



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Dana Monson, Community Development Specialist  
**Date:** February 14, 2023  
**Re:** Case C 2023-14: Heartland Machine & Engineering, LLC

### Summary:

1. On March 18<sup>th</sup>, 2013, the Franklin Common Council passed Resolution No. 2013-11, approving a 10-year tax abatement on real property with a 2% Economic Development Fee for Heartland Machine & Engineering, located at 2848 N. Graham Road.
2. Actual and estimated benefits, as projected for 2022:

	Estimated on SB-1	Actual in 2022	Difference
Employees Retained	18	18	0
Salaries	\$1,080,144.00	\$1,414,780	\$334,636.00
New Employees	7	2	-5
Salaries	\$364,000	\$78,400.00	-\$285,600.00
Total Employees	25	20	-5
Total Salaries	\$1,444,144	\$1,493,180	\$49,036.00
Average Hourly Salaries	\$27.77	\$35.89	\$8.12
Real Property Improvements	\$800,000	\$1,102,251	\$302,251

3. Heartland Machine & Engineer planned to construct this building in 2013. It was not finished in 2013, but it was finished in 2014. They have exceeded their estimated real property improvement value by \$302,251.
4. In 2020 Heartland Machine was up two employees from the estimate on the SB-1 form; and the average hourly salary is \$3.30 higher than the SB-1 estimate. In 2021 the company was below employment numbers by 5 but up by \$8.12/hour in wages. 2022 remained unchanged from the previous year in terms of employment and wages.
5. The real property tax abatement for Heartland Machine & Engineering, LLC, is scheduled to expire in tax year 2025 payable 2026. The final compliance review will take place in 2025.

**Staff Recommendation:** Approval

January 26, 2023

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

RE: Tax Abatement Compliance for Heartland Machine & Engineering LLC

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 Heartland Machine & Engineering LLC (HME) in 2013 under Franklin Common Council Resolution No. 13-11.

Our company has been successful in creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1). While the original proposal was to hire seven more employees, due to the current workforce and the company growth, we have only added 2 jobs. However, we did manage to retain the original 18. Even though we were not able to hire the additional, we did increase wages and provided benefits for all of our current employees.

As the economy comes out of the recession, there is still a goal of hiring more and continuing to grow the company.

Please do not hesitate to contact me if you have any questions or concerns regarding this matter.

Sincerely,



Sandy Bennett  
Controller



# 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

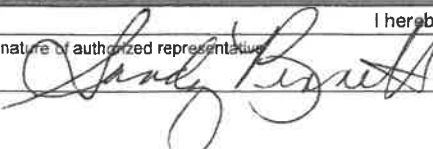
FORM CF-1 / Real Property

## 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 <b>Heartland Machine &amp; Engineering LLC</b>	County <b>Johnson</b>	
Address of taxpayer (number and street, city, state, and ZIP code) <b>2848 Graham Road, Franklin, IN 46131 41-08-02-024-003.000-009</b>	DLGF taxing district number	
Name of contact person <b>Sandy Bennett</b>	Telephone number <b>( 317 ) 494-3864</b>	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body <b>The City of Franklin Common Council</b>	Resolution number <b>13-11</b>	Estimated start date (month, day, year)
Location of property <b>2848 Graham Road, Franklin, IN 46131</b>	Actual start date (month, day, year)	
Description of real property improvements <b>Construction of 20,000 square foot building to support machine tool distribution. The building provides office space, showroom facilities and warehousing.</b>	Estimated completion date (month, day, year)	
Actual completion date (month, day, year)		
SECTION 3 EMPLOYEES AND SALARIES		
<b>EMPLOYEES AND SALARIES</b>	<b>AS ESTIMATED ON SB-1</b>	<b>ACTUAL</b>
Current number of employees	<b>18</b>	<b>20</b>
Salaries	<b>1,080,144</b>	<b>1,493,180</b>
Number of employees retained	<b>18</b>	<b>18</b>
Salaries	<b>1,080,144</b>	<b>1,414,780</b>
Number of additional employees	<b>7</b>	<b>2</b>
Salaries	<b>364,000</b>	<b>78,400</b>
SECTION 4 COST AND VALUES		
<b>COST AND VALUES</b>	<b>REAL ESTATE IMPROVEMENTS</b>	
<b>AS ESTIMATED ON SB-1</b>	<b>COST</b>	<b>ASSESSED VALUE</b>
Values before project	<b>63,000</b>	<b>92,600</b>
Plus: Values of proposed project	<b>800,00</b>	<b>800,000</b>
Less: Values of any property being replaced		
Net values upon completion of project	<b>863,000</b>	<b>892,600</b>
<b>ACTUAL</b>	<b>COST</b>	<b>ASSESSED VALUE</b>
Values before project	<b>63,000</b>	<b>92,600</b>
Plus: Values of proposed project	<b>1,102,251</b>	<b>1,200,000</b>
Less: Values of any property being replaced		
Net values upon completion of project	<b>1,162,251</b>	<b>1,292,600</b>
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER		
<b>WASTE CONVERTED AND OTHER BENEFITS</b>	<b>AS ESTIMATED ON SB-1</b>	<b>ACTUAL</b>
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>Controller</b>	Date signed (month, day, year) <b>01/26/23</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 6-1.1-12.1-5.1 and IC 6-1.1-12.1-5.9)

1. Not later than 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 (Form SB-1/Real Property).
2. 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. The date of this hearing may not be more than thirty (30) days after the date this notice is mailed. A copy of the notice may be sent to the county auditor and the county assessor.
3. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable efforts to substantially comply with the Statement of Benefits (Form SB-1/Real Property) and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
4. If the designating body determines that the property owner has **NOT** made reasonable efforts to comply, then the designating body shall adopt a resolution terminating the property owner's deduction. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes. 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 **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. (Hearing must be held within thirty (30) days of the date of mailing of this notice.)

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.