



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 2016-44: Pridgeon and Clay, Inc.

Summary:

1. On July 21st, 2014, the Franklin Common Council passed Resolution No. 2014-10, approving a 10-year tax abatement on real property with a 2% Economic Development Fee and a 7-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
Employees Retained	82	82	0
Salaries	\$2,873,936	\$2,873,936	\$0
New Employees	18	30	12
Salaries	\$520,416	\$1,051,440	\$531,024
Total Employees	100	112	12
Total Salaries	\$3,394,352	\$3,925,376	\$531,024
Average Hourly Salaries	\$16.32	\$16.85	\$0.53
Personal Property Improvements	\$3,300,000	\$2,835,000	-\$465,000
Real Property Improvements	\$500,000	\$500,000	\$0

3. The company has met the number of retained employees and exceeded the number of new employees. Average hourly salaries are what was estimated on their SB-1 Form.
4. The company has met their estimate provided on their SB-1 Form for real property.
5. The company has not met their estimate provided on their SB-1 Form for personal property. They reported that the project came in lower than expected and they do not have any additional equipment purchases to make.
6. The real property tax abatement for Pridgeon and Clay is scheduled to expire in tax year 2024 payable 2025. The final compliance review will take place in 2025.
7. The personal property tax abatement for Pridgeon and Clay is scheduled to expire in 2012 payable 2022. The final compliance review will take place in 2022.

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

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 PRIDGEON AND CLAY, INC		County JOHNSON	
Address of taxpayer (number and street, city, state, and ZIP code) 50 COTTAGE GOVE SW, GRAND RAPIDS, MI 49507		DLGF taxing district number	
Name of contact person DANIEL TODARO		Telephone number (317) 738-4885	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body CITY OF FRANKLIN		Resolution number 2014-10	Estimated start date (month, day, year) 09/02/2015
Location of property 150 ARVIN ROAD		Actual start date (month, day, year) 09/02/2015	
Description of real property improvements NEW STAMPING LINE WITH 5 PRESSES AND THREE NEW ROBOTIC WELD CELLS		Estimated completion date (month, day, year) 12/30/2015	
		Actual completion date (month, day, year) 12/30/2015	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees			112
Salaries			3,925,376
Number of employees retained		49	82
Salaries		\$3,066,000	2,873,936
Number of additional employees		40	30
Salaries		\$2,770,000	1,051,440
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE
Values before project			
Plus: Values of proposed project		\$500,000	
Less: Values of any property being replaced			
Net values upon completion of project			
ACTUAL		COST	ASSESSED VALUE
Values before project			
Plus: Values of proposed project		\$500,000	
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		0	0
Amount of hazardous waste converted		0	0
Other benefits:		0	0
SECTION 6 TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.			
Signature of authorized representative <i>Gilonda Svedin</i>		Title PLANT CONTROLLER	Date signed (month, day, year) 04/18/2016



**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 PRIDGEON AND CLAY, INC	
Address of taxpayer (number and street, city, state, and ZIP code) 50 COTTAGE GROVE SW, GRAND RAPIDS, MI 49507	
Name of contact person DANIEL TODARO	Telephone number (317) 738-4885
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body CITY OF FRANKLIN	Resolution number 14-10
Location of property 150 ARVIN ROAD	County JOYNSON
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. NEW STAMPING LINE WITH 5 PRESSES AND THREE NEW ROBOTIC WELD CELLS	Estimated starting date (month, day, year) 09/02/2015
	Estimated completion date (month, day, year) 12/30/2015

SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees			112
Salaries			\$3,925,376
Number of employees retained		49	82
Salaries		\$3,066,000	\$2,873,936
Number of additional employees		40	30
Salaries		\$2,770,000	\$1,051,440

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	\$500,000							
Less: Values of any property being replaced	0.00	0.00						
Net values upon completion of project								
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project	\$500,000							
Less: Values of any property being replaced	0.00							
Net values upon completion of project								

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:		

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative <i>Jelonda Baldwin</i>	Title PLANT CONTROLLER	Date signed (month, day, year) 04/18/2016