



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Community Development Director
Date: April 3, 2014
Re: Case C 2014-19: Tube Forming Systems, Inc. d/b/a Overton Industries

Summary:

1. On October 15th, 2012, the Franklin Common Council passed Resolution No. 2012-17, approving a 5-year tax abatement on \$321,456 of personal property for new equipment at 2155 McClain Drive.
2. Actual and estimated benefits, as projected for 2013:

	Estimated on SB-1	Actual in 2013	Difference
Employees Retained	37	37	0
Salaries	\$1,615,649	\$1,615,649	\$0
New Employees	2	1	-1
Salaries	\$95,680	\$44,734	-\$50,946
Total Employees	39	38	-1
Total Salaries	\$1,711,329	\$1,660,383	-\$50,946
Average Hourly Salaries	\$21.10	\$21.01	-\$0.09
Personal Property Improvements	\$321,456	\$321,456	\$0

3. In 2012 there were 41 total employees and the average hourly salary was \$23.93.
4. In 2013 the company meets the estimated average hourly wage indicated on the SB-1 Form but is one employee lower than estimated on their SB-1 Form. Steve Overton explains in his cover letter the difficulty they are having finding and retaining skilled employees.
5. The company has met their estimate provided on the SB-1 Form for personal property.
6. The personal property tax abatement for Overton is scheduled to expire in tax year 2017 payable 2018. The final compliance review will take place in 2018.

Staff Recommendation: Approval



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R2 / 5-13)

Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

- 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 March 1, and May 15, of each year, unless a filing extension under IC 6-1.1-3.7 has been granted. A person who obtains a filing extension must file between March 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 (CF-1).

SECTION 1		TAXPAYER INFORMATION		
Name of taxpayer Tube Forming Systems, Inc. dba Overton Industries				
Address of taxpayer (number and street, city, state, and ZIP code) 1250 Old State Road 67 South Mooresville, IN 46158				
Name of contact person Rita Z Shearer		Telephone number (317) 831-4542		
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body The City of Franklin Common Council		Resolution number 12-17		
Location of property 2155 McClain Drive Franklin, IN 46131		County Franklin	DLGF taxing district number Franklin	
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. EC1600 Horizontal Machining Mill ST-30 CNC Lathe		Estimated starting date (month, day, year) 11/05/1012 Estimated completion date (month, day, year) 11/19/2012		
SECTION 3		EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL	
Current number of employees		37.00	38.00	
Salaries		1,615,649.00	1,803,573.00	
Number of employees retained		37.00	37.00	
Salaries		1,615,649.00	1,615,649.00	
Number of additional employees		2.00	1.00	
Salaries		95,680.00	44,734.00	
SECTION 4		COST AND VALUES		
	MANUFACTURING EQUIPMENT	R & D EQUIPMENT	LOGIST DIST 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	321,456.00			
Less: Values of any property being replaced	0.00			
Net values upon completion of project	321,456.00			
ACTUAL	COST ASSESSED VALUE	COST ASSESSED VALUE	COST ASSESSED VALUE	COST ASSESSED VALUE
Values before project				
Plus: Values of proposed project	321,456.00			
Less: Values of any property being replaced	0.00			
Net values upon completion of project	321,456.00			
NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6 (d).				
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		0.00	0.00	
Amount of hazardous waste converted		0.00	0.00	
Other benefits:		0.00	0.00	
SECTION 6		TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.				
Signature of authorized representative 		Title CFO	Date signed (month, day, year) 2/24/14	



Overton Industries

INTERNATIONAL

February 24, 2014

City of Franklin

Attn: Krista Linke

71 East Monroe Street

Franklin, IN 46131-2358

RE: Annual Tax Abatement Compliance Packet for Tube Forming Systems, Inc. d/b/a Overton Industries

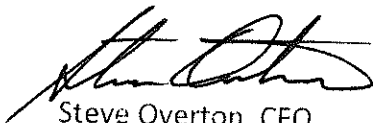
Dear Ms. Linke,

Enclosed, please find Form CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the real property tax abatement which was granted to Overton & Sons in 2012 under Franklin Common Council Resolution number 12-17 and approved on October 18, 2010.

After reviewing the documents, you will see that we have been successful in making all of the capital investments which had been projected. As proposed in the Statement of Benefits (Form SB-1) we anticipated hiring 2 people. Although we hired two people in 2012 and two people in 2013, we are having a difficult time acquiring workers with the level of skill that we require. Two people were let go because their skill level was insufficient and one person left for employment elsewhere. Since we are continuing to seek skilled workers, but the pool currently available is not sufficient, it is our desire and request that the City of Franklin will look favorably upon our activities and grant us an extension of time to be in full compliance with our tax abatement commitments.

Please review all of the enclosed documents and if you have any questions or concerns regarding this matter, please feel free to contact me at (317) 831-4542.

Sincerely,



Steve Overton, CFO

Overton Industries

c:\users\rita\documents\abatement 10-20 cov let february 10, 2014.docx

Expansion Investment Schedule

Overton Carbide Tool & Engineering
1255 McClain Drive
Franklin, IN 46131

Attachment to Form CF-1 (Compliance with Statement of Benefits)
Expansion Investment Schedule by Quarter Resolution 12-17

Actual Amount of Investment (From SB-1)	Proposed Amount of Total Investment (From SB-1)	3/31/2013	6/30/2013	9/30/2013	12/31/2013	Actual Total Amount of Investment as of 12/31/13	Difference Between Actual and Proposed Amount of Investment
Buildings and Improvements:	0	0	0	0	0	0	0
Machinery and Equipment:	321,456	0	0	0	0	321,456	0.0
Totals							

Job Creation or Retention Schedule

Overton Carbide Tool & Engineering
1255 McClain Drive
Franklin, IN 46131

*Attachment to Form CF-1 (Compliance with Statement of Benefits)
Expansion Investment Schedule by Quarter Resolution 12-17*

Actual Number of Employees	Proposed Total No. of Employees	3/31/2013	6/30/2013	9/30/2013	12/31/2013	Actual Total Number of Employees as of 12/31/13	Difference Between Actual and Proposed Number of Employees
(From SB-1)	(From SB-1)						
37	39	1	0	1	0	38	1