

AGENDA RESERVATION REQUEST

CITY OF FRANKLIN COMMON COUNCIL

Please type or print

Date Submitted:	May 14, 2024	Meeting Date:	May 20, 2024
Contact Information:			
Requested by:	Dana Monson		
On Behalf of Organization or Individual: Malarkey Roofing			
Telephone:	317-736-3631		
Email address:	dmonson@franklin.in.gov		
Mailing Address:	70 E. Monroe St., Franklin, IN 46131		
Describe Request:			
Tax Abatement request			
List Supporting Documentation Provided:			
City Council Memo			
Staff Report EDC Case 2024-01			
Resolution 2024-01: RE Tax Abatement			
Resolution 2024-02: PP Tax Abatement			
Who will present the request?			
Name:	Dana Monson	Telephone:	317-736-3631

The Franklin City Council meets on the 1st and 3rd Monday of each month at 6:00 p.m. in the Council Chambers of City Hall located at 70 E. Monroe Street. In order for an individual and/or agency to be considered for new business on the agenda, this reservation form and supporting documents must be received in the Mayor's office no later than 12:00 p.m. on the Wednesday before the meeting.



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City Council, Mayor Barnett, Lynn Gray
From: Dana Monson
Date: May 20, 2024
Re: EDC 2024-01: Malarkey Roofing Tax Abatement Request

The City of Franklin Economic Development Commission (EDC) reviewed and acted on a request for a real and personal property tax abatement from Malarkey Roofing at a meeting held on May 14, 2024. The commission voted to forward a favorable recommendation to the City Council for approval of a ten-year real property and ten-year personal property tax abatement.

Today we are presenting a request for a 10-year standard real property tax with a 2% economic development fee with Resolution 2024-01 and a standard personal property tax abatement with a 5% economic development fee with Resolution 2024-02.

Attached to this memo are:

1. Case EDC 2024-01 Staff Report
2. Application and requested forms
3. Resolution 2024-01: Tax Abatement real
4. Resolution 2024-02: Tax Abatement personal

If you have any questions regarding this request, please contact me directly at 346-1254.



CITY OF FRANKLIN

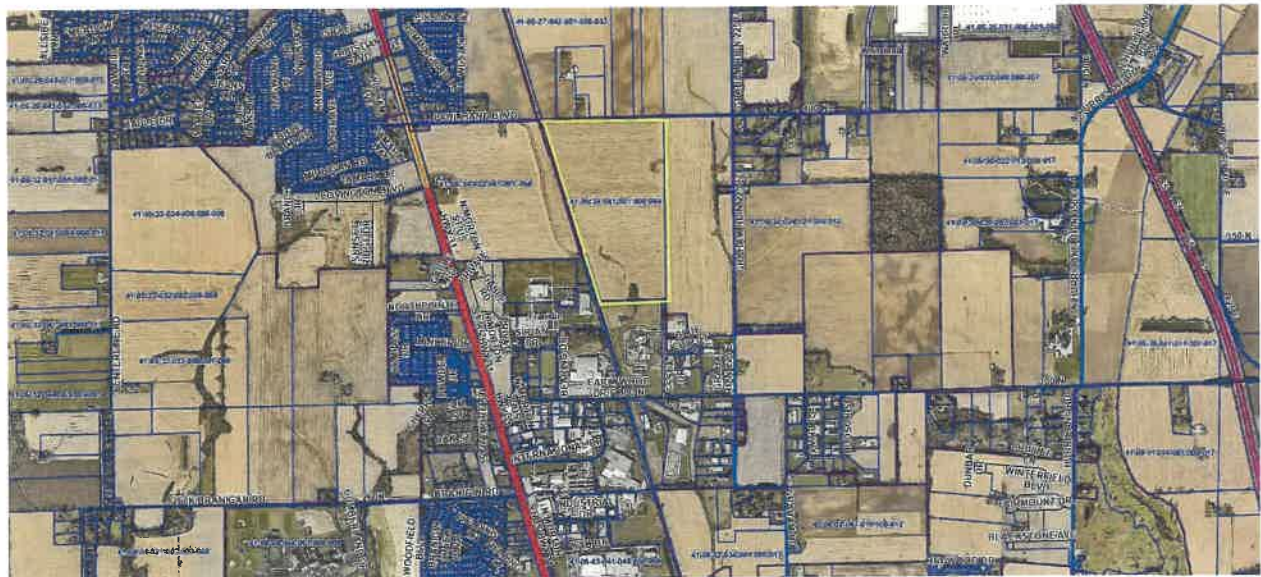
DEPARTMENT OF COMMUNITY DEVELOPMENT

Staff Report

To: Economic Development Commission Members
From: Dana Monson, Community Development Specialist
Date: May 14, 2024
Re: Case EDC 2024-01– Malarkey Roofing

Case EDC 2024-01– Malarkey Roofing: A request for a 10-year real property tax abatement on \$83,000,000 in investment and a 10-year personal Property tax abatement on \$95,000,000 for the construction of an advanced manufacturing facility with a 2% and 5% economic development fee.

Location: Paul Hand Road and Graham Road, Franklin, IN. 46131 Will become 3543 Essex Drive



Summary:

1. Characteristics of this location:

This property is currently used as agricultural and is located on Paul Hand Road near the corner of Graham Road. The total acreage is 135 acres. The building will be constructed on the center of the property with the company extending Essex Drive from its current end north to connect with Paul Hand Road. The building will be accessed off the newly constructed Essex Drive.

2. Characteristics of this petitioner:

Malarkey Roofing was founded in 1956 in Oregon and was maintained as a family-owned company until 2022 when it was purchased by Holcim. The company currently has facilities in Oregon, Oklahoma, California, and Maryland. The company is known for developing the first sustainable

shingle made of a proprietary blend of rubber and asphalt, therefore it is not the typical asphalt shingle.

3. Characteristics of this project:

The company plans to construct a 350,000 sf facility and hire 215 new employees.

4. Economic Revitalization Area (ERA):

The property is located in an ERA established last year under resolution 2022-05

5. ERA & Tax Abatements Findings (Real Property):

Indiana Code Section 6-1.1-12.1-3 states that the following findings must be made when considering an ERA designation and the granting of a tax abatement for real property:

- a. Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
- b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

6. ERA & Tax Abatements Findings (Personal Property):

Indiana Code Section 6-1.1-12.1-4.5 states that the following findings must be made when considering an ERA designation and the granting of tax abatement for personal property:

- a. Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of new manufacturing equipment;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

7. City of Franklin "Tax Abatement Policy" criteria:

The "Tax Abatement Policy" section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and this request follows:

- a. *Diversification of Local Occupations:* This project will provide an advanced manufacturing facility in a sector that will be new to our region.
- b. *Diversification of Local Employment:* The project will bring 215 new highly skilled jobs to the community.
- c. *Increase in Local Salaries:* The average wage for this company will be \$26.92. The current average wage for Johnson County is \$23.93 so this project will have wages starting above the county average.
- d. *Sustainable Land Use:* The petitioner proposes to make this investment on land that is currently undeveloped.
- e. *Future Community Investment:* The applicant should share with the EDC their plans for future community investment.
- f. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Future Land Use Plan identifies this property as Industrial General. Industrial General zoning permits the following uses: Industrial Uses • agricultural products terminal • dry cleaners (commercial) • food & beverage production • general industrial production • light industrial assembly & distribution • light industrial processing and distribution • power generation facility (commercial) • research and development facility • truck freight terminal • warehouse & distribution facility

8. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects that:

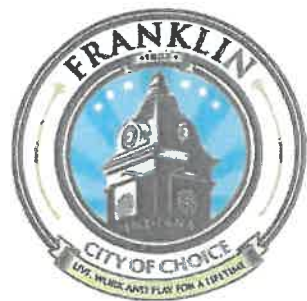
- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact on city services (police & fire protection, schools, utilities, infrastructure, etc.); and
- d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

9. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be for the first year taxes are assessed at an increased assessment rate.

Staff Comments:

The Mayor's Office has indicated they are supportive of a tax abatement of 10 years for real and personal property for this project based on the investment amount and the potential of diversification of the employment base.



CITY OF FRANKLIN

Community Development DEPARTMENT

Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: Herbert Malarkey Roofing Company

Primary Contact Name: Dave Wachsmuth

Contact Address: P.O. Box 17217

City: Portland State: Oregon Zip: 97217

Phone Number: (503) 240-7828

Email: dwachsmuth@malarkeyroofing.com

Three possible dates before the EDC
meeting to conduct a site visit :

Name of Owner: Holcim Participations Inc.

Parent Company (If Applicable): Holcim

Primary Contact for Yearly Compliance Reports

Name: Dave Wachsmuth

Title: Vice President of Finance

Address: P.O. Box 17217

City: Portland State: Oregon Zip: 97217

Phone Number: (503) 240-7828

Email: dwachsmuth@malarkeyroofing.com

Description of Project

Project Location/Address: SW of Paul Hand and Graham Road

Parcel Number: 41-05-34-041-001.000-064 & 41-05-35-022-016.000-064

Brief Description of Project:

Construction of a new Midwest production facility to increase the company's market presence in the Midwest and to expand to the East Coast markets. The total project cost, including manufacturing tooling for two production lines, is expected to be approximately \$200 million. Once fully operational, the facility will employ approximately 215 employees at market competitive rates.

Current Assessed Value (AV) of the Property:

1. Land \$436,700

2. Building \$0

3. Inventory -

4. Equipment -

Have building permits been applied for (if applicable): Yes No ☒

Has equipment been installed (if applicable): Yes No ☒

Required Attachments:

- ☒ Completed SB-1 Form(s)
- ☐ Legal Description of the Property
- ☐ Company Financial Statement if requested
- ☒ Job and Wage Description Information Sheet

- ☒ Summary of Benefits (if applicable)
- ☒ Employment Phase-In Schedule
- ☒ Company Investment Timetable
- ☒ Compliance Affidavit

Type of Abatement RequestedReal Property ☒Personal Property ☒Length of Abatement Requested: 10 YearsProject Size (square feet): 350,000Size of Site (acres): 138 (est)

Type of Building:

Multiple Tenants (leased)

Single Tenant (leased)

Owner Occupied ☒

Corporate Headquarters

Capital Investment

1. Real property capital investment only: \$111,500,000 including land acquisition & site costs
2. Personal property capital investment only: \$ 95,000,000
3. Total capital investment for proposed project: \$206,500,000

Jobs Created and/or Retained

1. Estimated number of full time jobs created by the proposed project: 215
2. Estimated number of full time jobs retained as a direct result of the proposed project: 0
3. Total number of full time jobs upon project completion: 215

Wages Created and Retained

1. Average hourly wage rate for new jobs (w/o benefits) \$26.92
2. Average hourly wage rate for jobs retained (w/o benefits) N/A

***In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.

Project location is highly competitive as the company reviews multiple states across the Midwest. The site identified in Franklin requires the company to fund significant public infrastructure improvements and an abatement would assist with offsetting these costs.

Company Information

How long has the company been in existence? 68 years

Current address of company headquarters and duration at that address: _____

3131 North Columbia Blvd, Portland, Oregon 97217

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: 0%

Have you ever received tax abatement at your current location? Yes No ☒

If yes, when and for what term? _____

What specifically has the company done to give back to the community: _____

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website (www.franklin.in.gov) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? ☒ Yes No

If yes, at what percent(s)? 2% Real Property & 5% Personal Property

**JOB AND WAGE DESCRIPTION
FOR TAX ABATEMENT APPLICATION**

Please provide the following job and wage earning information that is associated with this Tax Abatement Petition (*Please specify all wages in an hourly format without benefits*):

- (1) Company NAICS code: 423330
- (2) The total number of jobs current at the site: 0, the number of those jobs that will be retained as a direct result of the proposed investment 0, and the number of new jobs which will be created as a direct result of the proposed investment 215.
- (3) The total number of full-time employees at the site: 215.
- (4) The total number of temporary and/or contract employees currently at the site: 0.
- (5) The average hourly wages for the new jobs: \$26.92.
- (6) Will the new jobs being created begin as temporary and/or contract employees? No
If yes, please provide an explanation of the typical transition process to full time:

- (7) Number of new and/or retained jobs in:

- (a) Managerial/Professional Specialty Occ.: Average Hourly Wage:
- (b) Technical/Sales/Admin. Support Occ.: Average Hourly Wage:
- (c) Service Occ.: Average Hourly Wage:
- (d) Precision Production/Craft/Repair Occ.: Average Hourly Wage:
- (e) Operators/Fabricators/Laborers: Average Hourly Wage:

Note: The total number of jobs specified above should correspond with the Statement of Benefits Form SB-1.

- (8) Attach detailed information on the types of benefits offered for new employees. A description of all possible bonuses and incentives should also be given if provided.

COMPANY INVESTMENT TIMETABLE

	Improvements	Equip. Type 1	Equip. Type 2	Equip. Type 3	Total
2024					
Year of Abatement					
1st Quarter					
2nd Quarter	\$ -				\$ -
3rd Quarter					
4th Quarter		\$ 9,166,667			\$ 9,166,667
2025					
Year of Abatement					
1st Quarter		\$ 9,166,667			\$ 9,166,667
2nd Quarter	\$ 21,000,000	\$ 9,166,667			\$ 30,166,667
3rd Quarter	\$ 21,000,000	\$ 9,166,667			\$ 30,166,667
4th Quarter	\$ 21,000,000	\$ 9,166,667			\$ 30,166,667
2026					
Year of Abatement					
1st Quarter	\$ 21,000,000	\$ 9,166,665	\$ 4,250,000		\$ 34,416,665
2nd Quarter			\$ 4,250,000	\$ 4,500,000	\$ 8,750,000
3rd Quarter				\$ 4,500,000	\$ 4,500,000
4th Quarter				\$ 4,500,000	\$ 4,500,000
2027					
Year of Abatement					
1st Quarter				\$ 4,500,000	\$ 4,500,000
2nd Quarter				\$ 4,500,000	\$ 4,500,000
3rd Quarter				\$ 4,500,000	\$ 4,500,000
4th Quarter				\$ 4,500,000	\$ 4,500,000
TOTAL	\$ 84,000,000	\$ 55,000,000	\$ 8,500,000	\$ 31,500,000	\$ 179,000,000

* Note: Excludes land acquisition, site improvements, public infrastructure and furniture and fixtures, which total to approximately \$27.5 million in aggregate.

**EMPLOYMENT PHASE-IN SCHEDULE
JOB CEATION/RETENTION TIMETABLE**

	Salary Employees	Hourly Employees	Job Type 3	Job Type 4	Total
2026					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter	3	26			29
4th Quarter	3	26			29
2027					
Year of Abatement					
1st Quarter	3	26			29
2nd Quarter	3	26			29
3rd Quarter	2	16			18
4th Quarter	2	16			18
2028					
Year of Abatement					
1st Quarter	2	16			18
2nd Quarter	2	16			18
3rd Quarter	1	6			7
4th Quarter	1	6			7
2029					
Year of Abatement					
1st Quarter	1	6			7
2nd Quarter	1	5			6
3rd Quarter					
4th Quarter					
TOTAL	\$ 24	\$ 191	\$ -	\$ -	\$ 215

**ENVIRONMENTAL, LAND USE, AND
PERMITTING COMPLIANCE AFFIDAVIT**

I, Dave Wachsmuth, (representative) on behalf of Malarkey Roofing Company (company) represent that, except to the extent that the City of Franklin has been given written notice of any environmental, chemical, or waste hazards or violations prior to the date of this affidavit, the petition and project plan of Malarkey Roofing Company (company) does not contemplate, contain, nor anticipate:

- (1) any violation(s) of City of Franklin Municipal codes and/or ordinances;
- (2) any violation(s) of applicable zoning ordinances;
- (3) any violation(s) of site plan review and/or building permit requirements;
- (4) any violation(s) of federal or state laws, including but not limited to OSHA and ADA, and all other regulations regarding safety, land use, and access;
- (5) any violation(s) of federal or state laws, including but not limited to the creation, maintenance, utilization, control, handling, existence, and/or disposal of hazardous waste, chemicals, conditions, equipment, materials, entities, or components as defined under federal and/or state law.

Further, Malarkey Roofing Company (company) states that the construction and operation of the proposed facility will in no way result in any discharges which will result in interruptions, inconsistencies, or failures in the operation of the Franklin Wastewater Treatment facility. The petitioner understands that the violation of any element of this affidavit may result in the revocation of any tax abatements or other economic incentives which may have been granted by the City of Franklin.

Dave S. Wachsmuth
Petitioner

5/1/24
Date

STATE OF Oregon

SS:

COUNTY OF Washington

Subscribed and sworn to before me on this 1st Day of May, 2024.

My Commission Expires: 01/09/2028

[Signature]
Notary Public





STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R7 / 1-21)

Prescribed by the Department of Local Government Finance

20 24 PAY 20 25

FORM SB-1 / Real Property

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- ☐ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
☐ Residentially distressed area (IC 6-1.1-12.1-4.1)

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise, this statement must be submitted to the designating body BEFORE the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction.
3. To obtain a deduction, a Form 322/RE must be filed with the county auditor before May 10 in the year in which the addition to assessed valuation is made or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. A property owner who failed to file a deduction application within the prescribed deadline may file an application between January 1 and May 10 of a subsequent year.
4. A property owner who files for the deduction must provide the county auditor and designating body with a Form CF-1/Real Property. The Form CF-1/Real Property should be attached to the Form 322/RE when the deduction is first claimed and then updated annually for each year the deduction is applicable. IC 6-1.1-12.1-5.1(b)
5. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/Real Property that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. IC 6-1.1-12.1-17

SECTION 1		TAXPAYER INFORMATION			
Name of taxpayer Herbert Malarkey Roofing Company					
Address of taxpayer (number and street, city, state, and ZIP code) P.O. Box 17217, Portland, Oregon 97217					
Name of contact person Dave Wachsmuth		Telephone number (503) 240-7828		E-mail address dwachsmuth@malarkeyroofing.com	
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT			
Name of designating body City of Franklin		Resolution number			
Location of property A portion of Parcel 41-05-34-041-001.000-064		County Johnson		DLGF taxing district number 064	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) Construction of a new Midwest production facility. Employment estimates are through December 31, 2029.				Estimated start date (month, day, year) 7/1/2024	
				Estimated completion date (month, day, year) 12/31/2027	
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT			
Current Number 0.00	Salaries \$0.00	Number Retained 0.00	Salaries \$0.00	Number Additional 215.00	Salaries \$12,040,000.00
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT			
		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
Current values					
Plus estimated values of proposed project		84,000,000.00			
Less values of any property being replaced					
Net estimated values upon completion of project		84,000,000.00			
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER			
Estimated solid waste converted (pounds) _____		Estimated hazardous waste converted (pounds) _____			
Other benefits					
SECTION 6		TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.					
Signature of authorized representative Dave S. Wachsmuth				Date signed (month, day, year) 5/1/2024	
Printed name of authorized representative Dave Wachsmuth				Title VP of Finance	

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

A. The designated area has been limited to a period of time not to exceed _____ calendar years* (see below). The date this designation expires is _____. *NOTE: This question addresses whether the resolution contains an expiration date for the designated area.*

B. The type of deduction that is allowed in the designated area is limited to:
 1. Redevelopment or rehabilitation of real estate improvements ☐ Yes ☐ No
 2. Residentially distressed areas ☐ Yes ☐ No

C. The amount of the deduction applicable is limited to \$ _____.

D. Other limitations or conditions (specify) _____

E. Number of years allowed: ☐ Year 1 ☐ Year 2 ☐ Year 3 ☐ Year 4 ☐ Year 5 (* see below)
☐ Year 6 ☐ Year 7 ☐ Year 8 ☐ Year 9 ☐ Year 10

F. For a statement of benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?
☐ Yes ☐ No

If yes, attach a copy of the abatement schedule to this form.

If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

We have also reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by (signature and title of attester)	Printed name of attester	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

- A. For residentially distressed areas where the Form SB-1/Real Property was approved prior to July 1, 2013, the deductions established in IC 6-1.1-12.1-4.1 remain in effect. The deduction period may not exceed five (5) years. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. Except as provided in IC 6-1.1-12.1-18, the deduction period may not exceed ten (10) years. (See IC 6-1.1-12.1-17 below.)
- B. For the redevelopment or rehabilitation of real property where the Form SB-1/Real Property was approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. For a Form SB-1/Real Property that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. (See IC 6-1.1-12.1-17 below.)

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. Except as provided in IC 6-1.1-12.1-18, an abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R5 / 1-21)

Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between January 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between January 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1		TAXPAYER INFORMATION						
Name of taxpayer Herbert Malarkey Roofing Company	Name of contact person Dave Wachsmuth							
Address of taxpayer (number and street, city, state, and ZIP code) P.O. Box 17217, Portland, Oregon 97217		Telephone number (503) 240-7828						
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT						
Name of designating body City of Franklin	Resolution number (s)							
Location of property A portion of Parcel 41-05-34-041-001.000-064	County Johnson	DLGF taxing district number 064						
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) Installation of machinery & equipment in connection with the establishment of a new Midwest production facility at the project site. Employment estimates are through December 31, 2029.		ESTIMATED						
		START DATE	COMPLETION DATE					
		Manufacturing Equipment	01/01/2025	12/31/2027				
		R & D Equipment						
		Logist Dist Equipment						
IT Equipment								
SECTION 3								
ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT								
Current Number	Salaries	Number Retained	Salaries	Number Additional	Salaries			
				215	12040000			
SECTION 4				ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT				
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values								
Plus estimated values of proposed project	93,000,000						2,000,000	
Less values of any property being replaced								
Net estimated values upon completion of project	93,000,000						2,000,000	
SECTION 5				WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER				
Estimated solid waste converted (pounds) _____		Estimated hazardous waste converted (pounds) _____						
Other benefits:								
SECTION 6				TAXPAYER CERTIFICATION				
I hereby certify that the representations in this statement are true.								
Signature of authorized representative <i>Dave S. Wachsmuth</i>				Date signed (month, day, year) 5/1/2024				
Printed name of authorized representative Dave Wachsmuth				Title VP of Finance				

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____. *NOTE: This question addresses whether the resolution contains an expiration date for the designated area.*

B. The type of deduction that is allowed in the designated area is limited to:

- | | | | |
|--|------------------------------|-----------------------------|---|
| 1. Installation of new manufacturing equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18
Check box if an enhanced abatement was approved for one or more of these types. |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 3. Installation of new logistical distribution equipment. | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 4. Installation of new information technology equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

- | | | | | | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|--|
| <input type="checkbox"/> Year 1 | <input type="checkbox"/> Year 2 | <input type="checkbox"/> Year 3 | <input type="checkbox"/> Year 4 | <input type="checkbox"/> Year 5 | <input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18
Number of years approved: _____
(Enter one to twenty (1-20) years; may not exceed twenty (20) years.) |
| <input type="checkbox"/> Year 6 | <input type="checkbox"/> Year 7 | <input type="checkbox"/> Year 8 | <input type="checkbox"/> Year 9 | <input type="checkbox"/> Year 10 | |

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? ☐ Yes ☐ No
If yes, attach a copy of the abatement schedule to this form.
If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by: (signature and title of attester)	Printed name of attester	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. Except as provided in IC 6-1.1-12.1-18, an abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.



Indiana Tax Abatement Results

- Johnson County, FRANKLIN CITY FRANKLIN TWP
- Tax Rate (%): 3.0623
- Project Name: breadbasket

Real Property: **\$84,000,000**

	Abatement Percentage	With Abatement			Without Abatement			Estimated Tax Abatement Savings
		Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100	\$0	\$0	\$0	\$2,572,332	(\$52,332)	\$2,520,000	\$2,520,000
Year 2	95	\$128,617	\$0	\$128,617	\$2,572,332	(\$52,332)	\$2,520,000	\$2,391,383
Year 3	80	\$514,466	\$0	\$514,466	\$2,572,332	(\$52,332)	\$2,520,000	\$2,005,534
Year 4	65	\$900,316	\$0	\$900,316	\$2,572,332	(\$52,332)	\$2,520,000	\$1,619,684
Year 5	50	\$1,286,166	\$0	\$1,286,166	\$2,572,332	(\$52,332)	\$2,520,000	\$1,233,834
Year 6	40	\$1,543,399	\$0	\$1,543,399	\$2,572,332	(\$52,332)	\$2,520,000	\$976,601
Year 7	30	\$1,800,632	\$0	\$1,800,632	\$2,572,332	(\$52,332)	\$2,520,000	\$719,368
Year 8	20	\$2,057,866	\$0	\$2,057,866	\$2,572,332	(\$52,332)	\$2,520,000	\$462,134
Year 9	10	\$2,315,099	\$0	\$2,315,099	\$2,572,332	(\$52,332)	\$2,520,000	\$204,901
Year 10	5	\$2,443,715	\$0	\$2,443,715	\$2,572,332	(\$52,332)	\$2,520,000	\$76,285

Indiana Tax Abatement Results

Abatement Percentage	With Abatement			Without Abatement			Estimated Tax Abatement Savings
	Property Taxes	Circuit	Net Property Taxes	Property Taxes	Circuit Breaker	Net Property Taxes	
		Breaker			Tax Credit		
		Tax Credit					
Totals	\$12,990,277	\$0	\$12,990,277	\$25,723,320	(\$523,320)	\$25,200,000	\$12,209,723



Personal Property: \$95,000,000

	Abatement Percentage	Property Taxes	With Abatement Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Without Abatement Circuit Breaker Tax Credit	Net Property Taxes	Estimated Tax Abatement Savings
Year 1	100	\$0	\$0	\$0	\$1,163,674	(\$23,674)	\$1,140,000	\$1,140,000
Year 2	90	\$162,914	\$0	\$162,914	\$1,629,144	(\$33,144)	\$1,596,000	\$1,433,086
Year 3	80	\$244,372	\$0	\$244,372	\$1,221,858	(\$24,858)	\$1,197,000	\$952,628
Year 4	70	\$279,282	\$0	\$279,282	\$930,939	(\$18,939)	\$912,000	\$632,718
Year 5	60	\$349,102	\$0	\$349,102	\$872,756	(\$17,756)	\$855,000	\$505,898
Year 6	50	\$436,378	\$0	\$436,378	\$872,756	(\$17,756)	\$855,000	\$418,622
Year 7	40	\$523,653	\$0	\$523,653	\$872,756	(\$17,756)	\$855,000	\$331,347
Year 8	30	\$610,929	\$0	\$610,929	\$872,756	(\$17,756)	\$855,000	\$244,071
Year 9	20	\$698,204	\$0	\$698,204	\$872,756	(\$17,756)	\$855,000	\$156,796
Year 10	10	\$785,480	\$0	\$785,480	\$872,756	(\$17,756)	\$855,000	\$69,520
Totals		\$4,090,314	\$0	\$4,090,314	\$10,182,148	(\$207,148)	\$9,975,000	\$5,884,686

MALARKEY

350,000 square foot building proposed

1 parcel of 151 acres

AV		Taxes Due		Abatement %	Taxes Paid	Current Assessed Value (Farmland): \$243,100	
2023 Pay 2024	\$243,000		\$4,956.32	0%	\$4,956.32		\$4,956.32
2024 Pay 2025	\$84,000,000	Year 1	\$2,572,332.00	100%	\$0.00	Year 1	\$4,956.32
2025 Pay 2026	\$84,000,000	Year 2	\$2,572,332.00	95%	\$128,616.60	Year 2	\$4,956.32
2026 Pay 2027	\$84,000,000	Year 3	\$2,572,332.00	80%	\$514,466.40	Year 3	\$4,956.32
2027 Pay 2028	\$84,000,000	Year 4	\$2,572,332.00	65%	\$900,316.20	Year 4	\$4,956.32
2028 Pay 2029	\$84,000,000	Year 5	\$2,572,332.00	50%	\$1,286,166.00	Year 5	\$4,956.32
2029 Pay 2030	\$84,000,000	Year 6	\$2,572,332.00	40%	\$1,543,399.20	Year 6	\$4,956.32
2030 Pay 2031	\$84,000,000	Year 7	\$2,572,332.00	30%	\$1,800,632.40	Year 7	\$4,956.32
2031 Pay 2032	\$84,000,000	Year 8	\$2,572,332.00	20%	\$2,057,865.60	Year 8	\$4,956.32
2032 Pay 2033	\$84,000,000	Year 9	\$2,572,332.00	10%	\$2,315,098.80	Year 9	\$4,956.32
2033 Pay 2034	\$84,000,000	Year 10	\$2,572,332.00	5%	\$2,443,715.40	Year 10	\$4,956.32
					\$12,990,276.60		\$49,563.20
		Year 11	\$2,572,332.00	0%	\$2,572,332.00	Year 11	\$4,956.32
		Year 12	\$2,572,332.00	0%	\$2,572,332.00	Year 12	\$4,956.32
		Year 13	\$2,572,332.00	0%	\$2,572,332.00	Year 13	\$4,956.32
		Year 14	\$2,572,332.00	0%	\$2,572,332.00	Year 14	\$4,956.32
		Year 15	\$2,572,332.00	0%	\$2,572,332.00	Year 15	\$4,956.32
		Year 16	\$2,572,332.00	0%	\$2,572,332.00	Year 16	\$4,956.32
		Year 17	\$2,572,332.00	0%	\$2,572,332.00	Year 17	\$4,956.32
		Year 18	\$2,572,332.00	0%	\$2,572,332.00	Year 18	\$4,956.32
		Year 19	\$2,572,332.00	0%	\$2,572,332.00	Year 19	\$4,956.32
		Year 20	\$2,572,332.00	0%	\$2,572,332.00	Year 20	\$4,956.32
		Taxes PAID over 20 years:			\$38,713,596.60	\$99,126.40	:Taxes PAID over 20 years
							without any development
					\$38,713,596.60		
					\$99,126.40		
				Difference:	\$38,614,470.20		

MALARKEY

\$95,000,000 Personal Property Investment

AV		Taxes Due		Abatement %	Taxes Paid	Current Assessed Value \$0	
2023 Pay 2024	\$0		\$0.00	0%	\$0.00		
2024 Pay 2025	\$95,000,000	Year 1	\$1,140,000.00	100%	\$0.00	Year 1	\$0.00
2025 Pay 2026	\$95,000,000	Year 2	\$1,596,000.00	95%	\$162,914.00	Year 2	\$0.00
2026 Pay 2027	\$95,000,000	Year 3	\$1,197,000.00	80%	\$244,372.00	Year 3	\$0.00
2027 Pay 2028	\$95,000,000	Year 4	\$912,000.00	65%	\$279,282.00	Year 4	\$0.00
2028 Pay 2029	\$95,000,000	Year 5	\$855,000.00	50%	\$349,102.00	Year 5	\$0.00
2029 Pay 2030	\$95,000,000	Year 6	\$855,000.00	40%	\$436,378.00	Year 6	\$0.00
2030 Pay 2031	\$95,000,000	Year 7	\$855,000.00	30%	\$523,653.00	Year 7	\$0.00
2031 Pay 2032	\$95,000,000	Year 8	\$855,000.00	20%	\$610,929.00	Year 8	\$0.00
2032 Pay 2033	\$95,000,000	Year 9	\$855,000.00	10%	\$698,204.00	Year 9	\$0.00
2033 Pay 2034	\$95,000,000	Year 10	\$855,000.00	5%	\$785,480.00	Year 10	\$0.00
					\$4,090,314.00		\$0.00
		Year 11	\$427,500.00	0%	\$427,500.00	Year 11	\$0.00
		Year 12	\$427,500.00	0%	\$427,500.00	Year 12	\$0.00
		Year 13	\$427,500.00	0%	\$427,500.00	Year 13	\$0.00
		Year 14	\$427,500.00	0%	\$427,500.00	Year 14	\$0.00
		Year 15	\$427,500.00	0%	\$427,500.00	Year 15	\$0.00
		Year 16	\$213,750.00	0%	\$213,750.00	Year 16	\$0.00
		Year 17	\$213,750.00	0%	\$213,750.00	Year 17	\$0.00
		Year 18	\$213,750.00	0%	\$213,750.00	Year 18	\$0.00
		Year 19	\$213,750.00	0%	\$213,750.00	Year 19	\$0.00
		Year 20	\$213,750.00	0%	\$213,750.00	Year 20	\$0.00
		Taxes PAID over 20 years:			\$7,296,564.00	\$0.00	:Taxes PAID over 20 years
							without any development
					\$7,296,564.00		
					\$0.00		
				Difference:	\$7,296,564.00		