



CITY OF FRANKLIN
COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Community Development Director
Date: April 21, 2016
Re: Case C 2016-40: Tube Forming Systems, Inc. d/b/a Overton Industries

Summary:

1. On October 15th, 2012, the Franklin Common Council passed Resolution No. 2012-17, approving a 5-year tax abatement on \$321,456 of personal property for new equipment at 2155 McClain Drive.
2. Actual and estimated benefits, as projected for 2015:

	Estimated on SB-1	Actual in 2015	Difference
Employees Retained	37	40	-3
Salaries	\$1,615,649	\$2,138,703	\$523,054
New Employees	2	2	0
Salaries	\$95,680	\$95,680	\$0
Total Employees	39	42	3
Total Salaries	\$1,711,329	\$2,234,383	\$523,054
Average Hourly Salaries	\$21.10	\$25.58	\$4.48
Personal Property Improvements	\$321,456	\$321,456	\$0

3. In 2012 there were 41 total employees and the average hourly salary was \$23.93.
4. In 2013 the company met the estimated average hourly wage indicated on their SB-1 Form but was one employee lower than estimated on their SB-1 Form. Steve Overton explained in his cover letter the difficulty they had finding and retaining skilled employees.
5. In 2014 the company met the number of employees and salaries estimated on their SB-1.
6. In 2015 the company exceeded the total number of employees by 3 and the average hourly salary is \$4.48 per hour higher than originally estimated.
7. The company has met their estimate provided on their SB-1 Form for personal property.
8. The personal property tax abatement for Overton is scheduled to expire in tax year 2017 payable 2018. The final compliance review will take place in 2018.

Staff Recommendation: Approval



OVERTON INDUSTRIES
INTERNATIONAL

February 10, 2016

City of Franklin

Attn: Krista Linke

71 East Monroe Street

Franklin, IN 46131-2358

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

Dear Ms. Linke,

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

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

Sincerely,



Steve Overton, CFO

Overton Industries

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COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (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 IC 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 Tube Forming Systems, Inc.	County Johnson
Address of taxpayer (number and street, city, state, and ZIP code) 2155 McClain Drive Franklin, IN 46131	DLGF taxing district number Franklin
Name of contact person Rita Shearer	Telephone number (317) 831-4542

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY

Name of designating body The City of Franklin Common Council	Resolution number 12-17	Estimated start date (month, day, year) 11/05/12
Location of property 2155 McClain Drive Franklin, IN 46131		Actual start date (month, day, year) 11/12/12
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. EC1600 Horizontal Machining Mill ST-30 CNC Lathe		Estimated completion date (month, day, year) 11/19/12
		Actual completion date (month, day, year) 11/19/12

SECTION 3 EMPLOYEES AND SALARIES

EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	37.00	42 42.00
Salaries	1,815,648.00	2,234,383 2,234,383.00
Number of employees retained	37.00	40 2.00
Salaries	1,615,649.00	2,138,703 95,980.00
Number of additional employees	2.00	2 0.00
Salaries	95,980.00	95,680

SECTION 4 COST AND VALUES

AS ESTIMATED ON SB-1	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project	321,456.00							
Less: Values of any property being replaced								
Net values upon completion of project	321,456.00							
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project	321,456.00							
Less: Values of any property being replaced								
Net values upon completion of project	321,456.00							

NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6(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	0.00	0.00
Amount of hazardous waste converted	0.00	0.00
Other benefits:	0.00	0.00

SECTION 6 TAXPAYER CERTIFICATION

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

Signature of authorized representative 	Title CFO	Date signed (month, day, year) 2/10/16
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Job Creation or Retention Schedule

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

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

Actual Number of Employees (From SB-1)	Proposed Total No. of Employees (From SB-1)	Actual Number of Employees Added During Year (by Quarter)			Actual Total Number of Employees as of 12/31/15	Difference Between Actual and Proposed Number of Employees
		3/31/2015	6/30/2015	9/30/2015		
37	39	1	1	1	42	3

Expansion Investment Schedule

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

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

	Actual Amount	Proposed Amount of	Actual Amount of Investment				Actual Total	Difference Between	
	(From SB-1)	Total Investment (From SB-1)	Added During Year (by Quarter)	12/31/2015	9/30/2015	6/30/2015	3/31/2015		Amount of Investment as of 12/31/15
Buildings and Improvements:	0	0	0	0	0	0	0	0	0
Machinery and Equipment:	321,456	321,456	0	0	0	0	0	321,456	0.0
Totals									