

# **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: C 2019-07: Cooper Tire & Rubber Company

### Summary:

- On July 21<sup>st</sup>, 2008, the Franklin Common Council passed Resolution No. 2008-17, approving a 10year tax abatement on personal and real property for CCD I-65 LLC (Cooper Tire) located at 500 Bartram Parkway.
- 2. Actual and estimated benefits, for 2018:

	Estimated on SB-1	Actual in 2018	Difference
New Employees	60	110	50
Salaries	\$2,311,920	\$5,188,068	\$2,876,148
Average Hourly Wage	\$18.53	\$22.68	\$4.15
Personal Property Improvements	\$3,000,000	\$3,879,622	\$879,622

- 3. Cooper Tire and Rubber Company exceeded their personal property investment by \$879,622.
- 4. Cooper Tires explained in 2013 that they do not have 60 Cooper Tire employees, but that a majority of their employees are temporary employees. These temporary employees work 40 hours per week and make approximately \$12 per hour. Because of temporary employees, their average hourly salary has been lower than estimated on their original SB-1 form in the past. 2015 is the first year that the average hourly salary is above their original estimate. The total number of employees in 2014 was 126. In 2016 the number of employees was 54 more than estimated on the SB-1, and the average hourly salary was \$4.09 over the estimate. In 2017 the number of employees was 52 more than stated on the SB-1 and the average hourly salary was \$2.73 higher than estimated. In 2018 the number of employees was 50 greater than estimated, and the hourly wage was \$4.15 more than stated on the SB-1.
- 5. The tax abatement is scheduled to expire in tax year 2018 payable 2019. The final compliance review will take place in 2019.

## Staff Recommendation:

Approval



COOPER TIRE & RUBBER COMPANY 701 Lima Avenue • Findlay, OH 45840 • 419-423-1321

March 19, 2019

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

Re: Tax Abatement Compliance for Cooper Tire & Rubber Company

Dear Mrs. Linke:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements which were granted to Cooper Tire & Rubber Company in 2008 under Franklin Common Council Resolution No. 08-17.

As can be seen from reviewing the enclosed documents, our company has been highly successful in making all of the capital investments which had been projected for this project. 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,

nd Cooper

Rachel Cooper Tax Analyst

Enclosures



### 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	INFORMA	TION				
Name of taxpayer						County		
Cooper Tire & Rubber Company Address of taxpayer (number and street, city, state, and						Johnson		
						DLGF taxing di		
701 Lima Avenue Findlay, OH 458	40						41018	
Name of contact person						Telephone num		
Shea Reese		10.545 (11.11.11.11.11.11.11.11.11.11.11.11.11.				(419)4	20-6060	
SECTION 2	LOCAT	TION AND DESC	STORE CONTRACTOR OF CONTRA		1			
Name of designating body			Resol	ution number		Estimated start	•	
Franklin Common Council				08-17			5/01/200	
Location of property	10101					Actual start date	e (month, day,	year)
500 Bartram Parkway, Franklin, IN								
Description of new manufacturing equipment, or new re- equipment, or new logistical distribution equipment to be		velopment equipme	ent, or new ir	nformation techno	blogy	Estimated comp	•	
equipment; or new abgroups are able and the darpment to be	acquiscu.						5/31/202	1
						Actual completion	on date (monti	h, day, year)
SECTION 3		EMPLOYEES	AND SAL	ARIES				
EMPLOYE	ES AND SAL	ARIES			AS EST	IMATED ON S	B-1	ACTUAL
Current number of employees								
Salaries								
Number of employees retained								
Salaries								
Number of additional employees						60		110
Salaries						2,311,920.00	5	188,068.09
SECTION 4		COST AN	D VALUES	;				
	MANUF	ACTURING	R&DE	QUIPMENT	LOGI	ST DIST PMENT	IT EQ	JIPMENT
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					3,000,000.00			1
Less: Values of any property being replaced						1 [		
Net values upon completion of project				1	3,000,000,00			
ACTUAL	соѕт	ASSESSED VALUE	COST	ASSESSED	COST	ASSESSED VALUE	COST	ASSESSED
Values before project						1 1		
Plus: Values of proposed project					3,879,622.00			1
Less: Values of any property being replaced					· · · · · · · · · · · · · · · · · · ·			1
Net values upon completion of project					3,879,622.00	1		
NOTE: The COST of the property is confidential	oursuant to I	C 6-1.1-12.1-5.6	(c).			L		I
SECTION 5 WASTE CO	NVERTED A	ND OTHER BEI		OMISED BY 1	HE TAXPAY	ER		
WASTE CONVERTED						TED ON SB-1	Δ. Δ. <i>Γ</i>	TUAL
Amount of solid waste converted					AU LUTIMA			IUAL
Amount of hazardous waste converted							-	
Other benefits:							1	
SECTION 6		TAXPAYER CE	RTIFICATI	ON				
I hereby certify that the representations in this st	atementare	true.				in to the formation of the second		
Signature of authorized representative		Title		Manager	[	Date signed (mon	th, day, year) /19/2019	•
$\sim$	la	and a second sec	1	wanayei		03	13/2018	'

#### 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 <b>IS</b> in substantial compliance		
the property owner IS NOT in substantial compliance		
other (specify)		
Reasons for the determination (attach additional sheets if necessary)		······································
reasons for the determination (attach additional sheets in necessary)		
Signature of authorized member		Date signed (month, day, year)
-	y	
Attested by:	Designating body	
If the property owner is found not to be in substantial compliance, the proper time has been set aside for the purpose of considering compliance.	ty owner shall receive the opportunity f	or a hearing. The following date and
Time of hearing AM Date of hearing (month, day, year) Location of	-	
HEARING RESULTS (fo be	completed after the hearing) 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 [J	C 6-1.1-12.1-5.9(e)]	-
A property owner whose deduction is denied by the designating body may ap clerk of Circuit or Superior Court together with a bond conditioned to pay the	ppeal the designating body's decision b costs of the appeal if the appeal is de	y filing a complaint in the office of the termined against the property owner.

Cooper Tire & Rubber Company 701 Lima Avenue Findlay, OH 45840 Attachment to Form CF-1 (Compliance with Statement of Benefits): Expansion Investment Schedule by Quarter

	Proposed Amount of Investment	Actual Amount of Total Investment	Actual Amount of investment Added/(Disposed) During Year (by Qtr)	investment During Year (by (	Qtr)		Actual Amount of Total Investment	Difference Between Actual and Proposed
	as 01. 6/20/2008	oy: 12/31/2017	3/31	6/30	9/30	12/31	by: 12/31/2018	Investment
Machinery & Equipment	\$3,000,000	\$3,758,310	\$0	\$0	\$0	\$121,312	\$3,879,622	\$879.622

Cooper Tire & Rubber Company 701 Lima Avenue Findlay, OH 45840 Attachment to Form CF-1 (Compliance with Statement of Benefits): Job Creation Schedule by Quarter

Proposed # of Employage	Actual # of	Actual # of Employees Added				Actual # of	Difference Between
as of 6/20/08	as of 12/31/17	During Year (by Qtr)				Employees as of	Actual and Proposed
(from SB-1)	(from SB-1)	March-18	June-18	June-18 September-18 December-18	December-18	81.07/1.6/71	# of Employees
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Stong Description	stuiding improvements	Building Improvements	Building Improvements		Building Improvements	inside Factory Trucks 3 yrs	Inside Factory Trucks 5 yrs	Inside Factory Trucks 5 yrs	Inside Factory Trucks S yrs	Incide Cartany Trucke C via	Inside Endony Toulor 5 yrs		Inside Factory Irucks 5 yrs	Inside Factory Trucks 5 yrs	Storage Equipment	Storage Equipment	Furniture & Eistanne		Furthfrure & Hixtures	OFFC EQU Computer Hardware				Furniture & Fixtures	6000 OFFC FOLI Office Fauinment	Storage Equipment	6000 OFFC EQU Office Equipment				Building Immeniamente			
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