



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: Economic Development Commission
From: Dana Monson
Date: May 14, 2024
Re: EDC 2024-02: Legacy Investing – Request for Waiver of Non-Compliance

On March 2, 2020, The Franklin Common Council passed Resolution No. 2020-04, approving a 10-year tax abatement on real property with a 2% economic development fee for what was then the GDI building located at 81 Forest Road. GDI, then Core 5 began the work on the expansion, which was partially assessed by the county as of January 1, 2022. The county sent them the required Form 11 that triggers the completion of Form 322 to start the abatement.

The Form 11 was sent out to the company April 15, 2022. During this time period the building was sold again and the Form 11 was not placed in the paperwork prior to the filing deadline. Each party thought the other party had completed the Form 322 for the abatement but unfortunately this did not happen and the Form 322 was not filed by May 29, 2022 as required by the county and state law. On June 13, 2022, the Community Development Department was notified that the 322 had not been filed and therefore Legacy Investing would not receive their first-year abatement for 2022 pay 2023 tax year. Ms. Monson immediately contacted Legacy Investing and discovered the new owners were not aware of the Form 11 and therefore did not file the Form 322 as Ms. Monson had instructed the previous owner to do as the next steps for the completion of the abatement once the Form 11 arrived.

Legacy Investing came before the EDC on July 12, 2022 to request a waiver of non-compliance for Form 322, which was granted by the EDC and approved by the city council on July 22, 2022.

On April 18, 2023, the county auditor sent out a new Form 11 with additional assessed property value which triggered the need for a new Form 322 to be filed, to capture the additional assessed value for the abatement. This would then have the abatement running in two timelines, with the original amount going into their second year of abatement and the additional amount beginning its first year of abatement, beginning 2023 pay 2024. Ms. Monson sent the company representative an email requesting the completion of the new Form 322 and have the form sent to the auditor.

On July 27, 2023, Ms. Monson was informed by the county auditor that Form 322 for the additional investment was not filed by the June 15, 2023 deadline. Ms. Monson contacted the company representative who stated he had filed a Form 322, but evidently, it was not for the correct amount. The auditor's office does not have a record of receiving this form. The auditor therefore stated the abatement could not be applied for this portion for the 2023 pay 2024 tax year.

The company had the opportunity to file Form 322 late, with a waiver of non-compliance given from the city of Franklin permitting the late filing. The EDC approved granting the waiver and sending to the City Council with a favorable recommendation. The council approved this second waiver.

The CF-1 compliance notices for 2024 were sent out to all companies on January 26 with a due date of February 29. Legacy was sent this notice to our contact on file, Nate Brookes. Ms. Monson received a delivered notification but did not receive a read receipt. A second reminder and extended due date of March 29 was sent out on March 4. Again a delivered receipt was received but no read receipt. On Thursday April 25 Ms. Monson received a call from an employee of Legacy asking about the requirement for the CF-1. Ms. Monson notified the employee the form was past due and could not be processed by the county due date of May 15 due to the city meeting schedule and required time to prepare the staff report. Ms. Monson was then contacted by Ashley Tonneson from Legacy stating that Mr. Brooks was no longer with the company and therefore the emails were not read. The company has sent a letter requesting a waiver of non compliance as well as the completed CF-1. Ms. Tonneson stated the late filing was due to the fact they did not receive the emails sent for Mr. Brooks and assumed the filing deadline listed on the county website was the one they needed to complete the forms by. She did not realize these forms had to be completed by the city prior to filing with the county.

This is the third consecutive year that the company has not filed the CF-1 form to the EDC in time to be reviewed before the May 15 county deadline. Staff does not recommend approval this year, however, the company can apply for the abatement again next year, losing one year of the savings, with no other penalty.

4/29/2024

LA Crossroads I Owner LLC

4201 Wilson Blvd #110-159

Arlington VA 22203

To the Franklin Economic Development Commission,

We are requesting a waiver of non-compliance for the year 2024 (pay 2025) taxes due to the form CF-1 not being delivered by the requested date of March 29, 2024. We recognize that this is the second time we've had to submit a waiver for non-compliance; however, our past non-compliance was related to an under-performing employee who we have since terminated.

Upon transitioning this responsibility from the former employee, our current management team referenced the available information on the Franklin City website and the instructions on the required form for when to file the form CF-1. Based on that, the team was working toward submitting the information by May 15, 2024, which is the date stated on both the form CF-1 and the website. As evidence that we were working towards a timely submission, we proactively reached out to the Commission on April 25, 2024 to confirm our understanding of the process and the May 15th due date; and it was during this call that our current team was notified that the form CF-1 filing was actually past due.

Again, we acknowledge our past non-compliance, but our team takes these deadlines very seriously and we've made the necessary changes within our organization and our procedures to fully comply going forward.

Respectfully,

A handwritten signature in cursive script that reads "Ashley Tonnesen".

Ashley Tonnesen

LA Crossroads I Owner LLC



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20 24 PAY 20 25

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 LA Crossroads I Owner LLC		County Johnson	
Address of taxpayer (number and street, city, state, and ZIP code) 4201 Wilson Blvd #110-159 Arlington VA 22203		DLGF taxing district number 18	
Name of contact person Jessica Moore		Telephone number (859) 221-8339	
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body The City of Franklin Common Council		Resolution number 20-04	Estimated start date (month, day, year) 5/1/2020
Location of property 81 & 89 Forest Rd Franklin, IN 46131 (Parcel #: 41-07-17-034-002.000-018)		Actual start date (month, day, year) 2/1/2021	
Description of real property improvements New 954,370 sq. ft. bulk industrial building		Estimated completion date (month, day, year) 1/1/2021	
		Actual completion date (month, day, year) 10/28/2022	
SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		0	0
Salaries		0	0
Number of employees retained		0	0
Salaries		0	0
Number of additional employees		0	0
Salaries		0	0
SECTION 4		COST AND VALUES	
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE
Values before project			89 000
Plus: Values of proposed project		18 000 000	
Less: Values of any property being replaced			
Net values upon completion of project		18 000 000	89 000
ACTUAL		COST	ASSESSED VALUE
Values before project			
Plus: Values of proposed project		41 775 529.98	53 830 400
Less: Values of any property being replaced			
Net values upon completion of project		41 775 529.98	53 830 400
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 <i>Jay Raffaport</i>		Title CEO	Date signed (month, day, year) 04 / 29 / 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.

Title	Signature for Form CF1 (Crossroads Tax Abatement)
File name	Tax_Abatement_CF-1_RE.pdf
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Status	● Signed

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