



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Dana Monson, Community Development Specialist
Date: March 8, 2022
Re: Case C 2022-30: Tube Forming Systems, Inc. d/b/a Overton Industries

Summary:

1. On December 19th, 2016, the Franklin Common Council passed Resolution No. 2016-21, approving a 10-year tax abatement with at 2% Economic Development Fee on real property and a 7-year tax abatement with a 2% economic development fee on personal property for new equipment at 2155 McClain Drive.
2. Actual and estimated benefits, as projected for 2021:

	Estimated on SB-1	Actual in 2021	Difference
Employees	52	36	-16
Salaries	\$2,768,643	\$2,287,704	-\$480,939
Average Hourly Salaries	\$25.60	\$30.55	\$4.95
Real Property Improvements	\$911,353	\$911,353	\$0
Personal Property Improvements	\$658,000	\$508,675	-\$149,325

3. The company has 15 fewer than estimated additional employees, but they have exceeded average hourly wage indicated on the SB-1 Form. There is a deficit letter explaining the effects of Covid on the company. In 2021 the company continues to actively hire as the market allows.
4. The company met the estimated real property investment as estimated on their SB-1 Form.
5. The company invested \$149,325 less than estimated on personal property.
6. The personal property tax abatement for Overton is scheduled to expire in tax year 2023 payable 2024. The final compliance review will take place in 2023.
7. The real property tax abatement for Overton is scheduled to expire in tax year 2027 payable 2028. The final compliance review will take place in 2027.

Staff Recommendation: Approval

Overton Industries

Tube Forming Systems, Inc.
2155 McClain Drive
Franklin, IN 46131

February 17, 2022
Mrs. Dana Monson, Community Development Specialist
Dept. of Planning & Economic Development
70 E. Monroe Street
Franklin, IN 46131

RE: Tax Abatement Compliance for Tube Forming Systems, Inc.

Dear Mrs. Monson:

Enclosed please find Form CF-1 regarding compliance with real and personal property tax abatements which were granted to Tube Forming Systems in 2016 under Franklin Common Council Resolution No. 2016-21.

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

Sincerely,



Mr. Scott Buie
CEO
Overton Industries, Inc.

**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 INFORMATION									
Name of taxpayer Tube Forming Systems, Inc.						County Johnson			
Address of taxpayer (number and street, city, state, and ZIP code) 2155 McClain Dr., Franklin, IN 46131						DLGF taxing district number Franklin			
Name of contact person Scott Buie						Telephone number (317) 831-4542			
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY									
Name of designating body The City of Franklin Common Council					Resolution number 2016-21		Estimated start date (month, day, year) 12/01/2016		
Location of property 2155 McClain Drive, Franklin, IN 46131					Actual start date (month, day, year) 4/30/2017				
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. 10,000 Sq. Ft. light manufacturing building addition and access road shared with Ivy Tech					Estimated completion date (month, day, year) 4/30/2017				
					Actual completion date (month, day, year) 2/15/2018				
SECTION 3 EMPLOYEES AND SALARIES									
EMPLOYEES AND SALARIES						AS ESTIMATED ON SB-1		ACTUAL	
Current number of employees						42		36	
Salaries						2,290,243.00		2,287,704.00	
Number of employees retained						42		36	
Salaries						2,290,243.00		2,287,704.00	
Number of additional employees						10		-6	
Salaries						478,480.00		-2,539.00	
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	0								
Plus: Values of proposed project	658,000								
Less: Values of any property being replaced									
Net values upon completion of project	658,000								
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	
Values before project							0.00		
Plus: Values of proposed project	508,675						3,400.00		
Less: Values of any property being replaced							0.00		
Net values upon completion of project	508,675						3,400.00		
NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6(c).									
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						0		0	
Amount of hazardous waste converted						0		0	
Other benefits:						0		0	
SECTION 6 TAXPAYER CERTIFICATION									
I hereby certify that the representations in this statement are true.									
Signature of authorized representative 				Title CEO		Date signed (month, day, year) 2-17-2022			

Personal Property

A	B	C	D	E	F
Equipment needs			VR	QTR	
1 CNC Mill	YES	21,000	1	3	✓ VF1
2 100 Ton Press	NO	✓	2	1	✓ 48" x 36" bed - 6" Min. stroke - 24" min. shut height
3 Small Trak lathe	NO	✓	2	2	✓
4 CNC Grinder	YES	✓ 338,500.00	2	3	✓ AMADA GRINDER (\$340,000)
5 CNC Mill	NO	✓ 45,000.00	1	4	✓
6 CNC Mill	NO	✓	3	3	✓
7 Okamoto wet grinder	NO	✓	2	2	✓
8 Compressor	YES	✓	1	1	✓ Kaiser 40 h.p.
9 Delivery vehicle	NO	✓	1	2	✓ 1-ton delivery vehicle
10 Fork truck (4000#) Three wheel	NO	✓	1	3	✓
11 Caging for inventory	YES	✓	1	2	✓
12 Racks, carts, tables	YES	✓	1	2	✓
13 (2) Cranes - 5 ton, 10 ton	YES	75,675.00	1	3	✓
14 Computer Hardware	YES	✓	1	2	✓
15 Phone System	YES	✓	1	2	✓
16					
17					
18					
19 Total Equipment		\$226,000.00			

\$508,695.00



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20 22 PAY 20 23

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 Tube Forming Systems, Inc. DBA/ My Three Sons Partnership		County Johnson	
Address of taxpayer (number and street, city, state, and ZIP code) 2155 McClain Drive, Franklin, IN 46131		DLGF taxing district number Franklin	
Name of contact person Scott Buie		Telephone number (317) 831-4542	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body The City of Franklin Common Council		Resolution number 2016-21	Estimated start date (month, day, year) 12/01/2016
Location of property 2155 McClain Drive, Franklin, IN 46131 (41-07-18-013-002.004-018)		Actual start date (month, day, year) 4/30/2017	
Description of real property improvements 10,000 Sq. Ft. light manufacturing building addition		Estimated completion date (month, day, year) 4/30/2017	
		Actual completion date (month, day, year) 2/15/2018	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		42	36
Salaries		2,290,243.00	2287704
Number of employees retained		42	36
Salaries		2,290,243.00	2287704
Number of additional employees		10	-6
Salaries		478,400.00	-2,539.00
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project	0.00		
Plus: Values of proposed project	911,353.00		
Less: Values of any property being replaced	0.00		
Net values upon completion of project	911,353.00		
ACTUAL	COST	ASSESSED VALUE	
Values before project	0.00		
Plus: Values of proposed project	911,353.00		
Less: Values of any property being replaced			
Net values upon completion of project	850,000.00		
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		0.00	0.00
Amount of hazardous waste converted		0.00	0.00
Other benefits:			
SECTION 6 TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.			
Signature of authorized representative 		Title CEO	Date signed (month, day, year) 2-17-2022

	A	B	C	D	E
1	Tube Forming Systems Expansion Project 2016				
2	Item description		Cost		Notes
3					
4	Contractor		\$598,000.00		
5	Excavation costs		\$82,853.00		
6	Electrical + lighting		\$75,000.00		
7	Office (2) engineering (1) leader (1) conf room		\$54,000.00		
8	Floor Epoxy / polished		\$51,000.00		4.25 x 12,000 sq ft
9	Plumbing (connect from current supply)		\$8,000.00		
10	Sewer (connect from current supply)		\$7,000.00		
11	Air supply (connect from current supply)		\$10,000.00		
12	Fire door		\$8,500.00		
13	Welding hood		\$5,500.00		
14	Landscaping		\$5,000.00		
15	Drainage for water runoff		\$6,500.00		
16					
17	Sub - total		\$911,353.00		
18					

REAL PROPERTY