



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission

From: Dana Monson, Community Development Specialist

Date: March 12, 2024

Re: Case C 2024-39: Pure Development 21-28

Summary:

1. On August 2nd, 2021 the Franklin Common Council passed Resolution No. 2021-28, approving a 10-year tax abatement on real property for Peterson Group, located at 120 Jim Black Road. The property has since been sold to Pure Development.
2. Actual and estimated benefits, as projected for 2023:

	Estimated on SB-1	Actual in 2023	Difference
Total Employees	0	0	0
Salaries	\$0	\$0	\$0
Average Hourly Salaries	\$0.00	\$0.00	\$0.00
Real Property Improvements	\$22,500,000	\$35,509,438	\$13,009,438

3. The company has exceeded its investment by over 6 million dollars.
4. The property is being marketed for lease now.
5. The real property tax abatement is scheduled to expire in tax year 2033 payable in 2034. The final compliance review will take place in 2033.

Staff Recommendation: Approval

Cover Letter

Pure Franklin, LLC
815 E 65th Street, Suite 200
Indianapolis, IN 46220

February 22, 2024

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

Re: Tax Abatement Compliance for Pure Franklin, LLC (Resolution #2021-06)

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 the subject property in 2021 under Franklin Common Council Resolution No. 2021-06. The initial abatement was granted to Peterson Property Group under a "to-be formed entity." That new entity name is Pure Franklin, LLC.

As can be seen from reviewing the enclosed documents, the property which received the tax abatement has completed its initial construction phase. The 539,668 square foot industrial facility commenced construction in May of 2022 and received its Temporary Certificate of Occupancy on 12/09/2022. As an incentive to move forward with the project, the Developer received a tax abatement for the project under the resolution number 2021-28.

As of today, the site and shell of the project have been completed in their entirety. In addition, the Developer opted to include (via a Change Order with the General Contractor) an office within the warehouse facility that is approximately 3,500 square feet. The Developer is hoping these improvements improve both the terms and speed at which a future lease is signed. In addition to the spec office, the Developer is holding back funds to make certain Tenant Improvements that will be required by the Tenant once a Lease is signed at some point in the future.

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

Sincerely,

Tyler Neese, Director
Pure Franklin, LLC



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20 ²³ PAY 20 ²⁴

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 Pure Franklin, LLC	County Marion		
Address of taxpayer (number and street, city, state, and ZIP code) 815 E. 65th St., Suite 200, Indianapolis, IN, 46220		DLGF taxing district number	
Name of contact person Jesse Sadowy		Telephone number (317) 525-8893	
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body The City of Franklin Common Council	Resolution number 2021-28	Estimated start date (month, day, year) March 1, 2022	
Location of property 2280 McClain Drive, Franklin, IN 46131		Actual start date (month, day, year) April 25, 2022	
Description of real property improvements Class A Industrial Building, 540,000 square foot, cross-docked building on 37 acres including 3,463 sf office.		Estimated completion date (month, day, year) April 30, 2023	
		Actual completion date (month, day, year) December 9, 2022	
SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		N/A	
Salaries		N/A	
Number of employees retained		N/A	
Salaries		N/A	
Number of additional employees		N/A	
Salaries		N/A	
SECTION 4		COST AND VALUES	
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project	4,163,000	10800	
Plus: Values of proposed project	22,500,000	0	
Less: Values of any property being replaced			
Net values upon completion of project	26,663,000	10800	
ACTUAL	COST	ASSESSED VALUE	
Values before project	6,073,550	3402300	
Plus: Values of proposed project	29,435,888	13254100	
Less: Values of any property being replaced			
Net values upon completion of project	35,509,438	16656400	
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		N/A	
Amount of hazardous waste converted		N/A	
Other benefits:		N/A	
SECTION 6		TAXPAYER CERTIFICATION	
I hereby certify that the representations in this statement are true.			
Signature of authorized representative 	Title Authorized Signatory	Date signed (month, day, year) 02/21/2024	

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.

CONSTRUCTION AND OCCUPANCY STATUS REPORT

Pure Franklin, LLC

The subject property has been completed per the original plans and specs as of December 9, 2022. No additional investment or improvements were made in 2023.

PERSONAL PROPERTY LISTING

Pure Franklin, LLC

This report is not applicable for the subject tax abatement.

FORM CF-1

Pure Franklin, LLC

Included in separate PDF.

EXPANSION INVESTMENT SCHEDULE

Pure Franklin, LLC

Please see below.

JOB CREATION OR RETENTION SCHEDULE

Pure Franklin, LLC

This report is not applicable for the subject tax abatement as the jobs section was not completed on the initial SB-1.

DEFICIENCY STATEMENT

Pure Franklin, LLC

Not applicable

Expansion Investment Schedule

Pure Franklin, LLC
815 E 65th Street, Suite 200
Indianapolis, IN 46220

*Attachment to Form CF-1 (Compliance with Statement of Benefits):
Expansion Investment Schedule by Quarter*

Actual Amount of Investment as of 12/31/23		Proposed Amount of Total Investment by 12/31/22 (From SB-1)	3/31/23	Actual Amount of Investment Added During Year (by Quarter)			12/31/23	Actual Total Amount of Investment as of 12/31/23	Difference Between Actual and Proposed Amount of Investment
Buildings and Improvements:		\$35,509,438	\$26,663,000	\$0	\$0	\$0	\$0	\$0	\$8,846,438
Machinery and Equipment:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals:		\$35,509,438	\$26,663,000	\$0	\$0	\$0	\$0	\$0	\$8,846,438