6

CITY OF FRANKLIN, INDIANA
RESOLUTION NUMBER 2014-09
A RESOLUTION GRANTING TAX ABATEMENT
FOR HETSCO INC. (EDC 2014-03)

WHEREAS, the economic growth and development of the City of Franklin, Johnson County, Indiana is the primary goal of the community;

WHEREAS, the Franklin Economic Development Commission has on June 10th, 2014, held a public meeting and considered the tax abatement request of Hetsco, Inc. in a manner consistent with the *City of Franklin Community Investment Incentives Summary* and the applicable sections of the Indiana Code.

WHEREAS, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5 and recommends that Hetsco, Inc. receive a ten (10) year tax abatement on real property and a five (5) year tax abatement on personal property for the real estate described as Exhibit "A" and described in the tax abatement request.

WHEREAS, a copy of the Statement of Benefits recommended for approval by the Franklin Economic Development Commission is attached hereto as Exhibit "B;"

WHEREAS, the said real estate as described as Exhibit "A" is located in an existing Economic Revitalization Area as approved by the City of Franklin Common Council with City Council Resolution No. 2012-05;

WHEREAS, the Common Council has received and reviewed Exhibit "B" with all attachments, and that such attachments are made a port hereof and incorporated herein, all which together contain the necessary statements of benefits and description of the project, along with the recommendation of the Economic Development Commission for tax abatement for real property; and

WHEREAS, the Common Council has given careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5, and specifically including the following findings:

As to **real property** the following findings are made:

1) Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
2) 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;
3) 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;
4) 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
5) Whether the totality of the benefits is sufficient to justify the tax abatement.

As to **personal property** the following findings are made:

1) The estimate of the cost of new equipment is reasonable for equipment of that type;
2) 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 the new equipment;
3) The estimate of the 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 equipment;
4) Any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new equipment; and
5) The totality of the benefits is sufficient to justify the tax abatement.

NOW THEREFORE BE IT RESOLVED THAT:

(1) The abatement of real property tax for the property described as Exhibit "A" as permitted by law shall extend for a period of (10) years pursuant to the deduction schedule set forth in IC 6-1.1-12.1-3(e)(10).

(2) The abatement of personal property tax shall extend for a period of five (5) years pursuant to the deduction schedule set forth in IC 6-1.1-12.1-4.5(e)(10).

(3) Hetsco, Inc. shall be required to provide the City of Franklin with information showing the extent to which there has been compliance with the statement of benefits submitted in their request for tax abatement within sixty (60) days after the end of each year in which the deduction is applicable, all as require by IC 6-1.1-12.1-5.1.

(4) A copy of this resolution and a description of the affected area will be available and can be inspected in the office of the Johnson County Assessor and the City Clerk/Treasurer.

APPROVED by the Common Council of the City of Franklin, Johnson County, Indiana, this 21st day of July, 2014.

City of Franklin, Indiana, by its Common Council:

Voting Affirmative:	**Voting Opposed:**
Stephen D. Barnett, Council President	Stephen D. Barnett, Council President
Kenneth W. Austin, Vice-President	Kenneth W. Austin, Vice President
Joseph R. Ault	Joseph R. Ault
Joseph P. Abban	Joseph P. Abban
Robert D. Henderson	Robert D. Henderson

Stephen D. Hougland	Stephen D. Hougland
Richard L. Wertz	Richard L. Wertz

Attest:

Janet P. Alexander
Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this 21st day of July, 2014.

Janet P. Alexander
Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me this [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this 21st day of July, 2014, at 6:30 o'clock p.m.

Joseph E. McGuinness
Mayor

Attest:

Janet P. Alexander
Clerk-Treasurer

"I AFFIRM, UNDER THE PENALTIES FOR PERJURY, THAT I HAVE TAKEN REASONABLE CARE TO REDACT EACH SOCIAL SECURITY NUMBER IN THIS DOCUMENT, UNLESS REQUIRED BY LAW."

NAME Krista Linke

Prepared By: Krista Linke

EXHIBIT A

LAND DESCRIPTION

Part of the Northeast Quarter and the Southeast Quarters of Section 11, Township 12 North, Range 4 East of the Second Principal Meridian, City of Franklin, Johnson County, Indiana, described as follows:

BEGINNING at a Mag nail found marking the southwest corner of said Northeast Quarter; thence North 00 degrees 00 minutes 00 seconds East along the west line thereof (basis of bearing derived from a survey completed by Robert Etter and recorded as Instrument Number 94-007806 in the Office of the Recorder of said county) 72.31 feet to the southwest corner of the land of the land of Owens-Illinois Closure, Inc. as described in Instrument Number 96-2491 in said county records; thence South 90 degrees 00 minutes 00 seconds East along the south line thereof 608.36 feet a 5/8 inch rebar found at the northwest corner of Klaiser Plat recorded as Instrument Number 2006-028157 in said county records; thence South 00 degrees 00 minutes 00 seconds West along the west l ine of said platted land 859.22 feet to a 5/8 inch rebar found at the southwest corner thereof; thence North 90 degrees 00 minutes 00 seconds West along the westerly extension of the south line of the Klaiser Plat 606.94 feet to the west line of the Southeast Quarter; thence North 00 degrees 06 minutes 13 seconds West along said west line 786.91 feet to the POINT OF BEGINNING, containing 11.987 acres, more or less.

STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS

State Form 51767 (R4 / 2-13)
Prescribed by the Department of Local Government Finance

2014 PAY 2015
FORM SB-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)
☐ 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. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)*
2. *Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation,* ***BEFORE*** *a deduction may be approved.*
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. If the property owner misses the May 10 deadline in the initial year of occupation, he can apply between March 1 and May 10 of a subsequent year.*
4. *Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)].*
5. *The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property apply to any economic revitalization areas designated after June 30, 2000, unless an alternative deduction schedule is adopted by the designating body (IC 6-1.1-12.1-17). The schedules effective prior to July 1, 2000, shall continue to apply to economic revitalization areas designated before July 1, 2000.*

SECTION 1 — TAXPAYER INFORMATION

Name of taxpayer HETSCO INC		
Address of taxpayer *(number and street, city, state, and ZIP code)* 505 PUSHVILLE ROAD GREENWOOD, IN. 46143		
Name of contact person TROY MARTIN	Telephone number (317) 535-4315	E-mail address tmartin@hetsco.com

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body		Resolution number
Location of property 1725 N. GRAHAM RD FRANKLIN, IN. 46131	County JOHNSON	DLGF taxing district number 41009
Description of real property improvements, redevelopment, or rehabilitation *(use additional sheets if necessary)* BUILD-OUT OF SHELL BUILDING @ 1725 N. GRAHAM RD FRANKLIN, IN. 46131		Estimated start date *(month, day, year)* 08/01/2014 Estimated completion date *(month, day, year)* 12/31/2015

SECTION 3 — ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
49.00	$3,066,000.00	49.00	$3,066,000.00	40.00	$2,271,000.00

SECTION 4 — ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	**ASSESSED VALUE**
Current values	0.00	
Plus estimated values of proposed project	2,770,000.00	
Less values of any property being replaced	0.00	
Net estimated values upon completion of project	2,770,000.00	

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	Title	Date signed *(month, day, year)*
T Martin	SR TAX MANAGER	06/27/2014

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 [illegible] calendar years* *(see below)*. The date this designation expires is ______________________.

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 $ 2,770,000.

D. Other limitations or conditions *(specify)* ______________________

E. The deduction is allowed for 10 years* *(see below)*.

F. Did the designating body adopt an alternative deduction schedule per IC 6-1.1-12.1-17? ☐ Yes ☑ No
   If yes, attach a copy of the alternative deduction schedule to this form.

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)*
[signature] Council Pres. Steve Barnett	(317) 736-3631	7-21-14

Attested by *(signature and title of attester)*	Designated body
[signature] Krista Linke, Director Community Development	City of Franklin Common Council

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.

A. For residentially distressed areas, the deduction period may not exceed five (5) years.
B. For redevelopment and rehabilitation or real estate improvements:
   1. If the Economic Revitalization Area was designated prior to July 1, 2000, the deduction period is limited to three (3), six (6), or ten (10) years.
   2. If the Economic Revitalization Area was designated after June 30, 2000, and is not in a residentially distressed area, the deduction period may not exceed ten (10) years.

STATEMENT OF BENEFITS
PERSONAL PROPERTY
State Form 51764 (R2 / 12-11)
Prescribed by the Department of Local Government Finance

EXHIBIT B

FORM SB-1 / PP

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 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. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)*
2. *Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment,* ***BEFORE*** *a deduction may be approved*
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 March 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 March 1 and the extended due date of that year.*
4. *Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)*
5. *The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001, unless an alternative deduction schedule is adopted by the designating body (IC 6-1.1-12.1-17).*

SECTION 1 — TAXPAYER INFORMATION

Name of taxpayer HETSCO INC	
Address of taxpayer *(number and street, city, state, and ZIP code)* 505 PUSHVILLE ROAD GREENWOOD, IN. 46143	
Name of contact person TROY MARTIN	Telephone number (317) 535-4315

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body		Resolution number (s)
Location of property 1725 N. GRAHAM RD FRANKLIN, IN. 46131	County JOHNSON	DLGF taxing district number 41009

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)

Welding / Office equipment

	ESTIMATED START DATE	ESTIMATED COMPLETION DATE
Manufacturing Equipment	08/01/2014	12/31/2015
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
49	3,066,000.00	49	3,066,000.00	40	2,270,000.00

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	0.00							
Plus estimated values of proposed project	400,000.00							
Less values of any property being replaced	0.00							
Net estimated values upon completion of project	400,000.00							

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	Title	Date signed *(month, day, year)*
T Mart	SR TAX MANAGER	06/27/2014

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 ________________________________ .

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

1. Installation of new manufacturing equipment; ☐ Yes ☐ No
2. Installation of new research and development equipment; ☐ Yes ☐ No
3. Installation of new logistical distribution equipment. ☐ Yes ☐ No
4. Installation of new information technology equipment; ☐ Yes ☐ No

C. The amount of deduction applicable to new manufacturing equipment is limited to $ 400,000 cost with an assessed value of $ ____________________.

D. The amount of deduction applicable to new research and development equipment is limited to $ ________________ cost with an assessed value of $ ____________________.

E. The amount of deduction applicable to new logistical distribution equipment is limited to $ ________________ cost with an assessed value of $ ____________________.

F. The amount of deduction applicable to new information technology equipment is limited to $ ________________ cost with an assessed value of $ ____________________.

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 on or after July 1, 2000, is allowed for:

☐ 1 year ☐ 6 years ** For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.
☐ 2 years ☐ 7 years
☐ 3 years ☐ 8 years
☐ 4 years ☐ 9 years
☑ 5 years ** ☐ 10 years **

I. Did the designating body adopt an alternative deduction schedule per IC 6-1.1-12.1-17? ☐ Yes ☑ No
If yes, attach a copy of the alternative deduction schedule to this form.

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: *(signature and title of authorized member)* Steve Barnett Council President	Telephone number (317) 736-3631	Date signed *(month, day, year)* 7-21-14
Attested by: Krista Linke Director of Comm. Dev.	Designated body City of Franklin Common Council	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5