



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission
From: Rhoni Oliver, Community Development Specialist
Date: April 10, 2018
Re: Case C 2018-09: Shipston Aluminum Technologies (Formerly CTC Casting Technologies)

Summary:

1. On January 17th, 2012, the Franklin Common Council passed Resolution Number 2012-02, approving a 7-year tax abatement on personal property for CTC Casting Technologies, Inc. located at 1450 Commerce Parkway (formerly Musicland Drive).
2. Actual and estimated benefits, as projected for 2017:

	Estimated on SB-1	Actual in 2017	Difference
Employees Retained	57	57	0
Salaries	\$3,150,000	\$3,500,000	\$350,000
New Employees	25	42	17
Salaries	\$660,000	\$1,850,000	\$1,190,000
Total Employees	82	99	17
Total Salaries	\$3,810,000	\$5,350,000	\$1,540,000
Average Hourly Salaries	\$22.34	\$25.98	\$3.64
Personal Property Improvements	\$1,350,000	\$2,579,029	\$1,229,029

3. The company has greatly exceeded the number of new employees and the average hourly salaries for all employees are higher than estimated.
4. The company has exceeded their estimate for personal property investment.
5. The personal 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



SHIPSTON ALUMINUM TECHNOLOGIES

O: 317-738-0282 | F: 317-738-0262

1450 Commerce Parkway, Franklin, IN 46131

February 26, 2018

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

Re: 2017 Tax Abatement Compliance Packet for Shipston Aluminum Technologies (Indiana), Inc. (fka CTC Casting Technologies, Inc.)

Dear Ms. Linke:

Enclosed, please find Form CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatement that was granted in 2012 under Franklin Common Council Resolution number 12-02.

As indicated on the attached documents, our company has exceeded the capital investment projections for this project. Project spending to date of \$2.579 million is approximately \$1.2 million higher than the projected spending of \$1.350 million.

The Company was also successful in continuing to exceed head count projections. Our total head count remains strong at 99 (12/31/2017). This represents an increase of 42 over the number of employees in place before the project, 57. This increase of 42 employees exceeds our projected increase by 17.

Again, I would like to thank the City of Franklin for approving this tax abatement and I look forward to working with the City in the future. Please feel free to contact me at 317-738-7925 should you have any questions on the enclosed documents.

Sincerely,

Chuck Schiavello
Controller



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R4 / 11-16)

Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

PRIVACY NOTICE

This form contains information
confidential pursuant to
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

- 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	Shipston Aluminum Technologies (Indiana), Inc. (fka CTC Casting Technologies, Inc.)		County Johnson					
Address of taxpayer (number and street, city, state, and ZIP code)	1450 Commerce Parkway, Franklin, IN 46131		DLGF taxing district number 31					
Name of contact person	Chuck Schiavello		Telephone number (317) 738-7925					
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY						
Name of designating body	Common Council of the City of Franklin, Indiana	Resolution number 12-02	Estimated start date (month, day, year) 01/01/2012					
Location of property	1450 Commerce Parkway, Franklin, IN 46131		Actual start date (month, day, year) 12/06/2011					
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.	Installation of melt equipment, 3 VRC/PRC casting machines, robotic equipment, finishing equipment, x-ray equipment, and inspection equipment.		Estimated completion date (month, day, year) 01/01/2014					
			Actual completion date (month, day, year) 09/01/2013					
SECTION 3		EMPLOYEES AND SALARIES						
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL					
Current number of employees		82	99					
Salaries		3,810,000.00	5,350,000.00					
Number of employees retained		57	57					
Salaries		3,150,000.00	3,500,000.00					
Number of additional employees		25	42					
Salaries		660,000.00	1,850,000.00					
SECTION 4		COST AND VALUES						
	MANUFACTURING EQUIPMENT	R & D EQUIPMENT	LOGIST DIST EQUIPMENT	IT EQUIPMENT				
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	7,843,000.00							
Plus: Values of proposed project	1,350,000.00							
Less: Values of any property being replaced	0.00							
Net values upon completion of project	9,193,000.00							
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	8,368,000.00							
Plus: Values of proposed project	2,579,029.00							
Less: Values of any property being replaced	0.00							
Net values upon completion of project	10,947,029.00							
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								
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)						
	VP Finance / Controller	2/26/2018						

**OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)
THAT WAS APPROVED AFTER JUNE 30, 1991.**

INSTRUCTIONS: (IC 6-1.1-12.1-5.9)

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits.
3. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. If a notice is mailed to a property owner, a copy of the written notice will be sent to the County Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the County Assessor.

We have reviewed the CF-1 and find that:

- ☐ the property owner **IS** in substantial compliance
- ☐ the property owner **IS NOT** in substantial compliance
- ☐ other (specify) _____

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance.

Time of hearing

- ☐ AM
☐ PM

Date of hearing (month, day, year)

Location of hearing

HEARING RESULTS (to be completed after the hearing)

☐ Approved

☐ Denied (see instruction 5 above)

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]

A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the clerk of Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.

Shipston Aluminum Technologies (Indiana), Inc. (fka CTC Casting Technologies, Inc.)
 Job Creation / Retention Timetable
 Resolution 12-02

of Employees

12/31/2016 127

Employees Added:

1st Quarter 2017 (8)

2nd Quarter 2017 -

3rd Quarter 2017 (3)

4th Quarter 2017 (17)

99 at 12/31/2017

of Employees

12/31/2016 127

12/31/2017 99

Change in number of employees in 2017 (28)

Shipston Aluminum Technologies (Indiana), Inc. (fka CTC Casting Technologies, Inc.)
Abatement Additions

Asset Description	In Service Date	Amount
10 Ton Crane System - VRC/PRC area	7/1/2012	50,778
FPI Line	7/1/2012	183,311
Melt System Upgrade - VRC/PRC area	7/1/2012	219,966
Robot - VRC/PRC area	7/1/2012	41,939
Robot - VRC/PRC area	7/1/2012	41,939
Robot - VRC/PRC area	7/1/2012	41,939
Robot - VRC/PRC area	7/1/2012	41,939
Trim Press - VRC/PRC	7/1/2012	35,539
Trim Press - VRC/PRC	7/1/2012	35,539
VRC/PRC Casting Machine - Gen III #14	7/1/2012	434,153
VRC/PRC Casting Machine - Gen III #15	7/1/2012	434,153
X-Ray System #3 - manual VRC/PRC area (CD4 a	7/1/2012	175,194
Robot - VRC/PRC area	1/1/2013	52,781
X-Ray System #4 - VRC/PRC area	2/1/2013	220,437
VRC/PRC Casting Machine - Gen III #16	9/1/2013	521,206
Trim Press - VRC/PRC	2/1/2014	48,218

Total 12-02 Abatement Additions	2,579,029
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