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Workflow# 0000090578-0001
Johnson County-Recorded as Presented
Jill L. Jackson County Recorder

File **2014-015065**

FILED
Johnson County Assessor

AUG 07 2014

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

Mark Alexander

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 part 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.

FILED
SUBJECT TO FINAL ACCEPTANCE

AUG 07 2014

Janie D. Giddart
AUDITOR, JOHNSON COUNTY

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.

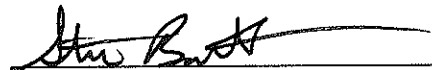
NOW THEREFORE BE IT RESOLVED THAT:

- (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:

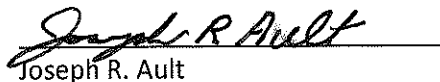
Voting Affirmative:



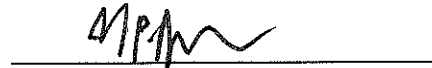
Stephen D. Barnett, Council President



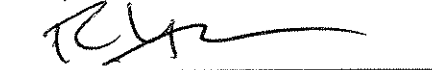
Kenneth W. Austin, Vice-President



Joseph R. Ault

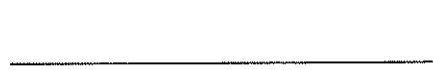


Joseph P. Abban



Robert D. Henderson

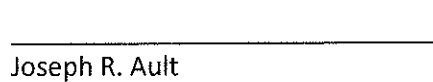
Voting Opposed:



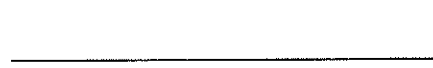
Stephen D. Barnett, Council President



Kenneth W. Austin, Vice President



Joseph R. Ault



Joseph P. Abban



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.



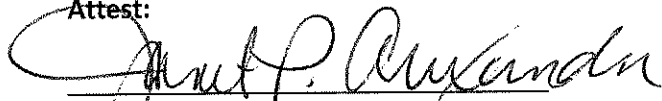
Janet P. Alexander
Clerk-Treasurer

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."

Prepared By: Krista Linke

NAME 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 line 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:

- 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)
- 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.
- 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.
- 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)].
- 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	
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				DLGF taxing district number 41009	
				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 49.00	Salaries \$3,066,000.00	Number retained 49.00	Salaries \$3,066,000.00	Number additional 40.00	Salaries \$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 J. Marti			Title SR TAX MANAGER		Date signed (month, day, year) 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 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.

<u>Council</u>			
Approved (signature and title of authorized member of designating body) <u>Pres. Steve Barnett</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">Telephone number <u>(317) 736-3631</u></td> <td style="width: 50%; padding: 5px;">Date signed (month, day, year) <u>7-21-14</u></td> </tr> </table>	Telephone number <u>(317) 736-3631</u>	Date signed (month, day, year) <u>7-21-14</u>
Telephone number <u>(317) 736-3631</u>	Date signed (month, day, year) <u>7-21-14</u>		
Attested by (signature and title of attester) <u>Krista Linke, Director</u>	Designated body <u>City of Franklin Common Council</u>		

* 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)

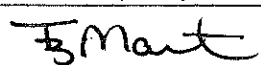
Prescribed by the Department of Local Government Finance

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 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 49	Salaries 3,066,000.00	Number retained 49	Salaries 3,066,000.00	Number additional 40	Salaries 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 SR TAX MANAGER		Date signed (month, day, year) 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 |
| ☐ 2 years | ☐ 7 years |
| ☐ 3 years | ☐ 8 years |
| ☐ 4 years | ☐ 9 years |
| ☒ 5 years ** | ☐ 10 years ** |

** For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.

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) <u>Steve Barnett</u> <u>Council President</u>	Telephone number <u>(317) 736-3631</u>	Date signed (month, day, year) <u>7-21-14</u>
Attested by: <u>Krista Linke</u> <u>Director of Comm-Dev.</u>	Designated body <u>City of Franklin Common Council</u>	

* 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