



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission

From: Rhoni Oliver

Date: May 1, 2018

Re: Case C 2018-12 Countertop Connections

Summary:

1. On November 3rd, 2014, the Franklin Common Council passed Resolution No. 2014-15, approving a 5-year tax abatement on real property with a 2% economic development fee for Countertop Connections located at 3042 Hudson Street.
2. Actual and estimated benefits, as projected for 2017:

	Estimated on SB-1	Actual in 2017	Difference
Employees Retained	10	9	-1
Salaries	\$251,576	\$346,741	\$95,165
New Employees	2	0	-2
Salaries	\$58,240	\$0	-\$58,240
Total Employees	12	9	-3
Total Salaries	\$309,816	\$346,741	\$36,925
Average Hourly Salaries	\$12.41	\$18.52	\$6.11
Real Property Improvements	\$400,000	\$380,000	-\$20,000

3. Countertop Connections estimated in their application that they would hire 2 employees and that the average hourly salary would be \$12.41. They have hired two employees in the second and third quarters of 2016 who are on track to earn \$58,240 combined. This brings the average hourly salary to \$13.91, which is higher than estimated. In 2017 Countertop Connections was three employees short of the SB-1 estimate; however, the total salaries were higher. The hourly salary was \$6.11 over the estimate.
4. The real property investment is \$20,000 under the SB-1 estimate of \$400,000 due to construction coming in under budget.
5. The real property tax abatement for Countertop Connections is scheduled to expire in tax year 2019 payable 2020. The final compliance review will take place in 2020.

Staff Recommendation: Approval



3042 Hudson St.
Franklin, IN 46131
Phone: (317) 822-9858
Fax: (317) 822-3490
CountertopConnectionsinc@gmail.com

April 24, 2018

City of Franklin
ATTN: Krista Linke
70 E Monroe St
Franklin IN 46131

RE: 2018 Tax Abatement Compliance Packet for Countertop Connections Inc

Dear Ms. Linke:

Enclosed, please find forms CF-1/RE and CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the real property and personal property tax abatements which were granted to Countertop Connections Inc in 2015 under Franklin Common Council Resolution number 05/10.

This past year was an interesting one for Countertop Connections. We started the year with the original 12 employees, including the 2 new hires. Due to an exceptional volume of business we actually hired an additional 2 employees to take on our workload, and we had 14 employees at one time. Unfortunately, two of the employees left for other opportunities in other fields and one was terminated. We worked with local employment agencies to try to replace the employees with skilled labor but there is definitely a lack of skilled labor for our industry. To fill the gap until we can find more skilled labor we have been using skilled contract labor.

In addition to the loss of employees, we experienced a slow down of work for the latter part of 2017 and the beginning of 2018. However, orders have picked back up and we will resume looking for skilled labor.

One other item I would like to mention is that 2 of our long term employees have both moved into the Franklin area so I have no local tax dollars going outside of Johnson County at this time.

Sincerely,

Sherry Caudill - Sec/Treasurer
Countertop Connections Inc



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 Countertop Connections Inc		County Johnson	
Address of taxpayer (number and street, city, state, and ZIP code) 3042 Hudson St Franklin IN 46131		DLGF taxing district number 41	
Name of contact person Sherry Caudill		Telephone number (317) 822-9858	
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body		Resolution number 14-15	Estimated start date (month, day, year)
Location of property 3042 Hudson St Franklin IN 46131		Actual start date (month, day, year)	
Description of real property improvements 9600 SF - Pole Barn		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		10	9
Salaries		251,576.22	346,741.14
Number of employees retained			9
Salaries		251,576.22	312,093.41
Number of additional employees		2	0
Salaries		251,576.22	
SECTION 4		COST AND VALUES	
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project	400,000.00		
Plus: Values of proposed project			
Less: Values of any property being replaced			
Net values upon completion of project			
ACTUAL	COST	ASSESSED VALUE	
Values before project	380,000.00		
Plus: Values of proposed project			
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 Sherry Caudill	Title Sec/ Treas.	Date signed (month, day, year) 4-24-18	

**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 6-1.1-12.1-5.1 and IC 6-1.1-12.1-5.9)

1. Not later than 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 (Form SB-1/Real Property).
2. 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. The date of this hearing may not be more than thirty (30) days after the date this notice is mailed. A copy of the notice may be sent to the county auditor and the county assessor.
3. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable efforts to substantially comply with the Statement of Benefits (Form SB-1/Real Property) and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
4. If the designating body determines that the property owner has **NOT** made reasonable efforts to comply, then the designating body shall adopt a resolution terminating the property owner's deduction. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes. 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. (Hearing must be held within thirty (30) days of the date of mailing of this notice.)

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 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.