



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Dana Monson, Community Development Specialist
Date: February 8, 2022
Re: Case C 2022-11: Essex Furukawa (Res. 21-14)

Summary:

1. On April 5th, 2021, the Franklin Common Council passed Resolution No. 2021-14 approving a 7-year tax abatement on \$3,000,000 in personal property with a 5% Economic Development Fee, for Essex Furukawa located at 3200 Essex Drive.
2. Actual and estimated benefits, as projected for 2021:

	Estimated on SB-1	Actual in 2021	Difference
Employees Retained	68	44	-24
Salaries	\$4,220,569.60	\$2,419,788.80	-\$1,800,780.80
New Employees	6	12	6
Salaries	\$262,080.00	\$494,707.20	\$232,627.00
Total Employees	74	56	-18
Total Salaries	\$4,482,649.00	\$2,914,496.00	-\$1,568,153.00
Average Hourly Salaries	\$29.12	\$25.02	-\$4.10
Real Property Improvements	\$3,000,000	\$5,647,000	\$2,647,000.00

3. Essex Furukawa is down in their employment numbers by 18 and also down in salaries. They have explained that they have lost some employees but have hired new in their place, but not the full complement as indicated on their SB-1/. They are continuing to hire, but finding it difficult in the current workforce climate.
4. The real property investment is \$5,647,000, well above their estimate of \$3,000,000.
5. The real property tax abatement is scheduled to expire in tax year 2029 payable 2030. The final compliance review will take place in 2029.

Staff Recommendation: Approval



January 26, 2022

Mrs. Dana Monson, Community Development Specialist
Dept. of Community Development
70 E. Monroe Street
Franklin, IN 46131

Re: Tax Abatement Compliance for Essex Furukawa 21-09

Dear Mrs. Monson:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatements which were granted to Essex Furukawa in 2021 under Franklin Common Council Resolution No. 21-09.

As you will see on the attached document, we have not met our employment requirement. We are diligently trying to hire full-time permanent associates for our current production needs as well as those for the new production line. As the current unemployment rate in Franklin is 4%, we are finding it nearly impossible to fill our vacancies. Currently we are using temporary workers as well as overtime to meet our demands as we continue to seek qualified associates.

Please review the enclosed documents, and if you have any questions or concerns regarding this matter, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jerry Cano', is written over a faint, larger blue ink signature that is partially obscured.

Jerry Cano, Plant Operations Manager
Essex Furukawa

Enclosures



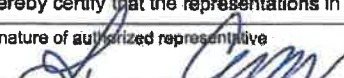
COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

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 Essex Furukawa Magent Wire USA, LLC									
Address of taxpayer (number and street, city, state, and ZIP code) 3200 Essex Drive									
Name of contact person Jerry Cano							Telephone number (317) 738-7712		
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY									
Name of designating body The City of Franklin Common Council							Resolution number 21-09		
Location of property 3200 Essex Drive					County Johnson		DLGF taxing district number		
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. Conversion of warehouse space into a new production area with equipment for automotive market.							Estimated starting date (month, day, year) 05/01/2019		
							Estimated completion date (month, day, year) 05/01/2021		
SECTION 3 EMPLOYEES AND SALARIES									
EMPLOYEES AND SALARIES						AS ESTIMATED ON SB-1		ACTUAL	
Current number of employees						68.00		56	
Salaries						29.84		26.58	
Number of employees retained						68.00		44	
Salaries						29.84		26.44	
Number of additional employees						8.00		12	
Salaries						21.00		19.62	
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	9,000,000.00								
Plus: Values of proposed project	3,000,000.00								
Less: Values of any property being replaced	0.00								
Net values upon completion of project	12,000,000.00								
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	
Values before project	9,000,000.00								
Plus: Values of proposed project	5,647,000.00								
Less: Values of any property being replaced	0.00								
Net values upon completion of project	14,647,000.00								
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 Plant Manager		Date signed (month, day, year) 01/26/2022		