



# CITY OF FRANKLIN

## COMMUNITY DEVELOPMENT DEPARTMENT

### Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Dana Monson, Community Development Specialist  
**Date:** April 11, 2023  
**Re:** Case C 2023-33: Tube Forming Systems, Inc. d/b/a Overton Industries

#### Summary:

1. On January 20<sup>th</sup>, 2022, the Franklin Common Council passed Resolution No. 2022-01, approving a 3-year tax abatement with a 5% economic development fee on personal property for new equipment at 2155 McClain Drive.
2. Actual and estimated benefits, as projected for 2022:

	Estimated on SB-1	Actual in 2022	Difference
Employees	37	36	-1
Salaries	\$2,010,340	\$2,274,906	\$264,566
Average Hourly Salaries	\$26.85	\$30.38	\$3.53
Personal Property Improvements	\$247,068	\$247,068	\$0

3. The company has 1 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 2022 the company continues to actively hire as the market allows.
4. The company met the estimate on personal property.
5. The personal property tax abatement for Overton is scheduled to expire in tax year 2026 payable 2027. The final compliance review will take place in 2026.

**Staff Recommendation:** Approval



February 22, 2023

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

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 personal property tax abatement which were granted to Tube Forming Systems in 2022 under Franklin Common Council Resolution No. 2022-01.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Buie".

Mr. Scott Buie  
CEO  
Overton Industries, Inc.



# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R7 / 12-22)

Prescribed by the Department of Local Government Finance

**PRIVACY NOTICE**  
This form contains confidential  
information pursuant to  
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

**FORM CF-1 / PP**

**20\_\_ Pay 20\_\_**

- 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, 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 form (CF-1).

SECTION 1 TAXPAYER INFORMATION								
Name of Taxpayer <b>Tube Forming Systems, Inc.</b>						County <b>Johnson</b>		
Address of Taxpayer (number and street, city, state, and ZIP code) <b>2155 McClain Drive, Franklin, IN 46131</b>						DLGF Taxing District Number <b>Franklin</b>		
Name of Contact Person <b>Scott Buie</b>				Telephone Number <b>(317) 831-4542</b>		Email Address <b>sbuie@overtonind.com</b>		
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY								
Name of Designating Body <b>The City of Franklin Common Council</b>				Resolution Number <b>2022-01</b>		Estimated State Date (month, day, year) <b>02/01/2022</b>		
Location of Property <b>2155 McClain Drive, Franklin, IN 46131</b>						Actual Start Date (month, day, year)		
Description of new manufacturing equipment, new research and development equipment, new information technology equipment, or new logistical distribution equipment to be acquired. <b>Beamer Laser Marker 104-FB23 w/ Rotary Attachment HAAS VF-4SS &amp; 2SS</b>						Estimated Completion Date (month, day, year) <b>02/10/2022</b>		
						Actual Completion Date (month, day, year)		
SECTION 3 EMPLOYEES AND SALARIES								
EMPLOYEES AND SALARIES				AS ESTIMATED ON SB-1		ACTUAL		
Current Number of Employees				36		36		
Salaries				2,010,340.00		2,274,906.63		
Number of Employees Retained				36		36		
Salaries				2,010,340.00		2,274,906.63		
Number of Additional Employees				1		0		
Salaries				49,000.00		264,566.63		
SECTION 4 COST AND VALUES								
	MANUFACTURING EQUIPMENT		RESEARCH & DEVELOPMENT EQUIPMENT		LOGISTICAL DISTRIBUTION EQUIPMENT		IT EQUIPMENT	
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	\$ 247,068	\$	\$	\$	\$	\$	\$	\$
Less: Values of Any Property Being Replaced	\$	\$	\$	\$	\$	\$	\$	\$
Net Values Upon Completion of Project	\$	\$	\$	\$	\$	\$	\$	\$
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values Before Project	\$	\$	\$	\$	\$	\$	\$	\$
Plus: Values of Proposed Project	\$ 247,068	\$	\$	\$	\$	\$	\$	\$
Less: Values of Any Property Being Replaced	\$	\$	\$	\$	\$	\$	\$	\$
Net Values Upon Completion of Project	\$	\$	\$	\$	\$	\$	\$	\$
<b>NOTE:</b> 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								
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>CEO</b>		Date Signed (month, day, year) <b>2-22-23</b>		

OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)

**INSTRUCTIONS: (IC 6-1.1-12.1-5.9)**

1. *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.*
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, including 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.*
3. *Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made a 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.*
4. *If the designating body determines that the property owner has NOT made a reasonable effort to comply, 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:			
<input type="checkbox"/>	The property owner <b>IS</b> in substantial compliance		
<input type="checkbox"/>	The property owner <b>IS NOT</b> in substantial compliance		
<input type="checkbox"/>	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.			
Time of Hearing	<input type="checkbox"/> AM <input type="checkbox"/> PM	Date of Hearing (month, day, year)	Location of Hearing

HEARING RESULTS (to be completed after the hearing)	
<input type="checkbox"/> Approved	<input type="checkbox"/> 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
<b>APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]</b>	
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 clerk 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.	



March 15th, 2023

Dana Monson, Community Development Specialist  
Franklin Economic Development Department  
70 E. Monroe Street  
Franklin, IN 46131

*Re: Employee count related to CF-1 for 22-01 resolution – Tube Forming Systems Inc.*

Dear Economic Development Commission Members:

Tube Forming Systems Incorporated (TFS) estimated an additional hiring of 1 employee per our CF-1 submitted for resolution 22-01. When the SB-1 was submitted, TFS was at 36 employees and as of 12-31-23 TFS was still at 36 employees. Earlier in 2022 TFS actually had 37 employees for a period of time. Due to the competitive job market it has been challenging to hire additional employees. In 2022 we had one machinist relocate to the Vincennes area due to family reasons and another machinist accepted a position with local employer for significantly higher wages. Replacing those two machinists has been difficult due to the current job market. Finding skilled machinists in today's market is very difficult. TFS should be able to fulfill the 1 additional person that was projected in the SB-1. We are actively looking to bring on additional employees for TFS. We are currently at 36 employees and are actively seeking at least two new team members currently. Filling those two positions would put us above the employment levels that were projected in the initial SB-1.

Another reason for not achieving the employment levels noted in our SB-1 is the simple fact that business levels are still not back to pre-pandemic levels. TFS continues to recover from the loss of projects as a result of the COVID pandemic. Several customers have still not initiated projects that were planned prior to COVID, so TFS has had to go out and develop new customers and new business to get back to a trend of steady year-over-year growth. The sluggish economic growth and mild recession has been another detriment to steady business growth. Over 50% of our business comes from the design and build of new capital equipment. During recessive times customers always slow up on capital equipment purchases and that is what we are seeing now.

In summary, due to the ultra-competitive job market and the mild recessive economic atmosphere, TFS is dealing with a difficult environment to grow business and employment levels. We still project 2023 to

be a growth year and we will need to add team members in 2023 to achieve our business goals. While we did not meet the one additional employee projection in 2022, we feel that we will correct that in 2023. We do wish to express our thanks to the City of Franklin and the Economic Development Council for supporting local business. We appreciate the efforts everyone has made in Franklin to specifically support the growth and development of Tube Forming Systems and its employees.

Regards,

A handwritten signature in black ink, appearing to read "David Bar", with a stylized, flowing script.

CEO

Overton Industries – Tube Forming Systems