



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Community Development Director
Date: April 2nd, 2014
Re: Case C 2014-13: Laugle Properties (Formerly McWilliams Realty)

Summary:

- On June 28th, 2005, the Franklin Common Council passed Resolution No. 2005-14, approving a 10-year tax abatement on real property for McWilliams Realty, LLC located at 401 and 451 Blue Chip Court (Greenwood Machine).
- Actual and estimated benefits, as projected for 2013:

	Estimated on SB-1	Actual in 2013	Difference
Employees Retained	23	28	5
Salaries	\$801,632	\$1,818,867	\$1,017,235
New Employees	13	0	-13
Salaries	\$381,014	\$0	-\$381,014
Total Salaries	\$1,182,646	\$1,818,867	\$636,221
Average Hourly Salaries	\$15.79	\$31.23	\$15.44
Real Property Improvements	\$750,000	\$910,530	\$160,530

- As stated in "Attachment to Form CF-1," Greenwood Machine has abandoned this location. Laugle Properties, LLC purchased this location on November 18, 2009. Innovative Casting Technologies moved its operations to 451 Blue Chip Court.
- Innovative Casting Technologies had 25 total employees at the end of 2011 with total salaries of \$1,751,890. They added three employees in 2012 and increased total salaries to \$2,210,550. In 2013 the number of employees remains that same, but the total salaries were \$391,683 less than in 2012.
- The average hourly wage is still double what was estimated on the SB-1 Form for Greenwood Machine. Overall, there are 8 less employees at this location than originally estimated for Greenwood Machine.
- The company has exceeded their real property investment.
- The real property tax abatement is scheduled to expire in tax year 2015 payable 2016. The final compliance review will take place in 2016.

Staff Recommendation:

Approval

**COMPLIANCE WITH STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 13 PAY 20 14

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).

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)
☐ Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:

1. This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
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 (SB-1 / Real Property).
3. This form must accompany the initial deduction application that is filed with the County Auditor.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must file an updated form with the County Auditor and the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.1)
5. The updated form must be filed annually by May 15, or by the due date for the real property owner's personal property return that is filed in the township where the project is located, whichever is later. (IC 6-1.1-12.1-5.1 (b))
6. With the approval of the Designating Body, compliance information for multiple projects may be consolidated on one (1) compliance form (CF-1 / Real Property).

SECTION 1 TAXPAYER INFORMATION			
Name of taxpayer Laugle Properties, LLC			
Address of taxpayer (number and street, city, state, and ZIP code) 451 Blue Chip Court, Franklin, IN 46131			
Name of contact person Jack or Sandy Laugle		Telephone number 738-5966	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body City of Franklin Common Council		Resolution number 05-14	
Location of property 451 Blue Chip Court, Franklin		County Johnson	DLGF taxing district number 009
Description of real property improvements: 7500 Sq. Ft. Mfg facility constructed in 2006			Estimated starting date (month, day, year)
			Estimated completion date (month, day, year)
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		23	28
Salaries		801,632.00	1,818,866.97
Number of employees retained		23	
Salaries		801,632.00	
Number of additional employees		13	
Salaries		381,014.00	
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project	120,000.00	108,000.00	
Plus: Values of proposed project	750,000.00	750,000.00	
Less: Values of any property being replaced			
Net values upon completion of project	870,000.00	858,000.00	
ACTUAL	COST	ASSESSED VALUE	
Values before project		50,000.00	
Plus: Values of proposed project	910,530.00	273,300.00	
Less: Values of any property being replaced			
Net values upon completion of project		323,300.00	
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 Sandy Laugle		Title Member	Date signed (month, day, year) 02/12/2014

Laugle Properties, LLC
3719 E 700 N.
Whiteland, IN 46184
738-5966

February 12, 2014

Krista Linke
Dept. of Planning and Economic Dev.
70 E. Monroe St.
Franklin, IN 46131

RE: Tax Abatement Compliance for Laugle Properties, LLC

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with real property tax abatements; which were granted to McWilliams Realty, LLC in 2005 under Franklin Common Council Resolution No. 05-14.

As described in Attachment to CF-1, Laugle Properties, LLC purchased this location on November 18, 2009

As can be seen from reviewing the enclosed documents, our company has been highly successful in (a) creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1) which was approved on May 23, 2005.

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

Sincerely,

A handwritten signature in black ink that reads "Sandy Laugle". The signature is written in a cursive, flowing style.

Sandy Laugle
Laugle Properties, LLC

Enclosures

ATTACHMENT TO FORM CF-1

LAUGLE PROPERTIES LLC

McWilliams Realty, LLC, was granted a tax abatement on the improvements constructed on Lot 8 in Blue Chip Industrial Park, commonly known as 451 Blue Chip Court, Franklin, Indiana by the Common Council of the City of Franklin. Resolution No. 05-14 was passed by the Franklin Common Council on the 23rd day of May 2005.

Laugle Properties, LLC , purchased 451 Blue Chip Court on the 18th day of November 2009.

The business that was operating at 451 Blue Chip Court, Greenwood Machine, Inc., has abandoned the location. Innovative Casting Technologies, Inc., has moved its operations to 451 Blue Chip Court.

Laugle Properties, LLC, requests that the Franklin Common Council find that the property owner has made reasonable effort to substantially comply with the Statement of Benefits. The amount of salaries paid to the estimated 36 total employees was estimated to total \$1,182,646 by the end of the ten (10) year abatement period on the Statement of Benefits filed by McWilliams Realty, LLC. Greenwood Machine, Inc , no longer employs anyone at the site. The business that occupies the subject real estate, Innovative Casting Technologies, Inc., employed 28 persons at the site and paid salaries totaling \$1,818,866.97 in 2013, an increase of \$636,220.97 from the estimate filed by the prior owner.