



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Director of Community Development
Date: April 25, 2015
Re: Case C 2015-36: Premium Composite Technology North America (PCTNA)

Summary:

1. On April 20th, 2009, the Franklin Common Council passed Resolution No. 2009-02, approving a 10-year tax abatement on real property with a 2% Economic Development Fee and a 10-year tax abatement on personal property with a 5% Economic Development Fee at 2101 Commerce Parkway (formerly Musicland Drive).
2. Actual and estimated benefits, as projected for 2014:

| | Estimated on SB-1 | Actual in 2013 | Difference |
|--------------------------------|-------------------|----------------|-------------|
| New Employees | 37 | 45 | 8 |
| Salaries | \$2,100,000 | \$1,807,711 | -\$292,289 |
| Average Hourly Salaries | \$27.29 | \$19.31 | -\$7.97 |
| Real Property Improvements | \$5,350,000 | \$6,880,885 | \$1,530,885 |
| Personal Property Improvements | \$8,630,000 | \$10,784,232 | \$2,154,232 |

3. The company indicated they would hire all 37 new employees by the end of 2010. There were 10 employees at the end of 2010, 21 employees by the end of 2011, and 23 employees at the end of 2012. At the end of 2013 they have 45 employees and the average hourly salary was \$7.97 lower than estimated. They explained last year that 18 of the employees are temp to hire in various stages of the hiring process. In addition to the jobs mentioned above, their parent company has located an additional 5 employees at this location. These 5 employees are not included in the above employment and salary figures.
4. The company has exceeded their estimate provided on their SB-1 Form for real property.
5. The company was behind schedule on their personal property investment and requested an extended completion date. In 2013 they managed to exceed their estimate.
6. The tax abatements for PCTNA are scheduled to expire in tax year 2023 payable 2024. The final compliance review will take place in 2024.

Staff Recommendation: Approval



Premium Composite Technology

Premium Composite Technology North America, Inc.

27 February 2015

Mrs. Krista Linke, Director
Department of Planning & Economic Development
70 E. Monroe Street
Franklin, IN 46131

Dear Mrs. Linke:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatements granted to Premium Composite Technology, North America, Inc. in 2009 under Franklin Common Council resolution 2009-02

Premium Composite Technology NA is continuing to move forward and has achieved our goals set in our original proposal. Our employees have increased from the 45 in 2013 to 56 at the end of December 2014. In addition to the employees hired by PCTNA, our Parent company has located 5 staff to our office. The Tax Abatement provided by Franklin, has resulted in more job creation overall.

We have also increased our production from 24 hours per day, 6 days per week to 24 hours per day, 7 days per week. This increased production started 7 July 2014.

We continue to work hard to exceed the goals set forth in our Tax Abatement application and request that the City of Franklin be favorable upon our activities and grant us an extension of time to be in full compliance with our tax abatement commitments.

Respectfully


Steven E. Tames, Vice President



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 14 PAY 20 15

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 PREMIUM COMPOSITE TECHNOLOGY NORTH AMERICA, INC. | |
| Address of taxpayer (number and street, city, state, and ZIP code) 2101 COMMERCE PARKWAY, FRANKLIN, IN 46131 | |
| Name of contact person STEVEN TAMES, VICE-PRESIDENT | Telephone number (317) 736-0011 |

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY

| | | |
|--|--------------------------|---|
| Name of designating body THE CITY OF FRANKLIN COMMON COUNCIL | | Resolution number 2009-02 |
| Location of property FRANKLIN | County JOHNSON | DLGF taxing district number 41009 |
| Description of real property improvements: | | Estimated starting date (month, day, year) 06/01/2009 |
| | | Estimated completion date (month, day, year) 06/30/2010 |

SECTION 3 EMPLOYEES AND SALARIES

| EMPLOYEES AND SALARIES | AS ESTIMATED ON SB-1 | ACTUAL |
|--------------------------------|----------------------|--------------|
| Current number of employees | 0 | 70 |
| Salaries | 0.00 | 2,201,127.30 |
| Number of employees retained | 37 | 55 |
| Salaries | 2,100,000.00 | 1,878,302.76 |
| Number of additional employees | 37 | 46 |
| Salaries | 2,100,000.00 | 1,173,960.54 |

SECTION 4 COST AND VALUES

| COST AND VALUES | REAL ESTATE IMPROVEMENTS | |
|---|--------------------------|----------------|
| AS ESTIMATED ON SB-1 | COST | ASSESSED VALUE |
| Values before project | 0.00 | 0.00 |
| Plus: Values of proposed project | 5,350,000.00 | 5,350,000.00 |
| Less: Values of any property being replaced | 0.00 | 0.00 |
| Net values upon completion of project | 5,350,000.00 | 5,350,000.00 |
| ACTUAL | COST | ASSESSED VALUE |
| Values before project | 0.00 | 0.00 |
| Plus: Values of proposed project | 6,880,855.00 | 2,039,800.00 |
| Less: Values of any property being replaced | 0.00 | 0.00 |
| Net values upon completion of project | 6,880,855.00 | 2,039,800.00 |

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 <i>Steven E. Tames</i> | Title VICE-PRESIDENT | Date signed (month, day, year) 02/27/2015 |
|--|--------------------------------|---|



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R / 1-06)

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 Premium Composite Technology North America, Inc. | | | | | | | | | |
| Address of taxpayer (number and street, city, state, and ZIP code) 2101 Commerce Parkway, Franklin, IN 46131 | | | | | | | | | |
| Name of contact person Steven Tames, Vice-President | | | | | | Telephone number (317) 736-0011 | | | |
| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY | | | | | | | | | |
| Name of designating body The City of Franklin Commn Council | | | | | | Resolution number 2009-02 | | | |
| Location of property Franklin | | | | County Johnson | | DLGF taxing district number 41009 | | | |
| Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. Office and Manufacturing Facility | | | | | | Estimated starting date (month, day, year) 06/01/2009 | | | |
| | | | | | | Estimated completion date (month, day, year) 06/30/2010 | | | |
| SECTION 3 EMPLOYEES AND SALARIES | | | | | | | | | |
| EMPLOYEES AND SALARIES | | | | | | AS ESTIMATED ON SB-1 | | ACTUAL | |
| Current number of employees | | | | | | 0.00 | | 70 | |
| Salaries | | | | | | 0.00 | | 2,201,127.30 | |
| Number of employees retained | | | | | | 37.00 | | 55 | |
| Salaries | | | | | | 2,100,000.00 | | 1,878,302.76 | |
| Number of additional employees | | | | | | 37.00 | | 46 | |
| Salaries | | | | | | 2,100,000.00 | | 1,173,960.54 | |
| 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 | | 0.00 | | | | | | | |
| Plus: Values of proposed project | | 8,630,000.00 | | | | | | | |
| Less: Values of any property being replaced | | 0.00 | | | | | | | |
| Net values upon completion of project | | 8,630,000.00 | | | | | | | |
| ACTUAL | | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE |
| Values before project | | 10,784,233.00 | | | | | | | |
| Plus: Values of proposed project | | 13,782.00 | | | | | | | |
| Less: Values of any property being replaced | | | | | | | | | |
| Net values upon completion of project | | 10,798,015.00 | <i>total</i> | | | | | | |
| 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 | | | |
| Amount of hazardous waste converted | | | | | | 0 | | | |
| Other benefits: | | | | | | 0 | | | |
| SECTION 6 TAXPAYER CERTIFICATION | | | | | | | | | |
| I hereby certify that the representations in this statement are true. | | | | | | | | | |
| Signature of authorized representative <i>Steven Tames</i> | | | | Title VICE-PRESIDENT | | | Date signed (month, day, year) <i>27 FEB 02/27/2015</i> | | |

Attachment to Form CF-1 (Compliance with Statement of Benefits)
Expansion Investment Schedule by Quarter
Calendar Year January 1, 2014 thru December 31, 2014

| | Actual Amount of Investment | 2014 Added during Year 2013 by Quarter | | | | Total Amount of Investment Year 2014 | Total Amount of Investment Year 2014 | Proposed Amount of Total Investment by 06/30/2010 | Difference Proposal vs Actual at 12/31/2014 |
|-------------------|-----------------------------------|---|--------------------------|--------------------------|---------------------------|--|--|--|--|
| | | 1st Quarter 3/31/2014 | 2nd Quarter 6/30/2014 | 3rd Quarter 9/30/2014 | 4th Quarter 12/31/2014 | | | | |
| Real Property | \$ 6,880,885.13 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,880,885.13 | \$ 5,350,000.00 | \$ 1,530,885.13 |
| Personal Property | \$ 10,784,232.70 | \$ - | \$ 3,060.66 | \$ - | \$ 10,721.61 | \$ 13,782.27 | \$ 10,798,014.97 | \$ 8,630,000.00 | \$ 2,168,014.97 |
| Totals | <u>\$ 17,665,117.83</u> | | | | | | <u>\$ 17,678,900.10</u> | <u>\$ 13,980,000.00</u> | <u>\$ 3,698,900.10</u> |

13,782.27
+ 10,784,232.70
10,798,014.97

Attachment to Form CF-1 (Compliance with Statement of Benefits)
 Job Creation Schedule by Quarter
 Calendar Year January 1, 2014 thru December 31, 2014

| Actual Number of Employees as of 12-31-2014 (From SB-1) | Actual Number of Employees Added During Year | | | | | Difference Between Actual and Proposed Number of Employees |
|--|--|-----------|-----------|-----------|------------|--|
| | Proposed Employee Total by 12-31-2014 (From SB-1) | 3/31/2014 | 6/30/2014 | 9/30/2014 | 12/31/2014 | |
| 45 | 37 | 2 | 1 | 3 | 4 | 18 |
| | | | | | 55 | |