



CITY OF FRANKLIN

DEPARTMENT OF COMMUNITY DEVELOPMENT

Staff Report

To: Economic Development Commission Members
From: Dana Monson, Community Development Specialist
Date: October 19, 2021
Re: Case EDC 2021-09– OrthoAmerica Holdings and PRJ Properties

Case EDC 2021-09 – OrthoAmerica Holdings and PRJ Properties.: A request for a 7-year alternative tax abatement on \$1,800,000 in real property investment and a 7-year alternative tax abatement on \$4,625,000 in personal property investment for the building of a new facility. This property is located at 2167 Earlywood Drive.

Location: 2165 Earlywood Drive, Franklin, IN. 46131
41-08-02-021-009.002-009 and 41-08-02-021-009.005-009



Summary:

- Characteristics of this location:
Currently there is a 30,000 sf facility on 3 acres which is used as a manufacturing facility. The company has purchased an additional 2 acres adjacent to the property for the expansion of the facility.
- Characteristics of this petitioner:
The company is currently located in Boulder, Colorado and has been purchased by Mike Jahns who is located here. He would like to move the company to this facility and add the additional space and

inventory on the new acreage. This company makes orthodontic equipment, a field Mr. Jahns has worked in previously.

3. Characteristics of this project:

The company intends to move from Boulder Colorado to the current facility, then add additional space on the additional two acres. The project would bring 100 new employees with an average wage of \$25.00 hour.

4. Economic Revitalization Area (ERA):

The property is not located in a current ERA and will require this designation as part of the case.

5. ERA & Tax Abatements Findings (Real Property):

Indiana Code Section 6-1.1-12.1-3 states that the following findings must be made when considering an ERA designation and the granting of a tax abatement for real property:

- a. Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
- b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

6. ERA & Tax Abatements Findings (Personal Property):

Indiana Code Section 6-1.1-12.1-4.5 states that the following findings must be made when considering an ERA designation and the granting of tax abatement for personal property:

- a. Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of new manufacturing equipment;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

7. City of Franklin "Tax Abatement Policy" criteria:

The "Tax Abatement Policy" section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and this request follows:

- a. *Diversification of Local Occupations:* This project will bring additional opportunities for our residents to work in the medical manufacturing sector as well as bring additional skill set needs which diversify the skill sets of our current workforce.
- b. *Diversification of Local Employment:* The project will add 100 new jobs. This location will also enable the company to increase production which could positively impact the number of new jobs at a later date.
- c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for 2020 was \$19.30. The average hourly wage in Johnson County for Low/moderate wage is \$13.29 per hour. OrthoAmerica will pay an average of \$25.00 per hour, well above the average wage.
- d. *Sustainable Land Use:* This project conforms with the intended use of this property.
- e. *Future Community Investment:* The applicant should share with the EDC their plans for future community investment and they have indicated they are agreeable to the Economic Development Fee of 2% for real property and 5% for personal property.

F Conformance with the Comprehensive Plan: The Comprehensive Plan - Future Land Use Plan identifies this property as Industrial Business Development. Industrial Business Development zoning permits the following uses: Industrial Uses • boat/RV storage facility (outdoor) • contractor's warehouse/storage facility • food & beverage production • general industrial production • light industrial assembly & distribution • light industrial processing and distribution • mini-warehouse self-storage facility • research and development facility • warehouse & distribution facility • wholesale facility

8. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:

- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and
- d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

9. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be for the first year taxes are assessed at an increased assessment rate.

Staff Comments:

The Mayor's Office has indicated they are supportive of an alternative tax abatement of 7 years for real property and 7 years for personal property for this project based on the investment amount, wages and high number of jobs created.



CITY OF FRANKLIN

Community Development DEPARTMENT

Tax Abatement Application

Organization/Corporation **Requesting** **Tax** **Abatement**

Organization/Corporation Name: OrthoAmerica Holdings, LLC and PRJ Properties, LLC

Primary Contact Name: Jon Helton

Contact Address: 650 W Colfax Ave City: Denver

State: CO Zip: 80204

Phone Number: 317-289-7379

Email: jhelton@rmortho.com

Three possible dates before the EDC meeting to conduct a site visit: N/A

Name of Owner: OrthoAmerica Holdings, LLC and PRJ Properties, LLC

Parent Company (If Applicable): Ortho Entities, LLC

Primary **Contact** **for** **Yearly** **Compliance** **Reports**

Name: Reid Pittard

Title: Consultant

Address: 201 N. Illinois Street, Suite 1000

City: Indianapolis State: IN Zip: 46204

Phone Number: 765-404-7652

Email: rpittard@mcguirepsensel.com

Description **of** **Project**

Project Location/Address: 2165 Earlywood Drive, Franklin, IN 46131

Parcel Number: 41-08-02-021-009.002-009, 41-08-02-021-009.005-009

Brief Description of Project:

RMO is considering moving operations from Denver, CO to Franklin, IN at the address 2165 Earlywood Drive, Franklin, IN – Parcel # 41-08-02-021-009.002-009. The company is also considering future construction of a new building adjacent to the property, parcel # 41-08-02-021-009.005-009. The project would include the addition of 100 full-time positions at an average estimated wage of \$24-\$26/hr.

Current Assessed Value (AV) of the

1. Property: Land: \$294,000
2. Building \$1,072,200
3. Inventory _____
4. Equipment _____

Have building permits been applied for (if applicable): Yes

Has equipment been installed (if applicable): Yes

No
No

Required Attachments:

- | | |
|---|--|
| <input type="checkbox"/> Completed SB-1 Form(s) | <input type="checkbox"/> Summary of Benefits (if applicable) |
| <input type="checkbox"/> Legal Description of the Property | <input type="checkbox"/> Employment Phase-In Schedule |
| <input type="checkbox"/> Company Financial Statement | <input type="checkbox"/> Company Investment Timetable |
| <input type="checkbox"/> Job and Wage Description Information Sheet | <input type="checkbox"/> Compliance Affidavit |

Type of Abatement Requested

Real Property ☒ Personal Property ☒

Length of Abatement Requested: 10 Years

Project Size (square feet): 30,225 sq. ft. at Parcel # 41-08-02-021-009.002-009, 40,000 sq. ft. at parcel # 41-08-02-

021-009.005-009 Size of Site (acres): 5.87 Type of Building:

Multiple Tenants (leased) ☐ Single Tenant (leased) ☒ Owner Occupied ☐

Corporate Headquarters

Capital Investment

1. Real property capital investment only: \$1.8 million

2. Personal property capital investment only: \$4.625 million

3. Total capital investment for proposed project: \$6.425 million

Jobs Created and/or Retained

1. Estimated number of full time jobs created by the proposed project: 100

2. Estimated number of full time jobs retained as a direct result of the proposed project: 0

3. Total number of full time jobs upon project completion: 100

Wages Created and Retained

1. Average hourly wage rate for new jobs (w/o benefits) \$24-\$26/hour

2. Average hourly wage rate for jobs retained (w/o benefits) N/A

***In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.

The company is considering relocating operations entirely from Denver, CO to this location, and would need aid to help cover moving costs, as well as future tax abatement to help with financing business operations. RMO will provide significant future tax income for the City of Franklin via property and income tax.

Company Information

How long has the company been in existence? OrthoAmerica Holdings, LLC established in 2020

Current address of company headquarters and duration at that address: 650 W Colfax Ave, Denver, CO 80204,
1 year

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: 0%

Have you ever received tax abatement at your current location? Yes ☐ No ☒

If yes, when and for what term? N/A

What specifically has the company done to give back to the community: The company is not currently located in the community, but if we relocate, then we plan to actively engage and are open to ideas.

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website (www.franklin.in.gov) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes ☒ No ☐

If yes, at what percent(s)? 2%

**JOB AND WAGE DESCRIPTION
FOR TAX ABATEMENT APPLICATION**

Please provide the following job and wage earning information that is associated with this Tax Abatement Petition (*Please specify all wages in an hourly format without benefits*):

- (1) Company NAICS code: 339114.
- (2) The total number of jobs current at the site: 0, the number of those jobs that will be retained as a direct result of the proposed investment N/A, and the number of new jobs which will be created as a direct result of the proposed investment 100.
- (3) The total number of full-time employees at the site: 0.
- (4) The total number of temporary and/or contract employees currently at the site: 0.
- (5) The average hourly wages for the new jobs: \$24-\$26/hr.
- (6) Will the new jobs being created begin as temporary and/or contract employees? No
If yes, please provide an explanation of the typical transition process to full time:

(7) Number of new and/or retained jobs in:

- (a) Managerial/Professional Specialty Occ.: 15 Average Hourly Wage: \$34.00/hour
- (b) Technical/Sales/Admin. Support Occ.: Average Hourly Wage:
- (c) Service Occ.: Average Hourly Wage:
- (d) Precision Production/Craft/Repair Occ.: Average Hourly Wage:
- (e) Operators/Fabricators/Laborers: 85 Average Hourly Wage: \$21.00/hour

Note: The total number of jobs specified above should correspond with the Statement of Benefits Form SB-1.

- (8) **Attach detailed information on the types of benefits offered for new employees. A description of all possible bonuses and incentives should also be given if provided.**

**EMPLOYMENT PHASE-IN SCHEDULE
ESTIMATED JOB CREATION/RETENTION**

TIMETABLE

	Managerial	Laborers	Job Type 3	Job Type 4	Total
Year 1					
1st Quarter	1	10	-	-	11
2nd Quarter	1	5	-	-	6
3rd Quarter	1	5	-	-	6
4th Quarter	1	5	-	-	6
Year 2					
1st Quarter	1	5	-	-	6
2nd Quarter	1	5	-	-	6
3rd Quarter	1	5	-	-	6
4th Quarter	1	5	-	-	6
Year 3					
1st Quarter	1	5	-	-	6
2nd Quarter	1	5	-	-	6
3rd Quarter	1	5	-	-	6
4th Quarter	1	5	-	-	6
Year 4					
1st Quarter	1	5	-	-	6
2nd Quarter	1	5	-	-	6
3rd Quarter	1	5	-	-	6
4th Quarter	0	5	-	-	5
Total	15	85			100

ESTIMATED COMPANY INVESTMENT TIMETABLE

	Buildings	Manufacturing	IT/Software	Equip. Type 3	Total
Year 1					
1st Quarter	\$150,000	\$875,000	\$350,000	-	\$1,375,000
2nd Quarter	-	\$550,000	-	-	\$550,000
3rd Quarter	\$150,000	\$50,000	-	-	\$200,000
4th Quarter	-	\$50,000	-	-	\$50,000
Year 2					
1st Quarter	-	\$50,000	\$75,000	-	\$125,000
2nd Quarter	-	\$50,000	-	-	\$50,000
3rd Quarter	\$1,300,000	\$850,000	\$300,000	-	\$2,450,000
4th Quarter	-	\$50,000	-	-	\$50,000
Year 3					
1st Quarter	-	\$150,000	\$75,000	-	\$225,000
2nd Quarter	\$100,000	\$150,000	-	-	\$250,000
3rd Quarter	-	\$150,000	-	-	\$150,000
4th Quarter	-	\$150,000	-	-	\$150,000
Year 4					
1st Quarter	-	\$150,000	\$100,000	-	\$250,000
2nd Quarter	\$100,000	\$150,000	-	-	\$250,000
3rd Quarter	-	\$150,000	-	-	\$150,000
4th Quarter	-	\$150,000	-	-	\$150,000
Total	\$1,800,000	\$2,850,000	\$650,000	-	\$6,425,000

EXHIBIT "A"
LEGAL DESCRIPTION

Situated in Johnson County, State of Indiana, to-wit:

Part of the Northwest Quarter of Section 2, Township 12 North, Range 4 East of the Second Principal Meridian, described as follows:

Commencing at the Southeast corner of the Southwest Quarter of the Southwest Quarter of Section 35, Township 13 North, Range 3 East of the Second Principal Meridian, said point being in the centerline of Earlywood Drive and Graham Road in the City of Franklin, Indiana, said point also being on the North line of the Northwest Quarter of the said Section 2; thence South 0 degrees 24 minutes 21 seconds West on and along the centerline of Graham Road 255.00 feet to the Point of Beginning; thence continuing South 0 degrees 24 minutes 21 seconds West on and along said road centerline a distance of 145.00 feet; thence South 89 degrees 16 minutes 23 seconds West a distance of 662.55 feet to a point in the centerline of Canary Ditch; thence North 15 degrees 44 minutes 36 seconds East on and along said ditch centerline 60.02 feet; thence North 3 degrees 48 minutes 23 seconds East on and along said ditch centerline a distance of 87.69 feet; thence North 89 degrees 16 minutes 23 seconds East a distance of 641.47 feet to the Point of Beginning, containing 2.1575 acres.

NOTE: The acreage indicated in the legal description is solely for the purpose of identifying the said tract and should not be construed as insuring the quantity of land.

parcel 41-08-02-021-009.005-009

14-
Exhibit A

Recorded Johnson County, Indiana
Jean Harmon, Recorder
Date 08/14/2001 Time 12:55:31 1 of 1 Pgs
Inst # 2001-024725 OFF
Fee Amt: 14.00

41-08-02-021-009.002-009 JAHNS

QUITCLAIM DEED

AKA RICHARD M. JAHNS

THIS INDENTURE WITNESSETH, That R. Michael Jahns and Leslie Jahns ("Grantors") of Johnson County in the State of Indiana QUITCLAIM(S) to PRJ Properties, LLC, ("Grantees") for the sum of One Dollar(s) (\$ 1.00), the receipt of which is hereby acknowledged, the following described real estate in Johnson County, Indiana:

LOT 1, 6H MINOR PLAT

A PART OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 12 NORTH, RANGE 4 EAST OF THE SECOND PRINCIPAL MERIDIAN, JOHNSON COUNTY, INDIANA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTH LINE OF THE SID NORTHWEST QUARTER AT A POINT MARKING THE SOUTHWEST CORNER OF SECTION 35, TOWNSHIP 13 NORTH, RANGE 4 EAST OF THE SECOND PRINCIPAL MERIDIAN SAID POINT BEING MONUMENTED BY A RAILROAD SPIKE FOUND BY A SURVEY OF DANIEL L. MURRAY DATED NOVEMBER 14, 1988; THENCE NORTH 89 DEGREES 16 MINUTES 23 SECONDS EAST ON AND ALONG THE NORTH LINE OF THE SAID NORTHWEST QUARTER OF SAID SECTION 2, A DISTANCE OF 697.07 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING ON AND ALONG SAID NORTH LINE 89 DEGREES 16 MINUTES 23 SECONDS EAST A DISTANCE OF 626.30 FEET TO A POINT MARKING THE CENTERLINE OF EARLYWOOD DRIVE AND GRAHAM ROAD IN THE CITY OF FRANKLIN, INDIANA; THENCE SOUTH 0 DEGREES 24 MINUTES 21 SECONDS WEST ON AND ALONG THE CENTERLINE ON GRAHAM ROAD A DISTANCE OF 255.00 FEET; THENCE SOUTH 89 DEGREES 16 MINUTES 23 SECONDS WEST ON A LINE PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 641.47 FEET TO THE LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 641.47 FEET TO THE CENTERLINE OF CANARY DITCH; THENCE NORTH 3 DEGREES 48 MINUTES 23 SECONDS EAST ON AND ALONG SAID DITCH CENTERLINE A DISTANCE OF 255.75 FEET TO THE PLACE OF BEGINNING.

CONTAINING 3.7100 ACRES, MORE OR LESS, SUBJECT TO ALL LEGAL RIGHT-OF-WAY AND EASEMENTS

Tax Parcel Number:

Address: 2165 Earlywood Drive, Franklin, IN 46131

IN WITNESS WHEREOF, the Grantor has executed this deed this 23 day of July, 2001.

SIGNATURE

R. Michael Jahns

SIGNATURE

Leslie Jahns

STATE OF INDIANA)

COUNTY OF JOHNSON)

SS

Before me, a Notary Public in and for said County and State, personally appeared R. Michael Jahns and Leslie Jahns, who acknowledged the execution of the foregoing Quitclaim Deed, and who, having been duly sworn, stated that any representations therein contained are true.

WITNESS my hand and Notarial Seal this 23rd day of July, 2001.

My Commission Expires:

CARTER L. GOSSETT
Notary Public, State of Indiana
County of Johnson

Signature: Carter L. Gossett

Notary Public

My Commission Expires Sep 12, 2007

Residing In _____ County, Indiana

Return Document To:

Grantee's Address and Send Tax Bills To:

~~2165 Earlywood Drive, Franklin, IN 46131~~

P.O. Box 248

GREENWOOD, IN

46142

This instrument was prepared by:



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R2 | 1-07)

Prescribed by the Department of Local Government Finance

20 PAY 20

FORM SB-1 / Real Property

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 statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, BEFORE a deduction may be approved.
- To obtain a deduction, application Form 322 ERA/RE or Form 322 ERA/VBD, Whichever is applicable, must be filed with the County Auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)]
- The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000. The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.

SECTION 1 TAXPAYER INFORMATION					
Name of taxpayer PRJ Properties, LLC and OrthoAmerica Holdings, LLC					
Address of taxpayer (number and street, city, state, and ZIP code) 6344 Bay Ridge Dr., Petoskey, MI 49770					
Name of contact person Jon Helton		Telephone number (317) 289-7379		E-mail address jhelton@rmortho.com	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body City of Franklin, Common Council				Resolution number	
Location of property 2165 Earlywood Drive, Franklin, IN 46131		County Johnson		DLGF taxing district number 009	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) The company is planning on improving the building that they will purchase at 2165 Earlywood Drive and building an additional building on the land adjacent to it. Improvements include server room build out, cafeteria remodel, restroom upgrades, wire finishing room, and plumbing/HVAC/Electrical. Infrastructure improvements include a parking lot expansion, venting/exhaust, and vacant lot clean up.				Estimated start date (month, day, year) January 1, 2022	
				Estimated completion date (month, day, year) December 31, 2025	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 0	Salaries N/A	Number retained 0	Salaries N/A	Number additional 100	Salaries \$5,200,000
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
Current values				\$1,234,000 at 41-08-02-021-009.002-009 \$132,200 at 41-08-02-021-009.005-009	
Plus estimated values of proposed project		\$600,000 at 41-08-02-021-009.002-009 \$1,200,000 at 41-08-02-021-009.005-009			
Less values of any property being replaced					
Net estimated values upon completion of project				\$3,166,200	
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROVIDED BY THE TAXPAYER					
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____		
Other benefits					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative _____, CFO		Title CFO		Date signed (month, day, year) 09/29/2021	

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this Economic Revitalization Area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1, provides for the following limitations:

- A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.
- B. The type of deduction that is allowed in the designated area is limited to:
- | | | |
|--|------------------------------|-----------------------------|
| 1. Redevelopment or rehabilitation of real estate improvements | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Residentially distressed areas | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Occupancy of a vacant building | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
- C. The amount of the deduction applicable is limited to \$ _____.
- D. Other limitations or conditions (specify) _____
- E. The deduction is allowed for _____ years* (see below).

We have also reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Attested by (signature and title of attester)	Designated body	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.12-12.1-4.

- A. For residentially distressed areas, the deduction period may not exceed five (5) years.
- B. For redevelopment and rehabilitation or real estate improvements:
1. If the Economic Revitalization Area was designated prior to July 1, 2000, the deduction period is limited to three (3), six (6), or ten (10) years.
 2. If the Economic Revitalization Area was designated after June 20, 2000, the deduction period may not exceed ten (10) years.
- C. For vacant buildings, the deduction period may not exceed two (2) years.



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R / 1-06)

Prescribed by the Department of Local Government Finance


FORM SB-1 I PP

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:

- This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, BEFORE a deduction may be approved
- To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1 TAXPAYER INFORMATION											
Name of taxpayer OrthoAmerica Holdings, LLC											
Address of taxpayer (number and street, city, state, and ZIP code) 1064 Greenwood Springs Boulevard, Greenwood, IN 46143											
Name of contact person Jon Helton							Telephone number (317) 289-7379				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT											
Name of designating body City of Franklin, Common Council							Resolution number (s)				
Location of property 2165 Earlywood Drive, Franklin, IN 46131					County Johnson		DLGF taxing district number 009				
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (use additional sheets if necessary) Personal property includes new equipment as well as used manufacturing and IT equipment moved from Colorado (new to Indiana). New data center equipment including software and computers, infrared furnace, Deburr and Polish, Molar Brand Forming Machine, Debind ovens, rubber band sifting equipment, rubber band cutting machine, 3" bag line, all fill elastic filling machine, track weld fixturing, sintering furnace rebuilds, brazing trays, band stretching mandrels					ESTIMATED						
							START DATE		COMPLETION DATE		
					Manufacturing Equipment		January 1, 2022		December 31, 2025		
					R & D Equipment		January 1, 2022		December 31, 2025		
					Logist Dist Equipment		January 1, 2022		December 31, 2025		
IT Equipment		January 1, 2022		December 31, 2025							
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT											
Current number 0		Salaries N/A		Number retained 0		Salaries N/A		Number additional 100		Salaries \$5,200,000	
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT											
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.			MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT		
			COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	
Current values											
Plus estimated values of proposed project			\$3,725,000							\$900,000	
Less values of any property being replaced											
Net estimated values upon completion of project			\$3,725,000							\$900,000	
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER											
Estimated solid waste converted (pounds) _____						Estimated hazardous waste converted (pounds) _____					
Other benefits:											
SECTION 6 TAXPAYER CERTIFICATION											
I hereby certify that the representations in this statement are true.											
Signature of authorized representative  , CFO						Title CFO		Date signed (month, day, year) 09/29/2021			

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.

B. The type of deduction that is allowed in the designated area is limited to:

- | | |
|--|--|
| 1. Installation of new manufacturing equipment; | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4. Installation of new information technology equipment; | <input type="checkbox"/> Yes <input type="checkbox"/> No |

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction on or after July 1, 2000, is allowed for:

- | | |
|-------------------------------------|--------------------------------------|
| <input type="checkbox"/> 1 year | <input type="checkbox"/> 6 years |
| <input type="checkbox"/> 2 years | <input type="checkbox"/> 7 years |
| <input type="checkbox"/> 3 years | <input type="checkbox"/> 8 years |
| <input type="checkbox"/> 4 years | <input type="checkbox"/> 9 years |
| <input type="checkbox"/> 5 years ** | <input type="checkbox"/> 10 years ** |

** For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member)	Telephone number ()	Date signed (month, day, year)
Attested by:	Designated body	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5

EXHIBIT C

Real Property Schedule

2165 Earlywood Drive

Parcel Number:

41-08-02-021-009.002-009

41-08-02-021-009.005-009

Resolution 21-34

OrthoAmerica and PRJ Properties

Alternate Abatement Schedule

Year	Abatement
1	100%
2	100%
3	90%
4	75%
5	50%
6	40%
7	20%

Personal Property Schedule

Resolution 21-34

OrthoAmerica and PRJ Properties

Alternate Abatement Schedule

Year	Abatement
1	100%
2	90%
3	75%
4	57%
5	43%
6	20%
7	10%

Indiana Tax Abatement Results

- Johnson County, Franklin City - Franklin Twp
- Tax Rate (2021): 3.3879
- Project Name: solution

Real Property: \$1,800,000.00

	Abatement Percentage	With Abatement			Without Abatement			Estimated Tax Abatement Savings
		Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100%	\$ 0.00	\$0.00	\$0.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$54,000.00
Year 2	100%	\$ 0.00	\$0.00	\$0.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$54,000.00
Year 3	90%	\$ 6,098.00	\$0.00	\$6,098.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$47,902.00
Year 4	75%	\$ 15,246.00	\$0.00	\$15,246.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$38,754.00
Year 5	50%	\$ 30,491.00	\$0.00	\$30,491.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$23,509.00
Year 6	40%	\$ 36,589.00	\$0.00	\$36,589.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$17,411.00
Year 7	20%	\$ 48,786.00	\$0.00	\$48,786.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$5,214.00
Totals		\$137,210.00	\$0.00	\$137,210.00	\$426,874.00	(\$48,874.00)	\$378,000.00	\$240,790.00

Personal Property: \$4,625,000.00

	Abatement Percentage	With Abatement			Without Abatement			Estimated Tax Abatement Savings
		Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100%	\$0.00	\$0.00	\$0.00	\$62,676.00	(\$7,176.00)	\$55,500.00	\$55,500.00
Year 2	90%	\$8,775.00	\$0.00	\$8,775.00	\$87,747.00	(\$10,047.00)	\$77,700.00	\$68,925.00
Year 3	75%	\$16,452.00	\$0.00	\$16,452.00	\$65,810.00	(\$7,535.00)	\$58,275.00	\$41,823.00
Year 4	57%	\$21,561.00	\$0.00	\$21,561.00	\$50,141.00	(\$5,741.00)	\$44,400.00	\$22,839.00
Year 5	43%	\$26,794.00	\$0.00	\$26,794.00	\$47,007.00	(\$5,382.00)	\$41,625.00	\$14,831.00
Year 6	20%	\$37,606.00	\$0.00	\$37,606.00	\$47,007.00	(\$5,382.00)	\$41,625.00	\$4,019.00
Year 7	10%	\$42,306.00	(\$681.00)	\$41,625.00	\$47,007.00	(\$5,382.00)	\$41,625.00	\$0.00
Totals		\$153,494.00	(\$681.00)	\$152,813.00	\$407,395.00	(\$46,645.00)	\$360,750.00	\$207,937.00

Indiana Tax Abatement Results

- Johnson County, Franklin City - Franklin Twp
- Tax Rate (2021): 3.3879
- Project Name: solution

Real Property: \$1,800,000.00

	Abatement Percentage	With Abatement			Without Abatement			Estimated Tax Abatement Savings
		Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100%	\$ 0.00	\$0.00	\$0.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$54,000.00
Year 2	95%	\$ 3,049.00	\$0.00	\$3,049.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$50,951.00
Year 3	80%	\$ 12,196.00	\$0.00	\$12,196.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$41,804.00
Year 4	65%	\$ 21,344.00	\$0.00	\$21,344.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$32,656.00
Year 5	50%	\$ 30,491.00	\$0.00	\$30,491.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$23,509.00
Year 6	40%	\$ 36,589.00	\$0.00	\$36,589.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$17,411.00
Year 7	30%	\$ 42,688.00	\$0.00	\$42,688.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$11,312.00
Year 8	20%	\$ 48,786.00	\$0.00	\$48,786.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$5,214.00
Year 9	10%	\$ 54,884.00	(\$884.00)	\$54,000.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$0.00
Year 10	5%	\$ 57,933.00	(\$3,933.00)	\$54,000.00	\$60,982.00	(\$6,982.00)	\$54,000.00	\$0.00
Totals		\$307,960.00	(\$4,817.00)	\$303,143.00	\$609,820.00	(\$69,820.00)	\$540,000.00	\$236,857.00

Personal Property: \$4,625,000.00

	Abatement Percentage	With Abatement			Without Abatement			Estimated Tax Abatement Savings
		Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100%	\$0.00	\$0.00	\$0.00	\$62,676.00	(\$7,176.00)	\$55,500.00	\$55,500.00
Year 2	85%	\$13,162.00	\$0.00	\$13,162.00	\$87,747.00	(\$10,047.00)	\$77,700.00	\$64,538.00
Year 3	71%	\$19,085.00	\$0.00	\$19,085.00	\$65,810.00	(\$7,535.00)	\$58,275.00	\$39,190.00
Year 4	57%	\$21,561.00	\$0.00	\$21,561.00	\$50,141.00	(\$5,741.00)	\$44,400.00	\$22,839.00
Year 5	43%	\$26,794.00	\$0.00	\$26,794.00	\$47,007.00	(\$5,382.00)	\$41,625.00	\$14,831.00
Year 6	29%	\$33,375.00	\$0.00	\$33,375.00	\$47,007.00	(\$5,382.00)	\$41,625.00	\$8,250.00
Year 7	14%	\$40,426.00	\$0.00	\$40,426.00	\$47,007.00	(\$5,382.00)	\$41,625.00	\$1,199.00
Totals		\$154,403.00	\$0.00	\$154,403.00	\$407,395.00	(\$46,645.00)	\$360,750.00	\$206,347.00

OrthoAmerica 2021 Proposed

41-08-02-021-009.002-009
41-08-02-021-009.005-009

Proposed investment \$1,800,000 Real and 4,625,000 Personal
2165 Earlywood Drive

AV	Taxes Due	Abatement %	Taxes Paid	Current Assessed Value (combined): \$1,316,900
2020 Pay 2021	\$1,316,900			
2021 Pay 2022	\$3,116,900	Year 1	\$102,472.11	Year 1 \$41,490.11
2022 Pay 2023	\$3,116,900	Year 2	\$102,472.11	Year 2 \$41,490.11
2023 Pay 2024	\$3,116,900	Year 3	\$102,472.11	Year 3 \$41,490.11
2024 Pay 2025	\$3,116,900	Year 4	\$102,472.11	Year 4 \$41,490.11
2025 Pay 2026	\$3,116,900	Year 5	\$102,472.11	Year 5 \$41,490.11
2026 Pay 2027	\$3,116,900	Year 6	\$102,472.11	Year 6 \$41,490.11
2027 Pay 2028	\$3,116,900	Year 7	\$102,472.11	Year 7 \$41,490.11
2028 Pay 2029	\$3,116,900	Year 8	\$102,472.11	Year 8 \$41,490.11
2029 Pay 2030	\$3,116,900	Year 9	\$102,472.11	Year 9 \$41,490.11
2030 Pay 2031	\$3,116,900	Year 10	\$102,472.11	Year 10 \$41,490.11
			\$735,056.99	\$414,901.10
	Year 11	0%	\$102,472.11	Year 11 \$41,490.11
	Year 12	0%	\$102,472.11	Year 12 \$41,490.11
	Year 13	0%	\$102,472.11	Year 13 \$41,490.11
	Year 14	0%	\$102,472.11	Year 14 \$41,490.11
	Year 15	0%	\$102,472.11	Year 15 \$41,490.11
	Year 16	0%	\$102,472.11	Year 16 \$41,490.11
	Year 17	0%	\$102,472.11	Year 17 \$41,490.11
	Year 18	0%	\$102,472.11	Year 18 \$41,490.11
	Year 19	0%	\$102,472.11	Year 19 \$41,490.11
	Year 20	0%	\$102,472.11	Year 20 \$41,490.11
	Taxes PAID over 20 years:		\$1,759,778.09	\$829,802.20 :Taxes PAID over 20 ye
				without any new devel
			\$1,759,778.09	
			\$829,802.20	
		Difference:	\$929,975.89	