sup>th</sup>, 2008, the Franklin Common Council passed Resolution No. 2008-06, approving a 10-year tax abatement on real property for Laugle Properties, located at 351 Blue Chip Court.
2. Actual and estimated benefits, as projected for 2015:

|                            | Estimated on SB-1 | Actual in 2015 | Difference |
|----------------------------|-------------------|----------------|------------|
| Employees Retained         | 17                | 16             | -1         |
| Salaries                   | \$551,760         | \$641,523      | \$89,763   |
| New Employees              | 2                 | 7              | 5          |
| Salaries                   | \$64,480          | \$923,418      | \$858,938  |
| Total Employees            | 19                | 23             | 4          |
| Total Salaries             | \$616,240         | \$1,564,941    | \$948,701  |
| Average Hourly Salaries    | \$15.59           | \$32.71        | \$17.12    |
| Real Property Improvements | \$804,500         | \$900,000      | \$95,500   |

3. Dualtech was located across the street at 400 Blue Chip Court. There was a fire on February 3, 2008 at this location which destroyed all of Dualtech's equipment and damaged the building. Dualtech relocated to 351 Blue Chip Court. Laugle Properties is the owner of 351 Blue Chip Court and Dualtech leases the real estate from them.
4. They have exceeded their estimate provided on the SB-1 Form for real property.
5. They exceed the overall number of employees as well as average hourly salaries.
6. The real property tax abatement is scheduled to expire in tax year 2019 payable 2020. The final compliance review will take place in 2020.

### Staff Recommendation:

Approval

Laugle Properties, LLC  
3719 E 700 N.  
Whiteland, IN 46184  
738-5966

February 17, 2016

Krista Linke  
Dept. of Planning and Economic Dev.  
70 E. Monroe St.  
Franklin, IN 46131

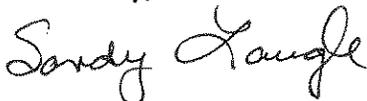
RE: Tax Abatement Compliance for Laugle Properties, LLC

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with real property tax abatements; which were granted to Laugle Properties, LLC in 2008 under Franklin Common Council Resolution No. 08-06.

As can be seen from reviewing the enclosed documents, our company has been highly successful in (a) making all of the capital investments which had been projected for the initial year, and (b) creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1) which was approved on April 30, 2009.

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,



Sandy Laugle  
Laugle Properties, LLC

Enclosures



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 15 PAY 20 16

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:

- This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
- 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).
- This form must accompany the initial deduction application that is filed with the County Auditor.
- 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)
- 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))
- 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<br><b>Laugle Properties, LLC - Jack and Sandy Laugle</b>                                      |   |
| Address of taxpayer (number and street, city, state, and ZIP code)<br><b>3719 E 700 N, Whiteland, IN 46184</b> |   |
| Name of contact person<br><b>Jack or Sandy Laugle</b>  | Telephone number<br><b>(317) 738-5966</b> |

## SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY

|   |                          |   |
|---|--------------------------|---|
| Name of designating body<br><b>City of Franklin Common Council</b>                        |                          | Resolution number<br><b>04/01/2008</b>                            |
| Location of property<br><b>351 Blue Chip Court, Franklin</b>                              | County<br><b>Johnson</b> | DLGF taxing district number<br><b>031</b>                         |
| Description of real property improvements:<br><b>20,000 Sq Ft. Manufacturing Facility</b> |                          | Estimated starting date (month, day, year)<br><b>04/01/2008</b>   |
|   |                          | Estimated completion date (month, day, year)<br><b>07/01/2008</b> |

## SECTION 3 EMPLOYEES AND SALARIES

| EMPLOYEES AND SALARIES         | AS ESTIMATED ON SB-1 | ACTUAL       |
|--------------------------------|----------------------|--------------|
| Current number of employees    | 17                   | 23           |
| Salaries                       | 551,760.00           | 1,564,941.00 |
| Number of employees retained   | 17                   | 16           |
| Salaries                       | 551,760.00           | 641,523.00   |
| Number of additional employees | 2                    | 7            |
| Salaries                       | 64,480.00            | 923,418.00   |

## SECTION 4 COST AND VALUES

| COST AND VALUES                             | REAL ESTATE IMPROVEMENTS |                |
|---|--------------------------|----------------|
| AS ESTIMATED ON SB-1                        | COST                     | ASSESSED VALUE |
| Values before project                       | 100,000.00               | 67,500.00      |
| Plus: Values of proposed project            | 804,500.00               |                |
| Less: Values of any property being replaced |                          |                |
| Net values upon completion of project       | 904,500.00               |                |
| ACTUAL                                      | COST                     | ASSESSED VALUE |
| Values before project                       | 100,000.00               |                |
| Plus: Values of proposed project            | 900,000.00               |                |
| Less: Values of any property being replaced |                          |                |
| Net values upon completion of project       | 1,000,000.00             |                |

## 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<br><i>Sandy Laugle</i> | Title<br><b>Member</b> | Date signed (month, day, year)<br><b>2/17/2016</b> |
|---|------------------------|--|

Dualtech, Inc.  
JOB CREATION/ RETENTION TABLE

|          | Year | Prof/Mangerial | Secretary | Lab Tech. | Machine Operators | Total | Proposed Salary |
|----------|------|----------------|-----------|-----------|-------------------|-------|-----------------|
| Proposed | 1    | 2              | 1         | 1         | 13                | 17    | \$551,760       |
| Actual   | 1    | 2              | 1         | 2         | 11                | 16    | 641,523         |
| Proposed | 2    | 2              | 1         | 1         | 15                | 19    | \$616,240       |
| Actual   | 2    | 2              | 1         | 2         | 17                | 22    | \$895,071       |
| Proposed | 3    | 2              | 1         | 1         | 15                | 19    | \$616,240       |
| Actual   | 3    | 2              | 2         | 2         | 22                | 28    | \$1,305,481     |
| Proposed | 4    | 2              | 1         | 1         | 15                | 19    | \$616,240       |
| Actual   | 4    | 2              | 2         | 2         | 15                | 21    | \$1,410,350.84  |
| Proposed | 5    | 2              | 1         | 1         | 15                | 19    | \$616,240       |
| Actual   | 5    | 2              | 1         | 2         | 18                | 23    | \$1,124,261.09  |
| Proposed | 6    | 2              | 1         | 1         | 15                | 19    | \$616,240       |
| Actual   | 6    | 2              | 1         | 2         | 19                | 24    | \$1,571,878.00  |
| Proposed | 7    | 2              | 1         | 1         | 15                | 19    | \$616,240       |
| Actual   | 7    | 2              | 1         | 2         | 18                | 23    | \$1,564,941     |

Dualtech, Inc.  
 351 Blue Chip Court  
 P.O. Box 476  
 Franklin, IN 46131

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

| Actual Number<br>Of Employees<br>As of 12/31/14 | Proposed Total<br>Number of employees<br>by 12/31/15<br>(From SB-1) | Actual Number of Employees Added<br>During Year (by Quarter) | Actual Total<br>Number of<br>Employees<br>as of 12/31/15 | Difference between<br>Actual and Proposed<br>Number of<br>Employees |
|---|---|--|--|---|
|   |   | 3/31/15 6/30/15 9/30/15 12/30/15                             |  |   |
| 24  | 19  | +1 0 0 -2  | 23   | +4  |



## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 28, 2016  
**Re:** C 2016-22: Dualtech, Inc.

### Summary:

1. On April 28<sup>th</sup>, 2008, the Franklin Common Council passed Resolution No. 2008-03, approving a 7-year tax abatement on personal property for Dualtech, Inc., located at 351 Blue Chip Court.
2. Actual and estimated benefits, as projected for 2015:

|                            | Estimated on SB-1 | Actual in 2015 | Difference |
|----------------------------|-------------------|----------------|------------|
| Employees Retained         | 17                | 16             | -1         |
| Salaries                   | \$551,760         | \$641,523      | \$89,763   |
| New Employees              | 2                 | 7              | 5          |
| Salaries                   | \$64,480          | \$923,418      | \$858,938  |
| Total Employees            | 19                | 23             | 4          |
| Total Salaries             | \$616,240         | \$1,564,941    | \$948,701  |
| Average Hourly Salaries    | \$15.59           | \$32.71        | \$17.12    |
| Real Property Improvements | \$791,819         | \$791,819      | \$0        |

3. Dualtech was located across the street at 400 Blue Chip Court. There was a fire on February 3, 2008 at this location which destroyed all of Dualtech's equipment and damaged the building. Dualtech relocated to 351 Blue Chip Court. Laugle Properties is the owner of 351 Blue Chip Court and Dualtech leases the real estate from them.
4. The company has met their estimate provided on the SB-1 Form for personal property.
5. Overall, the company has exceeded the total number of employees as well as the average hourly salary for these employees as estimated on their SB-1 Form.
6. The personal property tax abatement is scheduled to expire in tax year 2015 payable 2016. The final compliance review will take place in 2016.

**Staff Recommendation:** Approval

Dualtech, Inc  
351 Blue Chip Court  
P.O. Box 476  
Franklin, IN 46131

February 17, 2016

Krista Linke  
Dept. of Planning and Economic Dev.  
70 E. Monroe St.  
Franklin, IN 46131

RE: Tax Abatement Compliance for Dualtech, Inc.

Enclosed please find Form CF-1 and CF-1/PP(Compliance with Statement of Benefits) regarding compliance with the personal property tax abatement; which were granted to Dualtech, Inc in 2008 under Franklin Common Council Resolution No. 08-03.

As can be seen from reviewing the enclosed documents, our company has been highly successful in (a) making all of the capital investments which had been projected for the initial year, and (b) creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1) which was approved on April 28, 2008.

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,



Sandy Laughe  
Dualtech, Inc

Enclosures



# 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   |                         | Dualtech Inc. - Jack and Sandy Laugle                       |                                |                |                       |                |              |                |
| Address of taxpayer (number and street, city, state, and ZIP code)   |                         | 3719 E 700 N , Whiteland, In 46184                          |                                |                |                       |                |              |                |
| Name of contact person   |                         | Telephone number  |                                |                |                       |                |              |                |
| Jack or Sandy Laugle   |                         | (317) 738-5966  |                                |                |                       |                |              |                |
| SECTION 2  |                         | LOCATION AND DESCRIPTION OF PROPERTY                        |                                |                |                       |                |              |                |
| Name of designating body   |                         | Resolution number   |                                |                |                       |                |              |                |
| Franklin Common Council  |                         | 08-03   |                                |                |                       |                |              |                |
| Location of property   |                         | County  |                                |                |                       |                |              |                |
| 351 Blue Chip Court, Franklin  |                         | Johnson   |                                |                |                       |                |              |                |
| Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. |                         | DLGF taxing district number                                 |                                |                |                       |                |              |                |
|  |                         | 031   |                                |                |                       |                |              |                |
|  |                         | Estimated starting date (month, day, year)                  |                                |                |                       |                |              |                |
|  |                         | 04/01/2008  |                                |                |                       |                |              |                |
|  |                         | Estimated completion date (month, day, year)                |                                |                |                       |                |              |                |
|  |                         | 07/01/2008  |                                |                |                       |                |              |                |
| SECTION 3  |                         | EMPLOYEES AND SALARIES                                      |                                |                |                       |                |              |                |
| EMPLOYEES AND SALARIES   |                         | AS ESTIMATED ON SB-1  | ACTUAL                         |                |                       |                |              |                |
| Current number of employees  |                         | 17.00   | 23                             |                |                       |                |              |                |
| Salaries   |                         | 551,760.00  | 1,564,941.00                   |                |                       |                |              |                |
| Number of employees retained   |                         | 17.00   | 16                             |                |                       |                |              |                |
| Salaries   |                         | 551,760.00  | 641,523.00                     |                |                       |                |              |                |
| Number of additional employees   |                         | 2.00  | 7                              |                |                       |                |              |                |
| Salaries   |                         | 64,480.00   | 923,418.00                     |                |                       |                |              |                |
| 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  | 0.00                    | 0.00  | 0.00                           | 0.00           |                       |                |              |                |
| Plus: Values of proposed project   | 791,819.00              | 316,727.00  | 165,539.00                     | 66,215.00      |                       |                |              |                |
| Less: Values of any property being replaced  | 0.00                    | 0.00  | 0.00                           | 0.00           |                       |                |              |                |
| Net values upon completion of project  | 791,819.00              | 316,727.00  | 165,539.00                     | 66,215.00      |                       |                |              |                |
| ACTUAL   | COST                    | ASSESSED VALUE  | COST                           | ASSESSED VALUE | COST                  | ASSESSED VALUE | COST         | ASSESSED VALUE |
| Values before project  | 0.00                    | 0.00  | 0.00                           | 0.00           |                       |                |              |                |
| Plus: Values of proposed project   | 791,819.00              | 316,727.00  | 165,539.00                     | 66,215.00      |                       |                |              |                |
| Less: Values of any property being replaced  | 0.00                    | 0.00  | 0.00                           | 0.00           |                       |                |              |                |
| Net values upon completion of project  | 791,819.00              | 316,727.00  | 165,539.00                     | 66,215.00      |                       |                |              |                |
| <b>NOTE:</b> 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   | Date signed (month, day, year) |                |                       |                |              |                |
| <i>Sandy Laugle</i>  |                         | Member  | 02/17/2016                     |                |                       |                |              |                |

Dualtech, Inc.  
 351 Blue Chip Court  
 P.O. Box 476  
 Franklin, IN 46131

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

| Actual Number<br>Of Employees<br>As of 12/31/14 | Proposed Total<br>Number of employees<br>by 12/31/15<br>(From SB-1) | Actual Number of Employees Added<br>During Year (by Quarter) | Actual Total<br>Number of<br>Employees<br>as of 12/31/15 | Difference between<br>Actual and Proposed<br>Number of<br>Employees |    |    |    |
|---|---|--|--|---|----|----|----|
|   | 3/31/15   | 6/30/15  | 9/30/15  | 12/30/15  |    |    |    |
| 24  | 19  | +1   | 0  | 0   | -2 | 23 | +4 |

Dualtech, Inc.  
JOB CREATION/ RETENTION TABLE

|          | Year | Prof/Mangerial | Secretary | Lab Tech. | Machine Operators | Total | Proposed Salary |
|----------|------|----------------|-----------|-----------|-------------------|-------|-----------------|
| Proposed | 1    | 2              | 1         | 1         | 13                | 17    | \$551,760       |
| Actual   | 1    | 2              | 1         | 2         | 11                | 16    | 641,523         |
| Proposed | 2    | 2              | 1         | 1         | 15                | 19    | \$616,240       |
| Actual   | 2    | 2              | 1         | 2         | 17                | 22    | \$895,071       |
| Proposed | 3    | 2              | 1         | 1         | 15                | 19    | \$616,240       |
| Actual   | 3    | 2              | 2         | 2         | 22                | 28    | \$1,305,481     |
| Proposed | 4    | 2              | 1         | 1         | 15                | 19    | \$616,240       |
| Actual   | 4    | 2              | 2         | 2         | 15                | 21    | \$1,410,350.84  |
| Proposed | 5    | 2              | 1         | 1         | 15                | 19    | \$616,240       |
| Actual   | 5    | 2              | 1         | 2         | 18                | 23    | \$1,124,261.09  |
| Proposed | 6    | 2              | 1         | 1         | 15                | 19    | \$616,240       |
| Actual   | 6    | 2              | 1         | 2         | 19                | 24    | \$1,571,878.00  |
| Proposed | 7    | 2              | 1         | 1         | 15                | 19    | \$616,240       |
| Actual   | 7    | 2              | 1         | 2         | 18                | 23    | \$1,564,941     |



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission

**From:** Krista Linke, Community Development Director

**Date:** March 30, 2016

**Re:** Case C 2016-23: Laugle Properties

### Summary:

1. On April 28<sup>th</sup>, 2008, the Franklin Common Council passed Resolution No. 2008-07, approving a 10-year tax abatement on real property for Laugle Properties, located at 400 Blue Chip Court.
2. Actual and estimated benefits, as projected for 2015:

|                            | Estimated on SB-1 | Actual in 2015 | Difference |
|----------------------------|-------------------|----------------|------------|
| Employees Retained         | 1                 | 1              | 0          |
| Salaries                   | \$41,600          | \$46,700       | \$5,100    |
| New Employees              | 1                 | 1              | 0          |
| Salaries                   | \$41,600          | \$86,945       | \$45,345   |
| Total Employees            | 2                 | 2              | 0          |
| Total Salaries             | \$83,200          | \$133,645      | \$50,445   |
| Average Hourly Salaries    | \$20.00           | \$32.13        | \$12.13    |
| Real Property Improvements | \$497,000         | \$513,615      | \$16,615   |

3. The company has exceeded their estimate provided on the SB-1 Form for real property.
4. There were two employees in 2011 with total salaries of \$70,819. The average hourly wage was \$17.02.
5. There were two employees in 2012 with total salaries of \$103,345. The average hourly wage was \$24.84.
6. There were two employees in 2013, and salaries increased to \$107,027.42.
7. There were two employees in 2014, and salaries increased to \$118,706.
8. There are still two employees in 2015, and salaries have again increased to \$133,645.
9. The real property tax abatement is scheduled to expire in tax year 2018 payable 2019. The final compliance review will take place in 2019.

**Staff Recommendation:** Approval

Laugle Properties, LLC  
3719 E 700 N.  
Whiteland, IN 46184  
738-5966

February 17, 2016

Krista Linke  
Dept. of Planning and Economic Dev.  
70 E. Monroe St.  
Franklin, IN 46131

RE: Tax Abatement Compliance for Laugle Properties, LLC

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with real property tax abatements; which were granted to Laugle Properties, LLC in 2008 under Franklin Common Council Resolution No. 08-07.

As can be seen from reviewing the enclosed documents, our company has been highly successful in (a) making all of the capital investments which had been projected for the initial year, and (b) creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1) which was approved on April 28, 2008.

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,



Sandy Laugle  
Laugle Properties, LLC

Enclosures



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 15 PAY 20 16

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:

- This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
- 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).
- This form must accompany the initial deduction application that is filed with the County Auditor.
- 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)
- 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))
- 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<br><b>Laugle Properties, LLC</b>  |   |
| Address of taxpayer (number and street, city, state, and ZIP code)<br><b>3719 E 700 N, Whiteland, IN 46184</b> |   |
| Name of contact person<br><b>Jack or Sandy Laugle</b>  | Telephone number<br><b>(317) 738-5966</b> |

## SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY

|  |                          |   |
|--|--------------------------|---|
| Name of designating body<br><b>City of Franklin Common Council</b>         |                          | Resolution number<br><b>08-07</b>                                 |
| Location of property<br><b>400 Blue Chip Court, Franklin</b>               | County<br><b>Johnson</b> | DLGF taxing district number<br><b>031</b>                         |
| Description of real property improvements:<br><b>9000 Sq Ft. Warehouse</b> |                          | Estimated starting date (month, day, year)<br><b>04/01/2008</b>   |
|  |                          | Estimated completion date (month, day, year)<br><b>07/01/2008</b> |

## SECTION 3 EMPLOYEES AND SALARIES

| EMPLOYEES AND SALARIES         | AS ESTIMATED ON SB-1 | ACTUAL     |
|--------------------------------|----------------------|------------|
| Current number of employees    | 1                    | 2          |
| Salaries                       | 41,600.00            | 133,645.00 |
| Number of employees retained   | 1                    | 1          |
| Salaries                       | 41,600.00            | 46,700.00  |
| Number of additional employees |                      | 1          |
| Salaries                       |                      | 86,945.00  |

## SECTION 4 COST AND VALUES

| COST AND VALUES                             | REAL ESTATE IMPROVEMENTS |                |
|---|--------------------------|----------------|
| AS ESTIMATED ON SB-1                        | COST                     | ASSESSED VALUE |
| Values before project                       | 518,800.00               |                |
| Plus: Values of proposed project            | 497,000.00               |                |
| Less: Values of any property being replaced | 451,300.00               |                |
| Net values upon completion of project       | 564,500.00               |                |
| ACTUAL                                      | COST                     | ASSESSED VALUE |
| Values before project                       | 518,800.00               |                |
| Plus: Values of proposed project            | 513,615.00               |                |
| Less: Values of any property being replaced | 451,300.00               |                |
| Net values upon completion of project       | 581,115.00               | 493,500.00     |

## 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<br><i>Sandy Laugle</i> | Title<br><i>Member</i> | Date signed (month, day, year)<br><i>2/17/16</i> |
|---|------------------------|--|



CITY OF FRANKLIN  
COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 30, 2016  
**Re:** Case C 2016-24: Laugle Properties (Formerly McWilliams Realty)

### Summary:

1. On June 28<sup>th</sup>, 2005, the Franklin Common Council passed Resolution No. 2005-14, approving a 10-year tax abatement on real property for McWilliams Realty, LLC located at 401 and 451 Blue Chip Court (Greenwood Machine).
2. Actual and estimated benefits, as projected for 2015:

|                            | Estimated on SB-1 | Actual in 2015 | Difference  |
|----------------------------|-------------------|----------------|-------------|
| Employees Retained         | 23                | 32             | 9           |
| Salaries                   | \$801,632         | \$1,950,849    | \$1,149,217 |
| New Employees              | 13                | 0              | -13         |
| Salaries                   | \$381,014         | \$0            | -\$381,014  |
| Total Employees            | 36                | 32             | -4          |
| Total Salaries             | \$1,182,646       | \$1,950,849    | \$768,203   |
| Average Hourly Salaries    | \$15.79           | \$29.31        | \$13.52     |
| Real Property Improvements | \$750,000         | \$910,530      | \$160,530   |

3. As stated in "Attachment to Form CF-1," Greenwood Machine has abandoned this location. Laugle Properties, LLC purchased this location on November 18, 2009. Innovative Casting Technologies moved its operations to 451 Blue Chip Court.
4. Innovative Casting Technologies had 25 total employees at the end of 2011 with total salaries of \$1,751,890. They added three employees in 2012 and increased total salaries to \$2,210,550. In 2013 the number of employees remains that same, but the total salaries were \$391,683 less than in 2012. In 2014 there were 28 employees and the total salaries were \$1,918,897. In 2015 the total number of employees is still less than originally estimated when Greenwood Machine occupied the property, but the salaries are considerably higher.
5. The average hourly wage is more than double what was estimated on the SB-1 Form for Greenwood Machine. Overall, Innovative Casting Technologies Inc. employs 4 less employees at this location than originally estimated for Greenwood Machine.
6. The company has exceeded their real property investment.
7. The real property tax abatement is scheduled to expire in tax year 2015 payable 2016. The final compliance review will take place in 2016.

**Staff Recommendation:** Approval

Laugle Properties, LLC  
3719 E 700 N.  
Whiteland, IN 46184  
738-5966

February 17, 2016

Krista Linke  
Dept. of Planning and Economic Dev.  
70 E. Monroe St.  
Franklin, IN 46131

RE: Tax Abatement Compliance for Laugle Properties, LLC

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with real property tax abatements; which were granted to McWilliams Realty, LLC in 2005 under Franklin Common Council Resolution No. 05-14.

As described in Attachment to CF-1, Laugle Properties, LLC purchased this location on November 18, 2009

As can be seen from reviewing the enclosed documents, our company has been highly successful in (a) creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1) which was approved on May 23, 2005.

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,

  
Sandy Laugle  
Laugle Properties, LLC

Enclosures

ATTACHMENT TO FORM CF-1

LAUGLE PROPERTIES LLC

McWilliams Realty, LLC, was granted a tax abatement on the improvements constructed on Lot 8 in Blue Chip Industrial Park, commonly known as 451 Blue Chip Court, Franklin, Indiana by the Common Council of the City of Franklin. Resolution No. 05-14 was passed by the Franklin Common Council on the 23rd day of May 2005.

Laugle Properties, LLC , purchased 451 Blue Chip Court on the 18th day of November 2009.

The business that was operating at 451 Blue Chip Court, Greenwood Machine, Inc., has abandoned the location. Innovative Casting Technologies, Inc., has moved its operations to 451 Blue Chip Court.

Laugle Properties, LLC, requests that the Franklin Common Council find that the property owner has made reasonable effort to substantially comply with the Statement of Benefits. The amount of salaries paid to the estimated 36 total employees was estimated to total \$1,182,646 by the end of the ten (10) year abatement period on the Statement of Benefits filed by McWilliams Realty, LLC. Greenwood Machine, Inc , no longer employs anyone at the site. The business that occupies the subject real estate, Innovative Casting Technologies, Inc., employed 28 persons at the site and paid salaries totaling \$1,818,866.97 in 2013, an increase of \$636,220.97 from the estimate filed by the prior owner.



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 15 PAY 20 16

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:

- This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
- 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).
- This form must accompany the initial deduction application that is filed with the County Auditor.
- 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)
- 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))
- 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<br><b>Laugle Properties, LLC</b>  |                          |   |   |
| Address of taxpayer (number and street, city, state, and ZIP code)<br><b>3719 E 700 N, Whiteland, IN 46184</b> |                          |   |   |
| Name of contact person<br><b>Jack or Sandy Laugle</b>  |                          | Telephone number<br><b>(317) 738-5966</b>                   |   |
| SECTION 2  |                          | LOCATION AND DESCRIPTION OF PROPERTY                        |   |
| Name of designating body<br><b>City of Franklin Common Council</b>   |                          | Resolution number<br><b>05-14</b>                           |   |
| Location of property<br><b>451 Blue Chip Court, Franklin</b>   | County<br><b>Johnson</b> | DLGF taxing district number<br><b>031</b>                   |   |
| Description of real property improvements:<br><b>7500 Sq Ft Mfg Facility constructed in 2006</b>               |                          | 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  |                          |   | 32  |
| Salaries   |                          |   | 1,950,849.00  |
| Number of employees retained   |                          | 23  |   |
| Salaries   |                          | 801,632.00  |   |
| Number of additional employees   |                          | 13  |   |
| Salaries   |                          | 381,014.00  |   |
| SECTION 4  |                          | COST AND VALUES   |   |
| COST AND VALUES  |                          | REAL ESTATE IMPROVEMENTS                                    |   |
| AS ESTIMATED ON SB-1   |                          | COST  | ASSESSED VALUE                                      |
| Values before project  |                          | 120,000.00  | 108,000.00  |
| Plus: Values of proposed project   |                          | 750,000.00  | 750,000.00  |
| Less: Values of any property being replaced  |                          |   |   |
| Net values upon completion of project  |                          | 870,000.00  | 858,000.00  |
| ACTUAL   |                          | COST  | ASSESSED VALUE                                      |
| Values before project  |                          |   | 50,000.00   |
| Plus: Values of proposed project   |                          | 910,530.00  | 273,300.00  |
| Less: Values of any property being replaced  |                          |   |   |
| Net values upon completion of project  |                          |   | 323,300.00  |
| 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<br><i>Sandy Laugle</i>  |                          | Title<br><b>Member</b>                                      | Date signed (month, day, year)<br><b>02/17/2016</b> |



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 29, 2016  
**Re:** Case C 2016-26: Mitsubishi Heavy Industries Climate Control, Inc.

### Summary:

- On April 28<sup>th</sup>, 2008, the Franklin Common Council passed Resolution No. 2008-08 confirming resolution 2008-02, approving a 7-year tax abatement on personal property for Mitsubishi, located at 1200 N. Mitsubishi Parkway.
- Actual and estimated benefits, as projected for 2015:

|                                | Estimated on SB-1 | Actual in 2015 | Difference   |
|--------------------------------|-------------------|----------------|--------------|
| Employees Retained             | 139               | 44             | -95          |
| Salaries                       | \$6,146,532       | \$2,427,584    | -\$3,718,948 |
| New Employees                  | 36                | 145            | 109          |
| Salaries                       | \$1,042,003       | \$6,633,844    | \$5,591,841  |
| Total Employees                | 139               | 189            | 50           |
| Total Salaries                 | \$6,146,532       | \$9,061,428    | \$2,914,896  |
| Average Hourly Salaries        | \$16.89           | \$23.05        | \$6.16       |
| Personal Property Improvements | \$5,317,174       | \$5,677,155    | \$359,981    |

- The company had a total of 110 employees at the end of 2011. They had 211 total employees at the end of 2012. They had 219 total employees at the end of 2013. In 2014 they exceeded the total number of employees originally estimated. In 2015 there were a total of 189 employees, which is above the SB-1 estimate. Average hourly salaries are also above estimated. Please see the attached letter from Bob Francis dated February 18<sup>th</sup>, 2016 that explains further.
- The company exceeded their estimate provided on their SB-1 Form for personal property.
- The personal property tax abatement for Mitsubishi is scheduled to expire in tax year 2015 payable 2016. The final compliance review will take place in 2016.

**Staff Recommendation:** Approval

 **MITSUBISHI HEAVY INDUSTRIES CLIMATE CONTROL, INC.**

February 18, 2016

Krista Linke, AICP  
Director of Community Development  
City of Franklin  
70 E. Monroe Street  
Franklin, Indiana 46131

RE: Annual Tax Abatement Compliance - Common Council Resolution 08-02

Dear Economic Development Commission Members:

Mitsubishi Heavy Industries Climate Control, Inc. (MCC) requested and was granted tax abatement (Resolution 08-02) by the City of Franklin on \$5,317,174.00 for personal property (a new automotive air conditioning compressor assembly line) to be purchased and installed during the fourth quarter 2008. The tax abatement was to begin for 2009 taxes payable to 2010. MCC has complied with the machinery and equipment purchase and installation. The new assembly line was installed during 2008 and is operational. See attachments – Form CF-1 / PP, Investment Time Table for QS Assembly Line machines.

The new compressor assembly line was installed to produce a new style (QS) compressor that we felt would enable MCC to obtain new business, maintain the 139 jobs we listed on Form SB-1 dated 3/4/08 and add 18 jobs during the fourth quarter 2009 and 18 jobs during the fourth quarter 2010 for a total of 175 jobs.

However, the 2009/2010 global and automotive industry economic crisis that we were facing resulted in reduced sales that caused MCC to stop production and reduce headcount from the 139 jobs that we planned to maintain down to 44 that we reported on Form CF-1/PP dated February 16, 2010. MCC has since been awarded a new business contract with a major automotive manufacturer that resulted in restarting production during the third quarter 2011. We hired nine (9) new employees during 2010, 57 employees during 2011, 111 employees during 2012, had a reduction of two employees during 2013, a reduction of seven employees during 2014 and a reduction of 23 employees during 2015. We had nine job openings at the end of 2015 that, when filled, will bring total employees to 198. The total number of employees at the end of 2015 is 189, or 14 more than the 175 projected on our original request for tax abatement. See the Job Retention and Creation Schedule attached to Form CF-1/PP dated February 2016.

We would like to thank the City of Franklin for continued support in approving our tax abatement compliance request for previous projects and we respectfully request that the City of Franklin will continue to look favorably upon our growth activities and grant this 2016 compliance request for the abatement on taxes for 2015 payable 2016.

Respectfully,



Bob Francis  
General Manager Administration  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)



Susan Cunningham  
Attorney at Law - Counsel  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)



# 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   |                         | Mitsubishi Heavy Industries Climate Control, Inc.           |                 |                |                       |                |              |                |
| Address of taxpayer (number and street, city, state, and ZIP code)   |                         | 1200 North Mitsubishi Parkway, Franklin, Indiana 46131      |                 |                |                       |                |              |                |
| Name of contact person   |                         | Bob Francis or Susan Cunningham                             |                 |                |                       |                |              |                |
| Telephone number   |                         | ( 317 ) 346-5010  |                 |                |                       |                |              |                |
| SECTION 2  |                         | LOCATION AND DESCRIPTION OF PROPERTY                        |                 |                |                       |                |              |                |
| Name of designating body   |                         | Franklin City Council                                       |                 |                |                       |                |              |                |
| Resolution number  |                         | 08-02   |                 |                |                       |                |              |                |
| Location of property   |                         | 1200 North Mitsubishi Parkway, Franklin, Indiana 46131      |                 |                |                       |                |              |                |
| County   |                         | Johnson   |                 |                |                       |                |              |                |
| DLGF taxing district number  |                         | 41-018  |                 |                |                       |                |              |                |
| 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)                  |                 |                |                       |                |              |                |
| New assembly line to assemble car air-conditioning compressor model  |                         | 09/01/2008  |                 |                |                       |                |              |                |
|  |                         | Estimated completion date (month, day, year)                |                 |                |                       |                |              |                |
|  |                         | 01/30/2009  |                 |                |                       |                |              |                |
| SECTION 3  |                         | EMPLOYEES AND SALARIES                                      |                 |                |                       |                |              |                |
| EMPLOYEES AND SALARIES   |                         | AS ESTIMATED ON SB-1  | ACTUAL          |                |                       |                |              |                |
| Current number of employees  |                         | 139.00  | 189.00          |                |                       |                |              |                |
| Salaries   |                         | 6,146,532.00  | 9,061,428.00    |                |                       |                |              |                |
| Number of employees retained   |                         | 139.00  | 44.00           |                |                       |                |              |                |
| Salaries   |                         | 6,146,532.00  | 2,427,584.00    |                |                       |                |              |                |
| Number of additional employees   |                         | 36.00   | 145.00          |                |                       |                |              |                |
| Salaries   |                         | 1,042,003.00  | 6,633,844.00    |                |                       |                |              |                |
| 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   | 5,317,174.00            | 5,317,174.00  |                 |                |                       |                |              |                |
| Less: Values of any property being replaced  |                         |   |                 |                |                       |                |              |                |
| Net values upon completion of project  | 5,317,174.00            | 5,317,174.00  |                 |                |                       |                |              |                |
| ACTUAL   | COST                    | ASSESSED VALUE  | COST            | ASSESSED VALUE | COST                  | ASSESSED VALUE | COST         | ASSESSED VALUE |
| Values before project  |                         |   |                 |                |                       |                |              |                |
| Plus: Values of proposed project   | 5,677,155.00            | 5,677,155.00  |                 |                |                       |                |              |                |
| Less: Values of any property being replaced  |                         |   |                 |                |                       |                |              |                |
| Net values upon completion of project  | 5,677,155.00            | 5,677,155.00  |                 |                |                       |                |              |                |
| <b>NOTE:</b> 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   |                 |                |                       |                |              |                |
| Bob Francis  |                         | General Manager, Administration                             |                 |                |                       |                |              |                |
|  |                         | Date signed (month, day, year)                              |                 |                |                       |                |              |                |
|  |                         | 2-18-16   |                 |                |                       |                |              |                |



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 29, 2016  
**Re:** Case C 2016-27: Mitsubishi Heavy Industries Climate Control, Inc.

### Summary:

1. On May 17<sup>th</sup>, 2010, the Franklin Common Council passed Resolution No. 2010-10 approving a 10-year tax abatement on real property and a 10-year tax abatement on personal property for Mitsubishi, located at 1200 N. Mitsubishi Parkway.
2. Actual and estimated benefits, as projected for 2015:

|                                | Estimated on SB-1 | Actual in 2015 | Difference  |
|--------------------------------|-------------------|----------------|-------------|
| Employees Retained             | 44                | 44             | 0           |
| Salaries                       | \$2,638,636       | \$2,488,375    | -\$150,261  |
| New Employees                  | 67                | 145            | 78          |
| Salaries                       | \$2,308,134       | \$6,573,053    | \$4,264,919 |
| Total Employees                | 44                | 189            | 145         |
| Total Salaries                 | \$2,638,636       | \$9,061,428    | \$6,422,792 |
| Average Hourly Salaries        | \$11.43           | \$23.05        | \$11.62     |
| Personal Property Improvements | \$8,496,346       | \$8,751,627    | \$255,281   |

3. The company reported 110 total jobs with an average hourly salary of \$19.05 in 2011. They added 101 jobs in 2012 and slightly increased the average hourly salary. Their overall number of employees in 2013 was 219. In 2015, the total number of employees was 189.
4. The company exceeded their estimate provided on their SB-1 Form for personal property. An additional \$358,625 in research and development equipment was spent in 2010. Only manufacturing equipment was included in this abatement.
5. Mr. Francis explains in the attached letter dated February 18<sup>th</sup> that the real property abatement does not apply because the renovations to the current facility do not add tax liability.
6. The personal property tax abatement for Mitsubishi is scheduled to expire in tax year 2020 payable 2021. The final compliance review will take place in 2021.

**Staff Recommendation:** Approval

February 18, 2016

Krista Linke, AICP  
Director of Community Development  
City of Franklin  
70 E. Monroe Street  
Franklin, Indiana 46131

RE: Annual Tax Abatement Compliance - Common Council Resolution 10-10

Dear Economic Development Commission Members:

Mitsubishi Heavy Industries Climate Control, Inc. (MCC) requested and was granted tax abatement (Resolution 10-10) by the City of Franklin on \$8,893,188.00 for personal property (Assembly line upgrades, Inspection equipment and Machining equipment) and \$446,212.00 for Real Estate Improvements (building upgrades in Machining and Assembly area) to be purchased and installed during 2010 and 2011. The personal property and real estate improvements have been completed. Personal property actual spending was \$9,110,252.00 and real estate improvements actual spending was \$249,334.00 – see Form CF-1/PP and also Investment Time Table form that are included with this report. We understand that the real property abatement does not apply because it was renovations to the current facility that does not add tax liability. Therefore, we will not report on the real property portion going forward.

These investments were necessary to manufacture car air conditioning compressors for a new global contract that MCC was awarded with a major US automobile manufacturer. These investments were needed to produce a new style (QS) compressor for this new contract, maintain the 44 jobs we listed on Form SB-1 dated 4/16/2010 and add 67 jobs (35 during 2011 and 32 during 2012) for a total of 111 jobs. MCC has maintained the 44 jobs listed on Form SB-1 dated 4/16/2010 and has added 9 jobs during 2010, 57 jobs during 2011, and 111 during 2012, and had a reduction of 2 employees during 2013, a reduction of seven employees during 2014 and a reduction of 23 employees during 2015. We had nine (9) job openings at the end of 2015 that, when filled, will bring the total employment to 198. See the Job Retention and Creation schedule attached.

We would like to thank the City of Franklin for its continued support in approving our tax abatement compliance requests for previous projects and we respectfully request that the City of Franklin will continue to look favorably upon our growth activities and grant this 2016 compliance request relative to Common Council Resolution 10-10 for the abatement on taxes for 2015 payable 2016.

Respectfully,



Bob Francis  
General Manager Administration  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)



Susan Cunningham  
Attorney at Law - Counsel  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)



# 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<br>Mitsubishi Heavy Industries Climate Control, Inc.  |                                      |
| Address of taxpayer (number and street, city, state, and ZIP code)<br>1200 North Mitsubishi Parkway, Franklin, Indiana 46131 |                                      |
| Name of contact person<br>Bob Francis or Susan Cunningham  | Telephone number<br>( 317 ) 346-5010 |

| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY  |                            |  |
|---|----------------------------|--|
| Name of designating body<br>Franklin City Council   | Resolution number<br>10-10 |  |
| Location of property<br>1200 North Mitsubishi Parkway, Franklin, Indiana 46131  | County<br>Johnson          | DLGF taxing district number<br>41-018                      |
| Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.<br>Upgrade to assembly line, new machining and inspection equipment and building improvements in the machining and assembly areas to machine and assemble automotive air conditioning compressors. |                            | Estimated starting date (month, day, year)<br>08/01/2011   |
|   |                            | Estimated completion date (month, day, year)<br>12/31/2011 |

| SECTION 3 EMPLOYEES AND SALARIES |                      |              |
|----------------------------------|----------------------|--------------|
| EMPLOYEES AND SALARIES           | AS ESTIMATED ON SB-1 | ACTUAL       |
| Current number of employees      | 44.00                | 189.00       |
| Salaries                         | 2,638,636.00         | 9,061,428.00 |
| Number of employees retained     | 44.00                | 44.00        |
| Salaries                         | 2,638,636.00         | 2,488,375.00 |
| Number of additional employees   | 67.00                | 145.00       |
| Salaries                         | 2,308,134.00         | 6,573,053.00 |

| 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            | 8,496,346.00            | 8,496,346.00   | 396,842.00      | 396,842.00     |                       |                |              |                |
| Less: Values of any property being replaced |                         |                |                 |                |                       |                |              |                |
| Net values upon completion of project       | 8,496,346.00            | 8,496,346.00   | 396,842.00      | 396,842.00     |                       |                |              |                |
| ACTUAL                                      | COST                    | ASSESSED VALUE | COST            | ASSESSED VALUE | COST                  | ASSESSED VALUE | COST         | ASSESSED VALUE |
| Values before project                       |                         |                |                 |                |                       |                |              |                |
| Plus: Values of proposed project            | 8,751,627.00            | 8,751,627.00   | 358,625.00      | 358,625.00     |                       |                |              |                |
| Less: Values of any property being replaced |                         |                |                 |                |                       |                |              |                |
| Net values upon completion of project       | 8,751,627.00            | 8,751,627.00   | 358,625.00      | 358,625.00     |                       |                |              |                |

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<br><i>Bob Francis</i>          | Title<br>General Manager, Administration | Date signed (month, day, year)<br>2-18-16 |



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 29, 2016  
**Re:** Case C 2016-28: Mitsubishi Heavy Industries Climate Control, Inc.

### Summary:

1. On May 21<sup>st</sup>, 2012, the Franklin Common Council passed Resolution No. 2012-10, approving a 7-year tax abatement on personal property for Mitsubishi, located at 1200 N. Mitsubishi Parkway.
2. Actual and estimated benefits, as projected for 2015:

|                                | Estimated on SB-1 | Actual in 2015 | Difference  |
|--------------------------------|-------------------|----------------|-------------|
| Employees Retained             | 150               | 150            | 0           |
| Salaries                       | \$8,444,556       | \$7,463,043    | -\$981,513  |
| New Employees                  | 3                 | 39             | 36          |
| Salaries                       | \$126,921         | \$1,598,385    | \$1,471,464 |
| Total Employees                | 150               | 189            | 39          |
| Total Salaries                 | \$8,444,556       | \$9,061,428    | \$616,872   |
| Average Hourly Salaries        | \$26.54           | \$23.05        | -\$3.49     |
| Personal Property Improvements | \$1,717,647       | \$1,511,422    | -\$206,225  |

3. The company originally estimated adding 3 employees in 2012 as a result of purchasing two new scroll finishing machines. They added 64 jobs in 2012. Overall, there are two less jobs in 2013 than 2012. The average hourly salaries increased from \$22.73 in 2012 to \$22.82 in 2013. The average hourly salary increased from \$22.82 in 2013 to \$23.89 in 2014. The total number of employees in 2015 is down from 2014, but it exceeds SB-1 estimates. The average salary is down \$3.49 for 2015, as well.
4. The two new scroll finishing machines cost less to purchase than estimated on their SB-1 Form for personal property. They have been purchased and this number will remain the same over the length of the abatement.
5. The personal property tax abatement for Mitsubishi is scheduled to expire in tax year 2018 payable 2019. The final compliance review will take place in 2019.

**Staff Recommendation:** Approval

 **MITSUBISHI HEAVY INDUSTRIES CLIMATE CONTROL, INC.**

February 18, 2016

Krista Linke, AICP  
Director of Community Development  
City of Franklin  
70 E. Monroe Street  
Franklin, Indiana 46131

RE: Annual Tax Abatement Compliance –Common Council Resolution 12-10

Dear Economic Development Commission Members:

Mitsubishi Heavy Industries Climate Control, Inc. (MCC) requested and was granted tax abatement (Common Council Resolution ~~12-10~~) by the City of Franklin on \$1,717,647.00 for personal property (two new scroll finishing machines) to be purchased and installed during the third quarter 2012. This equipment was installed and operational during the third quarter 2012 (see Company Investment Timetable chart). However, the actual value of the two machines is \$1,511,422.00. The tax abatement is to start with 2012 taxes payable 2013.

The investment in these two new machines was necessary to maintain production levels of scrolls to manufacture car air conditioning compressors for a new global contract that MCC was awarded with a major U S automobile manufacturer. With this investment we were able to maintain the 150 jobs we listed on Form SB-1 dated 4/12/2012 and add the 3 jobs that we listed during the third quarter 2012. MCC actually added 23 jobs during the third quarter of 2012 - see Job Creation or Retention Schedule. The 2015 year-end total of employees on the payroll was 189.

We would like to thank the City of Franklin for continued support in approving our tax abatement compliance requests for previous projects and we respectfully request that the City of Franklin will continue to look favorably on our growth activities and grant this 2016 compliance request relative to Common Council Resolution 12-10 for the abatement on taxes for 2015 payable 2016.

Respectfully,



Bob Francis  
General Manager Administration  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)



Susan Cunningham  
Attorney at Law - Counsel  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)



# 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<br>Mitsubishi Heavy Industries Climate Control, Inc.  |                                      |
| Address of taxpayer (number and street, city, state, and ZIP code)<br>1200 North Mitsubishi Parkway, Franklin, Indiana 46131 |                                      |
| Name of contact person<br>Bob Francis or Susan Cunningham  | Telephone number<br>( 317 ) 346-5010 |

| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY   |  |                                       |
|--|--|---------------------------------------|
| Name of designating body<br>Franklin City Council  | Resolution number<br>12-10                                 |                                       |
| Location of property<br>1200 North Mitsubishi Parkway, Franklin, Indiana 46131   | County<br>Johnson  | DLGF taxing district number<br>41-018 |
| Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.<br>New machining equipment in the machining area to machine automotive air compressor parts | Estimated starting date (month, day, year)<br>07/09/2012   |                                       |
|  | Estimated completion date (month, day, year)<br>09/01/2012 |                                       |

| SECTION 3 EMPLOYEES AND SALARIES |                      |              |
|----------------------------------|----------------------|--------------|
| EMPLOYEES AND SALARIES           | AS ESTIMATED ON SB-1 | ACTUAL       |
| Current number of employees      | 150.00               | 189.00       |
| Salaries                         | 8,444,556.00         | 9,061,428.00 |
| Number of employees retained     | 150.00               | 150.00       |
| Salaries                         | 8,444,556.00         | 7,463,043.00 |
| Number of additional employees   | 3.00                 | 39.00        |
| Salaries                         | 126,921.00           | 1,598,385.00 |

| 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            | 1,717,647.00            | 1,717,647.00   |                 |                |                       |                |              |                |
| Less: Values of any property being replaced |                         |                |                 |                |                       |                |              |                |
| Net values upon completion of project       | 1,717,647.00            | 1,717,647.00   |                 |                |                       |                |              |                |
| ACTUAL                                      | COST                    | ASSESSED VALUE | COST            | ASSESSED VALUE | COST                  | ASSESSED VALUE | COST         | ASSESSED VALUE |
| Values before project                       |                         |                |                 |                |                       |                |              |                |
| Plus: Values of proposed project            | 1,511,422.00            | 1,511,422.00   |                 |                |                       |                |              |                |
| Less: Values of any property being replaced |                         |                |                 |                |                       |                |              |                |
| Net values upon completion of project       | 1,511,422.00            | 1,511,422.00   |                 |                |                       |                |              |                |

**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<br><i>Bob Francis</i>          | Title<br>General Manager, Administration | Date signed (month, day, year)<br>2-18-16 |



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 30, 2016  
**Re:** Case C 2016-29: Mitsubishi Heavy Industries Climate Control, Inc.

### Summary:

- On March 4<sup>th</sup>, 2013, the Franklin Common Council passed Resolution No. 2013-06, approving a 10-year tax abatement with a 2% economic development fee for real property for Mitsubishi, located at 1200 N. Mitsubishi Parkway. On December 16<sup>th</sup>, 2013, the Franklin Common Council amended this resolution due to a project delay. Resolution 2013-31 amended Resolution 2013-06 and extended the completion date from December 31<sup>st</sup>, 2013 to July 1<sup>st</sup>, 2014.
- Actual and estimated benefits, as projected for 2015:

|                            | Estimated on SB-1 | Actual in 2015 | Difference |
|----------------------------|-------------------|----------------|------------|
| Employees Retained         | 219               | 189            | -30        |
| Salaries                   | \$8,431,675       | \$9,061,428    | \$629,753  |
| New Employees              | 9                 | 0              | -9         |
| Salaries                   | \$353,433         | \$0            | -\$353,433 |
| Total Employees            | 219               | 189            | -30        |
| Total Salaries             | \$8,431,675       | \$9,061,428    | \$629,753  |
| Average Hourly Salaries    | \$17.78           | \$23.05        | \$5.27     |
| Real Property Improvements | \$913,793         | \$900,000      | -\$13,793  |

- The project start date was delayed and the completion date was extended to 7/1/14. This caused the company to adjust the job creation timetable chart. See the attached letter from Bob Francis dated February 18, 2016.
- The company estimated on their original application that they would add nine employees once the improvements were complete. They ended 2015 with 189 employees and nine (9) job openings. They do not anticipate reaching the estimated number of employees in the near future.
- The average hourly salaries are higher than estimated.
- The real property tax abatement is scheduled to expire in tax year 2024 payable 2025. Their last year for compliance review will be 2025.

**Staff Recommendation:** Approval

 **MITSUBISHI HEAVY INDUSTRIES CLIMATE CONTROL, INC.**

February 18, 2016

Krista Linke, AICP  
Director of Community Development  
City of Franklin  
70 E. Monroe Street  
Franklin, Indiana 46131

**RE: Annual Tax Abatement Compliance - Common Council Resolution 13-06 / 13-31**

Dear Economic Development Commission Members:

**Common Council Resolution 2013-06 was amended and is now Common Council Resolution 2013-31.**

**Mitsubishi Heavy Industries Climate Control, Inc. (MCCA)**

Common Council Resolution ~~13-06~~ (Real Estate Improvements) relative to a 10,500 square foot addition to the North / West end of the current MCCA plant located at 1200 North Mitsubishi Parkway, in Franklin had an initial start date of 04/01/13 and completion date of 12/31/13. This project was delayed by MCCA and the company requested an amended start (12/01/13) and completion (07/01/14) date from the City of Franklin. On December 16, 2013, the Common Council of the City of Franklin approved MCCA's request.

The 10,500 square foot addition to the north/west end of the current Mitsubishi plant was completed during June 2014. The City of Franklin Occupancy Inspection was completed June 6, 2014.

We ended 2015 with 189 employees on the payroll and nine (9) open jobs, bringing total jobs to 198. The 198 is twenty four less than the 222 projected on SB-1 for 2015. MCC does not anticipate getting to the estimated 222 employee headcount level in the near future. However, the MCC 2015 payroll is higher than the estimated payroll amount on the SB-1. In addition, MCC shares the facility at 1200 North Mitsubishi Parkway in Franklin with our sister company Mitsubishi Engine North America, Inc. (MENA). MENA has 52 employees working at our Franklin location bringing the total Mitsubishi employment in Franklin (MCC and MENA) to 241 at the end of 2015.

We would like to thank the City of Franklin for continued support in approving our tax abatement compliance requests for previous projects and we respectfully request that the City of Franklin will continue to look favorably on our growth activities and grant this 2016 compliance request relative to Common Council Resolution 13-06, amended to 13-31, for the abatement on taxes for 2015 payable 2016.

Respectfully,



Bob Francis  
General Manager Administration  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)



Susan Cunningham  
Attorney at Law - Counsel  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20\_\_ PAY 20\_\_

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).

### INSTRUCTIONS:

1. This form does not apply to property located in a residentially distressed area or any deduction for which the Statement of Benefits was approved before July 1, 1991.
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 (Form SB-1/Real Property).
3. This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
4. This form must also be updated each year in which the deduction is applicable. It is filed with the county auditor and the designating body before May 15, or by the due date of the real property owner's personal property return that is filed in the township where the property is located. (IC 6-1.1-12.1-5.1(b))
5. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance form (Form CF-1/Real Property).

| SECTION 1 TAXPAYER INFORMATION   |  |  |
|--|--|--|
| Name of taxpayer<br>Mitsubishi Heavy Industries Climate Control, Inc.  | County<br>Johnson  |  |
| Address of taxpayer (number and street, city, state, and ZIP code)<br>1200 North Mitsubishi Parkway, Franklin, Indiana 46131   | DLGF taxing district number<br>41-018                                    |  |
| Name of contact person<br>Bob Francis or Susan Cunningham  | Telephone number<br>( 317 ) 346-5010                                     |  |
| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY   |  |  |
| Name of designating body<br>Franklin Common Council  | Resolution number<br>13-06 / 13-31                                       | Estimated start date (month, day, year)<br>4-1-13, amended 12-1-13 |
| Location of property<br>1200 North Mitsubishi Parkway, Franklin, Indiana 46131   | Actual start date (month, day, year)<br>12-1-13                          |  |
| Description of real property improvements<br>New construction - approximately 10,500 square feet of new building on the northwest end of the current MCCA plant, north of the current office area. | Estimated completion date (month, day, year)<br>12-31-13, amended 7-1-14 |  |
|  | Actual completion date (month, day, year)<br>06-06-2014                  |  |
| SECTION 3 EMPLOYEES AND SALARIES   |  |  |
| EMPLOYEES AND SALARIES   | AS ESTIMATED ON SB-1   | ACTUAL   |
| Current number of employees  | 219  | 189  |
| Salaries   | 8,431,675  | 9061428  |
| Number of employees retained   | 219  | 189  |
| Salaries   | 8,431,675  | 9061428  |
| Number of additional employees   | 9  | 0  |
| Salaries   | 353,433  | 0  |
| SECTION 4 COST AND VALUES  |  |  |
| COST AND VALUES  | REAL ESTATE IMPROVEMENTS   |  |
| AS ESTIMATED ON SB-1   | COST   | ASSESSED VALUE   |
| Values before project  | 5,767,800  | 5,767,800  |
| Plus: Values of proposed project   | 913,793  | 913,793  |
| Less: Values of any property being replaced  |  |  |
| Net values upon completion of project  | 6,681,593  | 6,681,593  |
| ACTUAL   | COST   | ASSESSED VALUE   |
| Values before project  | 5,980,000  | 5,980,000  |
| Plus: Values of proposed project   | 900,000  | 900,000  |
| Less: Values of any property being replaced  |  |  |
| Net values upon completion of project  | 6,680,000  | 6,680,000  |
| 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  | 0  |
| Amount of hazardous waste converted  | 0  | 0  |
| Other benefits:  |  |  |
| SECTION 6 TAXPAYER CERTIFICATION   |  |  |
| I hereby certify that the representations in this statement are true.  |  |  |
| Signature of authorized representative<br><i>Bob Francis</i>   | Title<br>General Manager, Administration                                 | Date signed (month, day, year)<br>2-18-16                          |

# Job Creation / Retention TimeTable (MCCA)

Attachment to Form CF-1 (Compliance with Statement of Benefits) :  
Job Creation Schedule by Quarter

**Common Council**  
**Resolution 13-06 / 13-31**  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)

|                               | Manager  | Technical / Administration | Precision Production | Operator | Additional Jobs | Total Jobs (New and Retained) |        |
|-------------------------------|----------|----------------------------|----------------------|----------|-----------------|-------------------------------|--------|
|                               |          |                            |                      |          |                 | Proposed                      | Actual |
| <b>Year of Abatement 2014</b> |          |                            |                      |          |                 |                               |        |
| 1st Quarter                   |          |                            |                      |          | 0               |                               |        |
| 2nd Quarter                   |          |                            |                      |          | 0               |                               |        |
| 3rd Quarter                   |          |                            |                      |          | 0               |                               |        |
| 4th Quarter                   |          |                            |                      |          | 0               | 219                           | 212    |
| <b>Year of Abatement 2015</b> |          |                            |                      |          |                 |                               |        |
| 1st Quarter                   |          |                            |                      |          | 0               |                               |        |
| 2nd Quarter                   |          |                            |                      |          | 0               |                               |        |
| 3rd Quarter                   |          |                            |                      |          | 0               |                               |        |
| 4th Quarter                   |          | 1                          | 1                    | 1        | 3               | 222                           | 189    |
| <b>Year of Abatement 2016</b> |          |                            |                      |          |                 |                               |        |
| 1st Quarter                   |          |                            |                      | 1        | 1               |                               |        |
| 2nd Quarter                   |          | 1                          | 2                    | 2        | 5               |                               |        |
| 3rd Quarter                   |          |                            |                      |          | 0               |                               |        |
| 4th Quarter                   |          |                            |                      |          | 0               |                               |        |
| <b>Total</b>                  | <b>0</b> | <b>2</b>                   | <b>3</b>             | <b>4</b> | <b>9</b>        | <b>228</b>                    |        |
| Average hourly wages          |          | \$29.80                    | \$18.71              | \$13.55  |                 |                               |        |
| Wages + Benefits              |          | \$35.23                    | \$24.14              | \$18.98  |                 |                               |        |

NOTE : We had nine (9) open jobs at the end of 2015 that, when filled, will bring the total employment to 198. The 189 number is the actual number of employees on the payroll at the end of 2015.



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 30, 2016  
**Re:** Case C 2016-30: Mitsubishi Engine North America (MENA)

### Summary:

1. On March 4<sup>th</sup>, 2013, the Franklin Common Council passed Resolution No. 2013-06, approving a 10-year tax abatement with a 5% economic development fee for personal property for Mitsubishi, located at 1200 N. Mitsubishi Parkway. On December 16<sup>th</sup>, 2013, the Franklin Common Council amended this resolution due to a project delay. Resolution 2013-32 amended Resolution 2013-07 and extended the completion date from December 31<sup>st</sup>, 2014 to October 1<sup>st</sup>, 2015.
2. Actual and estimated benefits, as projected for 2015:

|                                | Estimated on SB-1 | Actual in 2015 | Difference   |
|--------------------------------|-------------------|----------------|--------------|
| New Employees                  | 73                | 52             | -21          |
| Salaries                       | \$3,114,238       | \$2,122,000    | -\$992,238   |
| Average Hourly Wage            | \$20.51           | \$19.62        | -\$0.89      |
| Personal Property Improvements | \$7,274,375       | \$4,875,809    | -\$2,398,566 |

3. The project start date was delayed and the completion date was extended to 10/1/15. This caused the company to adjust the job creation timetable chart. See the attached letter from Atsushi Hagita dated February 25, 2016.
4. The company estimated on their original application that they would hire 73 new employees with the purchase of \$7,693,125 in machinery and equipment. They amended their start and completion date through Resolution 2015-32. The company did not meet the estimated number of employees nor the personal property investment by 10/1/15. MENA plans to invest an additional \$3,042,583.00 for a total investment of \$7,918,392.00 and hire an additional 22 associates for a total of 74 during 2016.
5. The average hourly salaries are slightly lower.
6. The personal property tax abatement is scheduled to expire in tax year 2024 payable 2025. Their last year for compliance review will be 2025.

**Staff Recommendation:** Approval



February 25, 2016

Krista Linke, AICP  
Director of Community Development  
City of Franklin  
70 E. Monroe Street  
Franklin, Indiana 46131

**RE: Annual Tax Abatement Compliance - Common Council Resolution 13-07 / 13-32**

**Dear Economic Development Commission Members:**

**Common Council Resolution 2013-07 was amended and is now Common Council Resolution 2013-32. Mitsubishi Engine North America, Inc. (MENA)**

Common Council Resolution ~~13-07~~ (Personal Property) relative to \$7,693,125.00 in machinery and equipment had an original start date of 7/1/13 and completion date of 12/31/13. This project was delayed by Mitsubishi and the company requested an amended start (6/1/14) and completion (10/1/15) date from the City of Franklin. On December 16, 2013, the Common Council of the City of Franklin approved Mitsubishi's request.

This project start date was delayed and the completion date was moved out from 12/31/13 to 10/1/15. This caused us to adjust the Company Investment timetable and the Job Creation / Retention timetable (see attachments). MENA invested \$3,355,467.00 in manufacturing, logistics and IT equipment during 2014 and has hired 17 associates (4 during 2013 and 13 during 2014). MENA invested another \$1,520,342.00 and hired an additional thirty five (35) associates during 2015. This brings the total investment to \$4,875,809.00 and the total employment to 52 at the end of 2015.

MENA plans to invest an additional \$3,042,583.00 and hire an additional 22 associates during 2016. This would bring the total investment to \$7,918,392 and employment to 73. Since this project was initially delayed, we would ask that the City of Franklin would include the 2016 investment as part of the total abatement that was originally granted for \$7,272,375 for Common Council Resolution 13-07 / 13-32.

We would like to thank the City of Franklin for continued support in approving our tax abatement compliance requests for previous projects and we respectfully request that the City of Franklin will continue to look favorably on our growth activities and grant this 2016 compliance request relative to Common Council Resolution 13-07, amended to 13-32, for the abatement on taxes for 2015 payable 2016.

Respectfully,

Atsushi Hagita  
Vice President  
Mitsubishi Engine North America, Inc.



# 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<br>Mitsubishi Engine North America (MENA)   |                                      |
| Address of taxpayer (number and street, city, state, and ZIP code)<br>1200 North Mitsubishi Parkway, Franklin, Indiana 46131 |                                      |
| Name of contact person<br>Atsushi Hagita   | Telephone number<br>( 317 ) 346-5280 |

| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY  |                   |   |
|---|-------------------|---|
| Name of designating body<br>City of Franklin Common Council   |                   | Resolution number<br>13-07, amended 13-32                 |
| Location of property<br>1200 North Mitsubishi Parkway, Franklin, Indiana 46131  | County<br>Johnson | DLGF taxing district number<br>41-018                     |
| Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.<br>Equipment and machinery for manufacturing of turbochargers.<br>2014 expenditures see (amended Company Investment Timetable for 2015 expenditures) |                   | Estimated starting date (month, day, year)<br>6-1-2014    |
|   |                   | Estimated completion date (month, day, year)<br>10-1-2015 |

| SECTION 3 EMPLOYEES AND SALARIES |  |                      |              |
|----------------------------------|--|----------------------|--------------|
| EMPLOYEES AND SALARIES           |  | AS ESTIMATED ON SB-1 | ACTUAL       |
| Current number of employees      |  | 0.00                 | 0.00         |
| Salaries                         |  | 0.00                 | 0.00         |
| Number of employees retained     |  | 0.00                 | 0.00         |
| Salaries                         |  | 0.00                 | 0.00         |
| Number of additional employees   | See amended Job Creation / Retention Timetable | 73.00                | 52.00        |
| Salaries                         |  | 3,114,238.00         | 2,122,000.00 |

| 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                       | 0.00                    | 0.00           |                 |                | 0.00                  | 0.00           | 0.00         | 0.00           |
| Plus: Values of proposed project            | 7,274,375.00            | 7,274,375.00   |                 |                | 418,750.00            | 418,750.00     | 18,436.00    | 18,436.00      |
| Less: Values of any property being replaced |                         |                |                 |                |                       |                |              |                |
| Net values upon completion of project       | 7,274,375.00            | 7,274,375.00   |                 |                | 418,750.00            | 418,750.00     | 18,436.00    | 18,436.00      |
| ACTUAL                                      | COST                    | ASSESSED VALUE | COST            | ASSESSED VALUE | COST                  | ASSESSED VALUE | COST         | ASSESSED VALUE |
| Values before project                       | 0.00                    | 0.00           |                 |                | 0.00                  | 0.00           | 0.00         | 0.00           |
| Plus: Values of proposed project            | 7,274,375.00            | 7,274,375.00   |                 |                | 418,750.00            | 418,750.00     | 18,436.00    | 18,436.00      |
| Less: Values of any property being replaced |                         |                |                 |                |                       |                |              |                |
| Net values upon completion of project       | 4,611,318.00            | 4,611,318.00   |                 |                | 246,055.00            | 246,055.00     | 18,436.00    | 18,436.00      |

**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: MENA will produce turbochargers that conserve fuel - more fuel-efficient car engines |                      |        |

| SECTION 6 TAXPAYER CERTIFICATION                                      |                         |   |
|---|-------------------------|---|
| I hereby certify that the representations in this statement are true. |                         |   |
| Signature of authorized representative<br>                            | Title<br>Vice President | Date signed (month, day, year)<br>2/25/16 |

COMPANY INVESTMENT TIMETABLE

MCCA MCCA

|                   | New Building construction<br>2013 | Existing Building Improvement<br>2013 | New Machinery and Equipment<br>2013 | Special Tooling/<br>Retooling<br>2013 | Logistics Equipment<br>2013 | Other Furniture<br>2013 | New Computer/<br>IT Hardware<br>2013 | New Software<br>2013 | Total          |
|-------------------|-----------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|-----------------------------|-------------------------|--------------------------------------|----------------------|----------------|
| Year of Abatement |                                   |                                       |                                     |                                       |                             |                         |                                      |                      |                |
| 1st Quarter       |                                   |                                       |                                     |                                       |                             |                         |                                      |                      | \$0.00         |
| 2nd Quarter       |                                   |                                       |                                     |                                       |                             |                         |                                      |                      | \$0.00         |
| 3rd Quarter       |                                   |                                       |                                     |                                       |                             |                         |                                      |                      | \$0.00         |
| 4th Quarter       |                                   |                                       |                                     |                                       |                             |                         |                                      |                      | \$0.00         |
| Year of Abatement | 2014                              | 2014                                  | 2014                                | 2014                                  | 2014                        | 2014                    | 2014                                 | 2014                 |                |
| 1st Quarter       |                                   |                                       | \$1,307,215.38                      |                                       |                             |                         |                                      |                      | \$0.00         |
| 2nd Quarter       |                                   |                                       |                                     |                                       |                             |                         |                                      |                      | \$1,307,215.38 |
| 3rd Quarter       |                                   |                                       |                                     |                                       |                             |                         |                                      |                      | \$0.00         |
| 4th Quarter       |                                   |                                       | \$2,014,533.05                      |                                       | \$15,283.28                 |                         | \$18,436.39                          |                      | \$2,048,252.72 |
| Year of Abatement | 2015                              | 2015                                  | 2015                                | 2015                                  | 2015                        | 2015                    | 2015                                 | 2015                 |                |
| 1st Quarter       |                                   |                                       | \$85,983.68                         |                                       | \$8,189.00                  |                         |                                      |                      | \$94,172.68    |
| 2nd Quarter       |                                   |                                       | \$17,068.71                         | \$2,169.90                            | \$136,560.59                |                         |                                      |                      | \$155,799.20   |
| 3rd Quarter       |                                   |                                       | \$1,167,799.10                      |                                       | \$32,840.34                 |                         |                                      |                      | \$1,200,639.44 |
| 4th Quarter       |                                   |                                       |                                     | \$16,548.99                           | \$53,182.68                 |                         |                                      |                      | \$69,731.67    |
| Year of Abatement | 2016                              | 2016                                  | 2016                                | 2016                                  | 2016                        | 2016                    | 2016                                 | 2016                 |                |
| 1st Quarter       |                                   |                                       | \$98,769.91                         | \$2,420.00                            | \$25,812.54                 |                         |                                      |                      | \$126,992.45   |
| 2nd Quarter       |                                   |                                       | \$1,339,769.91                      | \$35,000.00                           | \$49,377.19                 |                         | \$10,000.00                          |                      | \$1,434,147.10 |
| 3rd Quarter       |                                   |                                       | \$1,246,269.91                      |                                       | \$49,377.19                 |                         |                                      |                      | \$1,295,647.10 |
| 4th Quarter       |                                   |                                       | \$98,769.90                         |                                       | \$49,377.19                 |                         | \$10,000.00                          |                      | \$158,147.09   |
| Total             | \$0.00                            | \$0.00                                | \$7,376,179.55                      | \$56,138.89                           | \$420,000.00                | \$27,639.60             | \$38,436.39                          | \$0.00               |                |

**Amended Job Creation / Retention TimeTable MENA**

| Year of Abatement | Manager  | Technical / Administration | Engineer | Operator  | Total     |
|-------------------|----------|----------------------------|----------|-----------|-----------|
| 2013              |          |                            |          |           |           |
| 1st Quarter       | 1 (1)    |                            |          |           | 0         |
| 2nd Quarter       | 1 (1)    |                            |          |           | 1 (1)     |
| 3rd Quarter       | 1 (1)    |                            |          |           | 1 (1)     |
| 4th Quarter       | 1 (1)    |                            | 1 (1)    |           | 2 (2)     |
| <b>2014</b>       |          |                            |          |           |           |
| 1st Quarter       |          |                            |          |           | 4 (4)     |
| 2nd Quarter       |          | 5 (5)                      | 1 (1)    |           | 0         |
| 3rd Quarter       |          | 1 (1)                      | 2 (2)    | 4 (4)     | 6 (6)     |
| 4th Quarter       |          |                            |          |           | 2 (2)     |
| <b>2015</b>       |          |                            |          |           |           |
| 1st Quarter       | 1 (1)    | 2 (2)                      |          |           | 13 (13)   |
| 2nd Quarter       | 1 (1)    | 4 (4)                      |          | 2 (2)     | 2 (3)     |
| 3rd Quarter       | 2 (2)    |                            | 1 (1)    | 7 (6)     | 5 (7)     |
| 4th Quarter       |          | 2 (3)                      |          | 18 (13)   | 8 (9)     |
| <b>2016</b>       |          |                            |          |           |           |
| 1st Quarter       |          | 1                          |          |           | 20 (16)   |
| 2nd Quarter       |          |                            |          | 7         | 35 (35)   |
| 3rd Quarter       |          |                            |          | 7         | 1         |
| 4th Quarter       |          |                            |          | 6         | 7         |
| <b>Total</b>      | <b>7</b> | <b>16</b>                  | <b>3</b> | <b>47</b> | <b>73</b> |

\*\*\* NOTE: Numbers in ( ) are actual new jobs created

|                      |         |         |         |         |
|----------------------|---------|---------|---------|---------|
| Average hourly wages | \$33.65 | \$26.44 | \$33.65 | \$13.30 |
| Wages + Benefits     | \$39.08 | \$31.87 | \$39.08 | \$18.73 |



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 30, 2016  
**Re:** Case C 2016-31: Mitsubishi Heavy Industries Climate Control, Inc.

### Summary:

1. On March 18<sup>th</sup>, 2013, the Franklin Common Council passed Resolution No. 2013-10, approving a 7-year tax abatement with a 5% economic development fee on personal property for Mitsubishi, located at 1200 N. Mitsubishi Parkway.
2. Actual and estimated benefits, as projected for 2015:

|                                | Estimated on SB-1 | Actual in 2014 | Difference  |
|--------------------------------|-------------------|----------------|-------------|
| Employees Retained             | 219               | 219            | 0           |
| Salaries                       | \$8,431,675       | \$9,532,862    | \$1,101,187 |
| New Employees                  | 3                 | 0              | -3          |
| Salaries                       | \$96,158          | \$0            | -\$96,158   |
| Total Employees                | 222               | 219            | -3          |
| Total Salaries                 | \$8,527,833       | \$9,532,862    | \$1,005,029 |
| Average Hourly Salaries        | \$18.47           | \$20.93        | \$2.46      |
| Personal Property Improvements | \$1,851,351       | \$1,193,030    | -\$658,321  |

3. The company estimated on their original application that they would add one employee in the 4<sup>th</sup> quarter of 2013 and 2 employees in 2014. They had six open jobs at the end of 2013. If those were filled their total jobs would have been 225 at the end of 2013 instead of 219.
4. Their total number of employees at the end of 2014 was 219 again. They did have 13 job openings at the end of 2014. Once those are filled they will exceed the estimated number of employees on their SB-1 Form. At the end of 2015, there were 189 employees and nine (9) openings.
5. The average hourly salaries continue to be higher than originally estimated.
6. The two new scroll finishing machines cost less to purchase than estimated on their SB-1 Form for personal property. They have been purchased and this number will remain the same over the length of the abatement.
7. The personal property tax abatement for Mitsubishi is scheduled to expire in tax year 2019 payable 2020. The final compliance review will take place in 2020.

**Staff Recommendation:** Approval

 **MITSUBISHI HEAVY INDUSTRIES CLIMATE CONTROL, INC.**

February 18, 2016

Krista Linke, AICP  
Director of Community Development  
City of Franklin  
70 E. Monroe Street  
Franklin, Indiana 46131

**RE: Annual Tax Abatement Compliance - Common Council Resolution 13-10**

Dear Economic Development Commission Members:

Mitsubishi Heavy Industries Climate Control, Inc. (MCC) requested and was granted tax abatement (Common Council Resolution 13-10) by the City of Franklin on \$1,851,351.00 for personal property (six scroll finishing machines) to be purchased and installed during the third quarter 2013. This equipment was installed and operational during the third quarter 2013 (see Company Investment Timetable chart). However, the actual value of the six machines is \$1,193,030.00. The tax abatement is to start with 2013 taxes payable 2014.

The investment in these six machines was necessary to maintain production levels of scrolls to manufacture car air conditioning compressors for a new global contract that MCC was awarded with a major U S automobile manufacturer. With this investment we predicted that we would be able to maintain the 219 jobs we listed on Form SB-1 dated 3/1/2013 and add the 3 jobs that we listed during 2013 (1) and 2014 (2). The 2015 year-end total of employees on the payroll was 189, however we had nine (9) open jobs that, when filled, will bring the total to 198. This is twenty four less than the 222 projected on the SB-1.

MCC does not anticipate getting to the estimated 222 employee headcount level in the near future. However, the MCC 2015 payroll is higher than the estimated payroll amount on the SB-1. In addition, MCC shares the facility at 1200 North Mitsubishi Parkway in Franklin with our sister company Mitsubishi Engine North America, Inc. (MENA). MENA has 52 employees working at our Franklin location bringing the total Mitsubishi employment in Franklin (MCC and MENA) to 241 at the end of 2015.

We would like to thank the City of Franklin for continued support in approving our tax abatement compliance requests for previous projects and we respectfully request that the City of Franklin will continue to look favorably on our growth activities and grant this 2016 compliance request relative to Common Council Resolution 13-10 for the abatement on taxes for 2015 payable 2016.

Respectfully,



Bob Francis  
General Manager Administration  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)



Susan Cunningham  
Attorney at Law - Counsel  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)



# 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<br><b>Mitsubishi Heavy Industries Climate Control, Inc.</b>  |   |
| Address of taxpayer (number and street, city, state, and ZIP code)<br><b>1200 North Mitsubishi Parkway, Franklin, Indiana 46131</b> |   |
| Name of contact person<br><b>Bob Francis or Susan Cunningham</b>  | Telephone number<br><b>( 317 ) 346-5010</b> |

## SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY

|  |   |
|--|---|
| Name of designating body<br><b>Franklin City Council</b>   | Resolution number<br><b>13-10</b>                                 |
| Location of property<br><b>1200 North Mitsubishi Parkway, Franklin, Indiana 46131</b>  | County<br><b>Johnson</b>  |
| Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.<br><b>Introduction of six additional machines for finishing scrolls to increase production capacity at MCC Plant.</b> | DLGF taxing district number<br><b>41-018</b>                      |
|  | Estimated starting date (month, day, year)<br><b>04/01/2013</b>   |
|  | Estimated completion date (month, day, year)<br><b>12/31/2013</b> |

## SECTION 3 EMPLOYEES AND SALARIES

| EMPLOYEES AND SALARIES         | AS ESTIMATED ON SB-1 | ACTUAL       |
|--------------------------------|----------------------|--------------|
| Current number of employees    | 219.00               | 189.00       |
| Salaries                       | 8,431,675.00         | 9,061,428.00 |
| Number of employees retained   | 219.00               | 189.00       |
| Salaries                       | 8,431,675.00         | 9,061,428.00 |
| Number of additional employees | 3.00                 | 0.00         |
| Salaries                       | 98,158.00            | 0.00         |

## SECTION 4 COST AND VALUES

|   | MANUFACTURING EQUIPMENT |                | R & D EQUIPMENT |                | LOGIST DIST EQUIPMENT |                | IT EQUIPMENT |                |
|---|-------------------------|----------------|-----------------|----------------|-----------------------|----------------|--------------|----------------|
|   | COST                    | ASSESSED VALUE | COST            | ASSESSED VALUE | COST                  | ASSESSED VALUE | COST         | ASSESSED VALUE |
| <b>AS ESTIMATED ON SB-1</b>                 |                         |                |                 |                |                       |                |              |                |
| Values before project                       |                         |                |                 |                |                       |                |              |                |
| Plus: Values of proposed project            | 1,851,351.00            | 1,851,351.00   |                 |                |                       |                |              |                |
| Less: Values of any property being replaced |                         |                |                 |                |                       |                |              |                |
| Net values upon completion of project       | 1,851,351.00            | 1,851,351.00   |                 |                |                       |                |              |                |
| <b>ACTUAL</b>                               |                         |                |                 |                |                       |                |              |                |
| Values before project                       |                         |                |                 |                |                       |                |              |                |
| Plus: Values of proposed project            | 1,193,030.00            | 1,193,030.00   |                 |                |                       |                |              |                |
| Less: Values of any property being replaced |                         |                |                 |                |                       |                |              |                |
| Net values upon completion of project       | 1,193,030.00            | 1,193,030.00   |                 |                |                       |                |              |                |

**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<br><i>Bob Francis</i> | Title<br>General Manager, Administration | Date signed (month, day, year)<br><b>2-18-16</b> |
|--|--|--|

**COMPANY INVESTMENT TIMETABLE MCCA**

|                   | Proposed<br>New Machinery and Equipment<br>2013 | Actual<br>New Machinery and Equipment | Actual<br>Total |
|-------------------|---|---------------------------------------|-----------------|
| Year of Abatement |   |                                       |                 |
| 1st Quarter       |   |                                       | \$0.00          |
| 2nd Quarter       |   |                                       | \$0.00          |
| 3rd Quarter       | \$1,851,351.00                                  | \$1,193,030.00                        | \$1,193,030.00  |
| 4th Quarter       |   |                                       | \$0.00          |
| <hr/>             |   |                                       |                 |
| Year of Abatement | 2014  |                                       |                 |
| 1st Quarter       |   |                                       | \$0.00          |
| 2nd Quarter       |   |                                       | \$0.00          |
| 3rd Quarter       |   |                                       | \$0.00          |
| 4th Quarter       |   |                                       | \$0.00          |
| <hr/>             |   |                                       |                 |
| Year of Abatement | 2015  |                                       |                 |
| 1st Quarter       |   |                                       | \$0.00          |
| 2nd Quarter       |   |                                       | \$0.00          |
| 3rd Quarter       |   |                                       | \$0.00          |
| 4th Quarter       |   |                                       | \$0.00          |
| <hr/>             |   |                                       |                 |
| Year of Abatement | 2016  |                                       |                 |
| 1st Quarter       |   |                                       | \$0.00          |
| 2nd Quarter       |   |                                       | \$0.00          |
| 3rd Quarter       |   |                                       | \$0.00          |
| 4th Quarter       |   |                                       | \$0.00          |
| <b>Total</b>      | \$1,851,351.00                                  | \$1,193,030.00                        | \$1,193,030.00  |



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** March 30, 2016  
**Re:** Case C 2016-32: Mitsubishi Heavy Industries Climate Control, Inc.

### Summary:

1. On December 16<sup>th</sup>, 2013, the Franklin Common Council passed Resolution No. 2013-29, approving a 10-year tax abatement with a 2% economic development fee for real property for Mitsubishi, located at 1200 N. Mitsubishi Parkway.
2. Actual and estimated benefits, as projected for 2015:

|                            | Estimated on SB-1 | Actual in 2015 | Difference |
|----------------------------|-------------------|----------------|------------|
| Employees Retained         | 228               | 189            | -39        |
| Salaries                   | \$8,784,108       | \$9,061,428    | \$277,320  |
| New Employees              | 3                 | 0              | -3         |
| Salaries                   | \$89,793          | \$0            | -\$89,793  |
| Total Employees            | 231               | 189            | -42        |
| Total Salaries             | \$8,873,901       | \$9,061,428    | \$187,527  |
| Average Hourly Salaries    | \$18.47           | \$23.05        | \$4.58     |
| Real Property Improvements | \$791,819         | \$1,434,851    | \$643,032  |

3. The 23,840 square foot addition to the north end of the existing Mitsubishi plant was completed in January 2015. They have greatly exceeded their estimated real property investment.
4. The company indicates in their cover letter that they currently have 9 open jobs, which would bring the total number of jobs to 198. That is 31 less than estimated on their original application. However, the average hourly salary is much higher than estimated. There are also an additional 52 employees at this facility that work for Mitsubishi Engine North America (MENA), that are not included in these employment figures. Mitsubishi does not anticipate increasing their overall employee headcount to the originally estimated 231 in the near future.
5. The real property tax abatement is scheduled to expire in tax year 2023 payable 2024. Their last year for compliance review will be 2024.

**Staff Recommendation:** Approval

 **MITSUBISHI HEAVY INDUSTRIES CLIMATE CONTROL, INC.**

February 25, 2016

Krista Linke, AICP  
Director of Community Development  
City of Franklin  
70 E. Monroe Street  
Franklin, Indiana 46131

**RE: Annual Tax Abatement Compliance - Common Council Resolution 2013-29**

Dear Economic Development Commission Members:

Common Council Resolution ~~13-29~~ (Real Estate Improvements) relative to a 23,840 square foot addition to the North end of the current MCCA plant located at 1200 North Mitsubishi Parkway, in Franklin had a start date of 03/01/14 and completion date of 09/30/14.

The 23,840 square foot addition to the north end of the current Mitsubishi plant was completed during January 2015. The City of Franklin Occupancy Inspection was completed January 16, 2015.

We ended 2015 with 189 employees on the payroll and nine (9) open jobs, bringing total jobs to 198. The 198 is thirty one less than the 229 projected on SB-1 for 2015. MCC does not anticipate getting to the estimated 231 employee headcount level in the near future. However, the MCC 2015 payroll is higher than the estimated payroll amount on the SB-1. In addition, MCC shares the facility at 1200 North Mitsubishi Parkway in Franklin with our sister company Mitsubishi Engine North America, Inc. (MENA). MENA has 52 employees working at our Franklin location bringing the total Mitsubishi employment in Franklin (MCC and MENA) to 241 at the end of 2015.

We would like to thank the City of Franklin for continued support in approving our tax abatement compliance requests for previous projects and we respectfully request that the City of Franklin will continue to look favorably on our growth activities and grant this 2016 compliance request relative to Common Council Resolution 2013-29, for the abatement on taxes for 2015 payable 2016.

Respectfully,



Bob Francis  
General Manager Administration  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)



Susan Cunningham  
Attorney at Law - Counsel  
Mitsubishi Heavy Industries  
Climate Control, Inc. (MCC)



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)  
Prescribed by the Department of Local Government Finance

20 \_\_\_\_ PAY 20 \_\_\_\_

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).

#### INSTRUCTIONS:

1. This form does not apply to property located in a residentially distressed area or any deduction for which the Statement of Benefits was approved before July 1, 1991.
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 (Form SB-1/Real Property).
3. This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
4. This form must also be updated each year in which the deduction is applicable. It is filed with the county auditor and the designating body before May 15, or by the due date of the real property owner's personal property return that is filed in the township where the property is located. (IC 6-1.1-12.1-5.1(b))
5. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance form (Form CF-1/Real Property).

### SECTION 1 TAXPAYER INFORMATION

|  |                                       |
|--|---------------------------------------|
| Name of taxpayer<br>Mitsubishi Heavy Industries Climate Control, Inc.  | County<br>Johnson                     |
| Address of taxpayer (number and street, city, state, and ZIP code)<br>1200 North Mitsubishi Parkway, Franklin, Indiana 46131 | DLGF taxing district number<br>41-018 |
| Name of contact person<br>Bob Francis Or Susan Cunningham  | Telephone number<br>( 317 ) 346-5010  |

### SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY

|  |   |   |
|--|---|---|
| Name of designating body<br>Franklin Common Council  | Resolution<br>13-29                                     | Estimated start date (month, day, year)<br>3-1-14 |
| Location of property<br>1200 North Mitsubishi Parkway, Franklin, Indiana 46131   | Actual start date (month, day, year)<br>3-1-14          |   |
| Description of real property improvements<br>New construction - approximately 23,840 square feet of new building on the north end of the current MCCA plant. | Estimated completion date (month, day, year)<br>9-30-14 |   |
|  | Actual completion date (month, day, year)<br>1-16-15    |   |

### SECTION 3 EMPLOYEES AND SALARIES

| EMPLOYEES AND SALARIES         | AS ESTIMATED ON SB-1 | ACTUAL  |
|--------------------------------|----------------------|---------|
| Current number of employees    | 228                  | 189     |
| Salaries                       | 8784108              | 9061428 |
| Number of employees retained   | 228                  | 189     |
| Salaries                       | 8784108              | 9061428 |
| Number of additional employees | 3                    | 0       |
| Salaries                       | 89793                | 0       |

### SECTION 4 COST AND VALUES

| COST AND VALUES                             | REAL ESTATE IMPROVEMENTS |                |
|---|--------------------------|----------------|
|   | COST                     | ASSESSED VALUE |
| AS ESTIMATED ON SB-1                        |                          |                |
| Values before project                       | 6681593                  | 6681593        |
| Plus: Values of proposed project            | 1200000                  | 1200000        |
| Less: Values of any property being replaced |                          |                |
| Net values upon completion of project       | 7881593                  | 7881593        |
| ACTUAL                                      |                          |                |
| Values before project                       | 6681593                  | 6681593        |
| Plus: Values of proposed project            | 1434851                  | 1434851        |
| Less: Values of any property being replaced |                          |                |
| Net values upon completion of project       | 8116444                  | 8116444        |

### 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                    | 0      |
| Amount of hazardous waste converted | 0                    | 0      |
| Other benefits:                     |                      |        |

### SECTION 6 TAXPAYER CERTIFICATION

|   |  |   |
|---|--|---|
| I hereby certify that the representations in this statement are true. |  |   |
| Signature of authorized representative<br><i>Bob Francis</i>          | Title<br>General Manager, Administration | Date signed (month, day, year)<br>2-25-16 |

