



# CITY OF FRANKLIN

Community Development Department

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Rhoni Oliver, Community Development Specialist  
**Date:** April 5, 2019  
**Re:** Case C 2019-12: Electro-Spec, Inc.

### Summary:

1. On February 25<sup>th</sup>, 2008, the Franklin Common Council passed Resolution No. 2008-04 (amended by Resolution No. 2010-13), approving a 10-year tax abatement on real property and a 7-year personal property tax abatement for Electro-Spec located at 3070 RJ Parkway.
2. Actual and estimated benefits, as projected for 2018:

	Estimated on SB-1	Actual in 2018	Difference
Employees Retained	43	43	0
Salaries	\$1,649,129	\$1,649,129	\$0
New Employees	7	39	32
Salaries	\$189,280	\$2,478,279	\$2,288,999
Total Employees	50	82	32
Total Salaries	\$1,838,409	\$4,127,408	\$2,288,999
Average Hourly Salaries	\$17.68	\$24.20	\$6.52
Personal Property Improvements	\$2,200,000	\$2,472,691	\$272,691
Real Property Improvements	\$319,000	\$417,261	\$98,261

3. The company has exceeded their estimate provided on their SB-1 Form for real property improvements.
4. Because it took them longer to purchase the equipment than anticipated, Resolution 2008-04 was amended with Resolution 2010-13 to allow them to purchase the equipment by the end of 2010, and increase the investment amount from \$1,800,000 to \$2,200,000. Electro-Spec has exceeded personal property estimates by \$272,691. The 7-year personal property tax abatement will begin in the year the machinery is purchased.
5. The total number of employees increased from 75 at the end of 2012, to 84 at the end of 2013. The total number of employees at the end of 2014 was 80. The total number of employees increased in 2015 to 84, as shown in the table above. In 2016 the total number of employees was 80, which well exceeds the SB-1 estimate. In 2017 the total number of employees was 79 and the hourly salary was \$22.80, both of which exceed the SB-1 estimates. In 2018 total employees and hourly salaries exceeded SB-1 estimates.
6. The real property tax abatement is scheduled to expire in tax year 2018 payable 2019. The final compliance review will take place in 2019.
7. The personal property tax abatement is now scheduled to expire in 2018 pay 2019 due to Resolution 2010-13. The final compliance will take place in 2019.

**Staff Recommendation:** Approval



March 19, 2019

Rhoni Oliver, Community Development Specialist  
Dept. Of Planning & Economic Development  
70 East Monroe Street  
Franklin, IN 46131

RE: Tax Abatement Compliance for Electro-Spec, Inc.

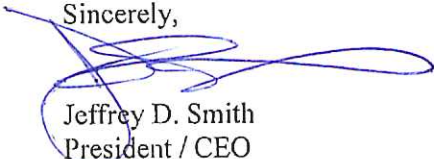
Dear Ms. Oliver:

Enclosed please find the CF-1 forms (Compliance with Statement of Benefits) regarding compliance with real and personal property tax abatements which were granted to Electro-Spec, Inc. under Franklin Common Council Resolution No. 08-04 / 10-13.

As you can see from reviewing the enclosed documents, our company has been successful in (1) exceeding substantially all of the capital investments which had been projected for the project, and (2) exceeding the number 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.

Sincerely,



Jeffrey D. Smith  
President / CEO  
(317) 738-9199 ext. 924  
jsmith@electro-spec.com

1800 Commerce Parkway  
Franklin, IN 46131  
(317) 738-9199 phone  
(317) 738-9491 fax



# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R / 1-06)

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 Electro-Spec, Inc.				
Address of taxpayer (number and street, city, state, and ZIP code) 1800 Commerce Parkway Franklin, IN 46131				
Name of contact person Jeffrey D Smith		Telephone number (317) 738-9199		
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body Franklin City Council		Resolution number 08-04/10-13		
Location of property 1800 Commerce Parkway Franklin, IN 46131	County Johnson	DLGF taxing district number 41-009		
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.  Plating Lines and Associated Equipment		Estimated starting date (month, day, year) 03/01/2008		
		Estimated completion date (month, day, year) 12/31/2010		
SECTION 3		EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL	
Current number of employees		43.00	82	
Salaries		1,649,129.00	4,127,408.00	
Number of employees retained		43.00	43	
Salaries		1,649,129.00	1,649,129.00	
Number of additional employees		7.00	39	
Salaries		189,280.00	2,478,279.00	
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				
Plus: Values of proposed project	2,200,000.00			
Less: Values of any property being replaced				
Net values upon completion of project				
ACTUAL	COST ASSESSED VALUE	COST ASSESSED VALUE	COST ASSESSED VALUE	COST ASSESSED VALUE
Values before project	4,072,444.00			
Plus: Values of proposed project	2,472,691.00			
Less: Values of any property being replaced				
Net values upon completion of project	6,545,135.00			
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				
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)	
		PRESIDENT	3/22/19	



**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 6-1.1-12-5.9)**

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 Township 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.
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 Township 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 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.



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

State Form 51766 (R2 / 1-07)  
Prescribed by the Department of Local Government Finance

20 18 PAY 20 19

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:**

- This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
- 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).
- This form must accompany the initial deduction application that is filed with the County Auditor.
- Property owners whose Statement of Benefits was approved aitor 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)
- 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))
- 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 <b>Electro-Spec, Inc.</b>			
Address of taxpayer (number and street, city, state, and ZIP code) <b>1800 Commerce Parkway Franklin, IN 46131</b>			
Name of contact person <b>Jeffrey D Smith</b>		Telephone number <b>(317) 738-9199</b>	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body <b>Franklin City Council</b>		Resolution number <b>08-04/10-13</b>	
Location of property <b>3070 RJ Parkway Franklin, IN 46131</b>	County <b>Johnson</b>	DLGF taxing district number <b>41-009</b>	
Description of real property improvements: <b>6900 Sq Ft Building Expansion</b>		Estimated starting date (month, day, year) <b>03/01/2008</b>	
		Estimated completion date (month, day, year) <b>09/01/2008</b>	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		43	82
Salaries		1,649,129.00	4,127,408.00
Number of employees retained		43	43
Salaries		1,649,129.00	1,649,129.00
Number of additional employees		7	39
Salaries		189,280.00	2,478,279.00
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE
Values before project			685,900.00
Plus: Values of proposed project		319,000.00	300,000.00
Less: Values of any property being replaced			
Net values upon completion of project		319,000.00	985,900.00
ACTUAL		COST	ASSESSED VALUE
Values before project			692,800.00
Plus: Values of proposed project		417,261.00	319,600.00
Less: Values of any property being replaced			
Net values upon completion of project		417,261.00	1,012,400.00
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 		Title <b>PRESIDENT</b>	Date signed (month, day, year) <b>3/22/19</b>



**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 6-1.1-12-5.1)**

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. A copy of the notice will be sent to 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.
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 and (2) the County Auditor.

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 ( <i>month, day, year</i> )
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Attested by:	Designating body
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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	<input type="checkbox"/> AM <input type="checkbox"/> PM	Date of hearing ( <i>month, day, year</i> )	Location of hearing
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**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 ( <i>month, day, year</i> )
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Attested by:	Designating body
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**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.

Electro-Spec, Inc.  
 1800 Commerce Parkway  
 Franklin, IN 46131

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

	Actual Amount of Investment As of 03/01/2008 (Form SB-1)	Proposed Amount of Total Investment by 12/31/10 (Form SB-1)	Actual Amount of Investment Added During the Year (By Quarter)			Actual Total Investment as of 12/31/17	Difference Between Actual and Proposed Investment
			3/31/2017	6/30/2017	9/30/2017		
Machinery & Equipment	\$ 4,072,444	\$2,200,000*	\$ -	-	\$ -	\$2,472,691**	\$ 272,691
Totals:		\$ 2,200,000					

\* As amended by Resolution Number 2010-13.  
 \*\* Sum of Prior Years' Investment 2009 (\$1,169,455) 2010 Investment (\$950,487), 2011 Investment (\$271,288) and 2012 Investment (\$81,461).

Electro-Spec, Inc.  
 1800 Commerce Parkway  
 Franklin, IN 46131

Attachment to Form CF-1 (Compliance with Statement of Benefits)  
 Employees by Quarter

Number of Employees As 03/01/2008 (Form SB-1)	Proposed Total Number of Employees by 12/31/2010 (Form SB-1)	3/31/2018	Actual Number of Employees (By Quarter 6/30/2018 9/30/2018	12/31/2018	Actual Total Number of Employees as of 12/31/18	Difference Between Actual and Proposed Number of Employees
43	50	76	81	79	82	32





## CITY OF FRANKLIN

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DEPARTMENT OF PLANNING & ENGINEERING  
DEPARTMENT OF COMMUNITY DEVELOPMENT

February 4, 2019

Ms. Nicole Stickford  
Electro-Spec, Inc.  
1800 Commerce Parkway  
Franklin, IN 46131

Re: *Annual Tax Abatement Compliance*

Greetings:

The City of Franklin Economic Development Commission is scheduling annual compliance hearings for companies that have received tax abatements from our community. Each year for which your company is eligible to receive tax abatement, you are required to submit a compliance report verifying the status of the investment and hiring activities which were originally projected in the company's Statement of Benefits. The applicable tax abatement for your company was enacted through Franklin Common Council Resolution 08-04/10-13.

Enclosed is a Tax Abatement Compliance packet which describes the information that the Economic Development Commission will require to determine your company's compliance. Please report all of your company's investment and hiring activities, by quarter, for the periods between January 1, 2018 and December 31, 2018. All of the procedures outlined in the Tax Abatement Compliance Packet must be followed when submitting this information.

Also enclosed is the schedule of meeting and filing dates for the Franklin Economic Development Commission. Please return all of the required information to this office by **March 20, 2019** or earlier in order to ensure a timely review by the Franklin Economic Development Commission. If you have any question regarding this matter, please feel free to contact the Community Development Department.

Sincerely,

Rhoni Oliver  
Community Development Specialist