



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Director of Community Development
Date: April 21, 2016
Re: Case C 2016-42: Premium Composite Technology North America (PCTNA)

Summary:

1. On April 20th, 2009, the Franklin Common Council passed Resolution No. 2009-02, approving a 10-year tax abatement on real property with a 2% Economic Development Fee and a 10-year tax abatement on personal property with a 5% Economic Development Fee at 2101 Commerce Parkway (formerly Musicland Drive).
2. Actual and estimated benefits, as projected for 2015:

	Estimated on SB-1	Actual in 2015	Difference
New Employees	37	55	18
Salaries	\$2,100,000	\$2,396,059	\$296,059
Average Hourly Salaries	\$27.29	\$20.94	-\$6.34
Real Property Improvements	\$5,350,000	\$6,880,855	\$1,530,855
Personal Property Improvements	\$8,630,000	\$13,358,200	\$4,728,200

3. The company indicated they would hire all 37 new employees by the end of 2010. There were 10 employees at the end of 2010, 21 employees by the end of 2011, and 23 employees at the end of 2012. At the end of 2013 they has 45 employees and the average hourly salary was \$7.97 lower than estimated. They explained last year that 18 of the employees are temp to hire in various stages of the hiring process. In 2015, there were 55 employees at an average hourly salary of \$20.94, which is still under SB-1 estimate by \$6.34. In addition to the jobs mentioned above, their parent company has located an additional 4 employees at this location. These 4 employees are not included in the above employment and salary figures.
4. The company has exceeded their estimate provided on their SB-1 Form for real property.
5. The company was behind schedule on their personal property investment and requested an extended completion date. In 2013 they managed to exceed their estimate.
6. The tax abatements for PCTNA are scheduled to expire in tax year 2023 payable 2024. The final compliance review will take place in 2024.

Staff Recommendation: Approval



Premium Composite Technology

Premium Composite Technology North America, Inc.

10 February 2016

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

Dear Ms. Linke:

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

Premium Composite Technology North America, Inc. is continuing to achieve or exceed our goals set in our original proposal. Our employees have increased from the 45 in 2014 to 55 at the end of December 2015. In addition to the employees hired by PCTNA, our Parent company has located 4 staff in our office. The Tax Abatement provided by Franklin, has resulted in more job creation overall.

Our production continues to run 24 hours per day, 7 days per week. We now have 4 lines producing material. Our original plan was for 3 lines.

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

Respectfully

Premium Composite Technology North America, Inc.

Steven E. Tames
Vice President



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

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

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FORM CF-1 / Real Property

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

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

INSTRUCTIONS:

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

SECTION 1 TAXPAYER INFORMATION

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

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY

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

SECTION 3 EMPLOYEES AND SALARIES

EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	0	55
Salaries	0.00	2,396,059
Number of employees retained	37	37
Salaries	2,100,000.00	1,309,712
Number of additional employees	37	18
Salaries	2,100,000.00	1,086,347

SECTION 4 COST AND VALUES

COST AND VALUES	REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE
Values before project	0.00	0.00
Plus: Values of proposed project	5,350,000.00	5,350,000.00
Less: Values of any property being replaced	0.00	0.00
Net values upon completion of project	5,350,000.00	5,350,000.00
ACTUAL	COST	ASSESSED VALUE
Values before project	0.00	0.00
Plus: Values of proposed project	6,880,855.00	3,185,000.00
Less: Values of any property being replaced	0.00	0.00
Net values upon completion of project	6,880,855.00	3,185,000.00

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 <i>Steven E. Tames</i>	Title VICE-PRESIDENT	Date signed (month, day, year) 02/10/2016
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